GENESIS LAND DEVELOPMENT CORP.

MANAGEMENT'S DISCUSSION AND ANALYSIS

For the three months ended March 31, 2012

May 8, 2012

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GENESIS LAND DEVELOPMENT CORP.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

For the three months ended March 31, 2012

(All dollar amounts are in thousands except per share amounts and as noted in %)

Dated May 8, 2012

The following management's discussion and analysis (MD&A) of the financial condition and results of operations of Genesis Land Development Corp. ("Genesis" or the "Corporation") should be read in conjunction with the unaudited condensed consolidated interim financial statements and the notes thereto for the three months ended March 31, 2012 prepared in accordance with International Financial Reporting Standards ("IFRS"). These financial statements have been reviewed by the Corporation's Audit Committee, consisting of three independent directors and adopted by the Board of Directors. Additional information, including the Corporation's Annual Information Form, is available on SEDAR at ***www.sedar.com****.*

FORWARD-LOOKING STATEMENTS

This MD&A contains certain statements which constitute forward-looking statements or information ("forward-looking statements") within the meaning of applicable securities legislation concerning the business, operations and financial performance and condition of Genesis. Forward-looking statements include, but are not limited to, statements with respect to the estimated corporate tax rate and the number of dwelling sites that Genesis will actually develop and sell. Generally, these forward-looking statements can be identified by the use of forward-looking terminology such as "plans", "expects" or "does not expect", "is expected", "budget", "scheduled", "estimates", "forecasts", "intends", "anticipates" or "does not anticipate", or "believes", or variations of such words and phrases or state that certain actions, events or results "may", "could", "would", "might" or "will be taken", "occur" or "be achieved". Although Genesis believes that the anticipated future results, performance or achievements expressed or implied by the forward-looking statements are based upon reasonable assumptions and expectations, the reader should not place undue reliance on forward-looking statements because they involve assumptions, known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of Genesis to differ materially from anticipated future results, performance or achievement expressed or implied by such forward-looking statements. Accordingly, Genesis cannot give any assurance that its expectations will in fact occur and cautions that actual results may differ materially from those in the forward-looking statements. Factors that could cause actual results to differ materially from those set forth in the forward-looking statements include, but are not limited to, general economic conditions; local real estate conditions, including the development of properties in close proximity to Genesis' properties; timely leasing of newly-developed properties and re-leasing of occupied square footage upon expiration; dependence on tenants' financial condition; the uncertainties of real estate development and acquisition activity; the ability to effectively integrate acquisitions; interest rates; availability of equity and debt financing; the impact of newly-adopted accounting principles on Genesis' accounting policies and on period-to-period comparisons of financial results; economic conditions in Western Canada, not realizing on the anticipated benefits from the transaction or not realizing on such anticipated benefits within the expected time frame and other risks and factors described from time to time in the documents filed by Genesis with the securities regulators in Canada available at www.sedar.com, including this MD&A under the heading "Risks and Uncertainties" and the Annual Information Form under the heading "Risk Factors". Furthermore, the forward-looking statements contained in this MD&A are made as of the date of this MD&A and, except as required by applicable law, Genesis does not undertake any obligation to publicly update or to revise any of the forward-looking statements, whether as a result of new information, future events or otherwise.

Caution should be exercised in the evaluation and use of the appraisal results. The appraisal is an estimate of market value at specific dates and not a precise measure of value, being based on subjective comparison of related activity taking place in the real estate market. The appraisal is based on various assumptions of future expectations and while the appraiser's assumptions are considered to be reasonable at the current time, some of the assumptions may not materialize or may differ materially from actual experience in the future.

NON-IFRS MEASURES

This MD&A refers to funds from operations ("FFO") that does not have any standardized meaning within IFRS and therefore may not be comparable to similar measures provided by other companies. FFO is provided as it is considered informative for management, shareholders and analysts. FFO is a meaningful additional financial measure of operating performance, as it adjusts for certain items included in IFRS net income that may not be reflective of the long-term operating performance of the Corporation.

FFO does not represent cash flow from operating activities as defined by IFRS, is not indicative of cash available to fund all liquidity requirements, including capital growth, and should not to be considered as alternative to IFRS net income or IFRS cash flow from operating activities for the purpose of evaluating operating performance.

THE CORPORATION

Genesis is a Calgary-based real estate development corporation focusing on the development and sale of residential, commercial and light industrial properties. The Corporation's vertically integrated operations include:

- the acquisition of raw land held for future development, including the planning, servicing and marketing of urban communities and resort properties in Western Canada;
- the construction and sale of single- and multi-family homes through Genesis Builders Group ("GBG"), a wholly-owned subsidiary of the Corporation; and
- the development of commercial, industrial and office properties.

The Corporation's primary focus is on development lands in and around the cities of Calgary and Airdrie. The Corporation also has land adjacent to the city of Edmonton and the town of Cochrane in Alberta; and in and around the cities of Prince George, Kamloops and the town of Radium in British Columbia.

The Corporation is listed for trading on the Toronto Stock Exchange (the "Exchange" or "TSX") under the symbol "GDC".

