LIMITED PARTNERSHIP LAND POOL (2007)

FINANCIAL STATEMENTS

For the Years Ended December 31, 2017 and 2016

MANAGEMENT'S RESPONSIBLITY

To the unitholders of Limited Partnership Land Pool (2007):

These financial statements are the responsibility of management. The financial statements have been prepared by management in accordance with the accounting policies in the notes to the financial statements. In the opinion of management, the financial statements have been prepared within acceptable limits of materiality, and are in accordance with International Financial Reporting Standards appropriate in the circumstances.

Management maintains appropriate systems of internal control. Policies and procedures are designed to give reasonable assurance that transactions are properly authorized, assets are safeguarded and financial records properly maintained to provide reliable information for the preparation of financial statements.

MNP LLP, an independent firm of certified professional accountants, was engaged to audit the financial statements in accordance with International Financial Reporting Standards and provide an independent auditor's opinion.

Michael Pereira, President
GP LPLP 2007 Inc.
General Partner of Limited Partnership Land Pool (2007)
March 1, 2018

Independent Auditors' Report

To the Unitholders of Limited Partnership Land Pool (2007)

We have audited the accompanying financial statements of Limited Partnership Land Pool (2007) (the "Partnership"), which comprise the balance sheets as at December 31, 2017 and 2016, and the statements of comprehensive income (loss), partners' equity (deficit), and cash flows for the years then ended, and notes, comprising a summary of significant accounting policies and other explanatory information.

Management's Responsibility for Financial Statements
Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility
Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform an audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained in our audits is sufficient and appropriate to provide a basis for our audit opinion.

Opinion
In our opinion, the financial statements present fairly, in all material respects, the financial position of the Partnership as at December 31, 2017 and 2016, and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards.

Emphasis of Matter
In forming our opinion, which is not qualified, we have considered the adequacy of the disclosures made in Note 2 to the financial statements concerning the Partnership's ability to continue as a going concern. These conditions indicate the existence of a material uncertainty which may cast significant doubt about the Partnership's ability to continue as a going concern. Our opinion is not qualified in respect of this matter.

Calgary, Alberta
March 1, 2018

MNP LLP
Chartered Professional Accountants

MNP LLP

LIMITED PARTNERSHIP LAND POOL (2007)
BALANCE SHEETS
As at December 31, 2017 and 2016
(In Canadian dollars)

		2017	2016
Assets	**Notes**		
Cash and cash equivalents		**-**	38,714
Accounts receivable		**57,333**	-
Vendor take-back mortgage receivable	4, 7	**20,558,411**	-
Land held for future development	4	**-**	26,120,594
Total assets		**20,615,744**	26,159,308
Liabilities			
Accounts payable and accrued liabilities		**32,079**	35,636
Customer deposits		**-**	1,600
Financings	5	**-**	8,513,608
Loan payable to related *party*	6	**12,195,935**	26,529,617
Total liabilities		**12,228,014**	35,080,461
Commitments and contingencies	8		
Equity			
General partner		**100**	100
Limited partners		**8,387,630**	(8,921,253)
Total equity (deficit)		**8,387,730**	(8,921,153)
Total liabilities and equity		**20,615,744**	26,159,308

See accompanying notes to the financial statements.

GP LPLP 2007 Inc.
General Partner of Limited Partnership Land Pool (2007)

LIMITED PARTNERSHIP LAND POOL (2007)
STATEMENTS OF COMPREHENSIVE INCOME (LOSS)
For the years ended December 31, 2017 and 2016
(In Canadian dollars)

		2017	2016
Revenues	**Notes**		
Sale of land held for future development	4	**46,234,000**	-
Interest income		**58,411**	-
Rental income and other revenue		**28,005**	50,162
		46,320,416	50,162
Expenses			
Cost of sales	4	**26,323,145**	-
Sales commissions	4	**1,029,360**	-
Impairment of land held for future development		**-**	2,674,560
Interest		**1,636,295**	2,079,125
General and administrative		**22,733**	44,521
		29,011,533	4,798,206
Earnings (loss) being comprehensive income (loss)		**17,308,883**	(4,748,044)

See accompanying notes to the financial statements.

