

Brookfield

Real Estate Services

BROOKFIELD REAL ESTATE SERVICES FUND

Management Information Circular

Relating to the Annual Meeting of Unitholders and Special Unitholders

March 19, 2010

NOTICE OF ANNUAL MEETING OF UNITHOLDERS

NOTICE IS HEREBY GIVEN that the annual meeting (the "**Meeting**") of Unitholders of the BROOKFIELD REAL ESTATE SERVICES FUND (the "**Fund**") will be held at the Hockey Hall of Fame, Esso Theatre, Brookfield Place, 30 Yonge St., Toronto, Ontario, M53 1X8 on Tuesday, the 4th day of May, 2010 at 10:00 a.m. (Toronto time) for the following purposes:

1. to receive the annual report of the Fund and the consolidated financial statements of the Fund for the year commencing January 1, 2009 and ending December 31, 2009 together with the auditors' report thereon;
2. to appoint auditors of the Fund and to authorize the trustees to fix the remuneration of the auditors;
3. to elect trustees of the Fund; and
4. to transact such further and other business as may properly come before the Meeting or any adjournment thereof.

Copies of the management information circular (the "**Circular**"), form of proxy and 2009 annual report of the Fund accompany this notice. The specific details of the matters proposed to be put before Unitholders at the Meeting are set forth in the Circular accompanying and forming part of this notice. Unitholders are directed to read the Circular carefully in evaluating the matters for consideration at the Meeting.

Only Unitholders of record as at March 17, 2010, are entitled to vote their units at the Meeting, or at any adjournment thereof, either in person or by proxy.

Unitholders who are unable to attend the Meeting in person are requested to complete, sign and date the accompanying form of proxy in accordance with the instructions provided therein and in the Circular and return it in the envelope provided for that purpose in accordance with the instructions and timelines set forth in the Circular.

DATED this 19th day of March, 2010.

By Order of the Board of Trustees

(signed) George Myhal
Chairman of the Board

TABLE OF CONTENTS

NOTICE OF ANNUAL MEETING OF UNITHOLDERS.....	II
TABLE OF CONTENTS	III
GLOSSARY OF TERMS.....	1
GENERAL PROXY INFORMATION.....	5
SOLICITATION OF PROXIES	5
APPOINTMENT AND REVOCATION OF PROXIES	5
EXERCISE OF DISCRETION BY PROXIES	5
ADVICE TO HOLDERS OF FUND UNITS.....	6
VOTING SECURITIES AND PRINCIPAL HOLDERS THEREOF	6
SUMMARY	8
BUSINESS OF THE MEETING.....	8
INFORMATION CONCERNING THE FUND ...	9
GENERAL.....	9
OVERVIEW OF BUSINESS	9
MARKET FOR SECURITIES.....	9
PRINCIPAL UNITHOLDERS.....	10
TRUSTEES AND OFFICERS OF THE FUND	10
STOCK OPTION PLAN.....	13
PRIOR PURCHASES AND SALES OF SECURITIES.....	13
INCREMENTAL FRANCHISES	14
2009 ROYAL LePAGE INCREMENTAL FRANCHISE PURCHASES	15
2010 ROYAL LePAGE INCREMENTAL FRANCHISE PURCHASES	15
2008 LA CAPITALE PURCHASE	16
2009 LA CAPITALE INCREMENTAL FRANCHISE PURCHASES	17
2010 LA CAPITALE INCREMENTAL FRANCHISE PURCHASES	17
INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS	18
STATEMENT OF EXECUTIVE COMPENSATION	18
EMPLOYMENT AND SEVERANCE ARRANGEMENTS WITH EXECUTIVE OFFICERS	18
UNIT/STOCK OPTIONS	18
REPORT ON EXECUTIVE COMPENSATION	18
AUDITORS, AND TRANSFER AGENT AND REGISTRAR	19
MANAGEMENT OF THE FUND.....	19
CORPORATE GOVERNANCE PRACTICES..	20
MANDATE OF THE BOARD:	20
DISCLOSURE POLICY:	21
MEETINGS OF THE BOARD:	22
COMPOSITION AND SIZE OF BOARD AND TRUSTEES:	22

SELECTION OF NEW BOARD MEMBERS AND TRUSTEES:	22
INDEPENDENCE OF BOARD AND TRUSTEES:.....	22
POSITION DESCRIPTIONS:	22
ETHICAL BUSINESS CONDUCT:	23
COMPENSATION:	23
ORIENTATION AND EDUCATION:	23
STANDING COMMITTEES:	23
ASSESSMENTS:.....	24
ANNUAL BUSINESS	24
RECEIPT OF FINANCIAL STATEMENTS.....	24
ELECTION OF TRUSTEES	24
RE-APPOINTMENT OF AUDITORS	25
OTHER BUSINESS.....	25
OTHER MATTERS	25
TRUSTEES' APPROVAL	25

GLOSSARY OF TERMS

"**4541219**" means 4541219 Canada Inc., corporation incorporated under the laws of Canada, being the general partner of La Capitale L.P.;

"**ADP**" has the meaning ascribed in "General Proxy Information – Advice to Beneficial Holders of Units" hereof;

"**Agent**" means an individual who is licensed to buy or sell real estate, provided such individual is affiliated with a Broker;

"**BNY**" means BNY Trust Company of Canada;

"**BNY Indebtedness**" means liability of the Partnership to BNY and the holders of BNY Notes;

"**BNY Notes**" means the Canadian \$32.7 million of 5.809% Senior Secured Notes issued by the Partnership on February 17, 2010;

"**BNY Trust Indenture**" means the trust indenture dated February 17, 2005 and amended by supplemental indenture dated February 17, 2010 between the Partnership and BNY, pursuant to which the BNY Notes were issued;

"**Board of Trustees**" means the board of trustees of the Fund;

"**Broker**" means an individual licensed with the relevant regulatory body to manage a real estate brokerage office;

"**Brokerage Network**" means, collectively, the network of Franchisees licensed under Franchise Agreements to carry on residential property brokerage operations using one or more of the Trademarks (but excluding Franchises granted by the Manager that have not become Incremental Franchises);

"**Brookfield Asset Management**" means Brookfield Asset Management Inc., a corporation incorporated under the laws of Ontario;

"**Business**" means the business of providing residential property brokerage services and acting as a franchisor to persons in the business of providing residential property brokerage services;

"**CIBC**" means Canadian Imperial Bank of Commerce;

"**CIBC Indebtedness**" means liability of the Partnership to CIBC pursuant to the CIBC Term Facility;

"**CIBC Term Facility**" means the \$20.3 million term credit facility between the Partnership and Canadian Imperial Bank of Commerce made on February 17, 2010;

"**Circular**" means this management information circular, prepared and sent to the Unitholders in connection with the Meeting;

"**Declaration of Trust**" means the amended and restated declaration of trust dated as of the 7th day of August, 2003 pursuant to which the Fund was created, as same may be amended or restated from time to time;

"**Executive Officers**" means the officers of the Fund referred to in "Information Concerning the Fund – Trustees and Officers of the Fund" hereof;

"**Franchise Agreements**" means the franchise agreements pursuant to which brokerage offices offer residential brokerage services using the Trademarks;

"**Franchisees**" means the franchisees under the Franchise Agreements;

"**Franchise Systems**" means Manager's comprehensive systems consisting of proprietary technological, marketing, promotional, communication and support systems;

