GENESIS LAND DEVELOPMENT CORP.

MANAGEMENT'S DISCUSSION AND ANALYSIS

For the three and nine months ended September 30, 2012

November 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 and nine months ended September 30, 2012

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

Dated November 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 and nine months ended September 30, 2012 prepared in accordance with International Financial Reporting Standards ("IFRS"). This MD&A should also be read in conjunction with the Corporation's discussion of critical accounting estimates and risks and uncertainties, which is included in the Company's MD&A for the year ended December 31, 2011. 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.

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

The Corporation's active projects during the nine months ended September 30, 2012 were:

Community	Location	Phases/Sites under development	Phases being sold
Bayside	Airdrie		7,9
Canals	Airdrie	6	
Sage Meadows	NW Calgary	4	1,2
Kinwood	NW Calgary	2	2
Sage Hill Crossing	NW Calgary	1,2,3,4,5,6,7	3,4,5,6,7
Saddlestone	NE Calgary	5A,6,12(MF)	1,2,3,4,12(MF)

*MF – Multi-family

For a complete list of all properties please refer to the AIF for the year ended December 31, 2011.

EXECUTIVE SUMMARY

The Corporation achieved net earnings of $0.11 and $0.36 per share – basic and diluted for the three and nine months ended September 30, 2012, respectively, compared to $0.04 and $0.20 per share – basic and diluted for the same periods in 2011. The increased earnings for the nine months ended September 30, 2012 primarily result from increased lot sales year over year (up by 79 lots or 49%), driven by completion of new phases in Saddlestone and Kinwood, also with higher related gross margins.

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. Cash flows from operating activities is an earnings measure.
2. Cash flows from operating activities 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 September 30,		Nine months ended September 30,	
	2012	2011	2012	2011
Cash flows from operating activities	6,218	10,812	16,494	18,208
Cash flows from operating activities per share	0.14	0.24	0.37	0.41
Earnings per share - Basic and Diluted	0.11	0.04	0.36	0.20

	For the twelve months ended	
	September 30, 2012	December 31, 2011
Return on Equity	9.6%	6.4%
Return on Assets	4.9%	3.0%

	September 30, 2012	December 31, 2011
Debt (Total Liabilities) to Equity ratio	0.51	0.60
Debt to Gross Book Value	20.8%	23.6%

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

Debt to Gross book value is calculated as follows:

($'s)	September 30, 2012	December 31, 2011
Debt		
Financings excluding deferred financing fees	78,692	89,989
Gross Book Value		
Real estate held for development and sale	299,701	299,916
Property and equipment (gross)	827	2,062
Other assets*	76,365	77,654
Deferred financing fees	1,451	1,758
Gross Book Value	378,344	381,390
Debt to Gross Book Value	20.8%	23.6%

* Other assets consist of amounts receivable, other operating assets, deferred income taxes and cash and cash equivalents.

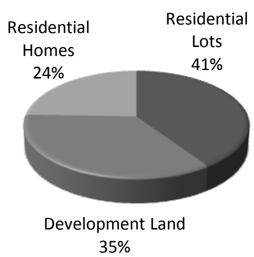
RESULTS OF OPERATIONS

	Three months ended September 30,				Nine months ended September 30,			
($'s)	2012	2011	Change	%	2012	2011	Change	%
Net earnings attributable to equity holders of the parent	4,956	1,877	3,079	164%	15,987	9,003	6,984	78%
Net earnings per share - basic and diluted	0.11	0.04	0.07	175%	0.36	0.20	0.16	80%

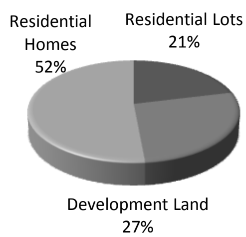
Revenue, Cost of Sales and Gross Margin

The revenue mix for the three and nine months ended September 30, 2012 and 2011 is as follows:

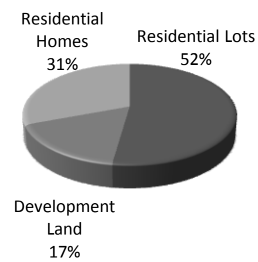
Three months ended September 30, 2012



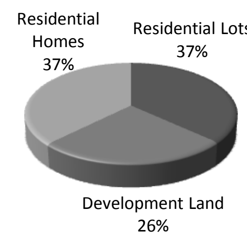
Three months ended September 30, 2011



Nine months ended September 30, 2012



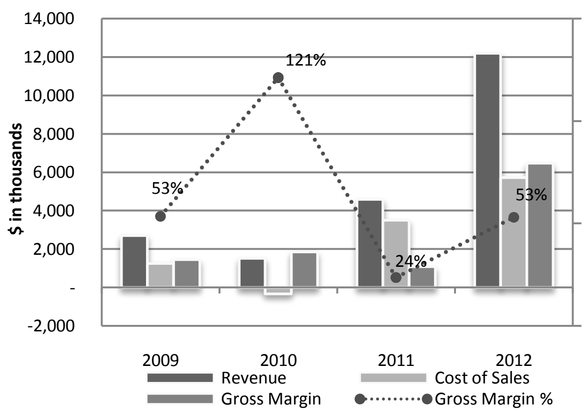
Nine months ended September 30, 2011



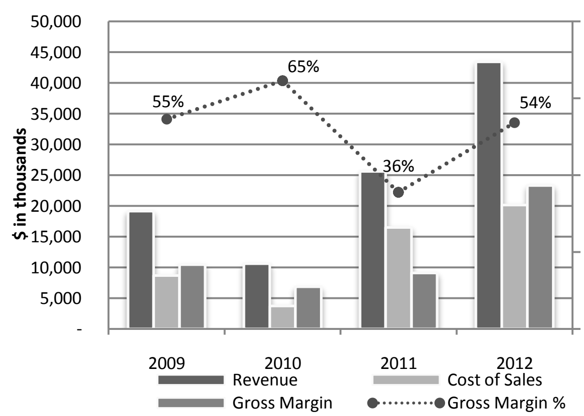
Residential Lots

Revenue, Cost of Sales and Gross Margin

Three months ended September 30,



Nine months ended September 30,



	Three months ended September 30,				Nine months ended September 30,			
($'s)	**2012**	**2011**	**Change**	**%**	**2012**	**2011**	**Change**	**%**
Residential lot revenue	12,192	4,581	7,611	166%	43,463	25,601	17,862	70%
Cost of sales	(5,727)	(3,498)	2,229	64%	(20,137)	(16,497)	3,640	22%
Gross margin	6,465	1,083	5,382	497%	23,326	9,104	14,222	156%
Gross margin %	53%	24%			54%	36%		
Number of lots sold	66	48	18	38%	241	162	79	49%
Average revenue per lot	185	95	90	95%	180	158	22	14%
Average cost of sales per lot	87	73	14	19%	84	102	(18)	(18%)
Average gross margin per lot	98	22	76	345%	96	56	40	71%

The number of lots sold by community during the three and nine months ended September 30, 2012 and 2011 in Calgary and Airdrie are as follows:

	Three months ended September 30,				Nine months ended September 30,			
	# of lots sold		Average revenue		# of lots sold		Average Revenue	
Community	**2012**	**2011**	**2012**	**2011**	**2012**	**2011**	**2012**	**2011**
Calgary								
Sherwood	-	-	-	-	-	3	-	209
Saddlestone	-	-	-	-	83	2	167	216
Sage Meadows	2	-	166	-	30	80	200	185
Kinwood	38	-	180	-	49	-	196	-
Airdrie								
Bayside	14	48	185	95	56	74	156	124
Canals	12	-	204	-	23	3	188	180
Total	66	48	185	95	241	162	180	158

Revenue increased during the three and nine months ended September 30, 2012 mainly due to strong sales in the communities of Saddlestone (phases 3 and 4) and Kinwood (phases 1 and 2), both completed in 2012. The timely development of such phases and resulting lot sales reflect the improvement of Calgary's housing market in general year over year.