LIMITED PARTNERSHIP LAND POOL (2007)
STATEMENTS OF PARTNERS' EQUITY (DEFICIT)
For the years ended December 31, 2017 and 2016
(In Canadian dollars)

	Net Partners' Contributions	Deficit	Partners' Equity (Deficit)
At December 31, 2015	39,523,155	(43,696,264)	(4,173,109)
Loss being comprehensive loss for the year	-	(4,748,044)	(4,748,044)
At December 31, 2016	39,523,155	(48,444,308)	(8,921,153)
Earnings being comprehensive income for the year	-	17,308,883	17,308,883
At December 31, 2017	39,523,155	(31,135,425)	8,387,730

See accompanying notes to the financial statements.

LIMITED PARTNERSHIP LAND POOL (2007)
STATEMENTS OF CASH FLOWS
For the years ended December 31, 2017 and 2016
(In Canadian dollars)

	2017	2016
Cash and cash equivalents from (used for):		
Operating activities		
Sale of land held for future development	**25,734,000**	-
Rental income	**28,005**	50,162
Sales commissions	**(1,080,828)**	-
Interest on financings	**(88,857)**	-
Payments for legal and professional services	**(236,306)**	(31,737)
Cash flows from operating activities	**24,356,014**	18,425
Financing activities		
Repayment of financings	**(9,055,439)**	-
Advances on loan payable to a related party	**207,711**	-
Repayment of loan payable to a related party	**(15,547,000)**	(23,015)
Cash flows used for financing activities	**(24,394,728)**	(23,015)
(Decrease) in cash and cash equivalents	**(38,714)**	(4,590)
Cash and cash equivalents, beginning of year	**38,714**	43,304
(Decrease) in cash and cash equivalents	**(38,714)**	(4,590)
Cash and cash equivalents, end of year	**-**	38,714

See accompanying notes to the financial statements.

1. ORGANIZATION AND OPERATION OF THE 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), and its governed by the terms of a limited partnership agreement dated as of June 28, 2007 (the "Partnership Agreement"). It commenced operations on June 28, 2007 and raised funds from the sale of limited partnership units ("Units") through an offering memorandum dated June 30, 2007. As at December 31, 2017, the Partnership had 43,840,421 Units outstanding (December 31, 2016 – 43,840,421 Units).

The affairs of the Partnership, including the liquidation and distribution of the Partnership's assets, are managed by GP-LPLP 2007 Inc. (the "General Partner"), a wholly owned subsidiary of Genesis Land Development Corp. ("Genesis").

The Partnership was established to acquire raw (primarily agricultural) land near Airdrie and Delacour, Alberta (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 from farm land to commercial, industrial, residential, recreational, or any combination thereof. Pursuant to a project management agreement dated June 29, 2007 (the "Management Agreement"), Genesis was appointed as the project manager (the "Manager").

The Partnership did not raise sufficient equity capital to acquire the Properties and used short term debt from a first position third party lender and from Genesis to complete these purchases and to service the debts as permitted by the Partnership Agreement. The long-term continuation of these Partnership debts was approved as required by the Partnership Agreement by a special resolution of limited partners at a meeting of limited partners held on October 10, 2013. Pursuant to the Management Agreement, Genesis guaranteed the Partnership's third-party debt and advanced additional funds that could not be obtained from third-party lenders to the Partnership at an interest rate of prime + 3%.

The Partnership's financial statements for the year ended December 31, 2017 were authorized for issue in accordance with a resolution of the directors of the General Partner on March 1, 2018. The Partnership's head office is located at 7315 - 8th Street N.E., Calgary, Alberta T2E 8A2.

2. FUTURE OPERATIONS

These financial statements have been prepared by the Partnership on the basis of accounting policies applicable to a going concern, which assumes that the Partnership will continue to operate for the foreseeable future and will be able to realize its assets and discharge its obligations in the normal course of operations.

