

**LP RRSP LIMITED PARTNERSHIP #2**  
**c/o Genesis Land Development Corp.**  
**7315 – 8<sup>TH</sup> Street NE**  
**Calgary, Alberta T2E 8A2**

**INFORMATION CIRCULAR FOR THE MEETING OF  
LIMITED PARTNERS TO BE HELD ON SEPTEMBER 25, 2014**

**SOLICITATION OF PROXIES**

This Information Circular dated September 4, 2014 is furnished in connection with the solicitation of proxies by Genesis Land Development Corp. (the "Administrator"), a company that provides administrative and management services to LP RRSP Limited Partnership #2 (the "Partnership"), of proxies of limited partners ("Limited Partners") of the Partnership in respect of the meeting (the "Meeting") of Limited Partners to be held at the Genesis Centre of Community Wellness, 7555 Falconridge Blvd. NE, Calgary, Alberta on Thursday, September 25, 2014 at 2:30 p.m. (Mountain Time) and at any adjournment or adjournments thereof for the purposes set forth in the Notice of the Meeting. The costs of the solicitation by the Administrator will be borne by the Partnership.

**APPOINTMENT AND REVOCATION OF PROXIES**

Those Limited Partners desiring to be represented by proxy must deposit their respective forms of proxy with the Administrator at 7315 – 8th Street N.E., Calgary, Alberta, T2E 8A2 or by facsimile transmission to number (403) 984-1299 no later than 4:00 p.m. (Mountain Time) on Tuesday, September 23, 2014 or on the second last business day preceding any adjournment of the Meeting. A proxy must be executed by the Limited Partner or by his or her attorney authorized in writing, or if the Limited Partner is a corporation, under its seal or by an officer or attorney thereof duly authorized. A proxy is valid only at the Meeting in respect of which it is given or any adjournment of the Meeting.

**The person named in the enclosed form of proxy is an employee of the Administrator. Each Limited Partner submitting a proxy has the right to appoint a person to represent him, her or it at the Meeting other than the persons designated in the form of proxy furnished by the Partnership.** The Limited Partner may exercise this right by striking out the name of the person so designated in the form of proxy and inserting the name of the desired representative in the blank space provided, or by completing another form of proxy, but in either case depositing the proxy with the Administrator at the place and within the time specified above for the deposit of proxies.

**A proxy may be revoked by the person giving it at any time prior to the exercise thereof. If a person who has given a proxy personally attends the Meeting at which such proxy is to be voted, such person may revoke the proxy and vote in person.** In addition to revocation in any other manner permitted by law, a proxy may be revoked by instrument in writing executed by the Limited Partner or his or her attorney authorized in writing, or if the Limited Partner is a corporation, under its seal or by a duly authorized officer, and deposited with the Administrator at the place and within the time specified above for the deposit of proxies.

Limited Partners who do not hold their Partnership units (the “LP Units”) in their own name (referred to herein as “Beneficial Limited Partners”) are advised that only proxies from Limited Partners of record can be recognized and voted upon at the Meeting.

If LP Units are listed in an account statement provided to a Limited Partner by a broker, then in almost all cases those LP Units will not be registered in the Limited Partners’ name on the records of the Partnership. Such LP Units will more likely be registered under the name of the Limited Partner’s broker or an agent of that broker. LP Units held by brokers or their nominees can only be voted (for, withheld or against resolutions) upon the instructions of the Beneficial Limited Partner. Without specific instructions, brokers/nominees are prohibited from voting units for their clients. The management of the Administrator does not know for whose benefit the LP Units registered in the name of any broker or agent are held. Therefore, Beneficial Limited Partners cannot be recognized at the Meeting for purposes of voting their securities in person or by way of proxy.

Although a Beneficial Limited Partner may not be recognized directly at the Meeting for the purposes of voting units registered in the name of his broker, a Beneficial Limited Partner may attend the Meeting as proxy holder for the registered shareholder and vote the LP Units in that capacity. **Beneficial Limited Partners who wish to attend the Meeting and indirectly vote their LP Units as proxy holder for the registered Limited Partner should enter their own names in the blank space on the form of proxy provided to them.**

#### **EXERCISE OF DISCRETION**

**The LP Units represented by the enclosed form of proxy will be voted in accordance with the instructions of the Limited Partner whether voting is by way of a show of hands or by ballot.** The person appointed under the enclosed form of proxy is conferred with discretionary authority with respect to amendments or variations of those matters specified in the proxy and Notice of Meeting and with respect to any other matters which may properly be brought before the Meeting or any adjournment thereof. If any such matters should come before the Meeting, it is the intention of the person named in the enclosed form of proxy to vote such proxy in accordance with his or her best judgment. At the time of printing this Information Circular, the management of the Administrator is not aware of any such amendment, variation, or other matter to be voted on at the Meeting.