"**Fund**" means Brookfield Real Estate Services Fund, a trust established under the laws of the Province of Ontario and governed by the Declaration of Trust;

"**Fund Units**" means the units of the Fund, other than Special Fund Units, each representing an equal undivided beneficial interest in the Fund;

"**Fund Unitholders**" means the holders of Fund Units and a "**Fund Unitholder**" means any one of them;

"**General Partner**" means Residential Income Fund General Partner Limited, a corporation incorporated under the laws of the Province of Ontario to be the general partner of the Partnership;

"**Holding Trust**" means RL RES Holding Trust, a limited purpose trust established under the laws of the Province of Ontario and governed by the Holding Trust Declaration of Trust;

"**Holding Trust Declaration of Trust**" means the declaration of trust dated as of the 18th day of February, 2003 pursuant to which the Holding Trust was created, as same may be amended or restated from time to time;

"**Holding Trust Note Indenture**" means the indenture to be made between the Holding Trust and the Note Trustee, providing for the issuance of the Holding Trust Notes;

"**Holding Trust Notes**" means the Series 1 Trust Notes, Series 2 Trust Notes and Series 3 Trust Notes, collectively;

"**Holding Trust Trustees**" means the trustees of the Holding Trust;

"**Holding Trust Units**" means the units of the Holding Trust, each of which represents an equal undivided interest therein;

"**Incremental Franchises**" means franchises established pursuant to Franchise Agreements entered into following March 31, 2003 as set forth in the Management Services Agreement (other than renewals or replacements of existing Franchise Agreements) and including any acquisition made by existing Franchisees of additional offices and/or Agents and any business combination entered into by any existing Franchisee which results in the addition of offices and/or Agents, which meet the criteria established from time to time by the Trustees of the Fund;

"**Independent Trustee**" means a Trustee who is "unrelated" (as such term is defined in the Toronto Stock Exchange Company Manual as it exists as of the date hereof) to each of the Fund, the Holding Trust, the Partnership, the Manager and each of their affiliated entities;

"**La Capitale L.P.**" means 9120 Real Estate Network, L.P./Reseau Immobilier 9120 S.E.C., a limited partnership established under the laws of the Province of Quebec;

"**Management Services Agreement**" means the amended and restated management services agreement made effective January 1, 2008 as amended on or about February 11, 2010, among the Partnership, the Fund, the Holding Trust, the General Partner, La Capitale L.P., 4541219 and the Manager pursuant to which, among other things, the Manager provides management and administrative services to the Partnership, the Fund, the Holding Trust, the General Partner, , La Capitale L.P. and 4541219 including management of the Partnership Assets on behalf of the Partnership and La Capitale L.P., as more particularly described under "Information Concerning the Fund — Management Services Agreement";

"**Manager**" means Brookfield Real Estate Services Limited, a corporation incorporated under the laws of the Province of Ontario to provide management and administrative services to the Fund, the Holding Trust, the General Partner, La Capitale L.P., 4541219 and the Partnership;

"**Meeting**" means the annual meeting of Unitholders (or any adjournment thereof) to be held to consider and, if deemed advisable, to approve the matters as set forth in the Circular;

"**Note Trustee**" means CIBC Mellon Trust Company;

"**Notice of Meeting**" means the notice of meeting of Unitholders of the Fund;

"**Operating Loan**" means an operating loan in the principal amount of \$2.0 million provided by Royal Bank of Canada which is used by the Partnership for working capital purposes and to normalize distributions to holders of Subordinated LP Units and Ordinary LP Units having regard to seasonality inherent within the Business.

"**Original Management Services Agreement**" means the management services agreement dated August 7, 2003 among the Partnership, the Fund, the Holding Trust, the General Partner and the Manager pursuant to which, among other things, the Manager provides management and administrative services to the Partnership, the Fund, the Holding Trust and the General Partner, including management of the Partnership Assets on behalf of the Partnership;

"**Ordinary LP Units**" means the Class A ordinary limited partnership units of the Partnership.

"**Partnership**" means Residential Income Fund L.P., a limited partnership established under the laws of the Province of Ontario;

"**Partnership Agreement**" means the limited partnership agreement between the General Partner and the Holding Trust Trustees, on behalf of the Holding Trust, pursuant to which the Partnership is governed as same may be amended from time to time;

"**Partnership Assets**" means, collectively, the Trademarks, all rights under the Franchise Agreements owned by the Partnership, and all rights to receive the Royalties thereunder;

"**Record Date**" means March 17, 2010;

"**Royalties**" has the meaning given to it in the Fund's Annual Information Form dated March 19, 2010 under "Description of the Business — Royalties";

"**Sales Representative**" refers to individuals experienced in residential real estate that assist Agents with the buying and selling of residential real estate. Sales representatives may be Agents themselves or unlicensed salespersons or assistants;

"**Series 1 Trust Notes**" means the Series 1 unsecured subordinated demand notes of the Holding Trust bearing interest at a rate of one percent per annum, issued to the Fund on August 7, 2003 under the Holding Trust Note Indenture;

"**Series 2 Trust Notes**" means the interest bearing Series 2 unsecured subordinated notes of the Holding Trust issuable under the Holding Trust Note Indenture;

"**Series 3 Trust Notes**" means the interest bearing Series 3 unsecured subordinated notes of the Holding Trust issuable under the Holding Trust Note Indenture;

"**Special Fund Units**" means the units of the Fund issued to represent voting rights in the Fund that accompany securities convertible into or exchangeable for Fund Units, including the Subordinated LP Units and Ordinary LP Units held by TBI or an affiliated entity of TBI or the Manager or an affiliated entity of the Manager;

"**Special Unitholders**" means holders of Special Fund Units from time to time;

"**Subordinated LP Units**" means the Class B subordinated limited partnership units of the Partnership, all of which are held by TBI or an affiliate of TBI;

"**TBI**" means Trilon Bancorp Inc., a corporation amalgamated under the laws of the Province of Ontario, a subsidiary of Brookfield Asset Management;

"**Tax Act**" means the *Income Tax Act* (Canada) and regulations thereto, as amended from time to time;

"**Trademarks**" mean the trade-mark rights related to the Business held by or licensed to the Partnership or La Capitale L.P.;

"**Transfer Agent**" means CIBC Mellon Trust Company;

"**Trustees**" means the trustees of the Fund;

"**TSX**" means the Toronto Stock Exchange;

"**TSX Guidelines**" has the meaning ascribed in "Statement of Corporate Governance Practices" hereof;

"**Unitholders**" means the holders of Units and a "**Unitholder**" means any one of them; and

"**Units**" means the Fund Units and Special Fund Units.

GENERAL PROXY INFORMATION

Solicitation of Proxies

This Circular is furnished in connection with the solicitation of proxies by the Manager of the Fund for use at the Meeting to be held at the time and place and for the purposes set forth in the accompanying Notice of Meeting. References in this Circular to the Meeting include any adjournment or adjournments thereof. It is expected that the solicitation will be primarily by mail, however proxies may also be solicited personally by telephone or by facsimile by the trustees and/or officers of the Fund at nominal cost. The cost of solicitation by management will be borne by the Fund. Pursuant to National Instrument 54-101 *Communication with Beneficial Owners of Securities of a Reporting Issuer*, arrangements have been made with clearing agencies, brokerage houses and other financial intermediaries to forward proxy solicitation material to the beneficial owners of the Units. The cost of any such solicitation will be borne by the Fund.