The cost of sales per lot was lower for the nine months ended September 30, 2012 compared to 2011 due to the sales mix. The 2012 lot sales included lots in the communities of Saddlestone and Canals 7B, which have lower development costs compared to lots sold in 2011 in the community of Sage Meadows due to various additional infrastructure requirements.

The cost of sales per lot was higher for the three months ended September 30, 2012 compared to 2011 due to sales of lots in Bayside phase 9 and Kinwood phases 1 and 2 with a higher comparative cost base driving up the average cost per lot for the quarter.

The cost of sales for the three months ended September 30, 2010 is a recovery due to reversal of write-down on certain lands amounting to $645.

Development Land

	Three months ended September 30,				Nine months ended September 30,			
($'s)	**2012**	**2011**	**Change**	**%**	**2012**	**2011**	**Change**	**%**
Development land revenue	10,550	5,890	4,660	79%	14,150	18,048	(3,898)	(22%)
Cost of sales before write-down	(7,596)	(3,192)	4,404	138%	(9,958)	(10,840)	(882)	(8%)
(Write-down) Recovery	1,468	1,153	315	27%	1,069	1,194	(125)	10%
Gross margin	4,422	3,851	571	15%	5,261	8,402	(3,141)	(37%)
Gross margin %	42%	65%			37%	47%		

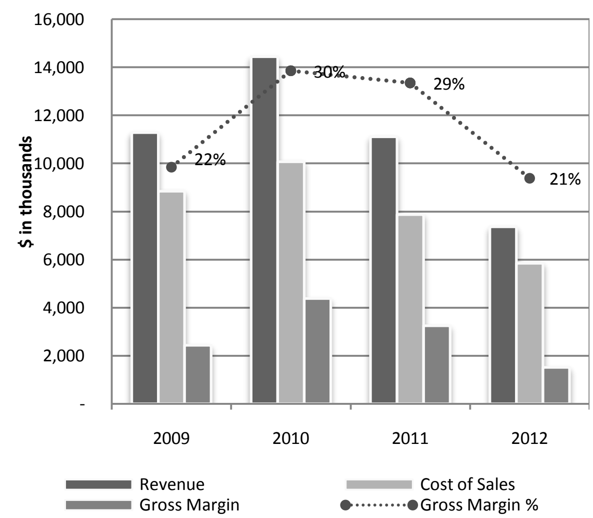
The development land revenue for the three and nine months ended September 30, 2012 relates to multi-family land parcels sold in the communities of Sherwood, Bayside and Kinwood (2 parcels sold by a joint venture). The lower margin percentage in 2012 was mainly due to a land parcel sold in Bayside, which had a higher cost base, and 2 parcels in Kinwood sold with lower pricing.

