

GENESIS

LAND - HOMES - COMMERCIAL - COMMUNITIES



LPLP Presentation — October 10, 2013

Forward Looking Statements

This presentation contains statements that are forward thinking.

Forward-looking statements are disclosures regarding possible events, conditions, or results of operations that are based on assumptions about future economic conditions, courses of action and include future oriented financial information.

These statements represent Genesis's intentions, plans, expectations, and beliefs and are based on our experience and our assessment of historical and future trends, and the application of key assumptions relating to future events and circumstances. Future-looking statements may involve, but are not limited to, comments with respect to our strategic initiatives for 2013 and beyond, future development plans and objectives, targets, expectations of the real estate, financing and economic environments, our financial condition or the results of or outlook of our operations.

By their nature, forward-looking statements require assumptions and involve risks and uncertainties related to the business and general economic environment, many beyond our control. There is significant risk that the predictions, forecasts, valuations, conclusions or projections we make will not prove to be accurate and that our actual results will be materially different from targets, exceptions, estimates or intentions expressed in forward-looking statements. Assumptions about the performance of the Canadian and US economies and how this performance will affect Genesis's business are material risks and assumptions.

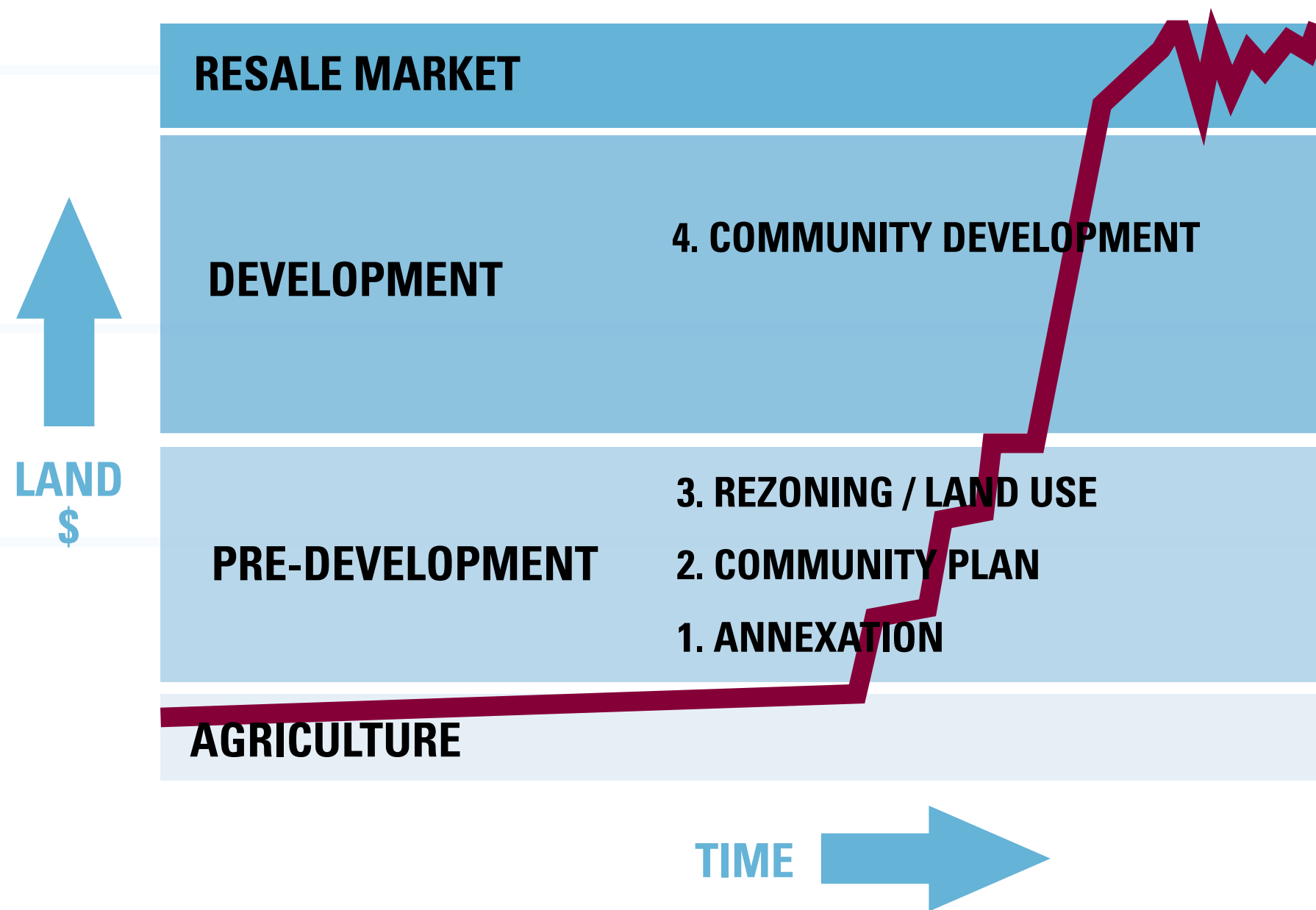
Investors and others should carefully consider these factors, as well as other uncertainties and potential events, and the inherent uncertainty of forward-looking statement, whether written or oral, made by Genesis on its behalf.