#### **VOTING SECURITIES AND PRINCIPAL HOLDERS OF VOTING SECURITIES**

The close of business on September 3, 2014 is the record date for the determination of Limited Partners who are entitled to notice of, and to attend and vote at, the Meeting (the “Record Date”). All references to Limited Partners in this Information Circular and the accompanying form of proxy and Notice of Meeting are to Limited Partners of record, unless specifically stated otherwise.

As at September 3, 2014, the Partnership had outstanding an aggregate of 5,990,475 LP Units, each carrying the right to one vote per LP Unit which may be given in person or by proxy.

To the knowledge of the management of the Administrator, as of the date hereof, no person or company beneficially owned or controlled or directed, directly or indirectly, voting securities of the Partnership carrying more than 10% of the voting rights attached to all of the issued and outstanding LP Units.

Each LP Unit confers the holder thereof the right to one vote. Only those Limited Partners of record on the Record Date are entitled to receive notice of and vote at the Meeting.

A quorum for the Meeting will consist of two or more persons present in person who collectively hold or represent by proxy not less than 10% of the outstanding LP Units.

#### **INTEREST OF CERTAIN PERSON OR COMPANIES IN MATTERS TO BE ACTED UPON**

The management of the Administrator is not aware of any material interest, direct or indirect, of any person who has been a director or officer of the General Partner (as defined below) at any time since the beginning of the issuer's last financial year or any associate or affiliate of such director or officer, in any of the matters to be acted upon at the Meeting.

#### **INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS**

The management of the Administrator is not aware of any material interest, direct or indirect, of any informed person of the Partnership or any associate or affiliate of an informed person in any transaction since the commencement of the Partnership's last fiscal year, being the year ended December 31, 2013, or in any proposed transaction which has materially affected or would materially affect the Partnership.

#### **PARTICULARS OF MATTERS TO BE ACTED UPON**

##### **Background Information**

The Partnership was formed under the laws of the Province of Alberta on January 15, 2008 pursuant to a limited partnership agreement ("LPA") between i) GP RRSP 2007 #2 Inc., a corporation incorporated under the laws of the Province of Alberta (the "General Partner"), ii) GP RRSP 2007 #2 Inc. as the initial limited partner, and (iii) each person whose subscription for LP Units was accepted by the General Partner and any other person contributing capital to the Partnership as a limited partner, their successors and assigns (individually called a "Limited Partner" and collectively called the "Limited Partners").

The Partnership was established to participate in the development of raw land in Airdrie and Delacour through an indirect interest in Limited Partnership Land Pool (2007).

The sole shareholder of the General Partner is Lucille J. Monette. Ms. Monette was also the sole director of the General Partner until April 18, 2013 when she resigned, leaving the General Partner without any directors.

Genesis Land Development Corp. provides administrative services to the Partnership pursuant to an administration agreement dated January 15, 2008. The administrative services include, without limitation, the preparation of unaudited semi-annual financial statements and the preparation and filing of the partnership information return.

## **Deemed Resignation of the General Partner**

On July 2, 2014, GP RRSP 2007 #2 Inc. was struck from the Alberta register of companies. Pursuant to section 4.2 of the LPA, "The General Partner shall be deemed to resign as general partner of the Partnership in the event of bankruptcy or the involuntary dissolution, liquidation or winding-up of the General Partner". In the event of the deemed resignation of the General Partner as the general partner of the Partnership, section 4.3 of the LPA specifies that, "the General Partner shall be deemed to have resigned and shall cease to be the general partner of the Partnership upon the appointment of a new General Partner by the Limited Partners expressed by Ordinary Resolution, which appointment shall be made within 90 days from the date of the giving of the notice of an occurrence of an event referred to in section 4.2 (of the LPA)". As the General Partner did not provide Limited Partners with notice of its resignation or deemed resignation, as required by the LPA, it is not clear on what date the 90 days to appoint a new General Partner begins or alternatively, when the dissolution of the Partnership will be effective (should a replacement general partner not be appointed).

Pursuant to section 10.1(a) of the LPA the Limited Partnership will be dissolved unless a general partner has been duly appointed by the Limited Partners. However, this section is contradicted by section 10.3 of the LPA which states that "the Partnership shall not be dissolved by the deemed resignation of the General Partner."