Appointment and Revocation of Proxies

The persons named in the enclosed form of proxy are trustees of the Fund and will represent management at the Meeting. **A Unitholder desiring to appoint some other person, who need not be a Unitholder, to represent him at the Meeting, may do so by inserting such person's name in the blank space provided in the enclosed form of proxy or by completing another proper form of proxy and, in either case, depositing the completed proxy at the registered office of the Fund or the office of the Transfer Agent indicated on the enclosed envelope at least 24 hours, excluding Saturdays, Sundays and holidays, preceding the Meeting or any adjournment thereof at which the proxy is to be used. A proxy should be executed by a Unitholder or his or her attorney duly authorized in writing or, if the Unitholder is a corporation, by an officer or attorney thereof duly authorized.**

A Unitholder forwarding the enclosed proxy may indicate the manner in which the appointee is to vote with respect to any specific item by checking the appropriate space. If the Unitholder giving the proxy wishes to confer a discretionary authority with respect to any item of business then the space opposite the item is to be left blank. The Units represented by the proxy submitted by a Unitholder will be voted in accordance with the directions, if any, given in the proxy.

A proxy given pursuant to this solicitation may be revoked by instrument in writing, including another proxy bearing a later date, executed by the Unitholder or by his attorney duly authorized in writing, and deposited either at the registered office of the Fund or the office of its Transfer Agent at any time up to and including the last business day preceding the date of the Meeting or with the Chairman of the Meeting on the day of the Meeting or any adjournment thereof in any other manner permitted by law.

A Unitholder attending the Meeting has the right to vote in person and, if he or she does so, his or her proxy is nullified with respect to the matters such person votes upon and any subsequent matters thereafter to be voted upon at the Meeting or any adjournment thereof.

Exercise of Discretion by Proxies

The persons named in the enclosed form of proxy will vote the Units in respect of which they are appointed in accordance with the direction of the Unitholders appointing them. **In the absence of such direction, such Units will be voted in favour of passing each of the resolutions described below. The enclosed form of proxy confers discretionary authority upon the persons named therein with respect to amendments or variations to matters identified in the Notice of Meeting and with respect to other matters which may properly come before the Meeting.** At the time of printing of this Circular, management knows of no such amendments, variations or other matters to come before the Meeting. However, if any other matters which are not now known to management should properly come before the Meeting, the proxy will be voted on such matters in accordance with the best judgment of the named proxies.

Advice to Holders of Fund Units

The information set forth in this section is of significant importance to all Fund Unitholders, as all Fund Units are registered in the name of CDS & Co. (“CDS”) (the nominee of The Canadian Depository for Securities, which acts as depositary for many Canadian brokerage firms). Units held by CDS can only be voted (for or against resolutions) upon the instructions of the Fund Unitholder. Without specific instructions, a broker and its agents and nominees are prohibited from voting Units for the broker's clients. Therefore, Fund Unitholders should ensure that instructions respecting the voting of their Units are communicated to the appropriate party.

Applicable regulatory rules require intermediaries/brokers to seek voting instructions from Fund Unitholders in advance of Unitholders' meetings. Every intermediary/broker has its own mailing procedures and provides its own return instructions to clients, which should be carefully followed by Fund Unitholders in order to ensure that their Units are voted at the Meeting. Often, the form of proxy supplied to a Fund Unitholder by his or her broker (or the agent of the broker) is identical to the form of proxy provided to registered Unitholders. However, its purpose is limited to instructing the registered Fund Unitholder (the broker or agent of the broker) how to vote on behalf of the Fund Unitholder. The majority of brokers now delegate responsibility for obtaining instructions from clients to ADP Investor Communications (“ADP”). ADP normally prepares a "Voting Instruction Form" (the “VIF”) based upon the Fund's form of proxy, which ADP then distributes to Fund Unitholders. The VIF must then be returned to ADP by the Fund Unitholder to be valid. ADP then tabulates the results of all instructions received and provides appropriate instructions respecting the voting of Units to be represented at the Meeting. **A Fund Unitholder receiving an ADP VIF cannot use that proxy to vote Units directly at the Meeting. The VIF must be returned to ADP well in advance of the Meeting in order to have the Units voted at the Meeting.** Some brokers who do not use ADP's services send out the Fund's form of proxy to Fund Unitholders, executed by the broker but otherwise incomplete; the Fund Unitholder must mark the proxy how he or she wishes to vote and return the proxy either directly to the Transfer Agent or to the broker, who will then forward the proxy to the Transfer Agent. **A FUND UNITHOLDER CANNOT VOTE THEIR FUND UNITS IN PERSON AT THE MEETING UNLESS THE FUND UNITHOLDER APPOINTS HIMSELF OR HERSELF AS THEIR OWN PROXY.**

Although a Fund Unitholder may not be recognized directly at the Meeting for the purposes of voting Units registered in the name of his or her broker (or an agent of the broker), a Fund Unitholder may attend at the Meeting as proxy holder for the registered Unitholder and vote the Units in that capacity. **Fund Unitholders who wish to attend the Meeting and indirectly vote their Units as proxy holder for the registered Unitholder, should enter their own names in the blank space on the form of proxy provided to them and return same to their broker (or the broker's agent) in accordance with the instructions provided by such broker (or agent), well in advance of the Meeting.** If a Fund Unitholder has voted by mail and would like to change its vote, the Fund Unitholder should contact its nominee to discuss whether this is possible and what procedures such non-registered holder should follow.

Voting Securities and Principal Holders Thereof

An unlimited number of Fund Units are issuable pursuant to the Declaration of Trust. Each Fund Unit is transferable and represents an equal undivided beneficial interest in any distributions from the Fund whether of net income, net realized capital gains or other amounts, and in the net assets of the Fund in the event of termination or winding-up of the Fund. All Fund Units are of the same class with equal rights and privileges. The Fund Units are not be subject to future calls or assessments, and entitle the holder thereof to one vote for each Fund Unit held at all meetings of Unitholders. The Declaration of Trust also provides for the issuance of an unlimited number of Special Fund Units that will be used for providing voting rights in the Fund to TBI and the Manager and their affiliated entities in respect of their holdings of Subordinated LP Units and/or Ordinary LP Units and to persons who hold other securities, including, without limitation, LP Units that are, directly or indirectly, exchangeable for Fund Units and that are entitled to voting rights with respect to the Fund. Special Fund Units were issued in conjunction with, and are not be transferable separately from, the Subordinated LP Units, Ordinary LP Units or other securities to which they relate. The Special Fund Units must be transferred upon a transfer of the associated Subordinated LP Units, Ordinary LP Units or other securities. Each Special Fund Unit entitles the holder thereof to a number of votes at any meeting of Unitholders (except that Special Unitholders will not be entitled to vote for the election of the

Independent Trustees) equal to the number of Units which may be obtained upon the exchange of the Subordinated LP Units, Ordinary LP Units or other securities to which the Special Fund Units relate, but will not otherwise entitle the holder to any rights with respect to the Fund's property or income. As at March 1, 2010, 9,483,850 Units, and 3,327,667 Special Fund Units are issued and outstanding.

The Record Date for the purpose of determining Unitholders entitled to receive notice of the Meeting is March 17, 2010. The Fund will prepare a list of holders of Units at the close of business on the Record Date. Each holder of Units named in the list will be entitled to vote at the Meeting the Units shown opposite his name on the list. In accordance with the Declaration of Trust, any Unitholder who was a Unitholder on the Record Date shall be entitled to vote at the meeting or any adjournment thereof even though the Unitholder has since that time disposed of his or her Units, and no Unitholder becoming such after the Record Date shall be so entitled to vote at the Meeting or any adjournment thereof.