Residential Home Building

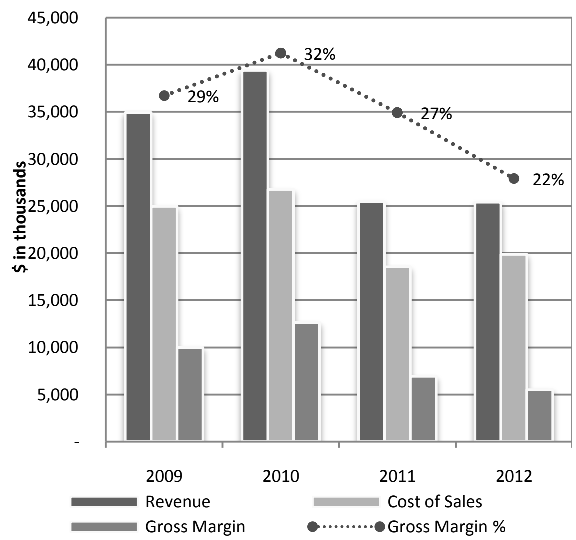
<u>Single-family</u>

Revenue, Cost of Sales and Gross Margin

<u>Three months ended September 30,</u>



<u>Nine months ended September 30,</u>



	Three months ended September 30,				Nine months ended September 30,			
($'s)	**2012**	**2011**	**Change**	**%**	**2012**	**2011**	**Change**	**%**
Single-family revenue	7,366	11,119	(3,753)	(34%)	25,411	25,475	(64)	-
Cost of sales	(5,853)	(7,873)	(2,020)	(26%)	(19,892)	(18,555)	1,337	7%
Gross margin	1,513	3,246	(1,733)	(53%)	5,519	6,920	(1,401)	(20%)
Gross margin %	21%	29%			22%	27%		
Number of homes sold	18	24	(6)	(25%)	56	54	2	4%
Average revenue per home	409	463	(54)	(12%)	454	472	(18)	(4%)
Average cost of sales per home	325	328	(3)	(1%)	355	344	11	3%
Average gross margin per home	84	135	(51)	(38%)	99	128	(29)	(23%)

The gross margin was lower as the sales mix for the homes sold during the three and nine months ended September 30, 2012 includes homes in the Calgary communities of Evansridge and Kinwood. In comparison, the homes sold in 2011 were in the communities of Saddlestone, Sage Meadows and Bayside for which margins are higher. As of November 8, 2012, the home building division has completed 64 home sales and has 99 sales under contract of which 46 are expected to close by year-end.

The number of home sales closed by community during the three and nine months ended September 30, 2012 and 2011 in Calgary and Airdrie are as follows:

	Three months ended September 30,				Nine months ended September 30,			
	# of single-family		Average revenue		# of single-family		Average Revenue	
Community	**2012**	**2011**	**2012**	**2011**	**2012**	**2011**	**2012**	**2011**
Calgary								
Sherwood	-	1	-	632	-	3	-	558
Saddlestone	2	13	402	450	7	23	414	444
Sage Meadows	1	2	547	621	6	9	576	611
Evansridge	8	-	386	-	23	-	372	-
Taralake	-	-	-	-	-	1	-	461
Kinwood	2	-	528	-	2	-	528	-
Airdrie								
Bayside	5	8	373	424	18	18	525	424
Total	18	24	409	463	56	54	454	472

Multi-family

	Three months ended September 30,				Nine months ended September 30,			
($'s)	**2012**	**2011**	**Change**	**%**	**2012**	**2011**	**Change**	**%**
Multi-family revenue	-	-	-	-	136	577	(441)	(76%)
Cost of sales	-	-	-	-	(122)	(541)	(419)	(77%)
Gross margin	-	-	-	-	14	36	(22)	(61%)
Gross margin %	-	-			10%	6%		
Number of units sold			-	-	1	3	(2)	(67%)
Average revenue per unit	-	-	-	-	136	192	(56)	(29%)
Average cost of sales per unit	-	-	-	-	122	180	(58)	(32%)
Average gross margin per unit	-	-	-	-	14	12	2	17%

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. Management is assessing various opportunities to maximize the value from these sites.

General and Administrative Expense

	Three months ended September 30,				Nine months ended September 30,			
($'s)	**2012**	**2011**	**Change**	**%**	**2012**	**2011**	**Change**	**%**
Corporate administration	907	1,584	(677)	(43%)	2,977	3,315	(338)	(10%)
Compensation and benefits	1,400	1,047	353	34%	3,783	3,599	184	5%
Professional services	1,039	1,260	(221)	(18%)	2,427	2,496	(69)	(3%)
Advertising and marketing	956	191	765	401%	1,967	928	1,039	112%
	4,302	4,082	220	5%	11,154	10,338	816	8%

The overall general and administrative expense for the three and nine months ended September 30, 2012 compared to the same periods in 2011 increased mainly due to marketing costs incurred to attract home buyers to the newly developed subdivisions in Saddlestone and several new showhomes built by GBG, the annual naming fee for the recently opened "Genesis Center for Community Wellness", and an increase in the number of employees from 46 as at September 30, 2011 to 50 as at September 30, 2012.

