



APPRAISAL OF REAL PROPERTY

**Delacour Lands (DCASP)
NE, NW, SW & SE; 25; 25; 28; W4M
Delacour, AB**

**IN A FULL NARRATIVE APPRAISAL REPORT
As of December 31, 2013**

**Prepared For:
Mr. Michael Pereira
Genesis Land Development Corp.
7315 – 8 Street NE
Calgary, AB T2E 8A2**

**Prepared By:
Cushman & Wakefield Ltd.
Valuation & Advisory
111 – 5th Avenue SW, Suite 1730
Calgary, AB T2P 3Y6**

**C&W File ID: 14-213-900025.2
CONFIDENTIAL**



GENESIS

Vacant Land

NE, NW, SW & SE; 25; 25; 28; W4M
Delacour, AB

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February 7, 2014

Mr. Michael Pereira
Genesis Land Development Corp.
7315 – 8 Street NE
Calgary, Alberta T2E 8A2

Re: NE, NW, SE & SW; 25; 25; 28; W4M
Delacour, AB

C&W File ID: 14-213-900025.2

Dear Mr. Pereira:

Cushman & Wakefield Ltd. is pleased to transmit this Full Narrative Appraisal Report, estimating the current market value of the above referenced subject property.

By agreement, this is a Full Narrative Appraisal Report, which contains all of the data, reasoning and analysis upon which our value conclusion is based. This document has been prepared in accordance with the Canadian Uniform Standards of Professional Appraisal Practice (The Standards) as adopted by the Appraisal Institute of Canada.

The purpose of this appraisal is to provide an estimate of the market value for the subject land. It is our understanding that the intended use of the appraisal is for distribution to limited partners. This report may not be reproduced, in whole or in part, without our prior written agreement. It is subject to the Assumptions and Limiting Conditions contained in the Addenda, in addition to any in the report.

As a result of our analysis, the market value of the land, subject to the assumptions, limiting conditions, certifications and definitions contained herein at December 31, 2013, is estimated as follows:

FIFTEEN MILLION FOUR HUNDRED THIRTY THOUSAND DOLLARS
\$15,430,000

This estimate of market value is based on an exposure time of six to twelve months.

Respectfully submitted,

CUSHMAN & WAKEFIELD LTD.



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EXECUTIVE SUMMARY

PROPERTY IDENTIFICATION

| Name | : | 617.26 Acres of Development Land | | | | | | | | | | | | | |
|---------------------------------|--------------|--|---------------|--------------|-----------------|--------|-----------------|--------|-----------------|--------|-----------------|--------|-------|--------|--|
| Address | : | N/A | | | | | | | | | | | | | |
| Legal Description and Site Area | : | <table><tr><th>Legal Address</th><th>Size (acres)</th></tr><tr><td>NE 25-25-28 W4M</td><td>160.00</td></tr><tr><td>NW 25-25-28 W4M</td><td>158.97</td></tr><tr><td>SW 25-25-28 W4M</td><td>152.58</td></tr><tr><td>SE 25-25-28 W4M</td><td>145.71</td></tr><tr><td>TOTAL</td><td>617.26</td></tr></table> | Legal Address | Size (acres) | NE 25-25-28 W4M | 160.00 | NW 25-25-28 W4M | 158.97 | SW 25-25-28 W4M | 152.58 | SE 25-25-28 W4M | 145.71 | TOTAL | 617.26 | |
| Legal Address | Size (acres) | | | | | | | | | | | | | | |
| NE 25-25-28 W4M | 160.00 | | | | | | | | | | | | | | |
| NW 25-25-28 W4M | 158.97 | | | | | | | | | | | | | | |
| SW 25-25-28 W4M | 152.58 | | | | | | | | | | | | | | |
| SE 25-25-28 W4M | 145.71 | | | | | | | | | | | | | | |
| TOTAL | 617.26 | | | | | | | | | | | | | | |
| Property Ownership: | : | All four parcels have been owned by GP LPLP 2007 Inc. since November 21, 2007 when they were purchased for a total consideration of \$31,385,500 from Worthington Properties Inc. To our knowledge, there have been no other transfers in the three years preceding this valuation. The market has generally declined since the purchase. | | | | | | | | | | | | | |
| Title Instruments | : | We have completed a cursory review of the subject property's title. Each title has a utility right of way for Rocky View Gas Co-op Ltd. and mortgage related instruments. We do not anticipate that the registered instruments will affect the marketability and development of the property. For greater certainty, a legal opinion should be obtained. | | | | | | | | | | | | | |
| Land Use | : | RF- Ranch and Farm District R2 – Residential Two District | | | | | | | | | | | | | |

VALUE ESTIMATE

| | | |
|---------------------------------|---|---------------------|
| Market Value Estimate (Rounded) | : | \$15,430,000 |
| Valuation Assumptions | : | None |

PROPERTY DESCRIPTION

| | | |
|----------|---|---|
| Type | : | Mid – long term development land |
| Location | : | The subject properties are located both in and out of the small Hamlet of Delacour, located approximately ten kilometers northeast of the Calgary city limits. The general boundaries of the subject property are Highway 564 to the south, Range Road 281 to the west and Highway 791 to the east. |

LOCATION CHARACTERISTICS

| | | |
|------------------|---|--|
| Surrounding Uses | : | Surrounding uses are primarily farmland. |
|------------------|---|--|

EXTRAORDINARY ASSUMPTIONS

For a definition of Extraordinary Assumptions please see the Glossary of Terms & Definitions.

HYPOTHETICAL CONDITIONS

For a definition of Hypothetical Conditions please see the Glossary of Terms & Definitions.

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INTRODUCTION

PURPOSE AND INTENDED USE OF THIS APPRAISAL

The purpose of this appraisal is to estimate the current market value of the subject property. It is our understanding that the intended use of the appraisal is for distribution to limited partners. This report may only be relied upon by Genesis Land Development Corporation.

PROPERTY IDENTIFICATION

A municipal address for the subject property is not available.

The subject property is legally described as follows:

| Legal Address | Size (acres) |
|-----------------|---------------|
| NE 25-25-28 W4M | 160.00 |
| NW 25-25-28 W4M | 158.97 |
| SW 25-25-28 W4M | 152.58 |
| SE 25-25-28 W4M | 145.71 |
| TOTAL | 617.26 |

ASSUMPTIONS AND LIMITING CONDITIONS

The report is subject to the Assumptions and Limiting Conditions contained in the Addenda, in addition to specific assumptions which may be stated in the body of the report.

EXTRAORDINARY ASSUMPTIONS

No Extraordinary Assumptions or Hypothetical Conditions have been employed.

PROPERTY OWNERSHIP

Based on title nos. 071568779 and 071568778, all four parcels have been owned by GP LPLP 2007 Inc. since November 21, 2007 when they were purchased for a total consideration of \$31,385,500 from Worthington Properties Inc. To our knowledge, there have been no other transfers in the three years preceding this valuation.

EFFECTIVE DATE OF APPRAISAL

The effective date of the appraisal is December 31, 2013.

PROPERTY RIGHTS APPRAISED

The legal interest appraised is the fee simple estate - defined as absolute ownership unencumbered by any other interest or estate, subject only to the limitations imposed by the governmental powers of taxation, eminent domain, police power and escheat.

SCOPE OF THE APPRAISAL

In forming our opinion as to the market value of the subject as of the valuation date, we have relied on information which is detailed in this report, to the extent deemed appropriate, and carried out the following specific functions:

- Made an inspection of the property that is the subject of this report on December 16, 2013;
- Considered information with respect to sales and listings, at or about the valuation date, of properties considered similar to the subject, where we have significant knowledge of such sales and listings and to assess them as being relevant to our opinion, as set out herein. While we believe our review to be reasonably complete, we cannot warrant that we have:
 - i) uncovered and assessed every real property transaction at or about the valuation date that might be said to bear on the determination of the market value of the subject, or
 - ii) fully discerned the motives behind the sales, listings and lease information considered in our analysis, such that our weighting of said information is without subjectivity;
- Reviewed land use regulations, in particular the Land Use By-Law , applicable to the subject;
- Examined the possibility of making any significant changes to the subject in terms of existing uses, land severance and/or additional development of the site;
- Ascertained the highest and best use of the property;
- Examined market conditions and analyzed their potential effect on the property; and
- Conducted discussions with market participants regarding the property.

DEFINITION OF MARKET VALUE

The Canadian Uniform Standards of Professional Appraisal Practice (The Standards) adopted by the Appraisal Institute of Canada define Market Value as:

The most probable price which a property should bring in a competitive and open market under all conditions requisite to a fair sale, the buyer and seller each acting prudently and knowledgeably, and assuming the price is not affected by undue stimulus.

Implicit in this definition is the consummation of a sale as of a specified date and the passing of title from seller to buyer under conditions whereby:

- Buyer and seller are typically motivated;
- Both parties are well informed or well advised and acting in their own best interests;
- A reasonable time is allowed for exposure in the market;

- Payment is made in cash in Canadian dollars or in terms of financial arrangements comparable thereto; and
- The price represents the normal consideration for the property sold, unaffected by special or creative financing or sales concessions granted by anyone associated with the sale.

REASONABLE EXPOSURE TIME

Exposure time is always presumed to precede the effective date of the appraisal. It may be defined as:

The estimated length of time the property interest being appraised would have been offered on the market prior to the hypothetical consummation of a sale at market value on the effective date of the appraisal. It is a retrospective estimate based upon an analysis of past events assuming a competitive and open market.

Based on discussions with various investors and real estate brokers familiar with assets such as the subject, and based on an analysis of comparable sales utilized in this valuation and an analysis of current listings, it is our estimate that the subject would require a six to twelve month exposure period.

PROPERTY DETAILS

NEIGHBORHOOD ANALYSIS

LOCATION

The subject properties are located both in and out of the small Hamlet of Delacour, located approximately ten kilometers northeast of the Calgary city limits. The general boundaries of the subject property are Highway 564 to the south, Range Road 281 to the west and Highway 791 to the east.

TRANSPORTATION SYSTEMS (BUS, RAPID RAIL, ETC.)

This area is not serviced by the bus system.

TRAFFIC (TRAFFIC COUNTS, IF PERTINENT)

None

PLANNED CHANGES IN ROAD NETWORK

None

NEARBY AND ADJACENT USES

The subject's local area is composed of ranch and farmland, as well as acreages.