LPLP SUMMARY

- **LIMITED PARTNERSHIP LAND POOL ('LPLP')**
- **LP FORMED IN 2007**
- **ESTABLISHED TO:**
 1. **ACQUIRE AND DEVELOP AIRDRIE AND DELACOUR LANDS**
 - **PROPOSED TO BE PRIMARILY SINGLE & MULTI-FAMILY LOTS**
 3. **GENERATE CAPITAL APPRECIATION AND PROFIT THROUGH "LAND DEVELOPMENT CONCEPT"**

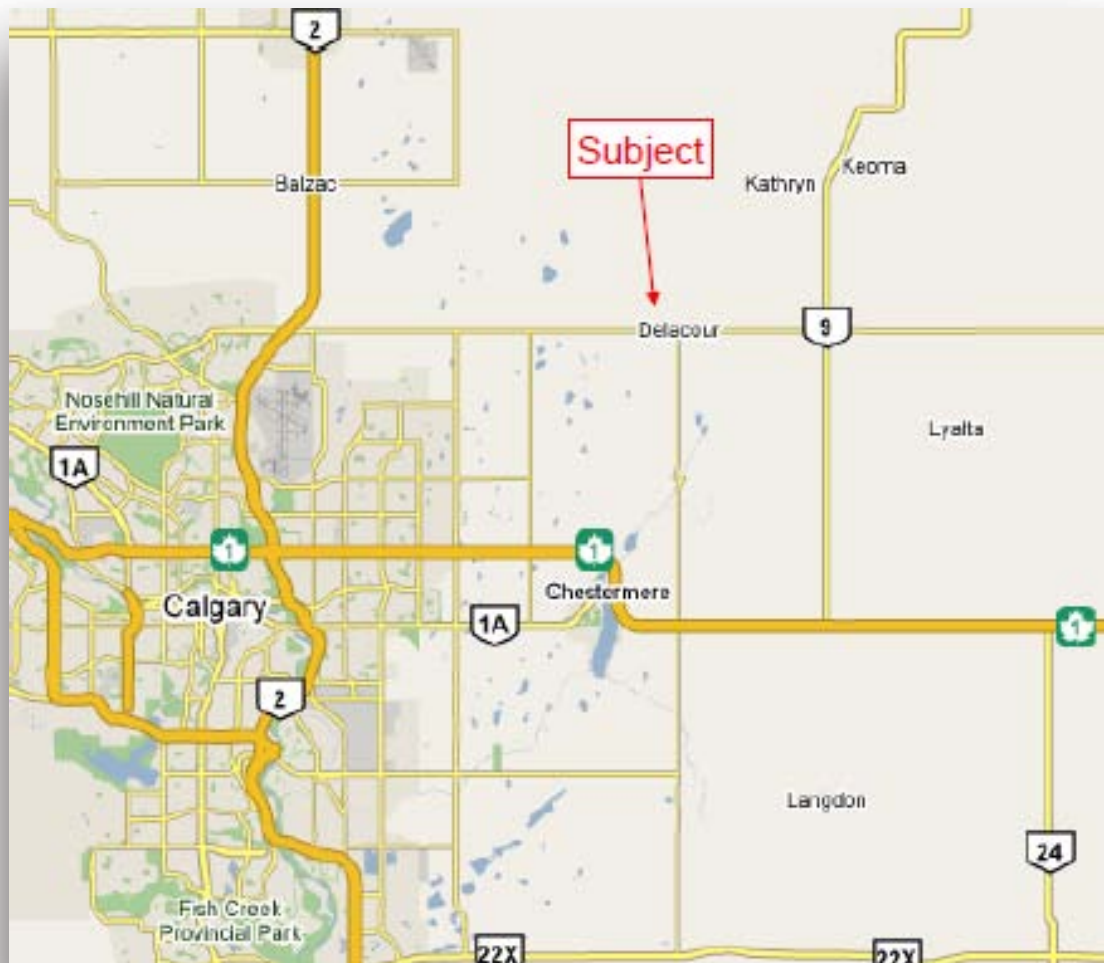
LAND DEVELOPMENT CONCEPT



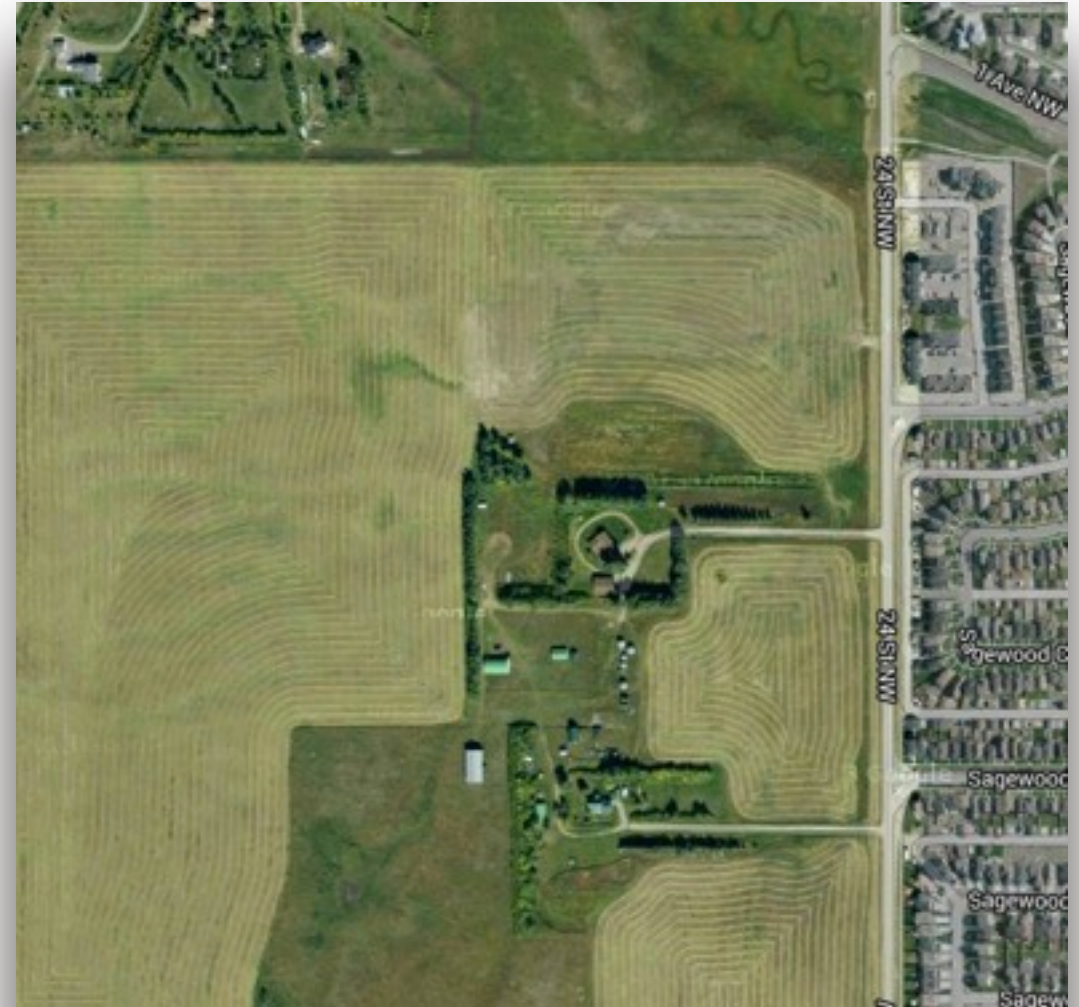
LPLP SUMMARY

- **PAST ISSUES:**
 - **PROPERTY PURCHASED AT PEAK OF MARKET**
 - **ECONOMIC DOWNTURN CAUSING DELAYS**
 - **CHALLENGING MUNICIPAL APPROVALS PROCESS**
 - **POOR COMMUNICATION WITH LIMITED PARTNERS**
- **TODAY:**
 - **NEW SENIOR MANAGEMENT TEAM AT GENESIS**
 - **FOCUS ON MAXIMIZING VALUE & MONETIZING ASSETS
& RESOLVING ANY ISSUES**
 - **DEDICATED TO BETTER COMMUNICATION**