EXECUTIVE SUMMARY

The Corporation achieved net earnings of $0.14 per share – basic for the three months ended March 31, 2012, compared to $0.08 per share – basic for the same period in 2011. The increased earnings result from the sale of 71 lots in phases 3 and 4 in the Calgary community of Saddlestone. These lots had higher margins relative to the 76 lots sold in phases 1 and 2 of the Calgary community of Sage Meadows during the same period in 2011. The Breeze multi-family project was completed in the first quarter of 2012 with the sale of the final unit in that development.

On February 21, 2012, the Corporation announced the conclusion of a strategic review process that commenced on June 20, 2011. A Special Committee of independent members of Genesis' Board of Directors conducted a thorough review of the strategic alternatives available to the Corporation including consideration of corporate transactions and refinements to ongoing operations. The process did not result in a transaction and the process has been terminated.

OUTLOOK

The Western Canadian real estate market appears to be emerging from a lack luster performance in 2011. In the first quarter of 2011, the Calgary Metropolitan area produced 1,548 dwelling starts while the first quarter of 2012 produced 3,200 dwelling starts representing an over 100% year over year increase. Alberta's energy sector is robust and Calgary's downtown office vacancies have dropped significantly. Interest in commercial and industrial and multi-family projects appears to be growing. Net in-migration to the Calgary area is expected to approach 30,000 people per year, resulting in an increased housing demand. Canada Mortgage and Housing forecasts new housing starts for the Calgary metropolitan area of 10,300 in 2012 and 10,700 in 2013 after reporting starts of 9,263 in 2010 and 9,292 in 2011.

Genesis is well positioned to capitalize on this market environment. Our home building division, GBG, has 9 completed and professionally-staged show-homes in 6 communities to support its sales objectives. GBG will also launch three row housing projects in 2012; 23 units at The Brownstones in Sage Meadows, 29 units at Saffron in Saddlestone and 15 units at The Gardens in Saddlestone. The existing show-homes will be used to sell into these projects.

The Corporation's land development division has completed servicing of 132 lots in the community of Saddlestone that was made available to the market in the first quarter of 2012. The 2012 development program calls for the servicing of an additional 153 lots in Saddlestone and 148 lots in the Airdrie community of Canals. Planning and engineering work is also taking place in 2012 to facilitate the 2013 lot servicing program.

Genesis continues to advance planning and development approvals on its mid to long term lands to provide a future inventory of residential, commercial and industrial projects such as the annexation of the +319 acres held in Limited Partnership Land Pool 2007 into the city of Airdrie on March 24, 2012.

KEY FINANCIAL PERFORMANCE INDICATORS

The Key Financial Performance Indicators ("KPIs") that the management of Genesis use to measure the performance of the Corporation are as follows:

1. Funds From Operations is an earnings measure.
2. Funds From Operations per share is an earnings measure.
3. Earnings Per Share is an earnings measure.
4. Debt to Gross Book Value is a leverage measure.
5. Debt (Total Liabilities) to Equity ratio is a leverage measure.
6. Return on Equity is a measure of return on shareholders' capital at risk.
7. Return on Assets is a measure of return on asset value.

Key Performance Indicators are calculated as follows:

	Three months ended March 31,	
	2012	**2011**
Funds From Operations	8,593	(1,465)
Funds From Operations per share	0.19	(0.03)
Earnings Per Share - Basic and Diluted	0.14	0.08

	For the twelve months ended	
	March 31, 2012	**December 31, 2011**
Return on Equity	7.7%	6.4%
Return on Assets	3.7%	3.0%

	March 31, 2012	**December 31, 2011**
Debt (Total Liabilities) to Equity ratio	0.53	0.60
Debt to Gross Book Value	22.4%	23.6%

For the calculation of debt to equity ratio, refer to the 'Liquidity and Capital Resources' section.

Funds from operations were calculated as follows:

($'s)	2012	2011	Change	%
Net earnings being comprehensive income	6,192	3,523	2,669	76%
Deferred taxes	2,383	(5,025)	7,408	147%
Impairment losses	399	37	362	978%
Non-controlling interest in respect of the above	(381)	-	(381)	100%
Funds from operations	8,593	(1,465)	10,058	687%
FFO per share - basic and diluted	0.19	(0.03)	0.22	733%

The increase in FFO is mainly due to the sale of lots with better than average margins and sale of two multi-family sites by a joint venture in the Calgary community of Kinwood.