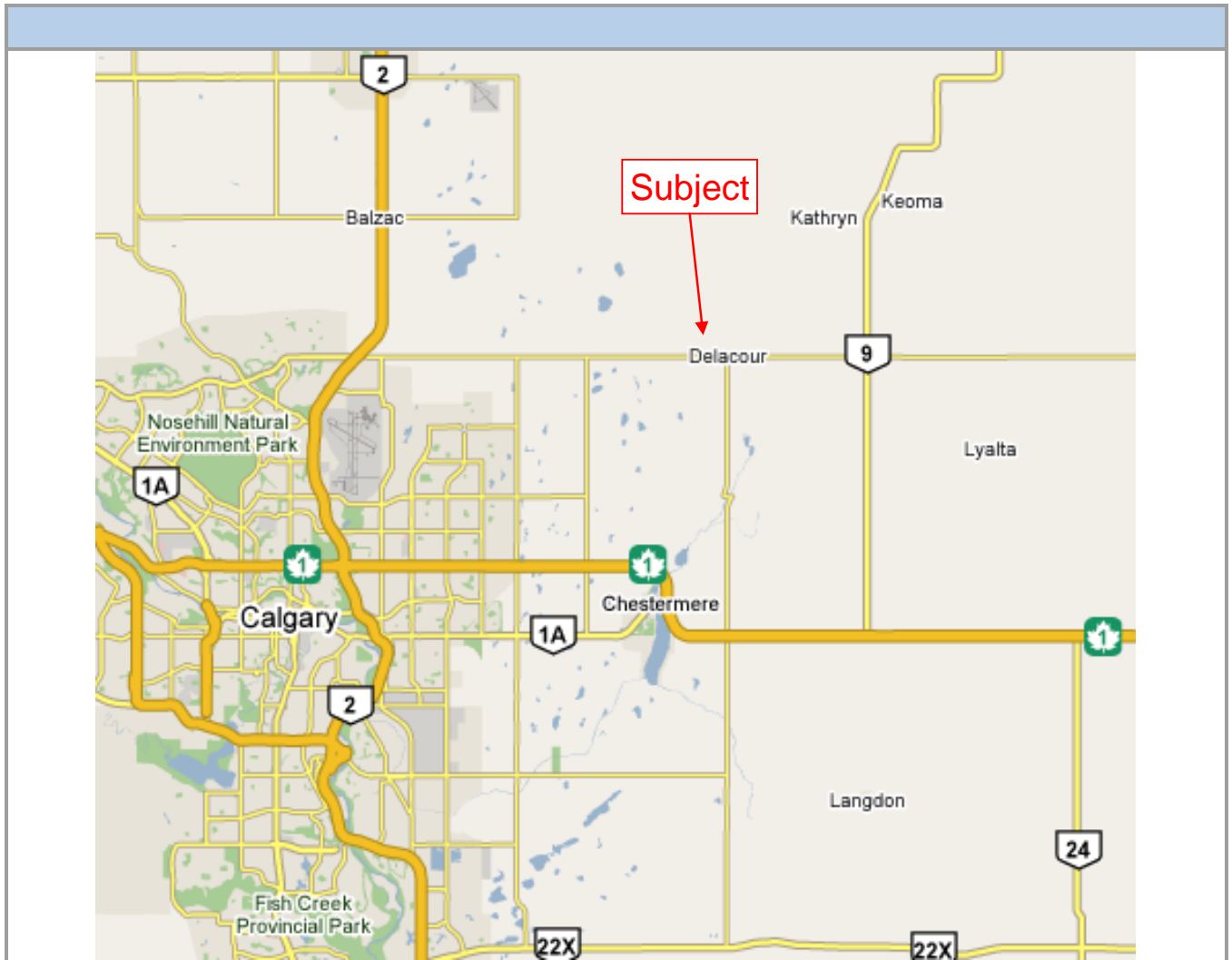
LOCAL AREA CHARACTERISTICS

- The Hamlet of Delacour was originally a railway settlement dating back to 1914. Recent growth has been minimal however the County has outlined the policy will be to support the development of the Hamlets (including Delacour) as rural communities with basic services and moderate growth is expected for this area over the next ten years.
- Area has historically been used for agricultural purposes.
- The northeast and southeast quarter sections of the subject property are located in the Delacour Community Area Structure Plan (DCASP) which was adopted on September 13, 2005 by the Municipal District of Rocky View No. 44.

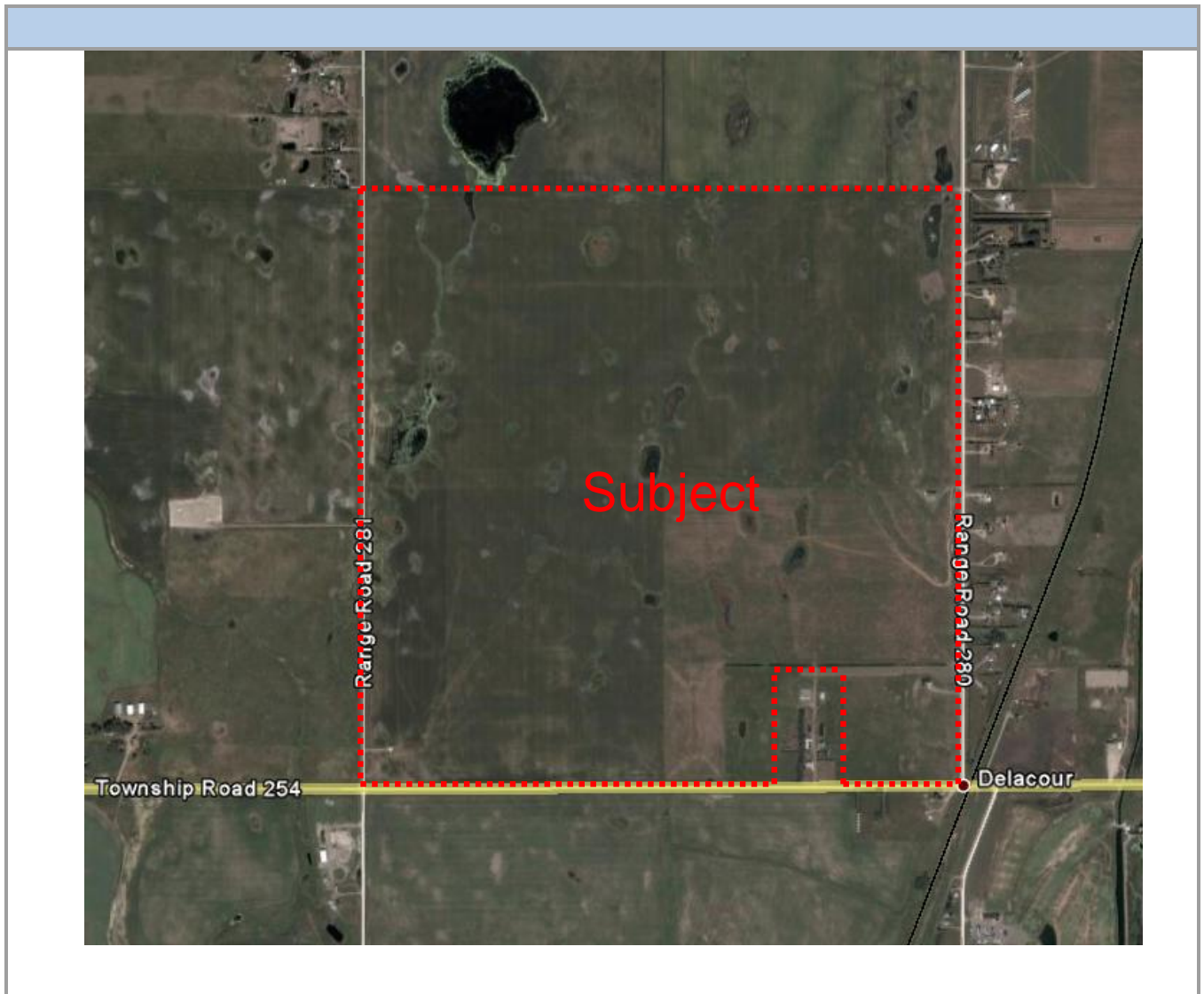
CONCLUSION

The subject site is well located for development in the mid to long term.

REGIONAL MAP

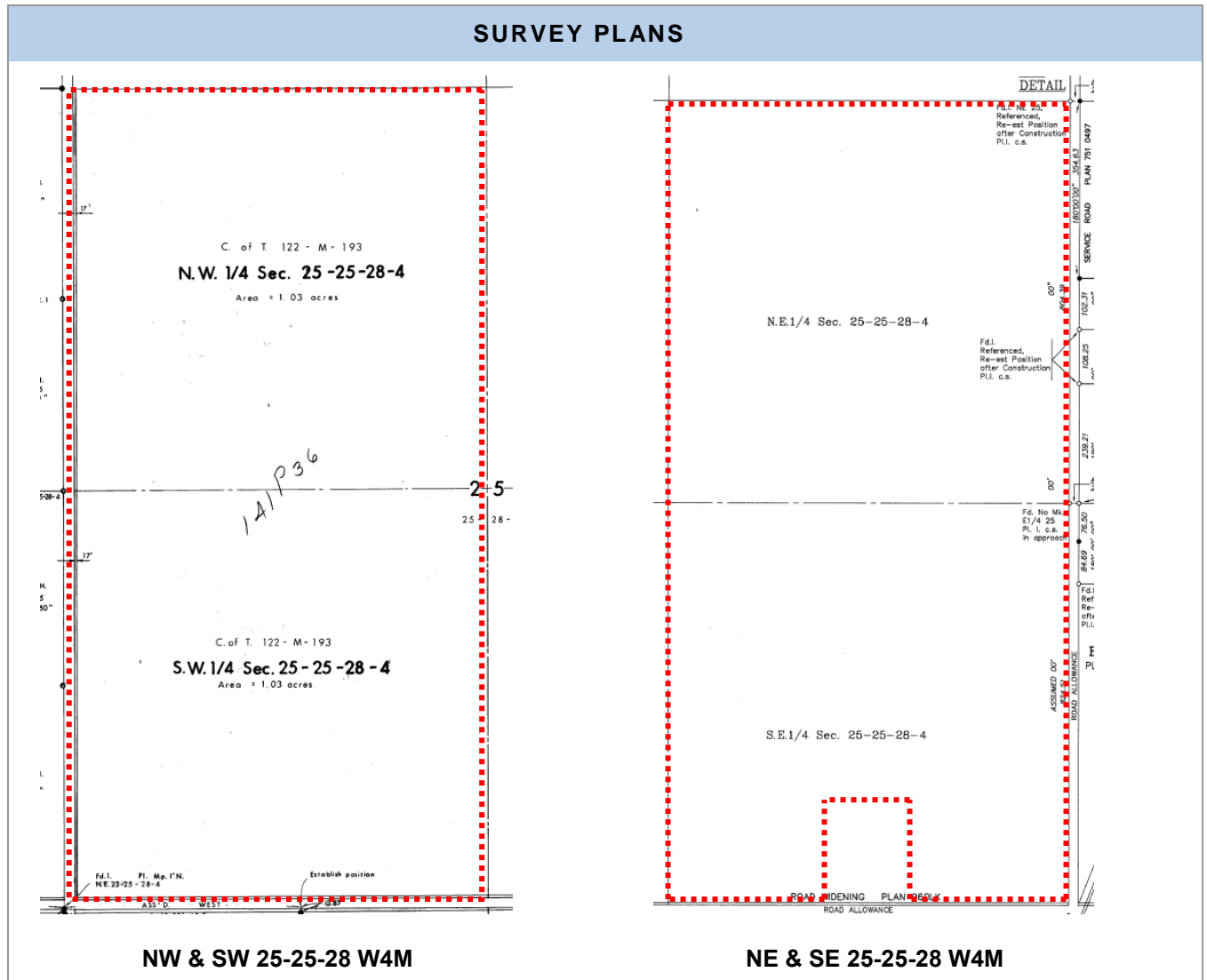


LOCAL AREA MAP



SITE DESCRIPTION

SURVEY PLANS



Lot Details : Shape : Square

| Total Area | | Legal Address | Size (acres) |
|------------|--|-----------------|---------------|
| | | NE 25-25-28 W4M | 160.00 |
| | | NW 25-25-28 W4M | 158.97 |
| | | SW 25-25-28 W4M | 152.58 |
| | | SE 25-25-28 W4M | 145.71 |
| | | TOTAL | 617.26 |

Easements and/or Rights of Way : There are several instruments registered on the subject titles and are assumed not to have any impact on the marketability of the subject sites. For greater certainty, a legal opinion should be obtained.

Topography : The sites are mainly level with gentle undulations and are at grade with adjacent properties and roadways.

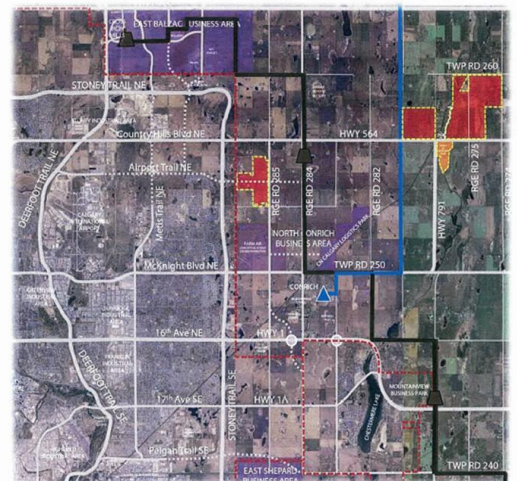
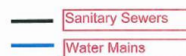
Access : The sites are currently accessed off of Range Road 281, Range Road 280, and Township Road 254.