A quorum for the transaction of business at the Meeting is the presence of two or more individuals present in person either holding personally or representing as proxies not less in aggregate than 10% of the votes attached to all Units then outstanding.

As at the date hereof the following table sets forth the only person who, to the knowledge of the Trustees and senior officers of the Fund, beneficially owns or exercises control or direction over securities of the Fund carrying more than 10% of the voting rights attached to any class of outstanding voting securities of the Fund entitled to be voted at the Meeting.

Name	Number of Units	Percentage of Class
Brookfield Asset Management Inc.*	3,327,667 Special Fund Units	100.0
Goodman & Company, Investment Counsel Ltd.	2,650,809 Fund Units	28.0
Fiera Capital Inc.	995,800 Fund Units	10.5
Brookfield Asset Management Inc.*	700,330 Fund Units	7.4

* Upon completion of the sale of the Business by TBI to the Partnership on August 7, 2003, TBI received 3,327,667 Subordinated LP Units and 3,327,667 Special fund Units. TBI subsequently transferred the 3,327,667 Subordinated LP Units and 3,327,667 Special fund Units to 4276141 Canada Limited, a subsidiary of Brookfield Asset Management Inc. and an affiliate of TBI. Brookfield Asset Management Inc. holds an additional 7.4% of the Fund Units through TBI.

No person is authorized to give any information or to make any representation with respect to matters set forth in this Circular and, if given or made, such information or representation should not be relied upon as having been authorized. This Circular does not constitute the solicitation of a proxy, by any person in any jurisdiction in which such solicitation is not authorized or in which the person making such solicitation is not qualified to do so or to any person to whom it is unlawful to make such proxy solicitation.

SUMMARY

The following is a summary of certain information contained in this Circular. This summary is not intended to be complete and is qualified in its entirety by the more detailed information appearing elsewhere in this Circular. Unitholders are urged to read this Circular and the schedules hereto carefully and in their entirety. Capitalized terms used in this summary are defined in the Glossary of Terms.

Brookfield Real Estate Services Fund is a limited purpose trust established under the laws of the Province of Ontario pursuant to the Declaration of Trust. The business of the Fund, which is conducted indirectly through the Partnership, is the ownership of the Partnership Assets, the taking of actions consistent with the Management Services Agreement to exploit, to the fullest extent possible, the use of the Trademarks by the Partnership and others and the collection of the Royalties. The Fund is administered by the Trustees and managed by the Manager pursuant to the Management Services Agreement. See "Information Concerning the Fund — Management Services Agreement"

The business of the Partnership and its Franchisees involves brokering the sale of residential resale housing or recreational properties comprising a single building or structure with six or less separate dwelling units or vacant land intended for one of the foregoing uses. The Partnership provides its Franchisees and their Agents and Sales Representatives with a comprehensive business system consisting of proprietary technological, training, marketing, promotional, communication and other tools designed to make each step of a real estate transaction more effective and efficient for buyers and sellers of homes, Agents and Franchisees. The Franchise System allows Franchisees to attract successful Agents and maximize their productivity, and helps the Partnership, through the activities of the Manager, to recruit and retain successful Franchisees.

Pursuant to the provisions of the Management Services Agreement, the Manager has agreed to provide certain management, administrative and support services to the Fund, the Holding Trust, the General Partner and the Partnership.

Business of the Meeting

At the Meeting, Unitholders will be asked to consider, and, if thought fit, pass resolutions regarding certain matters of business, including:

- (a) to receive the annual report of the Fund and the consolidated financial statements of the Fund for the fiscal period commencing January 1, 2009 and ending December 31, 2009 together with the auditors' report thereon;
- (b) to appoint auditors of the Fund and to authorize the trustees to fix the remuneration of the auditors;
- (c) to elect trustees of the Fund (Special Unitholders will not be entitled to vote for the election of the Independent Trustees); and
- (d) to transact such further and other business as may properly come before the Meeting or any adjournment thereof.

INFORMATION CONCERNING THE FUND

General

Brookfield Real Estate Services Fund is a limited purpose trust established under the laws of the Province of Ontario pursuant to the Declaration of Trust. The business of the Fund, which is conducted indirectly through the Partnership, is the ownership of the Partnership Assets, the taking of actions consistent with the Management Services Agreement to exploit, to the fullest extent possible, the use of the Trademarks by the Partnership and others and the collection of the Royalties. The Fund is administered by the Trustees and managed by the Manager pursuant to the Management Services Agreement. See "Information Concerning the Fund — Management Services Agreement".

The principal and head office of the Fund is located at 39 Wynford Drive, Don Mills, Ontario, M3C 3K5.

The Fund was created to indirectly acquire the Partnership Assets through the Partnership, provided that the Fund will not make any investments that would jeopardize the Fund's status as a "unit trust" or a "mutual fund trust" under the Tax Act or result in the Units being considered "foreign property" for the purposes of the Tax Act. The Fund makes monthly distributions of its available cash. See "Information Concerning the Fund— Distribution Policy".

The Holding Trust is a limited purpose trust established under the laws of the Province of Ontario to acquire investments (debt and equity), including the Ordinary LP Units and other direct or indirect interests in the Partnership Assets. The Holding Trust is wholly-owned by the Fund, and is the indirect holder of the Fund's operating assets and investments. The principal and head office of the Holding Trust is located at 39 Wynford Drive, Don Mills, Ontario, M3C 3K5. The Trustees of the Fund are the trustees of the Holding Trust.

The Partnership is a limited partnership formed under the laws of the Province of Ontario pursuant to the Partnership Agreement. The Partnership is currently owned as to 75% by the Holding Trust and as to 25% by Brookfield Asset Management Inc.. The general partner of the Partnership is the General Partner which is owned as to 25% by TBI and as to 75% by the Fund. The principal and head office of the Partnership is located at 39 Wynford Drive, Don Mills, Ontario, M3C 3K5. The directors of the General Partner are the Trustees of the Fund.

On October 31, 2007, the Fund changed its name from Royal LePage Franchise Services Fund to Brookfield Real Estate Services Fund.

Overview of Business

The business of the Partnership and its Franchisees involves brokering the sale of residential resale housing or recreational properties comprising a single building or structure with six or less separate dwelling units or vacant land intended for one of the foregoing uses. The Partnership provides its Franchisees and their Agents and Sales Representatives with a comprehensive business system consisting of proprietary technological, marketing, promotional, communication and other tools (the "Franchise Systems") designed to make each step of a real estate transaction more effective and efficient for buyers and sellers of homes, Agents and Franchisees. The Franchise Systems allow Franchisees to attract successful Agents and maximize their productivity, and helps the Partnership, through the activities of the Manager, to recruit and retain successful Franchisees.

The enhanced tools of the Franchise Systems facilitate the real estate transaction for Agents and allow them to provide greater value and service to their clients. The Franchise Systems are designed to allow Franchisees and Agents to focus on their clients, grow their business, and spend less time on administrative activities, thereby increasing overall productivity.

Market for Securities

The Fund Units are currently listed for trading on The Toronto Stock Exchange under symbol BRE.UN.