Finance Expense

($'s)	Three months ended September 30, 2012	2011	Change	%	Nine months ended September 30, 2012	2011	Change	%
Interest incurred	1,386	1,649	(263)	(16%)	4,079	5,133	(1,054)	(21%)
Financing fees accretion	330	423	(93)	(22%)	931	1,163	(232)	(20%)
Interest and financing fees capitalized	(1,148)	(736)	412	56%	(3,428)	(2,112)	1,316	62%
	568	1,336	(768)	(57%)	1,582	4,184	(2,602)	(62%)

Interest incurred relates to loans secured by land and single- and multi-family home building operations.

The decrease in interest expense for the three and nine months ended September 30, 2012 compared to 2011 was due to:

- Lower average loan balances resulting from lot closings, and;
- Capitalization of borrowing costs on Sage Hill Crossing property being in its active construction phase.

FINANCIAL POSITION

ASSETS

($'s)	September 30, 2012	%	December 31, 2011	%
Real estate held for development and sale	299,701	79%	299,916	79%
Amounts receivable	56,387	15%	43,451	11%
Other operating assets	18,075	5%	20,942	6%
Deferred income taxes	-	-	2,859	1%
Cash and cash equivalents	2,551	1%	10,850	3%
	376,714	100%	378,018	100%

Real Estate Held for Development and Sale

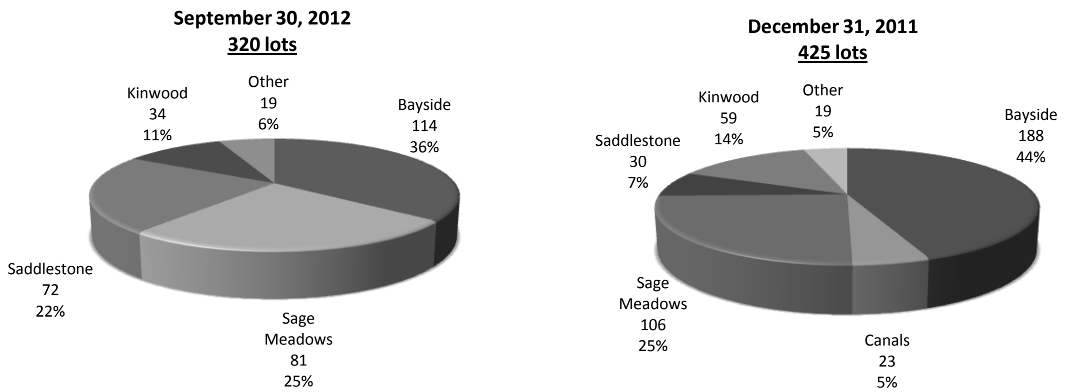
($'s)	September 30, 2012	December 31, 2011	Change	%
Real estate held for development and sale	309,400	310,670	(1,270)	-
Provision for write-down	(9,699)	(10,754)	(1,055)	(10%)
	299,701	299,916	(215)	-

Real estate held for development and sale changed during the nine months ended September 30, 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	1,920	(1,920)	15,691	(4,807)	10,884
Development	17,347	275	14,457	4,807	36,886
Sold	(27,150)	-	(21,890)	-	(49,040)
Impairment adjustments	1,087	(32)	-	-	1,055
September 30, 2012	142,392	138,922	18,387	-	299,701

During the three and nine months ended September 30, 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. The decrease is offset by on-going land development and home construction expenditures relating to the Calgary communities of Sage Meadows, Saddlestone and Sage Hill Crossing, and the Airdrie communities of Canals and Bayside, and recovery of a previously partially written down land parcel in Bayside.

Total number of single-family lots in inventory by community



The number of lots in the community of Kinwood represents the Corporation's 50% proportionate share in a joint venture.