Debt to Gross book value is calculated as follows:

($'s)	March 31, 2012	December 31, 2011
Debt		
Financings excluding deferred financing fees	83,354	89,989
Gross Book Value		
Real estate held for development and sale	294,859	299,916
Property and equipment	251	2,062
Other assets	75,733	77,654
Deferred financing fees	1,446	1,758
Gross Book Value	372,289	381,390
Debt to Gross Book Value	22.4%	23.6%

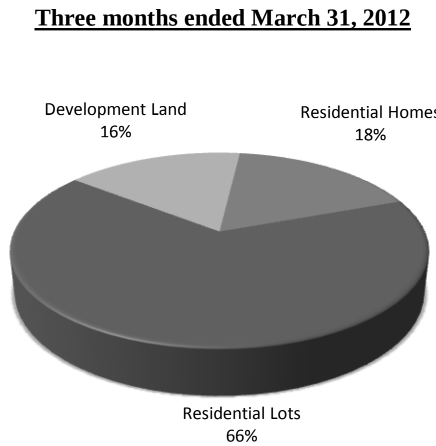
Gross book value means the book value of the assets of the Corporation and its consolidated subsidiaries plus accumulated depreciation in respect of property and equipment, and deferred financing fees. Other assets include amounts receivable, other operating assets, deferred income taxes and cash and cash equivalents.

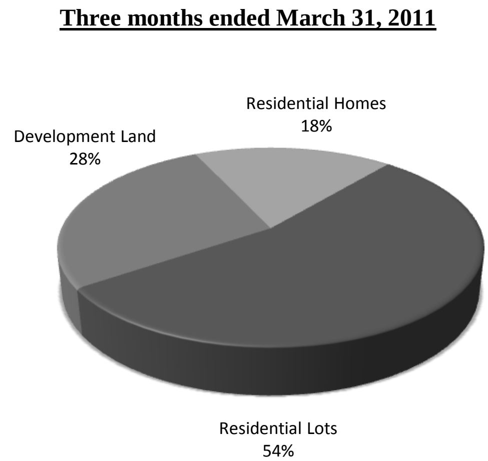
RESULTS OF OPERATIONS

	Three months ended March 31,			
($'s)	2012	2011	Change	%
Net earnings attributable to equity holders of the parent	6,192	3,523	2,669	76%
Net earnings per share - basic and diluted	0.14	0.08	0.06	75%

Revenue, Cost of Sales and Gross Margin

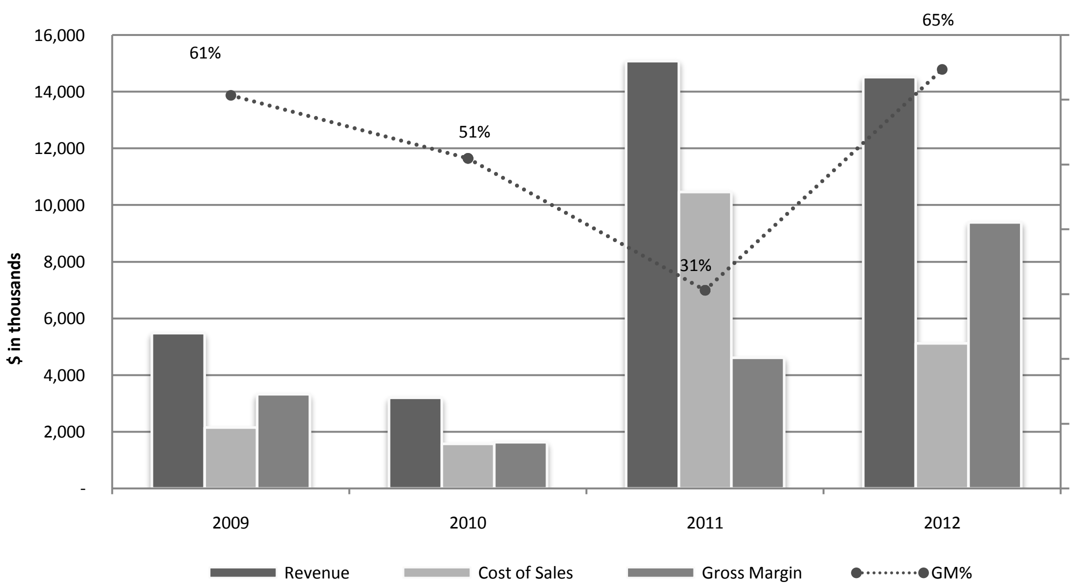
The revenue mix for the three months ended March 31, 2012 and 2011 is as follows:





Residential Lots

Revenue, Cost of Sales and Gross Margin
Three months ended March 31,



($'s)	Three months ended March 31, 2012	2011	Change	%
Residential lot revenue	14,520	15,091	(571)	(4%)
Cost of sales	(5,122)	(10,471)	(5,349)	(51%)
Gross margin	9,398	4,620	4,778	103%
Gross margin %	65%	31%		
Number of lots sold	75	82	(7)	(9%)
Average revenue per lot	194	184	10	5%
Average cost of sales per lot	68	128	(60)	(47%)

During the three months ended March 31, 2012, the Corporation sold 71 lots in the newly released phases 3 and 4 of the Calgary community of Saddlestone.

The cost of sales per lot was lower for the three months ended March 31, 2012 compared to 2011 due to the sales mix. The lots sold in 2011 were in the Calgary community of Sage Meadows. Sage Meadows has a higher cost base per saleable square foot due to various additional infrastructure requirements.