LPLP LAND

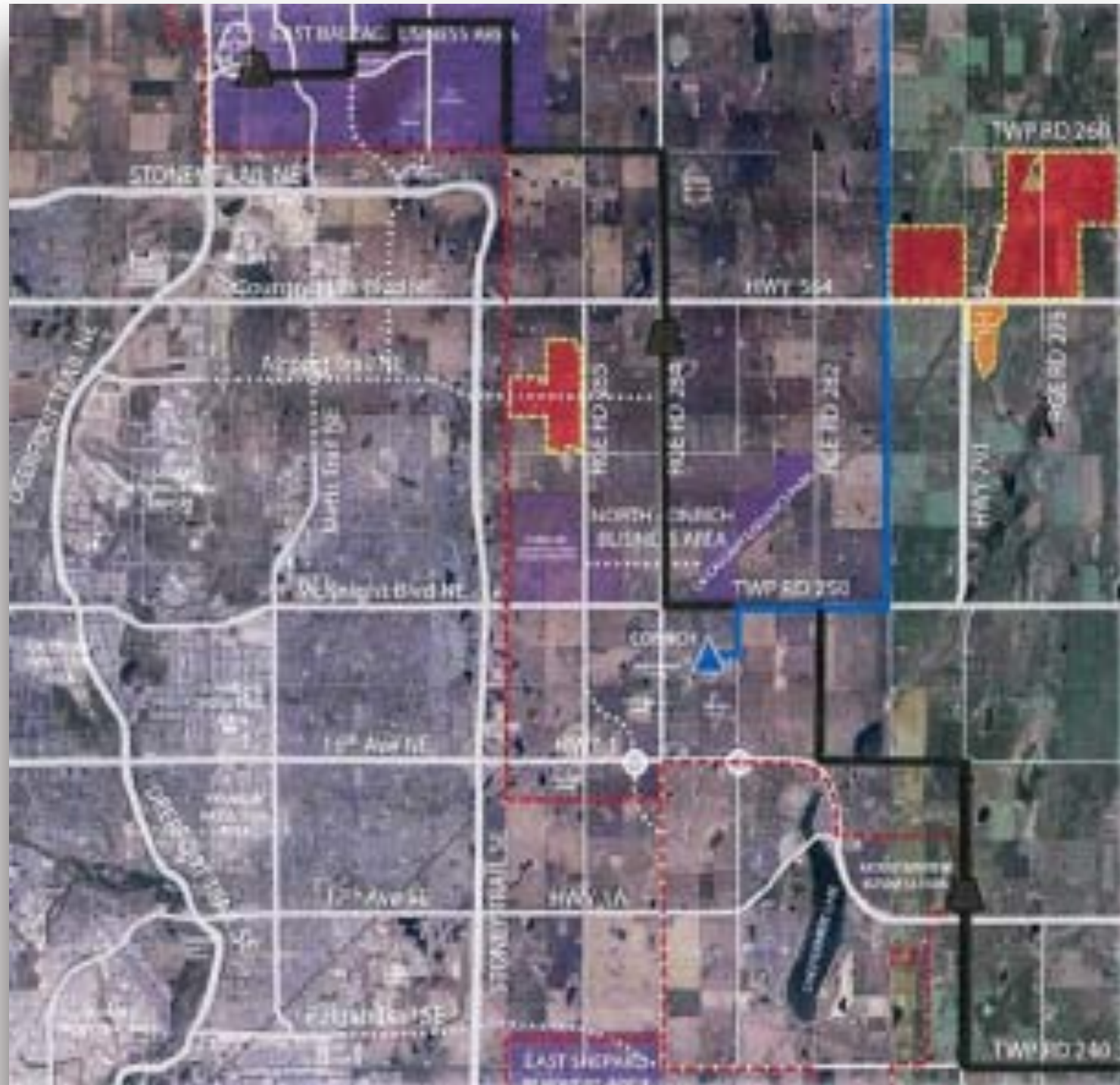


DELACOUR



AIRDRIE

DELACOUR





AIRDRIE



AIRDRIE



LPLP MARKET

- **LP FORMED NEAR PEAK OF REAL ESTATE MARKET**
 - **REDUCTIONS IN MARKET PRICES DUE TO UNCERTAIN ECONOMIC CONDITIONS**
- **SHIFT IN RVC'S PHILOSOPHY TOWARDS NEW COMMUNITY DEVELOPMENT**
 - **MAKES APPROVALS FOR DELACOUR LAND MORE CHALLENGING**
- **IN RETROSPECT, EXPECTATIONS OF POPULATION GROWTH & DEVELOPMENT TIMING OPTIMISTIC**

LPLP FINANCIAL RETURN

	LP	Per Unit
Contributions	\$43,075,166	\$0.98
Issuance Costs	(6,760,139)	(0.15)
G&A	(545,649)	(0.01)
Interest	(7,452,942)	(0.17)
Earnings	804,559	0.02
Write down – Airdrie	(2,347,574)	(0.05)
Write down – Delacour	(17,104,998)	(0.39)
Net Equity	\$9,668,422	\$0.22

LAND VALUATION

	Delacour	Airdrie	Amount
Cost of Land Purchased (Millions)	\$31.40	\$20.70	\$52.10
Book Value of Land*	\$18.96	\$18.75	37.71
Liabilities			28.04
Net Equity			9.67
Appraised Value of Land**	\$20.78	\$19.13	\$39.91
% Ownership in LP & Assets	100%	100%	