Sub Soil : No soil analysis has been made in conjunction with this report. Soil bearing and drainage qualities are assumed to be adequate for the residential development.

Municipal Services : The Conrich Water Servicing Project has recently been completed with water infrastructure in place to serve residential and commercial developments in the Conrich area. This line runs from the existing East Balzac Water Treatment Plan to the Conrich area. As the line borders the subject property on the west side of the parcel, tying in via feeder mains would be feasible for the subject property upon completion of upgrades to the infrastructure to this particular location.

STRATEGIC LAND HOLDING LOCATIONS

- North Conrich Business Area
- Delacour Community



The Rocky View County Plan (2013) outlines services in Hamlets will remain rural in nature and not necessarily equivalent to those in urban municipalities, therefore portions of the subject property may not have access to servicing in the short term.

The general concept of storm management will be to collect and harvest using a combination of gutters in the road ways and a system of “stream bed” or grassed swales contained in the Village’s open-space system. Storm water will be managed through a comprehensive drainage system of direct overland conveyance to pools and wetlands which will assist in treating storm water before re-using.

Shallow utilities such as natural gas and electricity will be extended to each lot within the development and are the responsibility of the developer. Alternative energy supply options for the Village will be explored and proposals submitted at the subdivision stage of the approval process.

It should be noted that the storm management and utility services discussed above, apply only to those sections of the subject property within the Delacour Conceptual Scheme; the remaining portion of the subject lands will not have access to these services in the short term.

Environmental Matters:

Cushman & Wakefield Ltd. has no expertise or responsibility regarding environmental matters. A phase one environmental study has been reportedly completed with no known issues. A copy of the environmental report was not provided to the author of this report.

LAND USE BYLAW

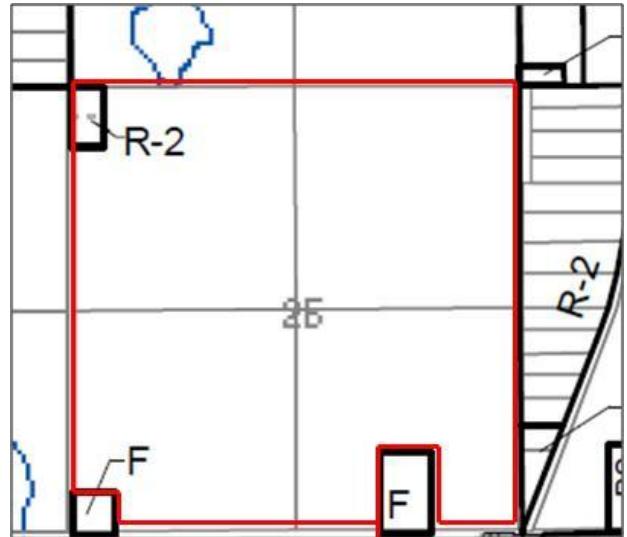
According to the current Land Use By-law, the subject properties are classified as RF, Ranch and Farm District. The purpose and intent of this district is to provide for agricultural activities as the primary land use on a quarter section of land or on large balance land from previous subdivisions. Permitted uses include accessory buildings, general agriculture, accessory dwellings to agriculture uses, and home based business. Discretionary uses include a variety of small businesses. The minimum parcel size is 160.0 acres or the area in title at the time of passage of the Bylaw.

A portion of the NW quarter of the subject property is classified as R-2, Residential Two District with a purpose of providing a residential use on a small parcel of land which accommodates minor agricultural pursuits and required accessory buildings. Permitted uses include accessory buildings less than 150.0m², single detached dwellings, home based businesses, keeping of livestock and private swimming pools. Discretionary uses include bed and breakfast homes, child care facilities, commercial communication facilities, move-in dwellings, home-based businesses, hobby kennels and medical practices, to name a few.

The northeast and southeastern quarter sections of the subject property are located in the Delacour Community Area Structure Plan (DCASP). Within the DCASP, the subject properties' future use is an Agricultural Transition Area.

The Agricultural Transition Area was determined on the basis that the properties are still in agricultural use, remain largely un-subdivided and contain soils having few limitations for agricultural production. It is possible that these lands could stay in agricultural production in the long-term. However, due to the proximity to existing residential areas, available highway access, and necessity to be planned properly as interface between hamlet uses, existing residential, and agricultural lands it is anticipated that these lands will begin to transition away from a primary agricultural use.

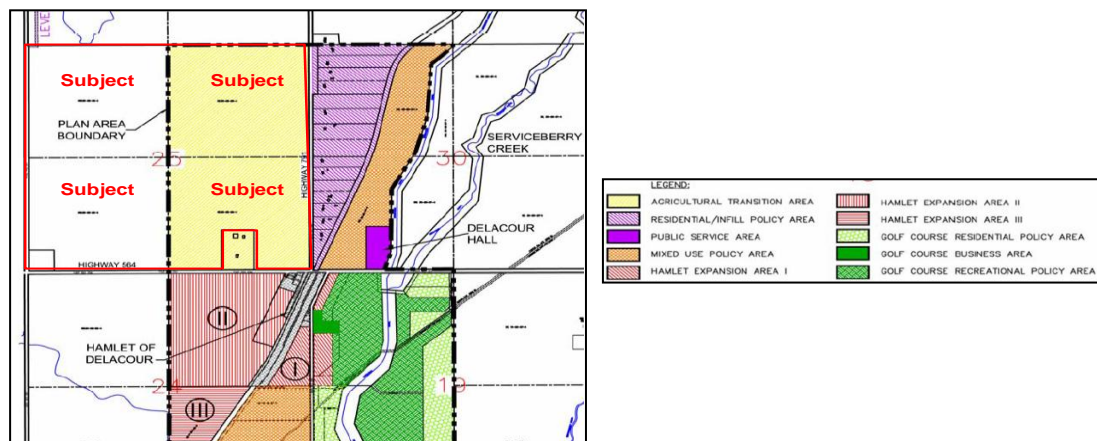
- a) Lands identified within the Agricultural Transition Area may remain agricultural use. Premature conversion of these lands to other uses should be discouraged.
- b) Conversion of Agricultural Transition Area lands is identified as residential or local commercial in nature, and requires the following:
 - a. the proposed land use must be consistent with the policies in the Rocky View County Municipal Development Plan;
 - b. any necessary road widening for Highway 791 and Highway 564 is fully dedicated from the lands identified within the Agricultural Transition Area;
 - c. the proposed development is subject to the General Policy Section 5.1 in the DCASP requiring Concept Plans; and
 - d. the proposed development must be supported by communal and/or piped water and wastewater servicing.



The Rocky View County Municipal Development Plan (MDP) was enacted by The Municipal District of Rocky View No. 44, Bylaw c-4840-97 on July 6, 1998, in accordance with Section 632 of the Municipal Government Act.

Three of the goals stated in the Rocky View County MDP are:

- To facilitate residential developments which create safe and livable environments,
- To encourage and facilitate appropriately-located business development, which contributes to the economy of the Municipality and,
- To facilitate the growth of certain hamlets in accordance with sound land use planning.



ASSESSMENT

The following is the 2013 property assessment for the subject properties. As it was assessed as farmland, the values are substantially lower than our current estimate of market value as concluded in this report.

| Legal Description | Size (acres) | Description | Assessment 2012 |
|---------------------|---------------|-----------------|-------------------|
| NE; 25; 25; 28; W4M | 160.00 | Vacant Farmland | \$ 42,730 |
| NW; 25; 25; 28; W4M | 158.97 | Vacant Farmland | \$ 42,430 |
| SW; 25; 25; 28; W4M | 152.58 | Vacant Farmland | \$ 42,180 |
| SE; 25; 25; 28; W4M | 145.71 | Residential | \$ 305,530 |
| | | Farm Residence | \$ 440,760 |
| | | Farmland | \$ 35,680 |
| | | Exempt | \$ (92,310) |
| Total | 617.26 | | \$ 817,000 |

MARKET ANALYSIS

CANADA - ECONOMIC OVERVIEW

THE CANADIAN ECONOMY

With a population of 34.8 million and an annual population growth rate estimated at 1.1 percent, the Canadian economy is the 8th largest in the world. Geographically, Canada is the second largest country in the world at almost 10.0 million km² (or 3.9 million square miles) and has the longest coastline and longest border with another country, the United States.



Known to be rich in natural resources, Canada has vast stores of iron ore, nickel, zinc, copper, gold, lead, diamonds, silver, coal, petroleum, natural gas, and is a leading producer of hydropower. Notably, with 180.0 billion barrels of proven oil reserves, Canada has the second largest reserve in the world, next to Saudi Arabia.

OVERALL TRENDS

Canada's economy rebounded in July, growing at 0.6 percent, the fastest monthly pace in two years. The recovery was primarily driven by improvements in the construction, manufacturing and energy sectors, according to Statistics Canada. Strong economic growth in July is set to raise the annualized GDP growth rate to 2.0 percent in the third quarter of 2013, up from 1.7 percent in the second quarter. Housing markets also strengthened in the third quarter, and consumer and business confidence picked up. While exports of consumer goods posted solid gains, exports of motor vehicles and parts were losing strength. Moreover, the recent U.S. government shutdown may have a negative impact on the Canadian economy in the near term.

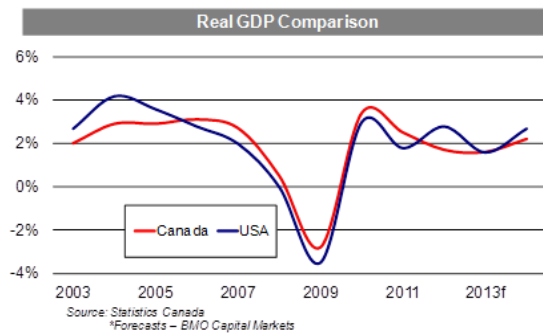
Employment in Canada was up 1.2 percent in September 2013 compared with 12 months ago. Employment gains were led by the construction (+6.5 percent), natural resources (+4.7 percent), and professional, scientific and technical services (+4.0 percent) industries. Conversely, the manufacturing and public administration industries posted year-over-year losses of 4.1 and 3.6 percent, respectively. The housing market rebounded in September, driven by a surge in multi-family starts. Total housing starts in Canada were trending at 194,000 units in September on an annualized basis, up by 5.3 percent over August. Lastly, the latest retail sales statistics showed a 2.7 percent year-over-year increase in August. TD Economics expect the annualized retail sales growth rate to trend at 2.3 percent in the third quarter, slightly below the 3.8 percent annualized rate recorded in the second quarter.

| CANADIAN ECONOMIC INDICATORS | | |
|------------------------------|---------|------------|
| | Q3 2013 | Y/Y Change |
| Real GDP | 1.6% | ↓ |
| Unemployment | 7.1% | ↓ |
| Employment Growth | 1.2% | █ |
| Retail Sales Growth | 2.3% | ↓ |
| Housing Starts (000's) | 185 | ↓ |

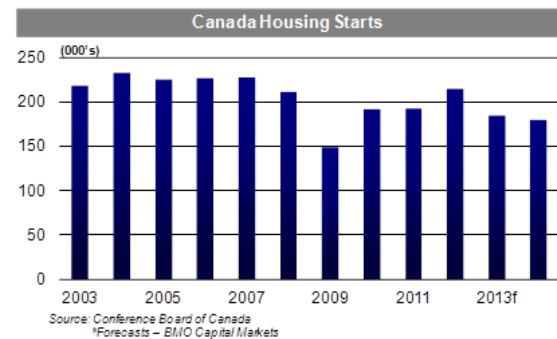
BMO Capital Markets, TD Economics

FUTURE CONSIDERATIONS

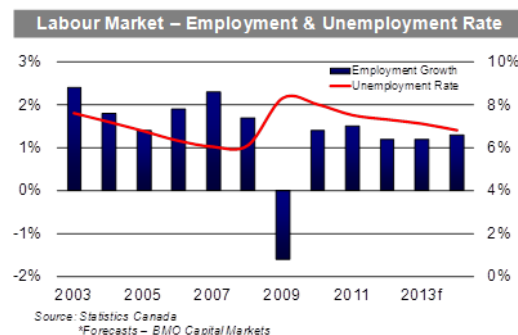
The recent U.S. government shutdown is expected to have a knock-on effect on the Canadian economy in the near term. Accordingly, a downgrade in the U.S. economic outlook will likely translate into weaker export gains than previously expected. BMO Nesbitt Burns project "modest upward revisions" in late 2014 and early 2015. On the other hand, resurgence in consumer spending and residential investment sets the overall economic growth on par with the previous forecast – at 1.6 percent. TD Economics expect a moderate improvement in the exports sector starting in 2014 with growing momentum in 2015.