Amounts Receivable

($'s)	September 30, 2012	December 31, 2011	Change	%
Amounts receivable	56,387	43,451	12,936	30%

Amounts receivable increased at September 30, 2012 compared to December 31, 2011 mainly due to increased lot sales achieved in Saddlestone and Kinwood during the three and nine months ended September 30, 2012.

LIABILITIES AND EQUITY

($'s)	September 30, 2012	%	December 31, 2011	%
Financings	77,241	21%	88,231	23%
Customer deposits	8,666	2%	7,582	2%
Accounts payable and accrued liabilities	15,013	4%	16,415	4%
Income taxes payable	5,285	1%	12,970	3%
Deferred income taxes	827	-	-	-
Land development service costs	20,507	5%	16,201	4%
Non-controlling interest	52,707	14%	56,771	15%
Shareholders' equity	196,468	53%	179,848	49%
	376,714	100%	378,018	100%

Financings from lending institutions, gross of deferred financing fees of $1,451 at September 30, 2012 totaled $78,692 of which $8,138 or 10% 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 and nine months ended September 30, 2012, Genesis received $23,666 and $39,621 of financing proceeds and made repayments of $23,580 and $50,213 (see Related Party Transactions on page 16).

The overall decrease is driven by consistent lot closings from sales in Bayside phases 7 and 9, and Sage Meadows phases 1 and 2.

Income Taxes Payable

Income tax payable decreased significantly as the Corporation paid in full its 2011 tax liability of $9,500, offset by current tax provision.

Land Development Service Costs

Accrued land development service costs increased at September 30, 2012 compared to December 31, 2011 mainly due to increased lot and home sales during three and nine months ended September 30, 2012. The overall increase was partially off-set by performance of planned service work, thus incurring previously accrued completion costs.

Non-controlling interest

Non-controlling interest liability decreased due to distributions to unitholders of a limited partnership driven by sale of a commercial parcel in the community of Bayside.

Shareholders' Equity

As at November 8, 2012, the Corporation had 44,762,603 common shares issued and outstanding. In addition, there were options to acquire 1,284,847 common shares of the Corporation issued and outstanding under the Corporation's stock option plan.

LIQUIDITY AND CAPITAL RESOURCES

During the three and nine months ended September 30, 2012, the Corporation generated net earnings of $4,956 and $15,987 for funding its operating activities. At September 30, 2012, the consolidated cash balance was $2,551 as compared to $10,850 as at December 31, 2011.

The short-term liabilities and commitments include:

($'s)	September 30, 2012	December 31, 2011
Financings, excluding deferred financing fees	8,138	16,807
Accounts payable and accrued liabilities	15,013	16,415
Total short-term liabilities	23,151	33,222
Commitments	5,802	10,035
	28,953	43,257

At September 30, 2012, Genesis has obligations due within the next 12 months of $28,953. Based on Genesis' operating history, its relationship with its lenders and committed sales contracts, management is confident 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 September 30, 2012 and the end of the previous four quarters:

Financings ($'s)	**Third Quarter 2012**	**Second Quarter 2012**	**First Quarter 2012**	**Fourth Quarter 2011**	**Third Quarter 2011**
Land & land project loans	78,138	79,212	82,546	88,047	75,275
Home building operations	338	-	112	1,254	-
Other	216	-	696	688	681
	78,692	79,212	83,354	89,989	75,956
Deferred financing fees	(1,451)	(1,232)	(1,446)	(1,758)	(1,829)
	77,241	77,980	81,908	88,231	74,127

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

($'s)	**Three months ended September 30, 2012**	**Nine months ended September 30, 2012**	**Twelve months ended December 31, 2011**
Balance, beginning of period	77,980	88,231	81,320
Advances	23,666	39,621	91,023
Repayments	(23,580)	(50,213)	(83,613)
Finance expense	568	1,582	5,169
Interest and financing fees paid and capitalized and other	(1,393)	(1,980)	(5,668)
Balance, end of period	77,241	77,241	88,231