Principal Unitholders

To the knowledge of the Trustees and officers of the Fund, as at the date hereof, the following table lists those persons or companies who own of record or beneficially, directly or indirectly, more than 10% of the voting rights attached to any class of outstanding securities of the Fund:

Name	Number of Units	Percentage of Class
Brookfield Asset Management Inc.*	3,327,667 Special Fund Units	100.0
Goodman & Company, Investment Counsel Ltd.	2,650,809 Fund Units	27.5
Fiera Capital Inc.	995,800 Fund Units	10.3
Brookfield Asset Management Inc.*	700,330 Fund Units	7.4

* Upon completion of the sale of the Business by TBI to the Partnership on August 7, 2003, TBI received 3,327,667 Subordinated LP Units and 3,327,667 Special fund Units. TBI subsequently transferred the 3,327,667 Subordinated LP Units and 3,327,667 Special fund Units to 4276141 Canada Limited, a subsidiary of Brookfield Asset Management Inc. and an affiliate of TBI. Brookfield Asset Management Inc. holds an additional 7.4% of the Fund Units through TBI.

Trustees and Officers of the Fund

The following table and notes thereto state the names and municipalities of residence of all the Trustees and officers of the Fund, their respective principal occupations, business or employment within the five preceding years, their beneficial ownership of Units and, with respect to the Trustees, the year in which they became trustees of the Fund.

Name and municipality of residence	Position and/or office with Fund	Present principal occupation if different from office held	Period during which served as a Trustee	Fund Units beneficially owned or controlled as at March 19, 2010 ⁽⁴⁾
Lorraine Bell ⁽¹⁾⁽²⁾⁽⁴⁾⁽⁵⁾ New York, NY, USA	Trustee, Chair of the Audit Committee	Self-employed Consultant	Since Jan. 3, 2003	3,500
Simon Dean ⁽¹⁾⁽²⁾⁽⁴⁾⁽⁶⁾ Oakville, ON, Canada	Trustee	Self Employed Consultant	Since Jan. 3, 2003	10,000
Allen Karp, Q.C. ⁽¹⁾⁽²⁾⁽⁴⁾⁽⁷⁾ ... Toronto, ON, Ontario	Trustee, Chair of the Governance Committee	Corporate Director	Since Feb. 18, 2003	15,000
Gail Kilgour ⁽¹⁾⁽²⁾⁽⁴⁾⁽⁸⁾ Toronto, ON, Canada	Trustee	Corporate Director	Since Jan. 3, 2003	5,000
George Myhal ⁽⁴⁾⁽⁹⁾ Toronto, ON, Canada	Chairman and Trustee	Chief Operating Officer, Brookfield Asset Management	Since Jan. 3, 2003	72,600
Philip Soper ⁽³⁾⁽⁴⁾⁽¹⁰⁾ Toronto, ON, Canada	President and Chief Executive Officer	President, Manager Managing Partner, Brookfield Residential Property Services	-	6,745

<u>Name and municipality of residence</u>	<u>Position and/or office with Fund</u>	<u>Present principal occupation if different from office held</u>	<u>Period during which served as a Trustee</u>	<u>Fund Units beneficially owned or controlled as at March 19, 2010⁽⁴⁾</u>
Kevin Cash ⁽⁴⁾⁽³⁾⁽¹¹⁾ Markham, ON, Canada	Chief Financial Officer	Chief Financial Officer, Manager Managing Partner, Brookfield Residential Property Services	-	2,600
Max Cohen ⁽⁴⁾⁽¹²⁾ Toronto, ON, Canada	General Counsel and Secretary	Senior Partner, Cohen, Barristers and Solicitors	-	1,500
Joseph Freedman ⁽⁴⁾⁽¹³⁾ Toronto, ON, Canada	Assistant Secretary	General Counsel Brookfield Asset Management	-	2,900

Notes:

- (1) Member of the Audit Committee (refer to Appendix A to the Fund's Annual Information Form dated March 19, 2010)
- (2) Member of the Governance Committee (refer to Appendix A to the Fund's Annual Information Form dated March 19, 2010)
- (3) Member of the Disclosure Committee.
- (4) As of March 19, 2010, the current trustees and senior officers of the Fund and the Manager as a group owned beneficially, directly and indirectly, 119,845 Units representing approximately 1.3% of the issued and outstanding Units. Brookfield Asset Management Inc. holds 3,327,667 Special Fund Units registered in the name of 4276141 Canada Limited and 700,330 Fund Units registered in the name of TBI.
- (5) **Lorraine Bell - Trustee and Chair of the Audit Committee.** Since 1996, Ms. Bell has been a self-employed consultant. Lorraine Bell is a Chartered Accountant with over twenty five years of experience in the financial sector. Ms. Bell is a member of the Board of Directors and the Audit and Human Resources Committee of the Ontario Financing Authority. Prior to being self-employed, she was the founder and responsible for General Re Financial Products Canada, a derivatives services company, which she ran from 1993 until 1996.
- (6) **Simon Dean – Trustee.** Since April, 2005 Mr. Dean has been a self-employed consultant. Prior thereto he was Chief Executive Officer of the Manager (and its predecessor) since January 1995 and Managing Partner of Brookfield Business Services since 2001. Prior to joining the Manager's predecessor, he was President and Chief Executive Officer of three retail organizations owned by Rogers Communications Inc. from 1988 to 1993 and Executive Vice President of Rogers Cantel Mobile Communications Inc., a national cellular service provider from 1993 to 1994.
- (7) **Allen Karp – Trustee and Chair of the Governance Committee.** Mr. Karp resides in Toronto, Ontario. Mr. Karp was a partner in the law firm of Goodman and Carr LLP, where he practiced law from 1966 to 1986. Mr. Karp had been with Cineplex Odeon Corporation since 1986, where he retired as Chairman and C.E.O. in 2002; and as Chairman Emeritus in 2005. Mr. Karp also sits on the Board of Directors of Tucows Inc.; is a Trustee and Chairman of IBI Income Fund; and is a director and past Chairman of the Toronto International Film Festival Group.
- (8) **Gail Kilgour - Trustee.** Ms. Kilgour, ICD.D, brings more than 25 years of experience in the financial services industry to the Board. She is currently Vice-Chair of the Board of Directors for the Ontario Realty Corporation and chairs their Governance Committee. She is also on the Board for the St. George's Golf & Country Club and chairs their Governance Committee. A self employed consultant since 2005 and Corporate Director, Ms. Kilgour was prior to 2004 employed by the Canadian Imperial Bank of Commerce ("CIBC"), in a number of senior management roles including, Senior Vice President, Government Sponsored Student Loans, President and Chief Executive Officer, EDULINX Canada Corporation, a subsidiary of CIBC and Senior Vice-President, CIBC's e-Business Strategy.
- (9) **George Myhal – Trustee and Chairman.** Mr. Myhal is Managing Partner and Chief Operating Officer of Brookfield Asset Management. Mr. Myhal has held a number of senior positions within Brookfield Asset Management since joining the company in 1981. He has been instrumental in the development and growth of Brookfield Asset Management's business and is responsible for a number of other operations throughout Brookfield Asset Management including corporate development. He is a Chartered Accountant an industrial engineering graduate of the University of Toronto.

