

LIMITED PARTNERSHIP LAND POOL (2007) **FINANCIAL STATEMENTS**

FOR THE SIX MONTHS ENDED JUNE 30, 2015 AND 2014

LIMITED PARTNERSHIP LAND POOL (2007)
NOTICE OF NO AUDITOR REVIEW OF INTERIM FINANCIAL STATEMENTS
For the Six Months Ended June 30, 2015 and 2014

The accompanying unaudited interim financial statements of Limited Partnership Land Pool (2007) (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.

LIMITED PARTNERSHIP LAND POOL (2007)**BALANCE SHEETS***(In Canadian dollars)**(Unaudited)*

		June 30, 2015	Dec. 31, 2014
Assets	Notes		
Cash and cash equivalents		34,557	36,684
Amounts receivable and prepaid expenses		3,452	-
Land held for future development	2	28,795,154	36,217,354
Total assets		28,833,163	36,254,038
Liabilities			
Accounts payable and accrued liabilities		10,806	20,042
Customer deposits		1,600	1,600
Loan payable to related party		24,157,716	23,183,017
Financings		7,823,690	7,804,253
Total liabilities		31,993,812	31,008,912
Equity			
General partner		100	100
Limited partners		(3,160,749)	5,245,026
Total equity		(3,160,649)	5,245,126
Total liabilities and equity		28,833,163	36,254,038

See accompanying notes to the interim financial statements.

LIMITED PARTNERSHIP LAND POOL (2007)
STATEMENTS OF COMPREHENSIVE INCOME (LOSS)
(In Canadian dollars)
(Unaudited)

		Six Months Ended June 30,	
		2015	2014
Revenues	Notes		
Recovery of real estate held for development and sale		-	1,733,620
Rental income and other revenue		25,668	42,279
		25,668	1,775,899
Expenses			
Impairment of real estate held for development and sale		7,442,200	-
Interest		990,845	940,467
General and administrative		15,815	19,020
Development		2,583	2,553
		8,431,443	962,040
Earnings (loss) being comprehensive income (loss)		(8,405,775)	813,859

See accompanying notes to the interim financial statements.

LIMITED PARTNERSHIP LAND POOL (2007)**STATEMENTS OF PARTNERS' EQUITY****For the six months ended June 30, 2015 and 2014***(In Canadian dollars)**(Unaudited)*

	Net Partners' Contributions	Deficit	Partners' Equity
At December 31, 2013	39,523,155	(34,743,772)	4,779,383
Earnings being comprehensive income	-	813,859	813,859
At June 30, 2014	39,523,155	(33,929,913)	5,593,242
Loss being comprehensive loss	-	(348,116)	(348,116)
At December 31, 2014	39,523,155	(34,278,029)	5,245,126
Loss being comprehensive loss	-	(8,405,775)	(8,405,775)
At June 30, 2015	39,523,155	(42,683,804)	(3,160,649)

See accompanying notes to the interim financial statements.

LIMITED PARTNERSHIP LAND POOL (2007)
NOTES TO THE INTERIM FINANCIAL STATEMENTS
For the six months ended June 30, 2015 and 2014
(In Canadian dollars)
(Unaudited)

1. ORGANIZATION AND OPERATION OF PARTNERSHIP

Limited Partnership Land Pool (2007) (the "Partnership") is a limited partnership formed under the laws of the Province of Alberta on June 28, 2007 pursuant to the Partnership Act (Alberta). It commenced operations on that date through the raising of funds from the sale of limited partnership units ("LPLP Units") through an offering memorandum dated June 30, 2007. As at June 30, 2015, the Partnership had 43,840,421 LPLP Units outstanding (December 31, 2014 – 43,840,421 LPLP Units).

The Partnership was established to acquire raw (primarily agricultural) land near Airdrie and Delacour (the "Properties") and generate capital appreciation by obtaining various levels of municipal approvals leading eventually towards the re-designation of land use (rezoning) of the Properties to commercial, industrial, residential, recreational, or any combination thereof. The Limited Partnership Agreement specifies a project termination date of December 31, 2017, being the deadline to commence the immediate sale of any remaining unsold Properties.

The affairs of the Partnership are managed by Genesis Land Development Corp. ("Genesis") through its wholly-owned subsidiary GP-LPLP 2007 Inc. (the "General Partner"). Pursuant to a Project Management Agreement dated June 29, 2007, Genesis is entitled to participate in 50% of the proceeds from the sale of any land parcel owned by the Partnership, providing that the Partnership receives sale proceeds equal to 150% of the acquisition cost of that land parcel.

The Partnership's head office is located at 7315 - 8th Street N.E., Calgary, AB T2E 8A2.

2. LAND HELD FOR FUTURE DEVELOPMENT

	Gross	Impairment	Net
Delacour	36,065,018	(28,365,818)	7,699,200
Airdrie	21,095,954	-	21,095,954
Balance – June 30, 2015	57,160,972	(28,365,818)	28,795,154

	Gross	Impairment	Net
Delacour	36,065,018	(20,943,618)	15,121,400
Airdrie	21,095,954	-	21,095,954
Balance – December 31, 2014	57,160,972	(21,557,572)	36,217,354

In determining if there is an impairment of real estate assets, the carrying value is compared to the estimated net realizable value. Net realizable value is determined using the expected selling price of comparative properties sold in the normal course of business less closing costs.

The net carrying values of the Airdrie and Delacour properties as at June 30, 2015 and December 31, 2014 are based primarily on third-party appraisals.