The following table presents the Partnership's working capital at December 31, 2017 and December 31, 2016:

	December 31,	
	2017	2016
Current assets	**57,333**	38,714
Current liabilities	**(12,228,014)**	(35,080,461)
Working capital deficit	**(12,170,681)**	(35,041,747)

During the year ended December 31, 2017, the Partnership realized cash sale proceeds of $25.7 million from the sale of land held for future development and reduced its working capital deficit from $35.0 million as at December 31, 2016 to $12.2 million as at December 31, 2017. Management believes the going concern assumption to be appropriate for these financial statements as the Partnership's remaining asset, being the vendor take-back mortgage of $20.5 million, will generate annual interest revenue that is expected to exceed the Partnership's future operating expenses, including accrued interest on the outstanding loan from Genesis. If the going concern assumption were not appropriate for these financial statements, adjustments may be necessary to the carrying value of assets and liabilities and the reported operations.

3. SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies of the Partnership are set out below. These policies have been consistently applied to each of the years presented, unless otherwise indicated.

a) Statement of compliance

The financial statements represent the financial statements of the Partnership prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board.

b) Basis of presentation

The financial statements have been prepared under historical cost convention except for the financial assets classified as fair value through profit or loss that have been measured at fair value. The financial statements are presented in Canadian dollars, which is the Partnership's functional currency.

c) Land held for future development

Land held for future development is measured at the lower of cost and estimated net realizable value ("NRV"). Cost includes land acquisition costs including legal fees, other direct costs of development and construction, property taxes and certain borrowing costs. Land held for future development is reviewed at least annually for impairment or whenever events or changes in circumstances indicate the carrying value may exceed NRV. An impairment loss is recognized in the statements of comprehensive income (loss) when the carrying value exceeds the NRV. NRV is the estimated selling price less estimated costs, including the cost to complete and selling costs.

d) Borrowing costs

Borrowing costs consist of interest and other costs incurred in connection with the borrowing of the funds. Borrowing costs directly attributable to the construction of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the respective assets. Borrowing costs are not capitalized on land held for future development where no development activity is taking place.

e) Cash and cash equivalents

Cash and cash equivalents consist of cash held with banks and lawyers' trust accounts.

f) Revenue recognition

(i) Development land sales

Land sales to third parties are recognized when the risks and rewards of ownership have been transferred, the Partnership has substantially performed any agreed-to services pertaining to the property, the Partnership has received a minimum 15% non-refundable deposit and the collection of the remaining unpaid balance is reasonably assured.

(ii) Rental income and other revenue

Rental income is recognized on a straight-line basis over the term of the rental agreement.

g) Allocation of expenses

The Partnership and the Manager are equally responsible for the Partnership's development costs. Any general and administrative expenses charged directly by Genesis, and not by a third party retained by the General Partner or Genesis, are limited to $150,000 per year. For the years ended December 31, 2017 and 2016, no general and administrative costs were charged by the Manager (see Note 6).

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

h) Distributions and allocation of profit

At the sole discretion of the General Partner, the Properties, or a portion of the Properties, may be sold individually or in aggregate to third parties, with the Partnership being entitled to receive a portion of the sale proceeds equal to the greater of 50% of the sale price of the properties and the minimum purchase amount as defined in note 4., and the Manager being entitled to receive a management fee equal to the remainder of the sale proceeds. The Manager did not earn any management fees from the sale of the Properties (see Notes 4 & 6).

i) Financial assets

All financial assets are initially recognized on the balance sheet at fair value and designated at inception into one of the following classifications: at fair value through profit or loss ("FVTPL") and loans and receivables. All financial assets are recognized initially on the trade date at which the Partnership becomes a party to the contractual provisions of the instrument. Transaction costs related to financial assets classified as FVTPL are expensed, and for all other financial assets included in the initial carrying amount.

Financial assets at FVTPL include financial assets held for trading and financial assets designated upon initial recognition at FVTPL. Financial assets at FVTPL are carried on the balance sheet at fair value with changes in fair value recognized in the statement of comprehensive income (loss). The financial assets classified as FVTPL are cash and cash equivalents.

Financial instruments classified as loans and receivables are subsequently measured at amortized cost using the effective interest rate method, less impairment. The amortization and losses arising from impairment are recognized in the statement of comprehensive income (loss). The financial assets classified as loans and receivables are accounts receivable and the vendor take-back mortgage receivable.