- (10) **Philip Soper, President and Chief Executive Officer.** Mr. Soper is the President of the Manager and Managing Partner, Brookfield Residential Property Services. Mr. Soper joined the Manager's predecessor as Vice President and General Manager, Corporate Relocation Solutions in February 2001. Prior to joining the Manager, Mr. Soper held various positions of responsibility with IBM, commencing in 1984, including General Manager for IBM's Information Technology consulting services division from 1997 to 2001.
- (11) **Kevin Cash – Chief Financial Officer.** Mr. Cash was appointed as Chief Financial Officer of the Fund on January 6, 2003. Mr. Cash has held various positions within Brookfield Asset Management (1999 to present) and is Managing Partner, Brookfield Residential Property Services. Prior to joining Brookfield Business Services, Mr. Cash was Director of Finance at Canbras Communications Corp., a publicly held subsidiary of Bell Canada International providing cable and telephone systems in Brazil (1997 - 1999).
- (12) **Max Cohen, General Counsel and Secretary.** Since May 2004, Mr. Cohen has been a Senior Partner at Cohen, Barristers and Solicitors. From 2003 to 2004, Mr. Cohen was Vice President and General Counsel of Brascan Business Services, a division of Brookfield Asset Management. In 2002, Mr. Cohen was a self-employed consultant, providing legal, M&A and financial advisory services to a variety of clients. In 2001, Mr. Cohen was Associate General Counsel to U.S. Loyalty Inc. From 1997 to 2001, Mr. Cohen was Vice-President, Legal Affairs and Vice President, Inventory Management and Business Development, Chapters Inc.
- (13) **Joseph Freedman, Assistant Secretary.** Mr. Freedman is currently Managing Partner and General Counsel, Brookfield Asset Management and has held other positions with Brookfield Asset Management since 2002. Previously Mr. Freedman was the Vice President, Corporate Development and General Counsel of Clearpulse Inc., a developer of non-invasive health monitoring technology and e-health solutions (2000 – 2001). Prior to joining Clearpulse, Mr. Freedman practiced corporate and securities law with Goodman and Carr LLP (1997-2000) specializing in venture capital and other private equity transactions as well as public company mergers and acquisitions.

Compensation of Trustees

Independent Trustees are paid an annual retainer of \$30,000 per Trustee per year and \$1,250 per meeting per Trustee for attending meetings of the Trustees or committees of the Trustees held in person or by telephone. The Chair of the Audit Committee is paid an additional annual retainer of \$7,500 and the Chair of the Governance Committee is paid an additional annual retainer of \$5,000. The Fund reimburses Trustees for out-of-pocket expenses for attending Trustees meetings, and Trustees participate in the Fund's insurance and indemnification arrangements. In 2009, the Independent Trustees received \$187,500 in aggregate compensation. Management Trustees received no compensation from the Fund, the Partnership or the Holding Trust.

Indebtedness of Trustees and Officers

As of the date hereof, no individual who is, or at any time during the most recently completed financial year of the Fund ended December 31, 2009 was, a Trustee or senior officer of the Fund, the Holding Trust or the Partnership, no individual proposed as a nominee for election as a Trustee of the Fund and no associates or any such trustee, officer or proposed nominee, has been indebted to the Fund, the Holding Trust, the General Partner or the Partnership, nor has any such individual's indebtedness to another entity at any time since the beginning of the most recently completed financial year been the subject of a guarantee, support agreement, letter of credit or other similar arrangement or understanding provided by the Fund, the Holding Trust, the General Partner or the Partnership in connection with the purchase of securities of the Fund.

Trustees' and Officers' Liability Insurance and Indemnification

The directors and officers of the General Partner, the Trustees and the trustees of the Holding Trust are covered under a directors and officers insurance policy that provides an aggregate limit of liability applicable to the insured individuals of \$20 million, inclusive of costs to defend claims.

The by-laws of the General Partner also provide for the indemnification of its directors and officers from and against liability and costs in respect of any action or suit against them in connection with the execution of their duties of office, subject to certain usual limitations. The Declaration of Trust and the Holding Trust Declaration of Trust also provide for the indemnification of the Trustees and the Holding Trust Trustees, respectively, from and against liability and costs in respect of any action or suit against them in connection with the execution of their duties as Trustees or the Holding Trust Trustees, respectively, subject to certain usual limitations.

Stock Option Plan

None of the Fund, the Holding Trust, the Partnership nor the General Partner have adopted any Unit option plan or stock option plan.

Prior Purchases and Sales of Securities

Except as set forth below, there have been no issuances of securities that have been sold or purchases of securities by the Fund, the Holding Trust, the Partnership nor the General Partner since August 7, 2003, being the date of closing of the initial public offering of Fund Units.

In 2009, the Fund renewed its normal course issuer bid. Purchases were made at market prices in accordance with the rules and policies of the Toronto Stock Exchange. Daily purchases were made through the facilities of the TSX and were limited to 3,800 units, other than block purchase exceptions. Between January 1, 2009 and December 31, 2009, the Fund purchased 335,430 Fund Units pursuant to a normal course issuer bid through the TSX, representing 3.4% of the Fund Units issued and outstanding on January 1, 2009.

On April 4, 2008, the Partnership entered into the CIBC Term Facility. Interest on the CIBC Term Facility is available in the form of floating prime rate payable quarterly, or at Banker's Acceptance rates plus 1% with terms of up to six months. The CIBC Term Facility matured on February 17, 2010, the same date as the maturity for the BNY Notes. The CIBC Term Facility was renewed for \$20.3 million on February 17, 2010. The Fund drew down \$20.3 million of the CIBC Term Facility to refinance existing obligations under the CIBC Term Facility and to repay certain BNY Notes that matured on the same date.

The CIBC Indebtedness has been guaranteed by the Holding Trust pursuant to a limited recourse guarantee. The CIBC Indebtedness is secured by a general security interest in all the assets of the Partnership, the La Capitale L.P., the General Partner and 4541219, as well as security interests in certain of the material contracts of the Partnership and a pledge by the Holding Trust of all of the units of the Partnership owned by the Holding Trust and a pledge by the Partnership of all of the units of the La Capitale L.P. and the shares of 4541219 owned by the Partnership. Pursuant to the CIBC Term Facility credit agreement, the Partnership is subject to customary terms and conditions for indebtedness of this nature, including limits on incurring additional indebtedness, granting liens, selling assets and paying distributions. The Partnership is required to maintain a minimum specified ratio of adjusted earnings before interest, taxes, depreciation and amortization ("EBITDA") to senior interest expense, and a maximum specified ratio of senior indebtedness to adjusted EBITDA. The security held by CIBC ranks equally with the security in favour of BNY, as trustee, on behalf of the holders of BNY Notes and security in favour of the Royal Bank of Canada in connection with the Operating Loan.

In connection with the CIBC Term Facility, on May 1, 2008, with effect from April 7, 2008, the Partnership entered an Interest Rate Swap Agreement with CIBC to swap its interest obligations to an annual fixed interest rate of 4.29%. Pursuant to the Interest Rate Swap Agreement, the Partnership is subject to customary terms and conditions for an obligation of this nature. The Interest Rate Swap Agreement expired upon maturity of the CIBC Term Facility on February 17, 2010.