Development Land

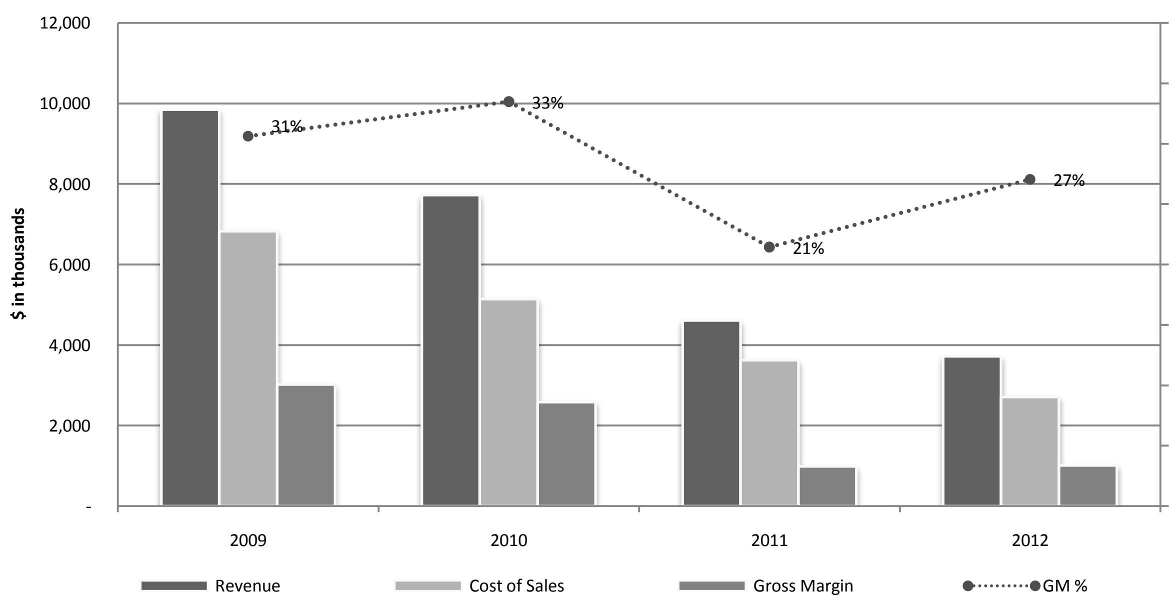
	Three months ended March 31,			
($'s)	**2012**	**2011**	**Change**	**%**
Development land revenue	3,600	7,644	(4,044)	(53%)
Cost of sales before write-down	(2,350)	(4,657)	(2,307)	(50%)
Write-down	(399)	-	399	100%
Gross margin	851	2,987	(2,136)	(72%)
Gross margin %	24%	39%		
Margin excluding writedown for limited partnership properties				
Cost of sales before write-down	(2,350)	(4,657)	(2,307)	(50%)
Write-down	(18)	-	18	100%
Gross margin	1,232	2,987	(1,755)	(59%)
Gross margin %	34%	39%		

The development land revenue for the three months ended March 31, 2012 relates to 2 multi-family land parcels sold by a joint venture achieving consistent margins year over year. The Corporation deferred $13,167 when it contributed its share of land to the JV. As at March 31, 2012, the Corporation has realized $3,424 of that amount as a result of sales to third parties. $1,015 has been recognized during the three months ended March 31, 2012. The remaining amount of $9,743 will be realized on the future sale and development of lots and lands by the JV.

Residential Home Building

Single-family

Revenue, Cost of Sales and Gross Margin
Three months ended March 31,



($'s)	Three months ended March 31, 2012	2011	Change	%
Single-family revenue	3,722	4,611	(889)	(19%)
Cost of sales	(2,715)	(3,622)	(907)	(25%)
Gross margin	1,007	989	18	2%
Gross margin %	27%	21%		
Number of homes sold	7	9	(2)	(22%)
Average revenue per home	532	512	20	4%
Average cost of sales per home	388	402	(14)	(3%)

The gross margin improved as the sales mix for the homes sold during the three months ended March 31, 2012 was favourable compared to the same period in 2011. As at May 8, 2012, the home building division has 65 sales under contract, all expected to close during 2012.

The number of home sales closed by community during the three months ended March 31, 2012 and 2011 in Calgary and Airdrie are as follows:

	Three months ended March 31,			
	# of single-family homes closed		Average amount per home ($'s)	
Community	**2012**	**2011**	**2012**	**2011**
Calgary				
Sherwood	-	2	-	522
Saddlestone	1	-	391	-
Sage Meadows	2	1	511	438
Taralake	-	1	-	461
Airdrie				
Bayside	4	5	577	534
Total	7	9	532	512

Multi-family

($'s)	Three months ended March 31, 2012	2011	Change	%
Multi-family revenue	136	397	(261)	(66%)
Cost of sales	(121)	(318)	(197)	(62%)
Gross margin	15	79	(64)	(81%)
Gross margin %	11%	20%		
Number of homes sold	1	2	(1)	(50%)
Average revenue per home	136	199	(63)	(32%)
Average cost of sales per home	121	159	(38)	(24%)

The last unit in The Breeze multi-family project was sold during the three months ended March 31, 2012.

