



Genesis Announces Settlement of Shareholder Action with Smoothwater Capital

August 19, 2013 – Calgary – Genesis Land Development Corp. (TSX: GDC) (the "**Corporation**" or "**Genesis**") is pleased to announce that it has arrived at a settlement with Smoothwater Capital Corporation ("**Smoothwater**") in respect of Smoothwater's proposal of an alternate slate of directors to shareholders at the 2013 Annual General Meeting of Shareholders (the "**Meeting**").

Genesis and Smoothwater have agreed to support the election of the following nominees to the Board of Genesis: Yazdi Bharucha, Michael Brodsky, Steven Glover, Stephen Griggs, Loudon Owen, Mark Mitchell, William Pringle and Iain Stewart.

Mr. Griggs will join the board no later than August 30, 2013 and will become the Chair of the Board on appointment.

In a letter agreement entered into on August 18, 2013, Genesis and Smoothwater have also agreed to the following additional terms:

- The board will form a new Strategic Planning Committee, chaired by Mr. Pringle and including Mr. Griggs, to review the strategic options available to Genesis and make a recommendation to the board by no later than November 1, 2013;
- William Pringle will be appointed Vice-Chair of the Board and Mr. Griggs will become chair of the Governance Committee, while the chairs of the Audit and Transaction Review Committees will remain unchanged;
- A cessation of the pursuit of legal and/or regulatory actions related to the conduct of the proxy contest by Genesis and Smoothwater;
- Smoothwater's shareholdings are grandfathered under the Shareholder Rights Plan, which plan will be reviewed by the Governance Committee to determine if it is in the best interests of all shareholders;
- The board will terminate the Advance Notice Bylaw;
- Genesis will reimburse reasonable costs incurred arising from the proxy contest, including legal and proxy solicitation costs;

- The agreed to Board will be in place by August 30, 2013, and the Annual General Meeting of Shareholders will occur prior to October 1, 2013.
- Smoothwater will enter into a limited standstill agreement relating to proxy contests to change the board and on making a public takeover bid until the completion of the 2015 Annual General Meeting.

William Pringle, Chair of the Special Committee of Genesis said “I am pleased, that after significant effort by both sides, we were able to arrive at an agreement with Smoothwater to bring an end to the proxy contest. I believe that the nominees offer shareholders a highly qualified Board. I look forward to working with all of my fellow directors as we implement and enhance Genesis’ go-forward strategy and development.”

Stephen Griggs, CEO of Smoothwater, said “This process has been extraordinarily expensive and disruptive for Genesis, and we appreciate the constructive approach taken by the Special Committee to bring an end to this dispute. I look forward to joining the Board of Genesis as Chair and working with my fellow directors to realize value for shareholders.”

Michael Brodsky, Chairman said “It is time to put the proxy contest behind us and move forward to build value for shareholders. The settlement reached between Genesis and Smoothwater provides stability and clarity for shareholders.”

The Board will provide details of a new annual general meeting date as soon as possible.

About Genesis

Genesis is a Calgary-based real estate development corporation engaged in the acquisition, development, and sale of land, residential lots and homes in Alberta and British Columbia. All business activities of the Corporation are conducted in Western Canada, with development lands held primarily in and around the cities of Calgary and Airdrie. With a diversified and substantial land base, the Corporation is well positioned to focus on developing those projects that offer the best return in the market going forward.

SOURCE Genesis Land Development Corp.

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