On February 18, 2005, the Partnership completed the first issuance of the BNY Notes. The original BNY Notes matured on February 17, 2010 whereupon a total of \$32.7 million of BNY Notes were issued bearing interest at a rate of 5.809% per annum, payable quarterly in arrears. The net proceeds of the issuance of the Notes were used to repay the original BNY Notes issued on February 18, 2005. Each of the BNY Notes issued pursuant to the BNY Trust Indenture rank equally with each other. The BNY Trust Indenture also provides for the issuance of additional notes in the future. The BNY Indebtedness has been guaranteed by the Holding Trust pursuant to a limited recourse guarantee. The BNY Indebtedness is secured by a general security interest in all of the assets of the Partnership, the General Partner, the La Capitale L.P. and 4541219, as well as security interests in certain of the material contracts of the Partnership, a pledge by the Holding Trust of all of the units of the Partnership owned by the Holding Trust and a pledge of by the Partnership of all of the units of the La Capitale L.P. and all of the shares of 4541219 owned by the Partnership. Pursuant to the BNY Trust Indenture, the Partnership is subject to customary terms and conditions for indebtedness of this nature, including limits on incurring additional indebtedness, granting liens, selling assets

and paying distributions. The Partnership is required to maintain a minimum specified ratio of adjusted EBITDA to senior interest expense, and a maximum specified ratio of senior indebtedness to adjusted EBITDA.

Incremental Franchises

Under the Management Services Agreement, the Partnership has provided the Manager with a license to use the certain trademarks to, among other things, enable the Manager to fulfill its obligations under the Management Services Agreement and to otherwise operate and grow the Brokerage Network by entering into new Franchise Agreements either directly or through an affiliated entity. Subject to meeting the criteria set forth in the Fund's Incremental Franchise Purchase Policy, as the same may from time to time be amended, Incremental Franchises entered into up to the end of the 44th week of each fiscal year of the Fund will be assigned to the Partnership by the Manager, on January 1 of the immediately following fiscal year, in consideration of an amount to be determined annually based on the by the formula set forth in the Management Services Agreement.

The Trustees have approved an Incremental Franchise Purchase Policy with respect to the purchase of Royal LePage Incremental Franchises reflecting the terms set forth in the Management Services Agreement, that requires the Independent Trustees of the Fund to review and determine, from time to time, by agreement with the Manager the criteria upon which the Independent Trustees will base their decision to permit the Partnership to purchase Royal LePage Incremental Franchises from the Manager. All Royal LePage Incremental Franchises will, prior to being purchased by the Partnership, be subject to a satisfactory review based on the criteria established by the Trustees from time to time. The criteria for Incremental Franchises include, unless the Independent Trustees otherwise consent:

- a) the brokerage business which is the subject of the Franchise Agreement with respect to such Incremental Franchise must be located in Canada;
- b) the Franchise Agreement with respect to such Incremental Franchise must be the same or substantially similar to the Franchise Agreements for existing Franchises;
- c) the Franchise Agreement with respect to such Incremental Franchise must have a minimum term of ten years;
- d) the Franchisee in respect of such Incremental Franchise or its principal must have experience in the real estate industry;
- e) such Incremental Franchise must be operated in accordance with the established quality control requirements of the Manager; and
- f) the Franchisee must hold all necessary licenses to operate a residential real estate brokerage business and all such licenses must be in good standing.
- g) the brokerage business which is the subject of the Franchise Agreement with respect to such Incremental Franchise must be established and operating for a sufficient period of time to permit the Manager and the Trustees to estimate future performance with a reasonable degree of comfort based on prior performance;
- h) the brokerage business which is the subject of the Franchise Agreement with respect to such Incremental Franchise must not be a renewal or a replacement of an existing franchise;
- i) modifications to the Royal LePage standard form franchise agreement will be considered on an individual basis; and
- j) revenue generated from agents of other franchises owned by the Partnership recruited by Incremental Franchises, will not be included in the calculation of the Royalties used to determine the purchase price for such Incremental Franchise.

Under the Management Services Agreement, La Capitale L.P. has provided 9120-5583 Quebec Inc. (a wholly owned subsidiary of the Manager) with a license to use the certain trademarks to, among other things, enable the Manager to fulfill its obligations under the Management Services Agreement and to otherwise operate and grow the La Capitale Brokerage Network by entering into new Franchise Agreements either directly or through an affiliated entity. Incremental La Capitale Franchises entered into up to the end of the 44th week of each fiscal year of the Fund

will be offered to La Capitale L.P. or the Partnership by the Manager, on January 1 of the immediately following fiscal year, in consideration of an amount to be jointly determined by the Manager and the Independent Trustees.

The Trustees have approved an Incremental La Capitale Franchise Purchase Policy with respect to the purchase of Incremental La Capitale Franchises setting forth the criteria upon which the Independent Trustees will base their decision to permit the La Capitale L.P. to purchase Incremental La Capitale Franchises from the Manager. All Incremental La Capitale Franchises will, prior to being purchased by the La Capitale L.P., be subject to a satisfactory review based on the criteria established by the Trustees from time to time. The criteria for Incremental Franchises include, unless the Independent Trustees otherwise consent:

- a) the brokerage business which is the subject of the Franchise Agreement with respect to such Incremental Franchise must be located in Canada;
- b) the Franchise Agreement with respect to such Incremental La Capitale Franchise must be the same or substantially similar to the standard form La Capitale Franchise Agreement;
- c) the Franchise Agreement with respect to such Incremental La Capitale Franchise must have a minimum term of five years;
- d) the Franchisee in respect of such Incremental La Capitale Franchise or its principal must have experience in the real estate industry;
- e) such Incremental La Capitale Franchise must be operated in accordance with the established quality control requirements of the Manager; and
- f) the Franchisee in respect of the Incremental La Capitale Franchise must hold all necessary licenses to operate a residential real estate brokerage business and all such licenses must be in good standing.

2009 Royal LePage Incremental Franchise Purchases

On January 5, 2009 the Partnership completed the purchase of 18 Royal LePage Incremental Franchises from the Manager, pursuant to an asset purchase agreement between the Manager and the Partnership effective January 1, 2009 and in accordance with the terms of the Management Services Agreement. The estimated purchase price for the Incremental Franchises, calculated and subject to adjustment in accordance with the Management Services Agreement, was \$2.5 million. \$2.0 million (being approximately 80% of the estimated purchase price) was paid in cash by the Partnership to the Manager on or about January 5, 2009. Based on an audit conducted on the actual annual royalties earned from the Royal LePage Incremental Franchises for the twelve month period ending October 31, 2009, in accordance with the Management Services Agreement, the actual purchase price was calculated as \$2.2 million. Accordingly, the Final Payment of \$0.2 million was paid in January, 2010. The acquisition of the Incremental Franchises was approved by the Independent Trustees in accordance with the Incremental Franchise Purchase Policy adopted by the Trustees. Mr. Myhal declared his interest to the Board of Trustees and abstained from voting on the motion to acquire the Incremental Franchises.

2010 Royal LePage Incremental Franchise Purchases

Effective January 1, 2010 the Partnership completed the purchase of 14 Royal LePage Incremental Franchises from the Manager, pursuant to an asset purchase agreement between the Manager and the Partnership effective January 1, 2010 and in accordance with the terms of the Management Services Agreement. The estimated purchase price for the Royal LePage Incremental Franchises, calculated in and subject to adjustment in accordance with the Management Services Agreement, was \$4.2 million. \$3.4 million (being approximately 80% of the estimated purchase price) was paid in cash by the Partnership to the Manager on or about February 17, 2010. The Final Payment will be paid in January, 2011, subject to an adjustment for the audit of the actual annual royalties earned from the Royal LePage Incremental Franchises for the twelve month period ending October 31, 2010, in accordance with the Management Services Agreement. The acquisition of the Incremental Franchises was approved by the Independent Trustees in accordance with the Incremental Franchise Purchase Policy adopted by the Trustees.