The Corporation currently has several additional serviced multi-family sites for which the management is assessing various opportunities to maximize the value from these sites.

General and Administrative Expense

($'s)	Three months ended March 31, 2012	2011	Change	%
Corporate administration	715	583	132	23%
Compensation and benefits	961	1,303	(342)	(26%)
Professional services	651	430	221	51%
Advertising and marketing	494	280	214	76%
	2,821	2,596	225	9%

The overall general and administrative expense for the three months ended March 31, 2012 compared to the same period last year increased mainly due to costs associated with the commercial settlements in the normal course of operations, and consulting costs related to the strategic alternatives review. The increase was partially offset by a reduction in compensation costs due to a decrease in the number of employees from 57 as at March 31, 2011 to 47 at the end of March 31, 2012.

Finance Expense

($'s)	Three months ended March 31, 2012	2011	Change	%
Interest expensed	1,360	1,681	(321)	(19%)
Financing fees accretion	312	351	(39)	(11%)
Interest and financing fees capitalized	(1,108)	(759)	349	46%
	564	1,273	(709)	(56%)

Interest expense relates to certain operating loans secured by land and single-family home building operations.

The decrease in interest expense for the three months ended March 31, 2012 compared to 2011 was mainly due to the interest capitalization on Sage Hill Commercial property as it is now in its active construction phase.

FINANCIAL POSITION

ASSETS

($'s)	March 31, 2012	%	December 31, 2011	%
Real estate held for development and sale	294,859	80%	299,916	79%
Amounts receivable	50,280	14%	43,451	11%
Other operating assets	20,284	5%	20,942	6%
Deferred income taxes	476	-	2,859	1%
Cash and cash equivalents	4,809	1%	10,850	3%
	370,708	100%	378,018	100%

Real Estate Held for Development and Sale

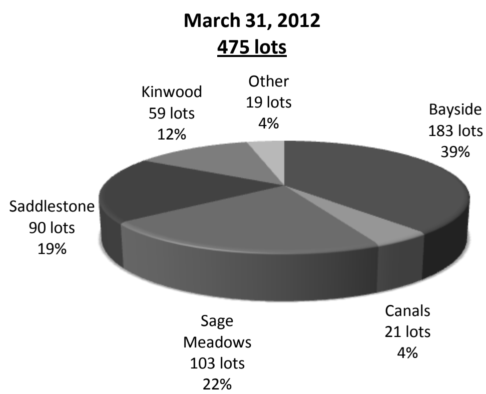
($'s)	March 31, 2012	December 31, 2011	Change	%
Real estate held for development and sale	306,025	310,670	(4,645)	(1%)
Provision for write-down	(11,166)	(10,754)	412	4%
	294,859	299,916	(5,057)	(2%)

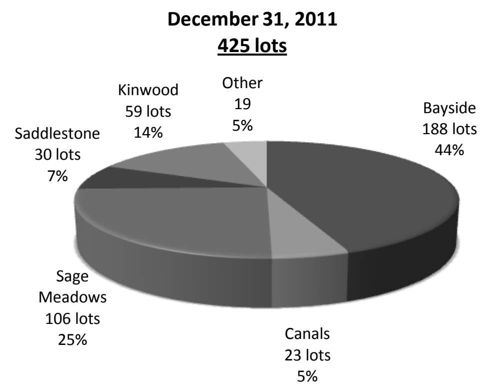
During the three months ended March 31, 2012, carrying value of real estate held for development and sale decreased primarily as a result of sales of residential lots, development land parcels and housing inventory and the write-down of development land parcels. The decrease is offset by on-going residential land development and home construction expenditures relating to the Calgary communities of Sage Meadows, Saddlestone and Sage Hill Crossing, and the Airdrie community of Bayside. During the three months ended March 31, 2012, the Corporation recognized partial write-downs of the book value of land parcels in the amount of $412 of which $381 relates to lands held under limited partnerships.

Real estate held for development and sale changed during the three months ended March 31, 2012 as follows:

($'s)	Land Under Development	Land Held for Future Development	Housing Projects	Intersegment elimination	Total
December 31, 2011	149,188	140,599	10,129	-	299,916
Acquisitions & Transfers	-	-	1,299	(1,299)	-
Development	1,712	(1,200)	4,313	1,299	6,124
Sold	(7,379)	-	(3,390)	-	(10,769)
Impairment adjustments	(381)	(31)	-	-	(412)
March 31, 2012	143,140	139,368	12,351	-	294,859

Total number of single-family lots in inventory by community





Amounts Receivable

($'s)	March 31, 2012	December 31, 2011	Change	%
Amounts receivable	50,280	43,451	6,829	16%

Amounts receivable increased at March 31, 2012 compared to December 31, 2011 mainly due to lot sales in the newly completed phases 3 and 4 in the Calgary community of Saddlestone and 2 multi-family sites sold by the joint venture in the Calgary community of Kinwood. There are no receivables for which an allowance for doubtful accounts is required.