- Real GDP in Canada is likely to maintain its slow growth pace from last year growing 1.6 percent in 2013, before improving to 2.2 percent in 2014. According to TD Economics, net exports were a drag on the overall economic growth in the second quarter, and could continue to weigh on growth in the third quarter.
- Exports of motor vehicles and parts were losing strength over the first half of 2013, as investment from south of border remained weak. The Canadian auto sector faced several headwinds including growing vehicle manufacturing in Mexico.



- According to BMO Capital Markets, housing starts in Canada averaged 191,000 units (annualized rate) in the third quarter of 2013, on par with the 190,000 units in the second quarter but significantly higher than the 175,000 units in the first quarter. The gain is consistent with increasing sales of existing homes, which have trended higher since February 2013.
- BMO Capital Markets forecast Canadian housing starts to soften to 186,000 units in the last quarter of 2013, leading to an annual average rate of 185,000 units in 2013, down 14.0 percent over the peak time in 2012.



- About 12,000 new jobs were created in September, with the unemployment rate edging down to a 5-year low at 6.9 percent. BMO Capital Markets expect employment growth in Canada to average 1.2 percent in 2013 while slightly improve to 1.3 percent in 2014.
- The unemployment rate is forecast to average 7.1 percent in 2013, and further drop to 6.8 percent in 2014.



- Retail sales in Canada rose 0.2 percent in August, the fourth monthly gain in the past five months, according to TD Economics. On a year-over-year basis, retail sales were up 2.7 percent in August.
- The rebound in consumer spending can be partly attributed to the resurgence in the housing market. However, with housing activity likely to subside by the end of the year, along with modest job creation and elevated debt levels, TD Economics forecast a 2.6 percent annual average growth rate for 2013, a slight improvement from 2.5 percent in 2012.

ALBERTA - ECONOMIC OVERVIEW

THE ALBERTA ECONOMY



As of July 1, 2013, Alberta's population was an estimated 4.0 million, an increase of 3.5 percent over the same month last year. The Conference Board of Canada forecast Alberta's population will continue to grow reaching nearly 4.1 million by the end of 2015.

Alberta is known as Canada's "energy province", with more than 80.0 percent of the country's reserves of conventional crude oil, over 90.0 percent of its natural gas, and all of its bitumen and oil-sands reserves. Furthermore, Alberta is the world's second largest exporter of natural gas and the fourth largest producer. Not surprisingly, Alberta's energy sector represents more than a quarter of the province's GDP, proportionally the largest of any of the economic sectors.

OVERALL TRENDS

Real GDP in Alberta is expected to grow 2.8 percent this year, up from 2.6 percent in 2012, based on BMO Capital Markets October forecast. The economy has demonstrated many positive signs so far this year. According to RBC Economics, crude oil production in Alberta was at its record growth pace as of this spring; merchandise exports grew 4.8 percent year-over-year over the first seven months of 2013; total employment was up 3.6 percent year-over-year in August; population hit the strongest growth rate since 1982 at 3.5 percent year-over-year in July; retail sales rose by an impressive 6.5 percent over the first half of this year.

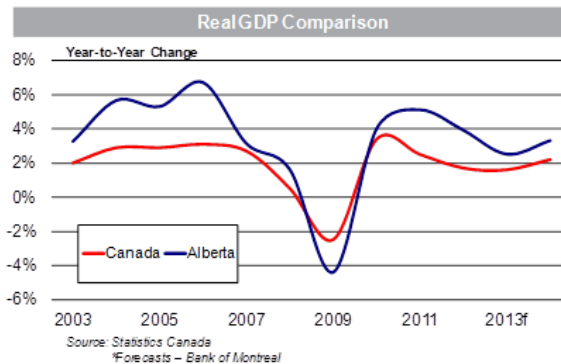
The "bitumen bubble" earlier this year has burst as the price difference between the Western Canadian Select (WCS) and the West Texas Intermediate (WTI) narrowed to \$24.00/barrel in August, down from \$41.00/barrel in January. The recent relief in pipeline bottleneck issues helped to narrow the price difference. Accordingly, the higher-than-expected crude oil pricing has offset economic slowdowns in June and early July as a result of the flood. Moreover, the job market witnessed improved strength in August, demonstrated by a 3.6 percent year-over-year increase in the total employment. This was the fourth significant increase in employment in the last five months, according to Statistics Canada. Nearly 80.0 percent of the job gains from July to August were in the services-producing sector. Last but not the least, although the standalone housing starts in August were 7.0 percent below the same month last year, the cumulative starts from January to August were up 6.3 percent over the same period last year.

| ALBERTA ECONOMIC INDICATORS | | |
|------------------------------------|------------|---------------|
| | Q3 2013 | Y/Y Change |
| GDP | 2.5% | ↓ |
| Unemployment | 4.6% | ↓ |
| Employment Growth | 2.8% | ↑ |
| WTI Crude Oil (\$US per barrel) | \$98.96 | ↑ |
| Natural Gas (\$US MMBtu's) | \$3.71 | ↑ |
| Housing Starts (000's) | 36.0 | ↑ |

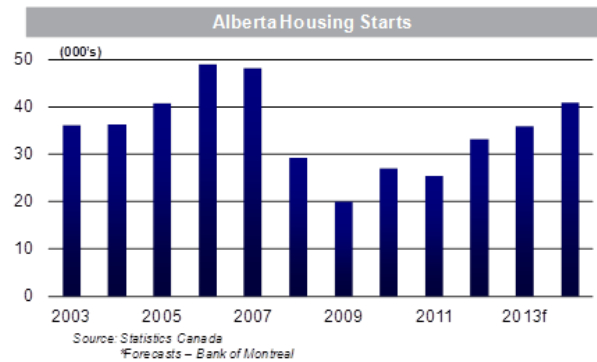
Source: BMO Capital Markets, U.S. Energy Information Administration

FUTURE CONSIDERATIONS

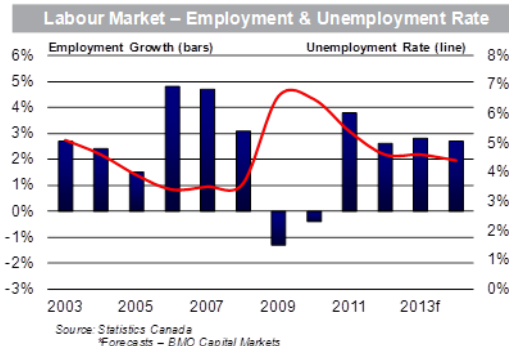
Alberta's economy is expected to further benefit from increasing capital investments in the oil sands next year, since the earlier "bitumen bubble" has now largely receded. In addition, given a relatively strong price for oil, oil production is projected to increase at "a still healthy but slightly decelerated sub-10.0 percent rate over the 2014-15 period", according to TD Economics. Moreover, sustained strength in the labor and housing markets will likely continue to drive growth over 2014 and 2015.



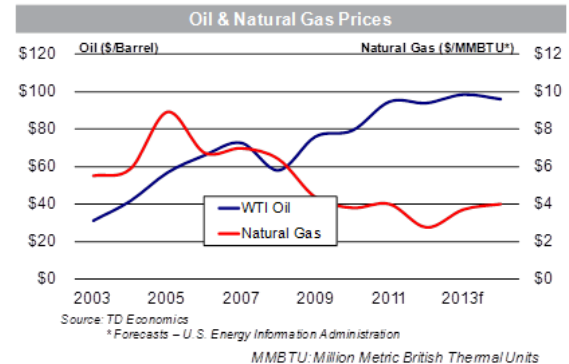
- Alberta has been the growth driver in Canada over the past two years. In 2013, Alberta is expected to continue to post the highest GDP growth rate in Canada, at 2.5 percent, nearly one percentage point above the national average.
- The approval of Keystone XL pipeline is critical to future economic growth in Alberta, as the energy sector accounts for more than one quarter of the province's GDP. Given a great chance of success, Alberta's GDP is forecast to rise by 3.3 percent in 2014, up by 80 bps from 2013.



- Strong population growth in Alberta is expected to continue to drive residential construction in the province. BMO Capital Markets project housing starts in Alberta to climb up 8.1 percent over last year to 36,000 units in 2013, before making another 13.8 percent increase to 41,000 units in 2014.
- Single-family starts in Alberta were up by 5.7 percent over the first eight months of 2013, compared to the same period last year. The multi-family sector recorded a stronger growth rate of 7.0 percent for the same time period.



- As of August 2013, the largest employment gains were recorded in information, culture and recreation (+35.8 percent), professional, scientific and technical services (+17.4 percent), and agriculture (+13.6 percent), on a year-over-year basis. In contrast, the utilities sector recorded the worst job loss of 20.9 percent.
- BMO Capital Markets expect employment growth in Alberta to average 2.8 percent in 2013, and to maintain a similar growth pace in 2014. Accordingly, the unemployment rate will likely drop to 4.4 percent in 2014 from an anticipated rate of 4.6 percent in 2013.



- The U.S. Energy Information Administration (EIA) projects West Texas Intermediate (WTI) crude oil prices to average \$101.00/barrel over the fourth quarter of 2013 while slightly soften to \$96.00/barrel over 2014.
- EIA expects the annual average price for Henry Hub natural gas to increase to \$3.71/MMBtu in 2013 from \$2.75/MMBtu in 2012, and to continue to climb to \$4.00/MMBtu in 2014.

CALGARY - ECONOMIC OVERVIEW

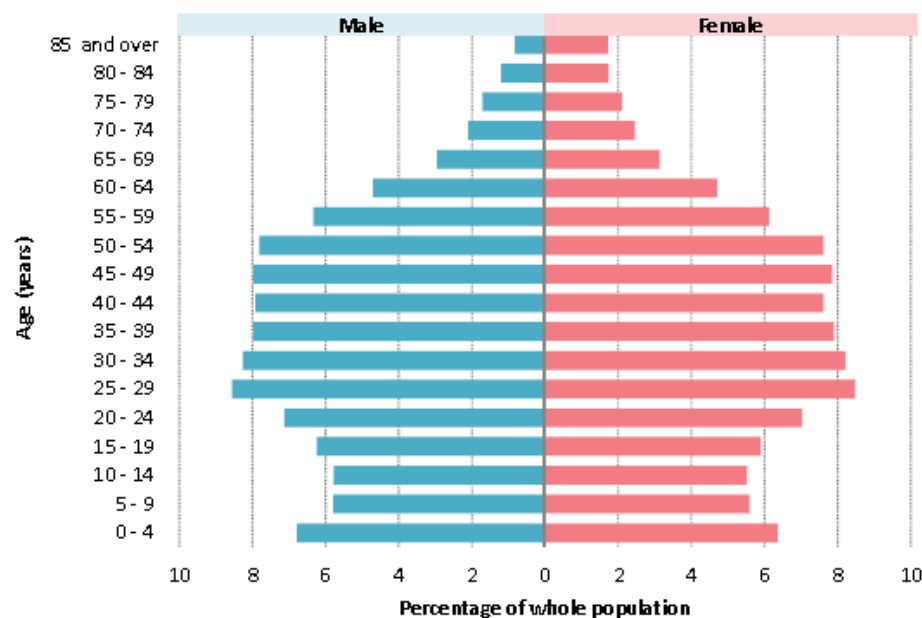
THE CALGARY ECONOMY



Calgary is the largest city in the Province of Alberta and is the third largest municipality by population in Canada. Economic activity in Calgary is mostly centered on the petroleum industry; however, agriculture, tourism and high-tech industries also contribute to the city's strong economic climate. In addition, the nearby towns of Canmore, Banff and Lake Louise are also becoming increasingly popular as resort town destinations with positive repercussions as a result.