Financial assets are derecognized when the contractual rights to the cash flows from the asset expire, or the Partnership transfers the rights to receive the contractual cash flows on the financial asset in a transaction in which substantially all the risks and rewards of ownership of the financial assets are transferred. Any interest in transferred financial assets that is created or retained is recognized as a separate asset or liability.

Financial assets are, at a minimum, assessed at each reporting date in order to determine whether objective evidence exists that the assets are impaired as a result of one or more events which have had a negative effect on the estimated future cash flows of the asset. If there is objective evidence that a financial asset has become impaired, the amount of the impairment loss is calculated as the difference between its carrying amount and the present value of the estimated future cash flows from the asset discounted at its original effective interest rate. Impairment losses are recorded in earnings. If the amount of the impairment loss decreases in a subsequent period and the decrease can be objectively related to an event occurring after the impairment was recognized, the impairment loss is reversed up to the original carrying value of the asset. Any reversal is recognized in the statements of comprehensive income (loss).

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

j) Financial liabilities

Other financial liabilities are initially recognized on the balance sheet at fair value less directly attributable transaction costs and designated at inception as other financial liabilities.

Other financial liabilities are subsequently measured at amortized cost using the effective interest method. The effective interest method is a method of calculating the amortized cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability, or, where appropriate, a shorter period.

The financial liabilities classified as other financial liabilities are accounts payable and accrued liabilities, customer deposits, loans payable to related parties and financings.

Financial liabilities are derecognized when the contractual obligations are discharged, cancelled or expire.

Financial assets and financial liabilities are offset and the net amount presented on the balance sheet when, and only when, the Partnership has a legal right to offset the amounts and intends either to settle on a net basis or to realize the asset and settle the liability simultaneously.

k) Income taxes

The Partnership is not subject to income taxes. The income or loss for income tax purposes is allocated to the Partners based upon their proportionate share of the outstanding Partnership units. These financial statements include only the assets, liabilities and operations of the Partnership and do not include other assets or liabilities, including income taxes, of the Limited Partners.

l) Significant judgments, accounting estimates and assumptions

The preparation of financial statements in accordance with IFRS requires management to make estimates and assumptions that affect the reported amounts of revenues and expenses during the reporting period and the reported amounts of assets and liabilities as at the reporting date. Actual results could differ from these estimates. Such estimates include the amounts relating to the determination of liabilities and accruals and the potential impairment of amounts receivable and land held for future development. By their nature these amounts are subject to measurement uncertainty and changes in such estimates may materially affect the financial statements in future years.

(i) Net realizable value

NRV for land held for future development and vendor take-back mortgage receivables are estimated with reference to market prices and conditions existing at the balance sheet date and is determined by the Partnership having taken suitable external advice and in the light of recent market transactions of similar and adjacent lands in the same geographic area.

m) Standards and amendments to existing standards effective January 1, 2017

The Partnership adopted no new IFRSs and interpretations during 2017.

n) Future changes in accounting policies

The Partnership has reviewed new and revised accounting pronouncements that have been issued but are not yet effective and has determined that these IFRSs will not have an impact on the Partnership.

4. LAND HELD FOR FUTURE DEVELOPMENT

During the year ended December 31, 2017, the Partnership completed the sale of the Delacour and Airdrie properties to third parties. The Delacour property was sold for $5,234,000 and closed on August 28, 2017. The Airdrie property was sold for $41,000,000 and closed on December 15, 2017. On the Airdrie property sale, the Partnership received $20,500,000 in cash and the purchaser granted a $20,500,000 three-year vendor take-back mortgage bearing interest at the rate of 6.5% per annum. Interest on the vendor take-back mortgage is payable annually, in arrears.