LIABILITIES AND EQUITY

($'s)	March 31, 2012	%	December 31, 2011	%
Financings	81,908	22%	88,231	23%
Customer deposits	7,953	2%	7,582	2%
Accounts payable and accrued liabilities	7,691	2%	16,415	4%
Income taxes payable	12,915	3%	12,970	3%
Land development service costs	17,668	5%	16,201	4%
Non-controlling interest	56,091	15%	56,771	15%
Shareholders' equity	186,482	51%	179,848	49%
	370,708	100%	378,018	100%

Financings from lending institutions, gross of deferred financing fees of $1,446, at March 31, 2012 totaled $83,354 of which $16,905 or 20% relates to balances due in 1 year or less, repayment of which is either (i) linked directly to the collection of lot receivables and sales proceeds; or (ii) due at maturity. During the three months ended March 31, 2012, Genesis received $6,455 of financing proceeds and made repayments of $13,087.

Land Development Service Costs

($'s)	March 31, 2012	December 31, 2011	Change	%
Land development service costs	17,668	16,201	1,467	9%

Accrued land development service costs increased at March 31, 2012 compared to December 31, 2011 mainly due to lot sales in the phases 3 and 4 of the Saddlestone community. The overall increase was partially off-set by performance of planned service work, thus incurring previously accrued completion costs.

Shareholders' Equity

As at May 8, 2012, the Corporation had 44,662,725 common shares issued and outstanding. In addition, there were options to acquire 1,555,408 common shares of the Corporation issued under the Corporation's stock option plan.

LIQUIDITY AND CAPITAL RESOURCES

During the three months ended March 31, 2012, the Corporation generated net earnings of $6,192 for funding its operating activities. At March 31, 2012, the consolidated cash balance was $4,809 as compared to $10,850 as at December 31, 2011.

The short-term liabilities and commitments include:

($'s)	March 31, 2012	December 31, 2011
Financings, excluding deferred financing fees	16,905	16,807
Accounts payable and accrued liabilities	7,691	16,415
Total short-term liabilities	24,596	33,222
Commitments	9,683	10,035
	34,279	43,257

At March 31, 2012, Genesis has obligations due within the next 12 months of $34,279. Genesis expects to generate sales and renew existing credit facilities or secure additional financings sufficient to meet its obligations as they become due. Based on Genesis' operating history, its relationship with its lenders and committed sales contracts, management believes that the Corporation has the ability to continue to renew or repay its financial obligations as they come due.

The following is a summary of the Corporation's divisional financings balances as at March 31, 2012 and as at the end of the previous four quarters:

Financings ($'s)	**First Quarter 2012**	**Fourth Quarter 2011**	**Third Quarter 2011**	**Second Quarter 2011**	**First Quarter 2011**
Land & land project loans	82,546	88,047	75,275	86,192	86,686
Home building operations	112	1,254	-	-	-
Other	696	688	681	673	667
	83,354	89,989	75,956	86,865	87,353
Deferred financing fees	(1,446)	(1,758)	(1,829)	(1,428)	(1,422)
	81,908	88,231	74,127	85,437	85,931

The movement in the Corporation's financings was as follows:

($'s)	**Three months ended March 31, 2012**	**Year ended December 31, 2011**
Balance, beginning of year	88,231	81,320
Advances	6,455	91,023
Repayments	(13,087)	(83,613)
Finance expense	564	5,169
Interest and financing fees paid and capitalized	(255)	(5,668)
Balance, end of year	81,908	88,231

The financings decreased mainly due to the pay down of project loans by lot closings achieved in the Calgary community of Saddlestone.

The following table shows the debt to equity ratio calculated as total liabilities divided by total equity.

($'s)	**March 31, 2012**	**December 31, 2011**
Total Liabilities	128,135	141,399
Total Equity	242,573	236,619
Debt to Equity ratio	0.53	0.60

The Corporation uses a combination of project-specific credit facilities, limited partnership capital and cash generated from operations to fund its capital requirements. Management believes that the Corporation has sufficient liquidity to pay for operating expenses, incur development costs, and pay principal and interest on financings. The Corporation regularly reviews its credit facilities and manages the requirements in accordance with project development plans and operating requirements.

Contractual Obligations

The Corporation's contractual obligations, other than accounts payable, income taxes payable, customer deposits and land development service costs, stated as of March 31, 2012, are as follows:

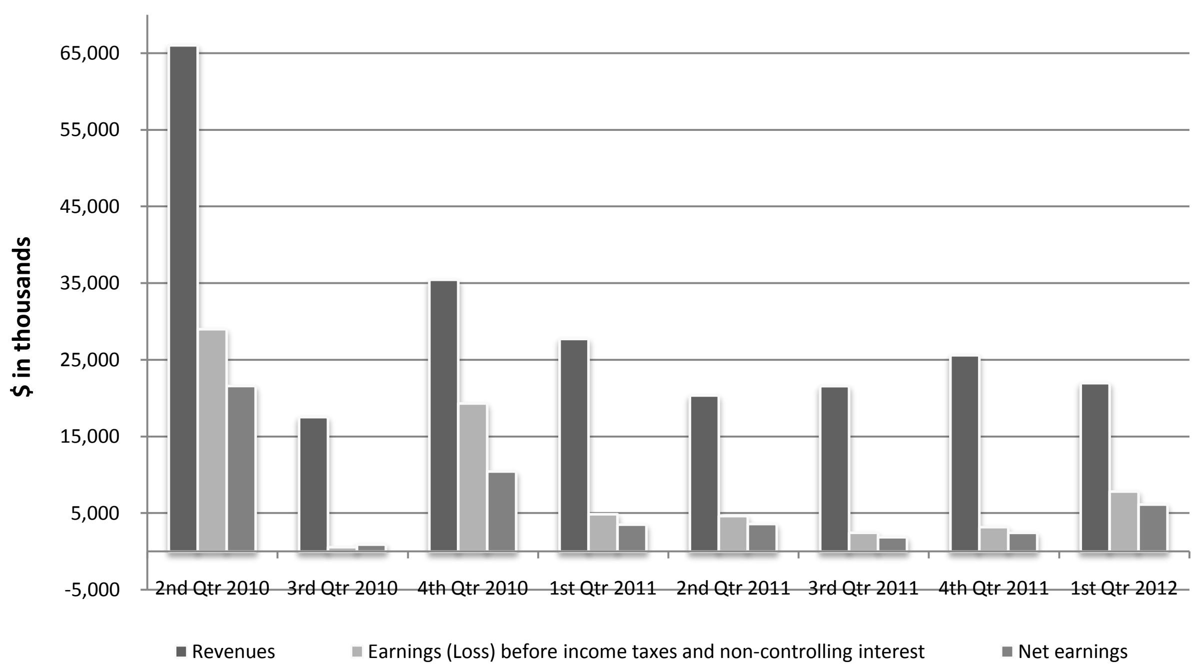
($'s)	Financings (excl. deferred financing fees)	Purchase of Land and other	Naming Rights	Lease Obligations	Total
Current	16,905	8,433	1,200	776	27,314
Years 2 and 3	66,449	-	1,400	1,343	69,192
Years 4 and 5	-	-	1,400	1,350	2,750
Thereafter	-	-	2,200	172	2,372
	83,354	8,433	6,200	3,641	101,628

Genesis has entered into a memorandum of understanding with a community society in North East Calgary, whereby Genesis will contribute $5,000 over the next ten years for the naming rights to the "Genesis Centre for Community Wellness", a recreation complex in north east Calgary.

Genesis has entered into an agreement with the City of Airdrie, whereby Genesis will contribute $200 per year for ten years, commencing June 1, 2008, for the naming rights to "Genesis Place", a recreation complex in the city of Airdrie. The first four payments have been remitted as scheduled and recorded as part of general and administrative expense.

During the three months ended March 31, 2012, the Corporation entered into an offer to lease new premises for new office space. The lease period starts from July 1, 2012 and ends on June 30, 2017. The lease commitment for rent amounts to $1,939 and additional commitment related to operating costs would amount to $1,293. The lease includes a tenant improvement allowance of $291.

SUMMARY OF QUARTERLY RESULTS



($'s)	First Quarter 2012	Fourth Quarter 2011	Third Quarter 2011	Second Quarter 2011	First Quarter 2011	Fourth Quarter 2010	Third Quarter 2010	Second Quarter 2010
Revenues	21,978	25,615	21,590	20,368	27,743	35,464	17,548	66,042
Earnings before income taxes and non-controlling interest	7,840	1,666	2,462	4,637	4,877	19,326	579	29,014
Net earnings being comprehensive income	6,192	2,057	1,877	3,604	3,523	10,454	917	21,606
Net earnings per share:								
- Basic	0.14	0.05	0.04	0.08	0.08	0.24	0.02	0.49
- Diluted	0.14	0.05	0.04	0.08	0.08	0.23	0.02	0.49

JOINT VENTURE

On April 30, 2010, Genesis entered into a joint venture agreement with another real estate development corporation to form a joint venture corporation ("JV") with a purpose of conducting residential development of certain real estate holdings. Genesis contributed 75 acres (net of JV interests) and has a 50% interest in the JV. The development is comprised of 4 phases. The first phase has been serviced and is comprised of 192 lots and two multi-family sites. The JV sold 135 lots in 2011, including 30 lots sold to the home building division of the Corporation. During the three months ended March 31, 2012, the JV sold the two multi-family sites for $7,200.

On July 15, 2011, the JV obtained a credit facility in the amount of $17,000. The Corporation and the JV partner have provided a guarantee for this facility. At March 31, 2012, the balance of the facility was $9,794, 50% of which the Corporation recognized in its financial statements as at March 31, 2012.

The Corporation deferred $13,167 when it contributed its share of land to the JV. As at March 31, 2012, the Corporation has realized $3,424 of that amount as a result of sales to third parties. $1,015 has been recognized during the three months ended March 31, 2012. The remaining amount of $9,743 will be realized on the future sale and development of lots and lands by the JV.