* As of September 30, 2013. Book value reflects low point of appraised value range less selling costs

**As per Appraisal of Real Property report, Cushman & Wakefield Ltd., December 31, 2012 (Delacour) & Appraisal Report from Altus Group as at July 31, 2013 (Airdrie)

LP STRATEGY

ORIGINAL DEVELOPMENT PLAN (2007)

- **ACQUIRE AGRICULTURAL LAND & GENERATE CAPITAL APPRECIATION**
 - **OBTAIN REQUIRED APPROVALS LEADING TOWARDS REZONING OF LAND USE**
 - **REZONE TO COMMERCIAL, INDUSTRIAL, RESIDENTIAL AND/OR RECREATIONAL**
- **DELACOUR: DEVELOP PROPERTY INTO NEW COMMUNITY & EXPAND EXISTING HAMLET**

PROJECT STATUS

- **GENESIS PURCHASED LAND & INITIATED DEVELOPMENT**
- **DELACOUR:**
 - **½ LANDS HAVE APPROVED CONCEPT PLAN BUT REQUIRES REVISIONS TO MEET RVC REQUIREMENTS**
 - **NEW COUNTY PLAN DEVELOPED & APPROVED OCT/13**
 - **SEEKING BUSINESS USES REQUIRED BY RVC**
- **AIRDRIE:**
 - **PARCELS ANNEXED INTO CITY OF AIRDRIE**
 - **AIRDRIE WILL NOT ALLOW ANY DEVELOPMENT UNTIL EXISTING LANDS BUILT OUT**