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

($'s)	**September 30, 2012**	**December 31, 2011**
Total Liabilities	127,539	141,399
Total Equity	249,175	236,619
Debt to Equity ratio	0.51	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 is confident that the Corporation has sufficient liquidity to pay for operating expenses, development costs, and 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 September 30, 2012, are as follows:

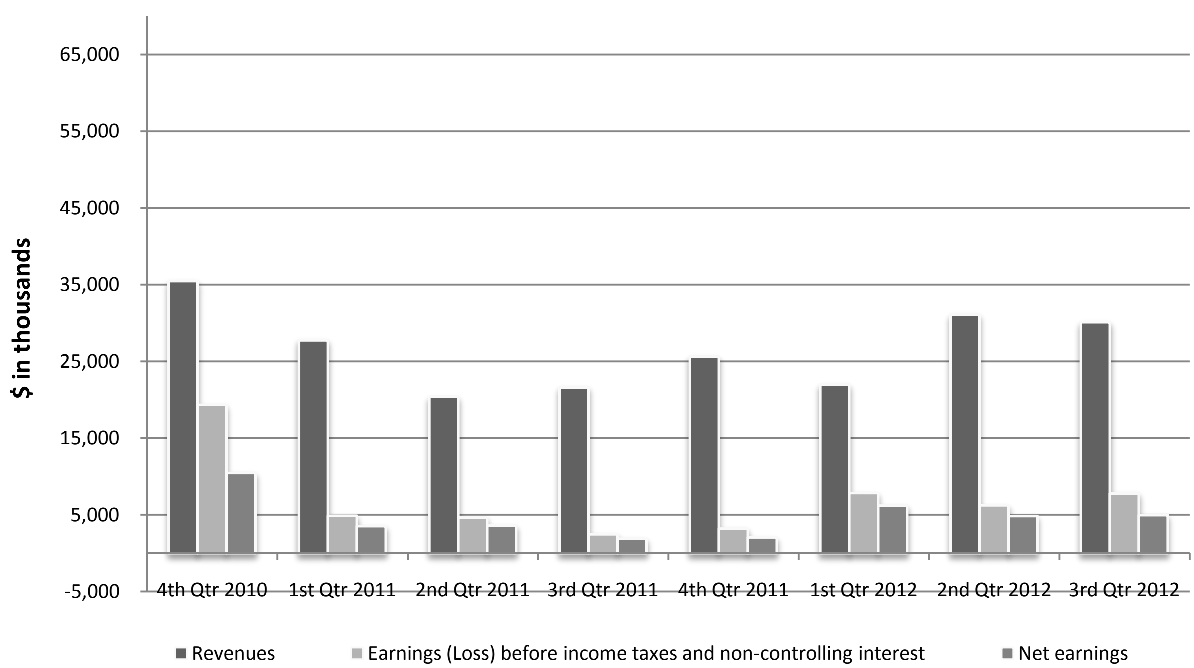
($'s)	Financings (excl. deferred financing fees)	Purchase of Land and other	Naming Rights	Lease Obligations	Total
Current	8,138	4,450	700	652	13,940
Years 2 and 3	70,554	3,979	1,400	1,363	77,296
Years 4 and 5	-	-	1,400	1,250	2,650
Thereafter	-	-	2,000	-	2,000
	78,692	8,429	5,500	3,265	95,886

Genesis has entered into an agreement with a community society in North East Calgary, whereby Genesis will contribute $500 per year for ten years commencing January 1, 2012 for the naming rights to the "Genesis Centre for Community Wellness", a recreation complex in north east Calgary. The amount for 2012 has been paid.

Genesis has an agreement with the City of Airdrie, whereby Genesis will contribute $200 per year for ten years, for the naming rights to "Genesis Place", a recreation complex in the city of Airdrie. Four of ten required payments have been made and recorded as part of general and administrative expense. The amount for 2012 has been paid.

The Corporation entered into a contract to lease new premises for its office space. The lease commences July 1, 2012 and ends June 30, 2017. The five year minimum lease payments for rent and operating costs amount to $3,232.