Calgary is the fourth largest metropolitan area in Canada, between Vancouver and Edmonton. According to the 2013 municipal census conducted by the City of Calgary, the Calgary CMA has an estimated population of 1,149,552, up 29,327 residents (2.6%) from the 2012 municipal census which reported a population of 1,120,225.

According to the age distribution in Calgary, the first of the baby boomers have started to enter into the age of retirement. Over the next 10 years, the number of retirees in Calgary will double. Currently those who are within the 5 to 20 years old age group will enter the work force during the time when the number of retirees is to double. The youth of today will face a challenging time supporting the large and growing retired population.



KEY ECONOMIC INDICATORS

EMPLOYMENT VS. UNEMPLOYMENT

According to Statistics Canada, total employment in the Calgary Economic Region (CER) for December was 790,600, up 2,900 from November. The unemployment rate rose marginally to 4.7% in December 2013 from 4.6% the previous month. The participation rate for the CER in November 2013 was 74.2%, up from 73.8% in November 2012 and well above the national rate of 66.7% and the Alberta rate of 73.4%.

According to the City of Calgary, full-time employment grew by 15,700, and part-time employment increased by 20,100 over the past 12 months. The most significant gains in employment year over year for 2013 were in Constructions (22,300) and Computer System design services (13,200) sectors.

| CER (Seasonally adjusted 3-Month moving average) | | | |
|--|---------------|---------------|---|
| Indicator - Calgary Economic Region | December 2013 | November 2013 | December 2012 to December 2013 YOY Change |
| Employment | 790,600 | 787,700 | 3.9% |
| Unemployment Rate (%) | 4.7% | 4.6% | -- |

Source: Statistics Canada, December 2013

BUILDING PERMITS

Total building permit values increased year-over-year, as of November, from \$5,570 million to \$4,183 million (33.2%). Residential building permit values have continued to increase in 2013 with a 32.6% year-over-year growth in value. Likewise, Non-Residential permit values have grown 33.9% year-over-year.

| Calgary Economic Region Building Permits | | | | | | |
|--|----------------------------|----------------------------|-------------------|----------|------------|-------|
| Indicator - CMA Building Permits | Year to Date November 2013 | Year to Date November 2012 | YTD Cumulative | | YOY Change | |
| | | | 2013 | 2012 | | |
| | | | Number of permits | | Number | % |
| Total (\$ Millions) | 5,570.0 | 4,183.0 | 16,875.0 | 15,644.0 | 1,387.0 | 33.2% |
| Residential (\$ Millions) | 3,205.0 | 2,417.0 | 13,998.0 | 12,845.0 | 788.0 | 32.6% |
| Non-Residential (\$ Millions) | 2,365.0 | 1,766.0 | 2,877.0 | 2,799.0 | 599.0 | 33.9% |

Source: City of Calgary, November 2013 statement

MAJOR PROJECTS

The project sectors with the highest value as of January 2013 were Commercial/Retail (\$7.19 billion), Institutional (\$3.10 billion) and Power (\$3.06 billion).

Leading developments among Calgary's major projects include Stonegate Landing by WAM Development Group and AIMCo, as well as the international Transborder Concourse by the Calgary Airport Authority.

As of January 2013 the top 10 projects by value in Calgary, as per the Government of Alberta, are as follows:

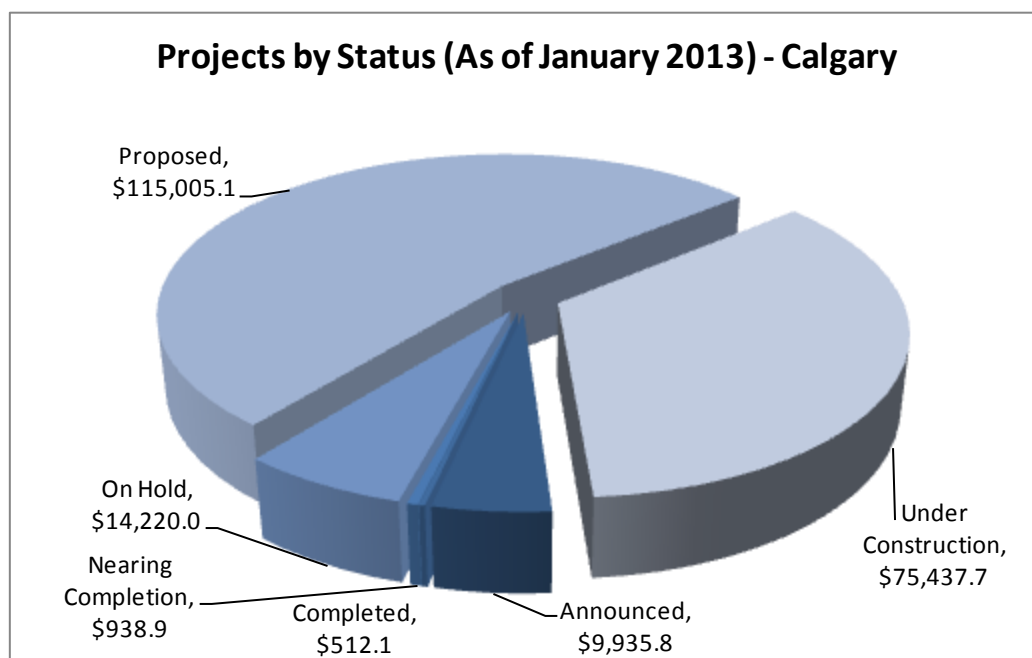
| Top 10 Calgary Projects by Value | | | | | |
|-------------------------------------|---|---------------------|--------------------|-----------------------|--|
| Project Description | Company Name | Cost in \$ Millions | Status | Construction Schedule | |
| Stonegate Landing | WAM Development Group / AIMCo | 3000 | Under Construction | 2010-2021 | |
| Western Alberta Transmission Line | AltaLink Management Ltd. | 1650 | Under Construction | 2013-2015 | |
| International Transborder Concourse | Calgary Airport Authority | 1427 | Under Construction | 2011-2015 | |
| Shepard Energy Centre | ENMAX Energy Corp. / Capital Power Corp. | 1400 | Under Construction | 2011-2015 | |
| Calgary Cancer Project | Government of Alberta / Alberta Cancer Foundation | 1200 | Proposed | 2015 | |
| Brookfield Place Calgary | Brookfield Properties Ltd. | 1000 | Under Construction | 2013-2017 | |
| Quarry Park | Remington Development Corp. | 1000 | Under Construction | 2006-2015 | |
| North - South Parallel Runway | Calgary Airport Authority | 620 | Under Construction | 2011-2014 | |
| Foothills Medical Centre Upgrade | Alberta Health and Wellness | 551 | Under Construction | 2006-2014 | |
| Oxford Airport Business Park | Oxford Properties | 500 | Under Construction | 2011-2019 | |

Source: Government of Alberta

The number of projects currently in process for each category is noted below.

| Project Count as of January 2013 | |
|-------------------------------------|--------------------|
| Industry Type | Number of Projects |
| Commercial / Retail | 46 |
| Commercial / Retail and Residential | 4 |
| Infrastructure | 28 |
| Institutional | 29 |
| Power | 3 |
| Residential | 65 |
| Tourism / Recreation | 28 |
| Total | 203 |

Source: Government of Alberta



INVESTMENT

According to the PriceWaterhouseCoopers' annual Emerging Trends in Real Estate, 2013 edition, the City of Calgary have been ranked first in investment prospects, beating out cities like Vancouver and Toronto. As stated in the report, "Calgary's development had the largest gain in its rating value, up 1.1 points, moving into first amongst nine Canadian metro markets. Demand will remain high and development is needed. High quality opportunities might be difficult to find but investors will continue to hunt regardless of price".

MLS HOUSING SALES

According to the Calgary Real Estate Board (CREB), in December 2013, there were 1,172 residential sales, an increase of 8.32% from December 2012. Year-to-date, sales increased 10.77% from 21,204 in 2011 to 23,488 in 2013. Single family sales have reflected this general trend with an increase of 3.76% from 744 sales in December 2012 to 772 sales in December 2013. The condominium apartment market also reflects a similar trend with an increase of 1.38% from 218 sales in December 2012 to 221 sales in December 2013.

The average price of a single family home as of December 2013 grew to \$527,763, up 6.23% from the \$496,808 average seen in December 2012. The average price of condominium apartments fell to \$295,770, a decrease of 2.82% from the \$304,349 average price in December 2012.

RETAIL SALES

According to a Kubas Primedia market forecast, retail sales in Calgary are currently predicted at \$28.1 billion for 2013, up 7.4% from the same period in 2012.

| Retail Sales - Calgary | | | | | | |
|---------------------------|------|------|--------------------|----------------|-------|-------|
| Indicator - CMA | 2011 | 2012 | 2013 Projection | YOY Change (%) | | |
| | | | | 2011 | 2012 | 2013 |
| Retail Sales (\$ Billion) | 24.2 | 26.1 | 28.1 | 7.20% | 8.10% | 7.40% |

Source: Kubas Primedia Retail Sales Canada Q4 2013

CPI

From November 2012 to November 2013, prices paid by consumers for goods and services, as measured by the Consumer Price Index (CPI) basket, increased by 2.1% in Calgary, 1.7% in Alberta and 0.9% in Canada. The inflation rate was driven upwards by price increases in 6 of the 8 index components. Higher shelter costs and food prices were the main contributing factors to the year over-year increase.

| CPI - Calgary | | | | | |
|-----------------|------------------|-----------------|------------------|------------|------|
| Indicator - CMA | November 2013 | October 2013 | November 2012 | YOY Change | |
| | | | | Number | % |
| CPI (2002=100) | 129.6 | 129.4 | 126.9 | 2.7 | 2.1% |

Source: Statistics Canada

FUTURE CONSIDERATIONS

Despite the tremendous success Calgary has experienced, it has yet to recover some of its losses from its former pre-recession peak. However, with its current strong economic growth and the further strengthening of the labor and commodities markets, the latter half of 2013 has shown signs of strong and sustained growth. While Calgary remains exposed to changes in the energy sector, the City and province enjoy an advantageous position in the national landscape.

VALUATION AND FINANCIAL ANALYSIS

HIGHEST AND BEST USE

DEFINITION OF HIGHEST AND BEST USE

Fundamental to the concept of value is the principle of highest and best use, which may be defined as:

The reasonably probable and legal use of vacant land or an improved property, which is physically possible, appropriately supported, financially feasible, and that results in the highest value. The four criteria the highest and best use must meet are legal permissibility, physical possibility, financial feasibility, and maximum profitability

HIGHEST AND BEST USE CRITERIA

We have evaluated the site's highest and best use both as currently raw land and as serviced and subdivided and ready for development. In both cases, the property's highest and best use must meet four criteria. That use must be (1), legally permissible (2) physically possible, (3) financially feasible, and (4) maximally profitable.