OFF BALANCE SHEET ARRANGEMENTS

Letters of Credit

The Corporation has an ongoing requirement to provide letters of credit to municipalities as part of the subdivision plan registration process. As at March 31, 2012, these letters of credit totaling approximately $12,720, would provide a source of funds to the municipalities that would allow them to complete the construction and maintenance of improvements to the subdivision should the Corporation not be able to. The amount of any particular letter of credit is reduced at various stages of construction. Once the municipality issues a certificate acknowledging completion of the improvements to the project, the letter of credit is returned and cancelled.

Lease Agreements

The Corporation has certain lease agreements that are entered into in the normal course of operations. All leases are treated as operating leases whereby lease payments are included in operating expenses or general and administrative expenses depending on the nature of the lease. No asset or liability value has been assigned to these leases in the balance sheet as of March 31, 2012.

RELATED PARTY TRANSACTIONS

The Advisory Services Agreement ('ASA') with a former officer to provide support and advisory services on an as-needed basis during the strategic alternatives evaluation process ended March 31, 2012. The amount of payments made to the former officer under the ASA for the three months ended March 31, 2012 were $29 (2011 - Nil).

During the year ended December 31, 2011, the Corporation's Corporate Controller entered into a contract with the Corporation for the purchase of a single-family home for $693 representing terms offered to employees. The contract was terminated during the three months ended March 31, 2012.

CRITICAL ACCOUNTING ESTIMATES

Please refer to the relevant section of the MD&A for the three months and year ended December 31, 2011.

RISKS AND UNCERTAINTIES

Please refer to the relevant section of the MD&A for the three months and year ended December 31, 2011.

DISCLOSURE CONTROLS AND PROCEDURES

The Chief Executive Officer ("CEO") and Chief Financial Officer ("CFO") have designed, or caused to be designed under their direct supervision, Genesis' disclosure controls and procedures (as defined by National Instrument 52-109 – Certification of Disclosure in Issuers' Annual and Interim Filings, adopted by the Canadian Securities Administrators) to provide reasonable assurance that:

(i) material information relating to Genesis, including its consolidated subsidiaries, is made known to them by others within those entities, particularly during the period in which the annual and interim filings are being prepared; and

(ii) material information required to be disclosed in the annual and interim filings is recorded, processed, summarized, and reported on a timely basis.

In conformance with National Instrument 52-109 ("52-109"), the Corporation has filed certificates signed by the CEO and CFO that deal with the matter of disclosure controls and procedures and have concluded that as of March 31, 2012 the design and operating effectiveness of these disclosure controls and procedures are effective in providing reasonable assurance that material information required to be disclosed by the Corporation in reports filed with Canadian securities regulators is accurate and complete and filed within the periods required

Based on that evaluation, senior management determined that the disclosure controls and procedures have been designed to provide reasonable assurance that information required to be disclosed in the Corporation's annual filings and interim filings (as such terms are defined under 52-109) and other reports filed or submitted under Canadian securities laws is recorded, processed, summarized and reported within the time periods specified by those laws, and that material information is accumulated and communicated to management as appropriate to allow timely decisions regarding required disclosure.

INTERNAL CONTROLS OVER FINANCIAL REPORTING

The CEO and CFO have also designed, or caused to be designed under their direct supervision, Genesis' internal controls over financial reporting to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with IFRS.

Further, using the criteria established in Internal Control – Integrated Framework published by the Committee of Sponsoring Organizations of the Treadway Commission, they have evaluated, or caused to be evaluated under their direct supervision, the effectiveness of Genesis' internal controls over financial reporting as of

March 31, 2012 and concluded that the design and operating effectiveness of these internal controls over financial reporting are effective.

There were no changes in the Corporation's internal controls over financial reporting during the three months ended March 31, 2012 that have materially affected, or are reasonably likely to materially affect the Corporation's internal controls over financial reporting.

While Genesis' CEO and CFO believe that the Corporation's internal controls and procedures provide a reasonable level of assurance that such controls and procedures are reliable, an internal control system cannot prevent all errors and fraud. It is management's belief that any control system, no matter how well conceived or operated, can provide only reasonable, not absolute, assurance that the objectives of the control system are met.

Management will continue to monitor the effectiveness of its internal controls over financial reporting and disclosure framework and may make modifications from time to time as considered necessary or desirable.

The CEO and CFO oversee all material transactions and related accounting records. In addition, the Audit Committee reviews the financial statements and key risks of the Corporation on a quarterly basis and queries management about significant transactions, and there is daily oversight by the senior management of the Corporation.

The CEO and CFO have limited the scope of the design of disclosure controls and procedures and internal controls over financial reporting to exclude controls, policies and procedures of Kinwood Communities Inc., a joint venture in which the Corporation has 50% interest. The design was excluded from evaluation as the Corporation does not have the ability to design and evaluate controls policies and procedures carried out by that entity. Our assessment is limited to the internal controls over the inclusion of our share of the joint venture and its results in our consolidated financial statements. To help mitigate the impact and to ensure quality financial reporting, the Corporation had specified procedures performed by an independent accounting firm on certain balance sheet and income statement items.

OTHER

Additional information relating to the Corporation can be found on SEDAR at www.sedar.com