SUMMARY OF QUARTERLY RESULTS



($'s)	Third Quarter 2012	Second Quarter 2012	First Quarter 2012	Fourth Quarter 2011	Third Quarter 2011	Second Quarter 2011	First Quarter 2011	Fourth Quarter 2010
Revenues*	30,108	31,074	21,978	25,615	21,590	20,368	27,743	35,464
Earnings before income taxes and non-controlling interest	7,788	6,240	7,840	1,666	2,462	4,637	4,877	19,326
Net earnings being comprehensive income attributable to equity holders of the parent	4,956	4,839	6,192	2,057	1,877	3,604	3,523	10,454
Net earnings per share:								
- Basic	0.11	0.11	0.14	0.05	0.04	0.08	0.08	0.24
- Diluted	0.11	0.11	0.14	0.05	0.04	0.08	0.08	0.23

*Revenues exclude other revenue

JOINT VENTURE

On April 30, 2010, Genesis entered into a joint venture ('JV') agreement with another real estate development corporation for the purpose of conducting residential development of certain northwest Calgary lands known as the community of Kinwood. Genesis contributed 75 acres (net of JV interests) and has a 50% interest in the JV. The development is comprised of 6 phases. The first phase was comprised of 192 lots and two multi-family sites, which are all sold out. During the three months ended September 30, 2012, the JV released phase 2, which is comprised of 126 single-family lots and one multi-family site. During the three and nine months ended September 30, 2012, the JV sold two multi-family sites and 117 single-family lots including 20 to the Corporation's home building division. The JV sold 135 lots in 2011, including 30 lots sold to the home building division of the Corporation.

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 September 30, 2012, the balance of the facility was $196, 50% of which the Corporation recognized in its financial statements as at September 30, 2012.

The Corporation deferred $13,167 of margin on contribution of land to the JV. As at September 30, 2012, the Corporation has realized $5,538 of that amount as a result of sales to third parties. $1,792 and $3,129 (2011 – Nil) has been recognized during the three and nine months ended September 30, 2012, respectively. The remaining amount of $7,629 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 September 30, 2012, these letters of credit totaling approximately $8,139, 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, except as sated below, 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 September 30, 2012, except a finance lease in the amount of $216.

RELATED PARTY TRANSACTIONS

A director of Genesis, appointed on July 12, 2012, is an officer of a lender. At September 30, 2012, the Corporation had loans totaling $47,916 (December 31, 2011 – 53,196) outstanding with this lender. During the three and nine months ended September 30, 2012, the Corporation paid interest and fees to the lender of $890 and $2,753 (2011 – $1,932 and $4,642), respectively. During the three and nine months ended September 30, 2012, the Corporation obtained no new financing or re-financing on existing loans (2011 – $54,185 and $70,185) with the lender. All transactions are under normal commercial terms and conditions.

CHANGES IN MANAGEMENT

On September 18, 2012, the Chief Financial Officer ("CFO") of the Corporation resigned. The duties of the CFO have been assumed by the Chief Executive Officer of the Corporation until the appointment of a new CFO.

SUBSEQUENT EVENT

On October 30, 2012, the Corporation entered into a commitment letter in the amount of $71.5 million to receive development financing for its Sage Hill Crossing commercial project. The financing will be used to repay the existing loan amounting to $16,728 and to complete servicing of Sagehill Crossing commercial project. All advances to complete the servicing will be funded on a cost to complete basis.

DISCLOSURE CONTROLS AND PROCEDURES

The Chief Executive Officer ("CEO"), also acting as Chief Financial Officer, has designed, or caused to be designed under his 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 him 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 that deal with the matter of disclosure controls and procedures and has concluded that as of September 30, 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 has also designed, or caused to be designed under his 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, he has evaluated, or caused to be evaluated under his direct supervision, the effectiveness of Genesis' internal controls over financial reporting as of September 30, 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 September 30, 2012 that have materially affected, or are reasonably likely to materially affect the Corporation's internal controls over financial reporting.

While Genesis' CEO 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 oversees 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 has 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