LEGALLY PERMISSIBLE

According to the current Land Use By-law, the subject properties are classified as RF, Ranch and Farm District. The purpose and intent of this district is to provide for agricultural activities as the primary land use on a quarter section of land or on large balance land from previous subdivisions. Permitted uses include accessory buildings, general agriculture, accessory dwelling to agriculture uses, and home based business. Discretionary uses include a variety of small businesses. The minimum parcel size is 160.0 acres or the area in title at the time of passage of the Bylaw.

A portion of the NW quarter of the subject property is classified as R-2, Residential Two District with a purpose of providing a residential use on a small parcel of land which accommodates minor agricultural pursuits and required accessory buildings. Permitted uses include accessory buildings less than 150.0m², single detached dwellings, home based businesses, keeping of livestock and private swimming pools. Discretionary uses include bed and breakfast homes, child care facilities, commercial communication facilities, move-in dwellings, home-based businesses, hobby kennels and medical practices, to name a few.

The subject sites are currently agricultural production land which is legally permissible under the existing land use classification. The northeast and southeast quarters are designated as an Agricultural Transition Areas under the Delacour Community Area Structure Plan. It is expected that over the mid to long term, these lands will be developed with a low density residential uses. The subject property in its current use is legally permissible.

PHYSICALLY POSSIBLE

The second test is what is physically possible. As discussed in the "Site Description," section of the report, the site's size, soil, topography, etc. do not physically limit its use. The subject sites are of adequate shape and size to accommodate the current use and agricultural transition with residential development.

FINANCIAL FEASIBILITY AND MAXIMUM PRODUCTIVITY

The third and fourth tests are what is financially feasible and what will produce the highest net return. After analyzing the physically possible and legally permissible uses of the property, the highest and best use must be considered in light of financial feasibility and maximum productivity. For a potential use to be seriously considered, it must have the potential to provide a sufficient return to attract investment capital over alternative forms of investment. A positive net income or acceptable rate of return would indicate that a use is financially feasible. The subject sites as a holding property until residential development is possible, appears to be financially feasible based on market activity in the area and appears to be the maximally productive use of the sites.

HIGHEST AND BEST USE CONCLUSION

Considering the subject sites' physical characteristics and location, as well as the state of the local market, it is our opinion that the Highest and Best Use of the subject sites are as a holding property until development is legally permissible and financially feasible.

VALUATION METHODS

There are six generally accepted methods of valuing vacant land: Direct Comparison; Abstraction; Extraction; Subdivision Development; Land Residual; and Ground Rent Capitalization.

The **Direct Comparison Approach** is based upon the premise that a prudent purchaser would not pay more for a property than what it would cost to acquire a suitable alternative property and that the market value of a property can be estimated by comparing sales, offers, and listings of properties which have similar characteristics to the property being appraised.

The **Abstraction Method** of valuing land is premised upon the Principal of Contribution. This method is premised on the assumption that within each category and type of real estate, there exists a typical ratio of land value to total property value. By knowing what this ratio is from data compiled from areas where land and building values are available and applying it to the sales information regarding improved properties in a built up area, an estimate of land value can be abstracted. The reliability of this method is diminished because it does not take into explicit consideration such relevant criteria as building age or quality of construction.

A method of land valuation similar to the Abstraction Method but which implicitly recognizes differences in building age and quality of construction is the **Extraction Method**. This method deducts the estimated depreciated reproduction or replacement cost of the improvements of an improved property for which the total property value is known to arrive at an estimate of land value as if vacant.

When valuing larger parcels for which the highest and best use is the parcel's subdivision into smaller sites, and for which sales information regarding similar larger sites is insufficient to undertake a Direct Comparison Approach, the **Subdivision Development Method** may be employed. In applying this method, the first step is to establish market values for the smaller sites as though subdivided, the length of the development period, and an appropriate absorption period. The second step is to determine the costs required to create and market the subdivided parcels which include engineering and construction costs associated with the site preparation, roadways, sidewalks and servicing; carrying costs such as insurance and taxes; and marketing costs. These costs are then deducted from the projected gross revenue of the lots to arrive at an estimate of the net proceeds which, once discounted at an applicable rate to account for the risk associated with the time required to complete such a development, are indicative of the present market value of the larger, un-subdivided site.

Another method that may be employed in the absence of adequate comparable information is the **Land Residual Technique**. In this method the net income generated from the property is established. From this is deducted a reasonable return on and recapture of capital invested in the improvements. The residual income is considered to be ascribed from the land. This income is then capitalized at an appropriate rate to arrive at an estimate of land value. An important assumption required in the application of this method is that the site is developed to its highest and best use such that the income from land and improvements are of the same type and source.

A similar method as the Land Residual Technique is **Ground Rent Capitalization**. Undertaking this method of site valuation requires the analysis of ground rents prevalent in the market and in consideration of the characteristics of the site being appraised. From the analysis, a gross income is established from which any requisite expenses or anticipated losses are deducted to arrive at a net operating income. This net operating income is then capitalized at an applicable rate to arrive at an estimate of the vacant site.

Some important factors to be given consideration in this analysis include location, access, site size, site configuration, topography, land use classification, servicing, etc. When enough unimproved and comparable sales are available, the Direct Comparison Approach is the preferred technique and has been employed herein.

DIRECT COMPARISON APPROACH

In the Direct Comparison Approach, we developed an opinion of value by comparing this property with similar, recently sold properties in the surrounding or competing area. Inherent in this approach is the principle of substitution, which states that when a property is replaceable in the market, its value tends to be set at the cost of acquiring an equally desirable substitute property, assuming that no costly delay is encountered in making the substitution.

By analyzing sales that qualify as arm's-length transactions between willing and knowledgeable buyers and sellers, we can identify value and price trends. The basic steps of this approach are:

1. Research recent, relevant property sales and current offerings throughout the competitive area;
2. Select and analyze properties that are similar to the property appraised, analyzing changes in economic conditions that may have occurred between the sale date and the date of value, and other physical, functional, or location factors;
3. Identify sales that include favorable financing and calculate the cash equivalent price;
4. Reduce the sale prices to a common unit of comparison such as price per square foot, price per unit or effective gross income multiplier;
5. Make appropriate comparative adjustments to the prices of the comparable properties to relate them to the property being appraised; and
6. Interpret the adjusted sales data and draw a logical value conclusion.

The Direct Comparison Approach is based on the Principle of Substitution which maintains that a prudent purchaser would not pay more for a property than what it would cost to purchase a suitable alternative property, one that exhibits similar characteristics, and functional utility, etc. Within this approach, the property being appraised is compared to similar properties that have sold recently or are currently offered for sale. Typically, a unit of comparison (i.e. sale price per square foot, sale price per unit, etc.) is used to facilitate the analysis. In the case of properties similar to the subject lands, the sale price per acre is the most commonly used unit of comparison.

In analyzing the comparable sales relative to the subject site, of particular relevance are characteristics such as location, site size, topography, developability, and land use regulations. In this regard, the sales summarized in following are thought to be reasonably comparable to the subject site and to provide a reliable indication as to its current market value.

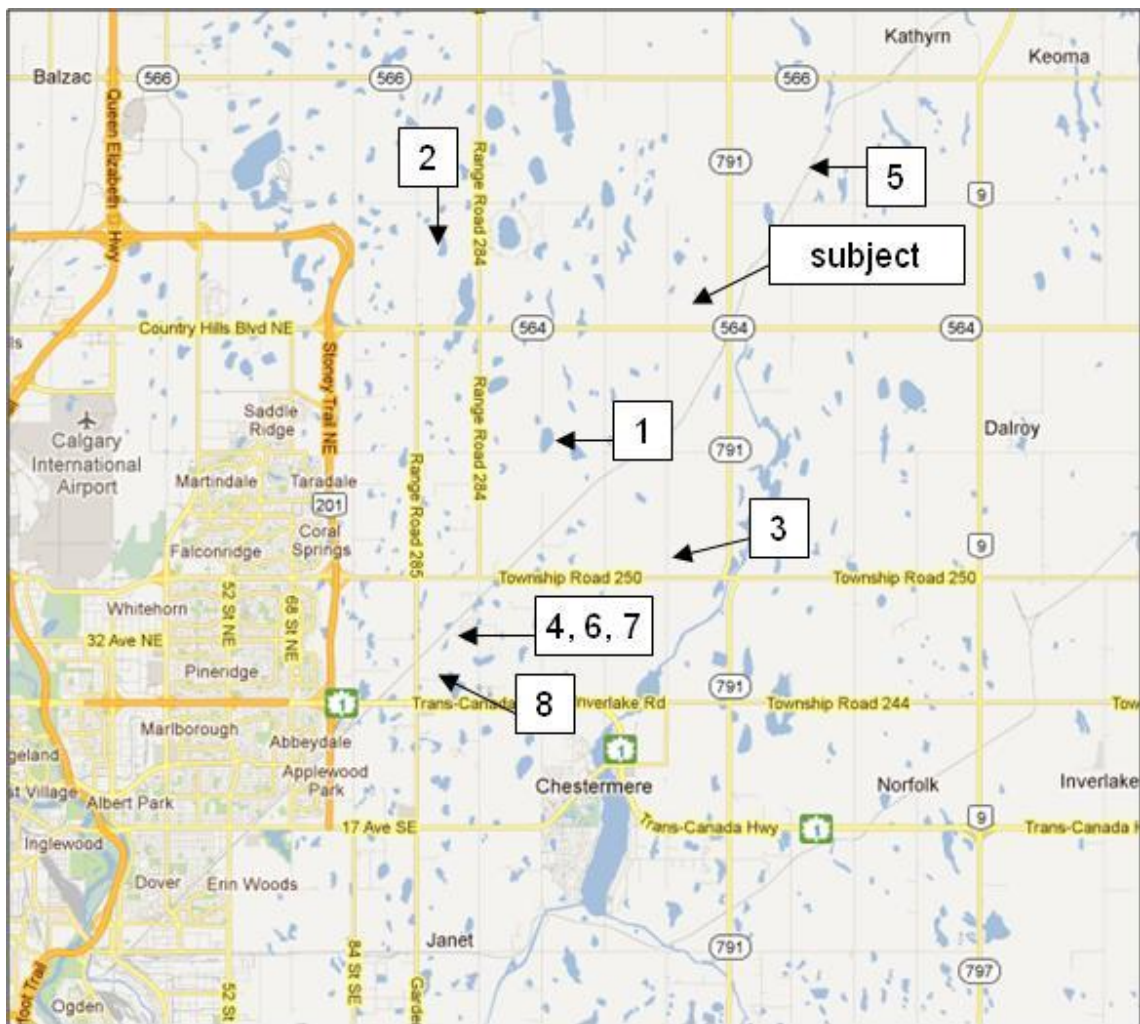
RAW LAND VALUATION

We have researched several market areas for transactions involving similar vacant land sales. Based on our investigations, the following sale indices were examined. Details of the sales are presented below.

