

GENESIS LIMITED PARTNERSHIP #4

ANNUAL FINANCIAL STATEMENTS

For the Years Ended December 31, 2018 and 2017

GENESIS LIMITED PARTNERSHIP #4
NOTICE OF NO AUDITOR REVIEW OF FINANCIAL STATEMENTS
For the Years Ended December 31, 2018 and 2017

The accompanying unaudited financial statements of Genesis Limited Partnership #4 (the "Partnership") have been prepared by and are the sole responsibility of the Partnership's management. These financial statements have not been independently reviewed or audited.

GENESIS LIMITED PARTNERSHIP #4**BALANCE SHEETS***(In Canadian dollars)**(Unaudited)*

| | | Dec. 31, 2018 | Dec. 31, 2017 |
|-------------------------------------|--------------|------------------|------------------|
| Assets | Notes | | |
| Land held for future development | | 5,809,204 | 5,674,887 |
| Accounts receivable | | - | 367 |
| Total assets | | 5,809,204 | 5,675,254 |
| | | | |
| Liabilities | | | |
| Amounts due to related parties | 2 | 575,316 | 416,053 |
| Total liabilities | | 575,316 | 416,053 |
| | | | |
| Equity | | | |
| General partner | | 100 | 100 |
| Limited partners | 1 | 5,233,788 | 5,259,101 |
| Total equity | | 5,233,888 | 5,259,201 |
| | | | |
| Total liabilities and equity | | 5,809,204 | 5,675,254 |

See accompanying notes to the financial statements.

GENESIS LIMITED PARTNERSHIP #4
STATEMENTS OF COMPREHENSIVE LOSS
For the years ended December 31, 2018 and 2017
(In Canadian dollars)
(Unaudited)

| | | 2018 | 2017 |
|---------------------------------|--------------|----------|----------|
| Revenues | Notes | | |
| Rental income and other revenue | | 12,715 | 12,715 |
| | | 12,715 | 12,715 |
| Expenses | | | |
| General and administrative | | 3,643 | 16,085 |
| Advertising and marketing | | 2,308 | - |
| Finance expense | 2 | 32,077 | 19,421 |
| | | 38,028 | 35,506 |
| | | | |
| Loss being comprehensive loss | | (25,313) | (22,791) |

See accompanying notes to the financial statements.

GENESIS LIMITED PARTNERSHIP #4**STATEMENTS OF PARTNERS' EQUITY****For the years ended December 31, 2018 and 2017***(In Canadian dollars)**(Unaudited)*

| | Net Partners' Contributions | Retained Earnings | Partners' Equity |
|-------------------------------|--|------------------------------|-----------------------------|
| At December 31, 2016 | 5,250,617 | 31,375 | 5,281,992 |
| Loss being comprehensive loss | - | (22,791) | (22,791) |
| At December 31, 2017 | 5,250,617 | 8,584 | 5,259,201 |
| Loss being comprehensive loss | - | (25,313) | (25,313) |
| At December 31, 2018 | 5,250,617 | (16,729) | 5,233,888 |

See accompanying notes to the financial statements.

GENESIS LIMITED PARTNERSHIP #4
NOTES TO THE FINANCIAL STATEMENTS
For the years ended December 31, 2018 and 2017
(Unaudited)

1. ORGANIZATION AND OPERATION OF THE PARTNERSHIP

Genesis Limited Partnership #4 (the "Partnership") is a limited partnership formed under the laws of the Province of Alberta on February 11, 2005 pursuant to the Partnership Act (Alberta). It commenced operations on that date through the raising of funds from the sale of limited partnership units ("Units") through an offering memorandum dated March 29, 2005. As at December 31, 2018 the Partnership had 1,199 Units outstanding (December 31, 2017 - 1,199).

The Partnership was established to acquire a 32.5% undivided interest in land located in the Municipal District of Rocky View, Alberta (the "Property") and generate capital appreciation by obtaining various levels of municipal approvals for an area structure plan or community plan, residential rezoning, subdividing, development and/or reselling for a profit.

The affairs of the Partnership are managed by Genesis Land Development Corp. ("Genesis") through its wholly owned subsidiary, Genesis Northeast Calgary Ltd. (the "General Partner"). The Partnership's head office is located at 7315 - 8th Street N.E., Calgary, AB T2E 8A2.

The development of the Property is managed by Genesis pursuant to a joint venture agreement dated March 28, 2005 between the Partnership, Genesis Limited Partnership #5 and Genesis (the "JV Agreement"). Under the JV Agreement, Genesis will earn a management fee equal to 10% of the development servicing costs. The term of the JV Agreement is until December 31, 2020.

2. RELATED PARTY TRANSACTIONS

During the year ended December 31, 2018, Genesis advanced \$159,263 (2017 - \$241,728) to the Partnership to cover Partnership expenses and liabilities. Pursuant to the JV Agreement, interest accrues on advances from Genesis at a rate of prime plus 3%, compounded annually. During the year ended December 31, 2018, the Partnership accrued interest of \$32,077 on the amount due to Genesis (2017 - \$19,421).