The following table summarizes the net margin from the sale of the Properties:

	Delacour	Airdrie	Total
Sales revenue	**5,234,000**	**41,000,000**	**46,234,000**
Cost of sales			
Net carrying value as at December 31, 2016	(5,024,640)	(21,095,954)	(26,120,594)
2017 development costs	(4,138)	(52,325)	(56,463)
Legal costs and disbursements (see note 8)	(39,342)	(106,746)	(146,088)
	(5,068,120)	(21,255,025)	(26,323,145)
Gross margin	**165,880**	**19,744,975**	**19,910,855**
Sales commissions	(209,360)	(820,000)	(1,029,360)
Net Margin	**(43,480)**	**18,924,975**	**18,881,495**

The carrying value of the Properties as at December 31, 2017 and December 31, 2016 were as follows:

	Gross	Impairment	Net
Delacour	-	-	-
Airdrie	-	-	-
Balance - December 31, 2017	**-**	**-**	**-**

	Gross	Impairment	Net
Delacour	36,065,018	(31,040,378)	5,024,640
Airdrie	21,095,954	-	21,095,954
Balance - December 31, 2016	**57,160,972**	**(31,040,378)**	**26,120,594**

In determining if there is an impairment of land held for future development the carrying values are compared to the estimated NRV for each of the above properties. The NRV of the Delacour property as at December 31, 2016 was based on the expected selling price of $5,234,000 less contracted sales commissions of 4% ($209,360). The NRV of the Airdrie property as at December 31, 2016 was based primarily on a third-party appraisal report and reflected recent sales of equivalent or similar lands.

4. LAND HELD FOR FUTURE DEVELOPMENT (CONTINUED)

Pursuant to the Management Agreement, the Manager could earn a management fee on the sale of each property, or portion thereof, through participation in the net sale proceeds from each property above a specified threshold amount (the "Minimum Purchase Price"). The Minimum Purchase Price calculation has been adjusted to reflect Partnership debt, with debt, equity capital and the priority return to limited partners (50% of the gross proceeds of the Partnership units issued pursuant to the offering memorandum) being allocated to each property pro rata based on acquisition costs.

The Minimum Purchase Price for the Delacour Property was $60,569,294 as at August 28, 2017. As a result, the Manager did not earn any compensation for managing the development and sale of the Delacour property.

The Minimum Purchase Price for the Airdrie Property was $41,663,250 as at December 15, 2017. As a result, the Manager did not earn any compensation for managing the development and sale of the Airdrie property.

5. FINANCINGS

On December 22, 2015, the existing loan from a third-party lender was refinanced as an $8,125,000 interest-only loan secured by the Properties and guaranteed by Genesis. On the July 4, 2017 maturity date, the loan was extended to December 31, 2017, subject to an increase in the interest rate to the greater of 7.85% or prime +4.0%. The Partnership made a principal payment of $5,000,000 on August 28, 2017 from the net sale proceeds of the Delacour property. The loan was repaid in full on December 15, 2017 with a $4,055,439 principal and interest payment from the net sale proceeds of the Airdrie property.

	December 31,	
	2017	2016
Interest-only loan bearing interest at the greater of 7.85% or TD Canada Trust prime +4.0% per annum (2016 - 7.25% or TD Canada Trust prime +3.0% per annum), secured by the Properties *(see note 4)*.	**-**	8,531,000
Financing fees	**-**	(17,392)
	-	8,513,608

6. RELATED PARTY TRANSACTIONS

As referenced in Note 1, Genesis has loaned funds to the Partnership, the proceeds of which were used to purchase the Airdrie and Delacour properties and to pay the operating and financing costs of the Partnership. Pursuant to the Management Agreement and a loan agreement dated August 2, 2012, interest accrues on advances from Genesis at a rate of prime plus 3%, compounded annually. The advances from Genesis are secured by a charge on the vendor take-back mortgage (see note 4).

During the year ended December 31, 2017, Genesis advanced $1,213,318 (2016 - $1,408,525) to the Partnership to cover Partnership expenses and liabilities, including accrued interest on the loan payable to a related party. In 2017, accrued interest of $1,005,607 (2016 - $1,431,540) was recorded on the loan from Genesis and is included in the loan payable to related parties.

On December 15, 2017, the net cash proceeds from the sale of the Airdrie property, after the repayment in full of the outstanding first priority loan payable to a third-party lender, were used to pay down the Genesis loan by $15,547,000. As at December 31, 2017, the amount due to Genesis was $12,195,935 (2016 - $26,529,617).

For the years ended December 31, 2017 and 2016, no general and administrative costs were charged to the Partnership by the General Partner or the Manager. The Manager did not earn any management fees (see note 4).