| DEVELOPMENT LAND SALES | | | | | | | |
|------------------------|--|--------------------------|---|---------------|-------------------------|-------------------------|--|
| NO. | ADDRESS LEGAL | SALE DATE ZONING | VENDOR PURCHASER | SALE PRICE | SITE AREA (ACRES) | SALE PRICE / ACRE | REMARKS |
| 1 | N/A Rocky View County, AB SW; 15; 25; 28; W4M | Current Listing RF | Heartwood Tree Nurseries N/A | \$3,500,000 | 147.21 | \$23,775 | Located approximately one mile east of the Rail Line; Limited surrounding development; The property is currently a tree farm with potential for rail service; Topography is treed with some terrain and a pond |
| 2 | N/A Rocky View County, AB NW; 29;25;28; W4M | August 2013 RF | Bar-ow-Ranches Ltd. (Della Smith) G. & R. Garha | \$1,450,000 | 114.99 | \$12,609 | Located north of Secondary Road 564 and south of 144 Avenue NE; One mile east of City of Calgary limits; One half mile east of Prairie Royal Estates a low density, residential community |
| 3 | 250250 RR 281 Road NE Rocky View County, AB NW; 1; 25; 28; W4M | June 2013 RF | M. Gehrken 253169 Alberta Ltd. & M. Fedirko | \$1,250,000 | 120.00 | \$10,416 | Located on the east side of RR 281 and one half mile north of Township Road 250 (McKnight Blvd). The Conrich water line project runs on the opposite side of RR 281 and the construction of the new CN Rail container logistic Park is approximately 2 miles west of this property |
| 4 | N/A Rocky View County, AB S; 3; 25; 28; W4M | December 2011 RF | Conrich Track & Stables Ltd. Canadian National Railway Company | \$7,000,000 | 165.76 | \$42,230 | Located northeast of Conrich and east of the Canadian National Railway Line; A Transmission line runs north to south on the west side of the parcel |
| 5 | N/A Rocky View County, AB Ptn SW; 5; 26; 27; W4M | September 2011 RF | R. Boodhu, B. Reeb B. & J. Mitchell | \$379,000 | 35.24 | \$10,780 | Located two miles north of Secondary Road 564; one and a half miles south of Secondary Highway 566; Close proximity to the Secondary canal right of way |

| DEVELOPMENT LAND SALES | | | | | | | |
|------------------------|--|---------------------------------|--|---------------|-------------------------|-------------------------|--|
| NO. | ADDRESS LEGAL | SALE DATE ZONING | VENDOR PURCHASER | SALE PRICE | SITE AREA (ACRES) | SALE PRICE / ACRE | REMARKS |
| 6 | N/A Rocky View County, AB SW, SE; 3; 25; 28; W4M | June 2011 RF | Halina Adamowicz Canadian National Railway Company | \$9,000,000 | 143.25 | \$62,827 | Located northeast of Conrich and east of the Canadian National Railway Line; A Transmission Line borders the property on the east side of the parcel |
| 7 | N/A Rocky View County, AB NW; 3; 25; 28; W4M | June 2011 RF | 1258438 Alberta Ltd. 1490861 Alberta Inc. | \$2,273,161 | 111.33 | \$20,418 | Located northeast of Conrich and east of the Canadian National Railway Line; Parcel borders the CNR Line on the west side of parcel: a Transmission Line borders the parcel on the east side |
| 8 | N/A Rocky View County, AB NW; 29; 24; 28; W4M | February 2011 RF-2, DC120 | Laura McIntosh Amar Developments Ltd. | \$8,980,880 | 121.70 | \$73,795 | Located one mile east from City of Calgary limits; Adjacent to the Canadian Railway Line which runs diagonal from north to west on the property; The property is classified with land uses- Ranch and Farm 2 District and Site 3 of DC-120 which permits residential uses in the form of single-family dwellings, similar to the adjacent east Cambridge subdivision |

COMPARABLE LAND SALES MAP



ANALYSIS

The major elements of comparison for an analysis of this type include the property rights conveyed, the financial terms incorporated into a particular transaction, the conditions or motivations surrounding the sale, changes in market conditions since the sale, the location of the real estate, its physical traits and the economic characteristics of the property.

PROPERTY RIGHTS APPRAISED

All of the sales and listings utilized in this analysis involved the transfer of the fee simple interest.

FINANCIAL TERMS

To the best of our knowledge, all of the sales utilized in this analysis were accomplished with cash and/or cash and market-oriented financing.

CONDITIONS OF SALE

Adjustments for conditions of sale usually reflect the motivations of the buyer and the seller. In many situations the conditions of sale may significantly affect transaction prices. Index No. 1 is a current listing and we would this property to transact at a lower value than the listed sale price. All remaining sales used in this analysis are considered to be "arms-length" market transactions between both knowledgeable buyers and sellers on the open market.

MARKET CONDITIONS

The sales included in the analysis date between February 2011 and June 2013. Between the period from 2012 and 2013 there were very few transactions in this area of Rocky View County and there appears to have been an ongoing shift in attitudes in the County to development which has made moving development projects forward, challenging. The Rocky View County – County Plan was published recently in November 2013 and will continue to direct new growth to designated development areas. The County has outlined the policy will be to support the development of the Hamlets (including Delacour) as rural communities with basic services and will expect moderate growth in this area over the next ten years.

LOCATION

The subject property has a good location in close proximity to the City of Calgary and good access to the arterial road, Highway 564 (Country Hills Boulevard), approximately 8 kilometers east of Calgary City Limits. While the subject is located some distance from the city limits and city servicing, it has the advantage of being in and in close proximity to a Hamlet and may have servicing available in the short to medium term.

All of the indices are located in Rocky View County. Index Nos. 4, 6, 7 and 8 are all located in the Conrich area. Index Nos. 4, 6 and 7 are considered to have superior locations while Index No. 8 which is adjacent to the Cambridge subdivision in a residential area, is also considered a superior location. Index No. 3 is located in close proximity to the Conrich area. The Hamlet of Conrich will have a strong focus on development moving forward, as per the Rocky View County Plan (2013).

SIZE

The selected comparable sales range in size from 35.24 acres to 165.76 acres as compared to the subject size of 617.26 acres. While a slight discount may be applicable, it should also be noted the subject property is divided into four parcels of 160 acres or less and could easily be sold independent of each other. Index No. 5 is considerably smaller than the subject property and could expect a downward adjustment to the value per acre, all else being equal.

PUBLIC UTILITIES

The subject property and indices do not currently have access to municipal services. The water line, which is a part of the recently completed Conrich Water Servicing Project, borders the subject parcel on the west side and the subject is expected to benefit from the water supply via feeder mains upon upgrades to the infrastructure. The Rocky View County Plan (2013) outlines services in Hamlets will remain rural in nature and not necessarily equivalent to those in urban municipalities.

Index Nos. 4, 6, 7 and 8 are located in the Conrich area and surround existing development, therefore tying into servicing may result in shorter development times for these parcels as the Rocky View County Plan will support the development of this area as a full service rural community.

UTILITY

All of the selected sales are large and mainly level parcels that can accommodate comprehensively planned residential and commercial communities.

(OTHER) PHYSICAL TRAITS

The comparable properties have varying degrees of comparability when measured against the subject property. The most important attributes of the subject property which need to be compared to other properties are similar physical make-up, and location. The selected sales are generally level to slightly rolling and have development characteristics comparable to the subject property.

ADJUSTMENTS

The following qualitative adjustments have been made to the comparable properties based on the previous analysis.

| LAND SALE ADJUSTMENT GRID | | | | | | | | | | | | |
|---------------------------|----------------|-----------------------------------|--------------------|-----------|--------------------|--|----------|------------------|----------|----------------|--------------------|----------|
| No. | Price Per Acre | Economic Adjustments (Cumulative) | | | | Property Characteristic Adjustments (Additive) | | | | | | Overall |
| | | Property Rights Conveyed | Conditions of Sale | Financing | Market* Conditions | Location | Size | Public Utilities | Utility | Other Land Use | Development Timing | |
| 1 | \$23,776 | Fee Simple/Mkt. | Inferior | None | Similar | Inferior | Similar | Similar | Similar | Similar | 5 to 10 Years | Similar |
| 2 | \$12,610 | Fee Simple/Mkt. | Arms-Length | None | Similar | Inferior | Similar | Similar | Similar | Similar | 5 to 10 Years | Inferior |
| 3 | \$10,417 | Fee Simple/Mkt. | Arms-Length | None | Similar | Similar | Similar | Similar | Inferior | Similar | 5 to 10 Years | Inferior |
| 4 | \$42,230 | Fee Simple/Mkt. | Arms-Length | None | Similar | Superior | Similar | Similar | Similar | Inferior | 1 to 5 Years | Superior |
| 5 | \$10,780 | Fee Simple/Mkt. | Arms-Length | None | Similar | Inferior | Superior | Inferior | Similar | Inferior | 20 Years + | Inferior |
| 6 | \$62,827 | Fee Simple/Mkt. | Arms-Length | None | Similar | Superior | Similar | Similar | Similar | Inferior | 1 to 5 Years | Superior |
| 7 | \$20,418 | Fee Simple/Mkt. | Arms-Length | None | Similar | Superior | Similar | Similar | Similar | Inferior | 1 to 5 Years | Similar |
| 8 | \$73,795 | Fee Simple/Mkt. | Arms-Length | None | Similar | Superior | Similar | Similar | Similar | Superior | 1 to 5 Years | Superior |

SUMMARY OF DIRECT COMPARISON APPROACH

The selected indices indicate a range of values from a low of \$10,416 per acre to a high of \$73,795 per acre. All indices are located in Rocky View County and Conrich and range in size from 35.24 acres to 165.76 acres. Index No. 1 is a current listing while the remainder of properties transferred between February 2011 and August 2013.

The low end of the range is detailed by Index Nos. 3 and 5. Index No. 3 appears to be one of few transactions in this area of Rocky View County, occurring in 2013. This property represents the sale of a 155.01 acre parcel located east of the Railway line between Conrich and Delacour. Index No. 4 is a sale occurring in September 2011 and located north of Delacour. Based on the size and location of the parcel, it is assumed it was purchased as a future homestead site. A unit value higher than these indices is appropriate for the subject property, located adjacent to the Hamlet of Delacour and within the Delacour Area Structure Plan.

The high end of the range is detailed by Index No. 7 which is located one mile east of Calgary city limits, adjacent to the Cambridge residential subdivision which borders the east side of the parcel and has approximately half its area designated with a residential land use, superior to the subject property's Ranch Farm zoning. We would expect the subject property, to trade at a lower unit value than this property.

The remaining parcels provide a more narrow range of values between \$12,609 and \$62,827 per acre.

Based on the current Rocky View County Plan (2013), the county will be focusing on development in certain nodes in the County and will no longer be considering any new traditional country residential policy areas. The County is promoting development in Growth Nodes, Community Cores and existing Rural Communities. New hamlet development will not be considered unless there is a need and rationale for a new Hamlet based on specific criteria or if the existing overall hamlet residential potential is to being significantly developed. Based on information from our client, the County has become concerned with the cost of providing residential services for the Concept Plan area and will not grant land use approval for residential development in the foreseeable future.

Therefore, we have attributed the values to the four quarter sections of the subject property which results in the following estimates of value:

$$617.26 \text{ acres} \times \$25,000 \text{ per acre} = \$15,431,500$$

\$15,430,000 (rounded)

FINAL VALUE ESTIMATE

In the methodology section of this report we indicated that the Direct Comparison Approach is the preferred approach when valuing the subject property, providing there is sufficient and comparable activity. Since there is sufficient comparable activity, it was the only method employed.

Based on the data, analysis and reasoning contained within this report it is our opinion that the market value of the subject site on an as is basis and subject to the assumptions set forth herein, at December 31, 2013 was:

FIFTEEN MILLION FOUR HUNDRED THIRTY THOUSAND DOLLARS
\$15,430,000

This value estimate is based on an exposure period of six to twelve months.

ADDENDA CONTENTS

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ASSUMPTIONS AND LIMITING CONDITIONS

"Report" means the appraisal or consulting report and conclusions stated therein, to which these Assumptions and Limiting Conditions are annexed.

"Property" means the subject of the Report.

"C&W" means Cushman & Wakefield Ltd. or its subsidiary that issued the Report.

"Appraiser(s)" means the employee(s) of C&W who prepared and signed the Report.