In order to cure this ambiguity provided by in the LPA, the Administrator has relied on section 4.4 of the LPA. As the General Partner did not provide notice of its deemed resignation to the Limited Partners within 10 days of becoming aware of its default (the involuntary dissolution on July 2, 2014), and as the General Partner has been dissolved, and therefore has no legal existence by which the Limited Partners can provide written notice of this default to the General Partner to be rectified, the General Partner shall be removed by a Special Resolution of the Limited Partners, which Special Resolution shall also appoint a new General Partner, to be effective upon the date specified in the Special Resolution.

## **Tax Considerations**

As outlined in the General Partner's letter dated November 12, 2012 regarding changes to the Income Act (Canada), on March 22, 2011, the Government of Canada tabled a budget ("Budget 2011") that extended certain anti-avoidance rules that already were applicable to tax-free savings accounts, including the "prohibited investment" concept, to RRSPs and registered retirement income funds. The discussion below is limited to the application of these rules in the RRSP context.

As a result of Budget 2011, where a RRSP acquires a "prohibited investment" during a calendar year or a property owned by a RRSP becomes a prohibited investment during a calendar year, the annuitant of the RRSP generally is liable to pay a tax equal to 50% of the fair market value ("FMV") of the property at the time it was acquired or it became a prohibited investment ("50% Penalty Tax"). In addition, any income or capital gains from a prohibited investment generally constitute an "advantage", and generally cause the RRSP annuitant to be liable to pay a tax equal to 100% of the FMV of the advantage ("100% Penalty Tax").

The Minister of National Revenue has the authority to waive or cancel all or part of the 50% Penalty Tax and/or the 100% Penalty Tax if the Minister considers it just and equitable to do so,

having regard to all the circumstances (including whether the tax arose as a consequence of reasonable error and the extent to which payments have been made from the person's RRSP).

In the event that the Partnership must be dissolved and the Partnership's cannot be immediately liquidated, it is probable that the securities retained by or distributed to Limited Partners on dissolution will be "prohibited investments" giving rise to the penalty tax described above.

### **Removal of General Partner by Limited Partners**

The purpose of the Meeting is to remove GP RRSP 2007 #2 Inc. as General Partner and appoint a new general partner. GP RRSP 2007 Inc., the general partner of LP RRSP Limited Partnership #1, has agreed to act as the general partner of the Partnership, if so appointed by Limited Partners. At the Meeting, the chairman will accept other nominees for a general partner, if any, from Limited Partners or their duly appointed proxy holder present at the Meeting.

At the Meeting, Limited Partners will be asked to consider and if deemed advisable, approve the following special resolution:

1. **VOTE FOR** [ ] or **AGAINST** [ ] removing GP RRSP 2007 #2 Inc. as the General Partner of the Partnership and appointing GP RRSP 2007 Inc., or a nominee from a Limited Partner or their duly appointed proxy holder present at the Meeting, as general partner of the Partnership.

The foregoing resolution must be approved by 66 2/3% of the votes cast at a duly constituted meeting of Limited Partners in respect of which each Limited Partner is entitled to one vote for each LP Unit held.

If there is more than one nominee for general partner at the Meeting, the general partner will be elected by way of a ballot using plurality voting.

In the event that a quorum for the Meeting is not present, the Meeting will be terminated and not adjourned.

### **Background Information on GP RRSP 2007 Inc.**

GP RRSP 2007 Inc. is the current general partner of LP RRSP Limited Partnership #1, a limited partnership which holds a 22.59% indirect interest in Limited Partnership Land Pool (2007). The sole director and shareholder of GP RRSP 2007 Inc. is John Wong. Mr. Wong is also the sole director and shareholder of GLP5 GP Inc., GP-GLP7 Inc. and GP-GLP9 Inc., companies that act as the general partner for other limited partnerships established to acquire indirect interests in specific Genesis Limited Partnerships.

### **ADDITIONAL INFORMATION**

Additional information relating to the Partnership is available on Genesis Land Development Corp.'s website at [www.genesisland.com/investors/limited-partnerships/](http://www.genesisland.com/investors/limited-partnerships/), including unaudited financial statements for the year ended December 31, 2013. In order to request a hard copy or electronic copy of any of the above noted documents, Limited Partners should contact Tammy Yeung at (403) 984-1383 or toll free at 1-800-341-7211, or by e-mail at [tammy.yeung@genesisland.com](mailto:tammy.yeung@genesisland.com).