7. FINANCIAL INSTRUMENTS

a) Risks associated with financial instruments

The General Partner has overall responsibility for the establishment and oversight of the Partnership's risk management framework. The General Partner has implemented and monitors compliance with risk management policies. The Partnership has exposure to the following risks from its use of financial instruments:

(i) Credit risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. At December 31, 2017, the carrying value of the vendor take-back mortgage receivable represents the maximum credit exposure. The following table shows the contracted principal payments for the vendor-take back mortgage receivable.

	2018	2019	2020	Total
Vendor take-back mortgage receivable	-	-	20,500,000	**20,500,000**
	-	-	20,500,000	**20,500,000**

(ii) Market risk

Market risk is the risk that changes in market prices, such as commodity prices, and interest rates, will affect the Partnership's net earnings or the value of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable limits, while maximizing returns.

(iii) Interest rate risk

Interest rate risk is the risk that future cash flows will fluctuate as a result of changes in market interest rates. The Partnership is exposed to interest rate risk to the extent that certain financings are at a floating rate of interest. A 1% change in interest rates would result in a change in interest incurred of approximately $122,000 on floating rate loans existing at December 31, 2017 (2016- $350,000).

(iv) Liquidity risk

Liquidity risk is the risk that the Partnership will not be able to meet its financial obligations as they are due. The Partnership has limited liquidity to meet its obligations and is wholly dependent on Genesis to meet its debt and other obligations. The following are the contractual maturities of financial liabilities as at December 31, 2017:

	<1 Year	>1 Year	Total
Accounts payable and accrued liabilities	32,079	-	**32,079**
Loan payable to related parties (note 5)	12,195,935	-	**12,195,935**
	12,228,014	-	**12,228,014**

7. FINANCIAL INSTRUMENTS (CONTINUED)

b) Fair value of financial instruments

The fair values of cash and cash equivalents, accounts receivable, accounts payable and accrued liabilities approximate their carrying values due to the relatively short term periods to maturity.

The fair value of the Partnership's related party balances approximate their carrying values due to the variable interest rates applied to these instruments, which approximate market interest rates.

As at December 31, 2017, the fair value of the Partnership's vendor take-back mortgage receivable approximated its carrying value as the interest rate was negotiated with an arm's length third-party on October 12, 2017 and there is no indication that market interest rates have changed.

Fair value measurements recognized in the balance sheet are categorized using a fair value hierarchy that reflects the significance of inputs used in determining the fair values. All of the Partnership's financial instruments recorded at fair value are categorized under Level 1 as defined below.

The three fair value hierarchy levels are as follows:

1. Quoted prices (unadjusted) in active markets for identical assets or liabilities;
2. Inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices); and
3. Inputs for the asset or liability that are not based on observable market data (unobservable inputs).

8. COMMITMENTS AND CONTINGENCIES

The Partnership, the General Partner, Genesis, two limited partners (LPLP 2007 Subco Inc. and LPLP 2007 Subco #2 Inc.), two affiliated limited partnerships (LP RRSP Limited Partnership #1 & LP RRSP Limited Partnership #2) and various third parties were named as co-defendants in an eighth amended statement of claim filed in the Alberta Court of Queens' Bench by a unitholder of the Partnership, a unitholder in LP RRSP Limited Partnership #1 and a unitholder in LP RRSP Limited Partnership #2. This eighth amended statement of claim was served on the Partnership on September 22, 2017. The eighth amended statement of claim is brought pursuant to the Class Proceedings Act and seeks pecuniary and non-pecuniary damages of $60.0 million, including general and special damages. The General Partner's view is that this claim is completely without merit. Any potential liability to the Partnership is currently indeterminate.

In connection with the statement of claim, the plaintiffs registered certificates of lis pendens ("CLPs") on the titles for each of the Partnership's properties. Upon becoming aware of the CLPs, the General Partner vigorously defended the Partnership's title to these lands, and ultimately the plaintiffs voluntarily vacated the CLPs. The Partnership incurred $53,036 in legal costs to have the CLPs vacated by the plaintiffs and $93,052 in connection with the sale transactions for the Airdrie and Delacour properties. These legal costs are reflected in cost of sales.