The Report has been made subject to the following assumptions and limiting conditions:

- This report has been prepared at the request of **Genesis Land Development Corporation** for the purpose of providing an estimate of the market value of the subject land in Delacour, Alberta for distribution to limited partners. It is not reasonable for any person other than **Genesis Land Development Corporation** to rely upon this appraisal without first obtaining written authorization from the client and the author of this report. This report has been prepared on the assumption that no other person will rely on it for any other purpose and all liability to all such persons is denied.
- This report has been prepared at the request of **Genesis Land Development Corporation** and for the exclusive (and confidential) use of the recipient as named herein for the specific purpose and function as stated herein. All copyright is reserved to the author and this report is considered confidential by the author and the client. Possession of this report, or a copy thereof, does not carry with it the right to reproduction or publication in any manner, in whole or in part, nor may it be disclosed, quoted from or referred to in any manner, in whole or in part, without the prior written consent and approval of the author as to the purpose, form and content of any such disclosure, quotation or reference.
- Without limiting the generality of the foregoing, neither all nor any part of the contents of this report shall be disseminated or otherwise conveyed to the public in any manner whatsoever or through any media whatsoever or disclosed, quoted from or referred to in any report, financial statement, prospectus, or offering memorandum of the client, or in any documents filed with any governmental agency without the prior written consent and approval of the author as to the purpose, form and content of such dissemination, disclosure, quotation or reference.
- The estimated current market value of the real property which is appraised in this report pertains to the value of the fee simple interest in the real estate. The property rights appraised herein exclude mineral rights, if any.
- The estimate of value contained in this report is founded upon a thorough and diligent examination and analysis of information gathered and obtained from numerous sources. Certain information has been accepted at face value; especially if there was no reason to doubt its accuracy. Other empirical data required interpretative analysis pursuant to the objective of this appraisal. Certain inquiries were outside the scope of this mandate. For these reasons, the analyses, opinions and conclusions contained in this report are subject to all of the assumptions and limiting conditions.
- The property has been valued on the basis that title to the real property herein appraised is good and marketable.

- The author of this report cannot accept responsibility for legal matters, questions of survey, opinions of title, hidden or unapparent conditions of the property, toxic wastes or contaminated materials, soil or sub-soil conditions, environmental, engineering or other technical matters which might render this property more or less valuable than as stated herein. If it came to our attention as the result of our investigation and analysis that certain problems may exist, a cautionary note has been entered in the body of the report.
- The legal description of the property and the area of the site were obtained from the Registry Office. Further, the plans and sketches contained in this report are included solely to aid the recipient in visualizing the location of the property, the configuration and boundaries of the site and the relative position of the improvements on the said lands.
- The property has been valued on the basis that the real property is free and clear of all value influencing encumbrances, encroachments, restrictions or covenants except as may be noted in this report and that there are no pledges, charges, lien or social assessments outstanding against the property other than as stated and described herein.
- The property has been valued on the basis that there are no outstanding liabilities except as expressly noted herein, pursuant to any agreement with a municipal or other government authority, pursuant to any contract or agreement pertaining to the ownership and operation of the real estate or pursuant to any lease or agreement to lease, which may affect the stated value or saleability of the subject property or any portion thereof.
- The interpretation of the contractual agreements, pertaining to the operation and ownership of the property, as expressed herein, is solely the opinion of the author and should not be construed as a legal interpretation. Further, the summary of these contractual agreements are presented for the sole purpose of giving the reader an overview of the salient facts thereof.
- The property has been valued on the basis that the real estate complies in all material respects with any restrictive covenants affecting the site and has been built and is occupied and being operated, in all material respects, in full compliance with all requirements of law, including all zoning, land use classification, building, planning, fire and health by-laws, rules, regulations, orders and codes of all federal, provincial, regional and municipal governmental authorities having jurisdiction with respect thereto. (It is recognized there may be work orders or other notices of violation of law outstanding with respect to the real estate and that there may be certain requirements of law preventing occupancy of the real estate as described in this report. However, such possible circumstances have not been accounted for in the appraisal process.).
- Investigations have been undertaken in respect of matters which regulate the use of land. However, no inquiries have been placed with the fire department, the building inspector, the health department or any other government regulatory agency, unless such investigations are expressly represented to have been made in this report. The subject property must comply with such regulations and, if it does not comply, its non-compliance may affect the market value of this property. To be certain of such compliance, further investigations may be necessary.
- The data and statistical information contained herein were gathered from reliable sources and are believed to be correct. However, these data are not guaranteed for accuracy, even though every attempt has been made to verify the authenticity of this information as much as possible.

- The estimated market value of the property does not necessarily represent the value of the underlying shares, if the asset is so held, as the value of the shares could be affected by other considerations. Further, the estimated market value does not include consideration of any extraordinary market value of the property, unless the effects of such special conditions, and the extent of any special value that may arise therefrom, have been described and measured in this report.
- Should title to the real property presently be held (or changed to a holding) by a partnership, in a joint venture, through a co-tenancy arrangement or by any other form of divisional ownership, the value of any fractional interest associated therewith may be more or less than the percentage of ownership appearing in the contractual agreement pertaining to the structure of such divisional ownership.
- In the event of syndication, the aggregate value of the limited partnership interests may be greater than the value of the freehold or fee simple interest in the real estate, by reason of the possible contributory value of non-realty interests or benefits such as provision for tax shelter, potential for capital appreciation, special investment privileges, particular occupancy and income guarantees, special financing or extraordinary agreements for management services.
- Should the author of this report be required to give testimony or appear in court or at any administrative proceeding relating to this appraisal, prior arrangements shall be made therefore, including provisions for additional compensation to permit adequate time for preparation and for any appearances which may be required. However, neither this nor any other of these assumptions and limiting conditions is an attempt to limit the use that might be made of this report should it properly become evidence in a judicial proceeding. In such a case, it is acknowledged that it is the judicial body which will decide the use of this report which best serves the administration of justice.
- Because market conditions, including economic, social and political factors, change rapidly and, on occasion, without notice or warning, the estimate of market value expressed herein, as of the effective date of this appraisal, cannot necessarily be relied upon as any other date without subsequent advice of the author of this report.
- The co-signing appraiser has not necessarily inspected the subject property or any other property referred to in the report. The function of the co-signer's review was to check the reasonableness of the analysis.
- The value expressed herein is in Canadian Dollars.
- This report is only valid if it bears the original signature of the author.

GLOSSARY OF TERMS AND DEFINITIONS

DEFINITIONS OF VALUE, INTEREST APPRAISED AND OTHER TERMS

MARKET VALUE

The Canadian Uniform Standards of Professional Appraisal Practice (The Standards) adopted by the Appraisal Institute of Canada define Market Value as:

“The most probable price which a property should bring in a competitive and open market under all conditions requisite to a fair sale, the buyer and seller each acting prudently and knowledgeably, and assuming the price is not affected by undue stimulus.”

Implicit in this definition is the consummation of a sale as of a specified date and the passing of title from seller to buyer under conditions whereby:

1. Buyer and seller are typically motivated;
2. Both parties are well informed or well advised and acting in their own best interests;
3. A reasonable time is allowed for exposure in the market;
4. Payment is made in cash in Canadian dollars or in terms of financial arrangements comparable thereto; and
5. The price represents the normal consideration for the property sold, unaffected by special or creative financing or sales concessions granted by anyone associated with the sale.

MARKET RENT

The most probable rent that a property should bring in a competitive and open market reflecting all conditions and restrictions of the specified lease agreement including term, rental adjustment and revaluation, permitted uses, use restrictions, and expense obligations; the lessee and lessor each acting prudently and knowledgeably, and assuming consummation of a lease contract as of a specified date and the passing of the leasehold from lessor to lessee under conditions whereby:

1. Lessee and lessor are typically motivated.
2. Both parties are well informed or well advised, and acting in what they consider their best interests.
3. A reasonable time is allowed for exposure in the open market.
4. The rent payment is made in terms of cash in Canadian dollars, and is expressed as an amount per time period consistent with the payment schedule of the lease contract.
5. The rental amount represents the normal consideration for the property lease unaffected by special fees or concessions granted by anyone associated with the transaction.

CONDOMINIUM INTEREST

An estate in real property consisting of an individual interest in a condominium unit, together with an undivided common interest in the common areas such as the land, parking areas, elevators, stairways, and the like.

VALUE AS IS

The value of specific ownership rights to an identified parcel of real estate as of the effective date of the appraisal; relates to what physically exists and is legally permissible and excludes all assumptions concerning hypothetical market conditions or possible rezoning.

CASH EQUIVALENCE

A price expressed in terms of cash, as distinguished from a price expressed totally or partly in terms of the face amounts of notes or other securities that cannot be sold at their face amounts. Calculating the cash-equivalent price requires an appraiser to compare transactions involving atypical financing to transactions involving comparable properties financed at typical market terms.

EXPOSURE TIME AND MARKETING TIME

EXPOSURE TIME

Under Paragraph 3 of the Definition of Market Value, the value opinion presumes that a reasonable time is allowed for exposure in the open market. Exposure time is defined as: *“The length of time the property interest being appraised would have been offered on the market prior to the hypothetical consummation of a sale at the market value on the effective date of the appraisal.”* Exposure time is presumed to precede the effective date of the appraisal.

The reasonable exposure period is a function of price, time and use. It is not an isolated opinion of time alone. Exposure time is different for various types of property and under various market conditions. It is a retrospective opinion based on an analysis of past events, assuming a competitive and open market. It assumes not only adequate, sufficient and reasonable time but adequate, sufficient and a reasonable marketing effort. Exposure time and conclusion of value are therefore interrelated.

Based on our review of investor surveys, discussions with market participants and information gathered during the sales verification process, a reasonable exposure time for the subject property at the value concluded within this report would have been three to nine months.

This assumes the current owner would have employed an active and professional marketing plan.

MARKETING TIME

Marketing time is an opinion of the time that might be required to sell a real property interest at the concluded market value level. Marketing time is presumed to start during the period immediately after the effective date of an appraisal. (Marketing time is subsequent to the effective date of the appraisal and exposure time is presumed to precede the effective date of the appraisal). The opinion of marketing time uses some of the same data analyzed in the process of developing a reasonable exposure time opinion as part of the appraisal process and it is not intended to be a prediction of a date of sale or a one-line statement.

We believe, based on the assumptions employed in our analysis and our selection of investment parameters for the subject, that our value conclusion represents a price achievable within six (6) months.

CERTIFICATION OF APPRAISAL

We certify that, to the best of our knowledge and belief:

- The statements of fact contained in this report are true and correct.
- The reported analyses, opinions and conclusions are limited only by the reported assumptions and limiting conditions, and are our personal, unbiased professional analyses, opinions and conclusions.
- We have no present or prospective interest in the property that is the subject of this report, and we have no personal interest or bias with respect to the parties involved.
- Our compensation is not contingent upon the reporting of a predetermined value or direction in value that favours the cause of the client, the amount of the value estimate, the attainment of a stipulated result, or the occurrence of a subsequent event.
- Our analyses, opinions and conclusions were developed, and this report has been prepared, in conformity with the Canadian Uniform Standards of Professional Appraisal Practice and with the requirements of the Code of Professional Ethics and Standards of Professional Practice of the Appraisal Institute of Canada.
- The Appraisal Institute of Canada reserves the right to review this report.
- Sheena Kereliuk inspected the property that is the subject of the report on December 16, 2013. David Y.T. Shum did not inspect the subject property.
- The Appraisal Institute of Canada has a Mandatory Recertification Program for designated members. As of the date of this report, David Y.T. Shum has fulfilled the requirements of the program, and is a member in good standing. Sheena Kereliuk is a candidate member of the Appraisal Institute of Canada.
- David Y.T. Shum is a licensed appraiser under the Real Estate Act of Alberta. Sheena Kereliuk is a licensed candidate appraiser under the Real Estate Act of Alberta.
- No one other than the undersigned provided significant professional assistance to the persons signing this report.
- The value estimate contained in this report applies as of December 31, 2013. This date may be referred to as the effective date of valuation.

FINAL ESTIMATE OF VALUE

Having regard to all of the information contained in this report, it is our opinion that the market value of the subject property, at the effective date of valuation was:

FIFTEEN MILLION FOUR HUNDRED THIRTY THOUSAND DOLLARS
\$15,430,000

This value estimate is based on an exposure period of six to twelve months.



Sheena Kereljuk, B.Comm, PGCV.
Consultant

February 7, 2014

Date



David Y.T. Shum, AACI, P.App.
Managing Director, Prairie Region

February 7, 2014

Date