MARKET DEMAND FOR AREA TODAY

- **LAND VALUES DEPRESSED IN AREAS**
 - MARKET HAS STRENGTHENED BUT NOT TO PRE-RECESSION LEVELS
- **DELACOUR**
 - WEAK NEAR TERM DEVELOPMENT PROSPECTS
- **AIRDRIE**
 - LAND USE APPROVALS FOR ANNEXED LANDS NOT EXPECTED UNTIL EXISTING LANDS DEVELOPED

CHALLENGES

- **ADVERSE MARKET CONDITIONS**
- **EXTENDED TIME TO BRING PROJECTS TO START OF DEVELOPMENT**
 - NOT ZONED FOR RESIDENTIAL DEVELOPMENT
 - ILLIQUID LONG-TERM HOLDINGS
- **DELACOUR**
 - RVC REQUIRES BUSINESS USES IN DEVELOPMENT PLAN
 - RVC NOT CURRENTLY APPROVING NEW RESIDENTIAL COMMUNITIES
- **AIRDRIE**
 - FIVE YEARS UNTIL EXISTING LANDS SERVICED

FUTURE DEVELOPMENT STRATEGY

- **RESOLVE HOW TO DEAL WITH LP DEBT**
- **DELACOUR: PURSUE LAND USE APPROVAL**
 - **COULD RESULT IN PROPERTY VALUE INCREASE IF SUCCESSFUL**
 - **CONTINUE AGRICULTURAL USE UNTIL DEVELOPMENT FEASIBLE**

FUTURE DEVELOPMENT STRATEGY

*“Maximize value to partners by
accelerating development of LP
assets”*

- **AIRDRIE:**
 - **CONTINUE TO PURSUE APPROVALS FOR FUTURE DEVELOPMENT**
 - **CONSIDER TIMING & PROCESS TO SELL ALL OR PART OF PROPERTY**
 - **UNDER NO PRESSURE TO ACCEPT OFFERS**
 - **LEAVE AS IS UNTIL AIRDRIE PROPERTY CAN BE SOLD AT FAIR VALUE**
 - **LANDS EXPECTED TO APPRECIATE IN MID-TERM AS SUPPLY IS EXHAUSTED**

PROPOSED RESOLUTION

- **APPROVE LIMITED PARTNERSHIP DEBT**
 - **CONSISTING OF FIRM CAPITAL LOAN & GENESIS LOANS**
 - **CONTINUE PROGRESS OF PROPERTY DEVELOPMENT**
- **SHOULD RESOLUTION NOT BE APPROVED:**
 - **ONE OR MORE PROPERTIES LISTED FOR SALE**
 - **MAY RESULT IN SUBSTANTIAL DISCOUNT TO APPRAISED VALUE**

COMMITMENT TO LIMITED PARTNERS

- **IMPROVE COMMUNICATION:**
 - **DISTRIBUTE KEY DOCUMENTS**
 - SEMI-ANNUAL FINANCIAL STATEMENTS & MD&A
 - ANNUAL PROPERTY APPRAISALS
 - ANNUAL INVESTMENT STATEMENT
 - **HOLD ANNUAL MEETING OF LIMITED PARTNERS**
 - **POST REGULAR PROJECT STATUS UPDATES ON WEBSITE**
 - **INCREASE DIRECT ACCESSIBILITY**
- **MAXIMIZE VALUE & MONETIZE INVESTMENT**

A close-up photograph of a sandcastle on a beach. The sandcastle is built with multiple tiers and has several pointed towers. The sand is a light beige color. The background is a blurred view of the beach and the ocean. The word "DISCUSSION" is written in white, bold, uppercase letters, centered over the middle of the sandcastle. It is flanked by two horizontal white lines, one above and one below the text.

DISCUSSION

GENESIS

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