Mr. Myhal declared his interest to the Board of Trustees and abstained from voting on the motion to acquire the Incremental Franchises.

2008 La Capitale Purchase

On November 2, 2007, the Manager completed the acquisition of 9120-5583 Québec Inc. doing business under the name of Réseau Immobilier La Capitale/La Capitale Real Estate Network (“**La Capitale**”). Prior to the completion of the transaction, La Capitale transferred all of the franchise agreements forming the La Capitale real estate brokerage network into La Capitale L.P., a limited partnership, together with the license agreement pursuant to which La Capitale uses the “La Capitale” marks. On December 31, 2007, La Capitale was reorganized by selling all the issued and outstanding limited partnership units of La Capitale L.P. and shares of 9188-5517 Quebec Inc. (the former general partner of La Capitale L.P.) to TBI, an affiliate of the Manager. On the same day, La Capitale L.P. sold certain franchise agreements to the Manager, which did not meet the criteria established by the Manager and the Independent Trustees for inclusion in the Fund’s portfolio of Franchise Agreements.

At a meeting held on November 6, 2007, the Board of Trustees established a special committee composed entirely of Independent Trustees (the “**La Capitale Special Committee**”) for the purpose of evaluating the purchase of the La Capitale franchise system from TBI. In evaluating the purchase of the La Capitale franchise system the La Capitale Special Committee noted, among other factors, (i) the average term of La Capitale Franchise Agreements, (ii) the license agreement under which La Capitale has the right to use its marks, (iii) differences between the La Capitale and Royal LePage franchise agreements (iv) the purchase of the La Capitale franchise system is consistent with the business of the Partnership and the Fund, (v) the basis on which the purchase price should be calculated and paid, and (vi) the management fee payable to the Manager in connection with the La Capitale franchise system. The La Capitale Special Committee met several times and negotiated with TBI and the Manager a purchase price based primarily on the formula set forth in the Management Services Agreement, subject to the following modifications:

- (a) the discount factor of 92.5% set forth in the Management Services Agreement, which is applied to the Royalties upon which the purchase price is based, was increased to 90%, thereby reducing the purchase price;
- (b) the final purchase price is to be calculated based on the average annual Royalties earned from La Capitale Franchise Agreements over three years (instead of twelve months Royalties as contemplated in the Management Services Agreement);
- (c) the Partnership will pay a management fee equal to 30% of Distributable Cash of La Capitale L.P. received from the Franchisees forming the La Capitale L.P. portfolio, instead of the 20% of Distributable Cash of the Partnership which is the management fee payable in respect of the Partnership’s Royal LePage Franchise Agreements. The increase in the management fee resulted in a direct and proportional decrease in the purchase price paid by the Partnership, as the purchase price is calculated based on Royalties earned by the Partnership net of the management fee.

On March 20, 2008, the Partnership completed the purchase of the Purchased Securities from TBI, pursuant to a Unit and Share Purchase Agreement between TBI and the Partnership made effective January 1, 2008. The estimated purchase price for the Purchased Securities, calculated in and subject to adjustment in accordance with the Management Services Agreement, was \$17.5 million. \$14.0 million (being approximately 80% of the estimated purchase price) was required to be paid in cash by the Partnership to TBI at the time of closing. In or about January of each of 2009 and 2010, the Partnership will calculate the average annual Royalties earned during the period commencing on November 3, 2007, and ending on the last day of the 44th week of 2008 and 2009, respectively. Based on this calculation, the Partnership and TBI will reforecast the purchase price for La Capitale L.P. In January 2009, based on royalties earned during the period described above, the purchase price was reforecast as \$18.8 million. \$1.6 million, being 1/3 of the balance owing by the Partnership, was paid to TBI with interest thereon to be paid in the first quarter of 2009. In January 2010, 2/3 of such balance owing since Closing will be paid to TBI, less the amount paid in January 2009 together with interest thereon. If the reforecast indicates that the Partnership has overpaid, then TBI shall make a corresponding payment of such amount to the Partnership, together with interest thereon since January 1, 2008. The final payment will be calculated based on the average annual Royalties actually

earned by La Capitale L.P. from November 3, 2007 through November 5, 2010 and will be paid in January, 2011. The acquisition of the Incremental Franchises was approved by the La Capitale Special Committee and the Independent Trustees. Mr. Myhal and Mr. Dean, declared their interest to the Board of Trustees and abstained from voting on the motion to acquire the La Capitale franchise system.

The acquisition of the Purchased Securities from TBI and the entering into of the Management Services Agreement constitute related party transactions under Multilateral Instrument 61-101 by virtue of the fact that an affiliate of TBI owns 3,327,667 Subordinated Partnership Units of the Partnership representing 25% of the issued and outstanding units of the Partnership, which, together with an equivalent number of Special Fund Units of the Fund owned by TBI, are exchangeable for 3,327,667 units of the Fund which would represent 25% of the issued and outstanding units of the Fund, and the fact that the Manager is an affiliate of TBI.

The acquisition by the Partnership of Purchased Securities from TBI and the entering into of the Management Services Agreement are exempt from the valuation and minority approval requirements of the Multilateral Instrument 61-101 pursuant to Sections 5.5(a) and 5.7(a), respectively, because, as determined in good faith by the Trustees of the Fund, neither the aggregate of the fair market value of the Purchased Securities and the fair market value of the amendments to the Original Management Services Agreement nor the aggregate consideration paid therefor exceeds 25% of the market capitalization of the Fund.

2009 La Capitale Incremental Franchise Purchases

On January 5, 2009, the La Capitale L.P. completed the purchase of 3 La Capitale Incremental Franchises from the Manager, pursuant to an asset purchase agreement between the Manager and La Capitale L.P. effective January 1, 2009 and in accordance with the terms of the Management Services Agreement. The estimated purchase price for the Incremental Franchises, calculated and subject to adjustment in accordance with the Management Services Agreement, was \$0.9 million. \$0.7 million (being approximately 80% of the estimated purchase price) was paid in cash by La Capitale L.P. to the Manager on or about January 5, 2009. In or about January of each of 2010 and 2011, the Manager agreed to calculate the average annual Royalties earned during the period commencing on November 1, 2008, and ending on the last day of the 44th week of 2009 and 2010, respectively. Based on this calculation, the Manager will reforecast the purchase price for the La Capitale Incremental Franchises. In January 2010, based on royalties earned during the twelve months ended on or about October 31, 2009, the purchase price was reforecast as \$1.0 million. \$0.1 million, being 1/3 of the balance owing by the Partnership, was paid to the Manager with interest thereon in the first quarter of 2010. In January 2011, 2/3 of such balance owing since Closing will be paid to the Manager, less the amount paid in January 2010 together with interest thereon. If the reforecast indicates that La Capitale L.P. has overpaid, then the Manager shall make a corresponding payment of such amount to La Capitale L.P., together with interest thereon since January 1, 2009. The final payment will be calculated based on the average annual Royalties actually earned by La Capitale L.P. from November 1, 2008 through October 31, 2011 and will be paid in January, 2012. The acquisition of the Incremental Franchises was approved by Independent Trustees. Mr. Myhal declared his interest to the Board of Trustees and abstained from voting on the motion to acquire the La Capitale Incremental Franchises.

2010 La Capitale Incremental Franchise Purchases

The Partnership completed the purchase of 3 La Capitale Incremental Franchises from the Manager, pursuant to an asset purchase agreement between the Manager and La Capitale L.P. effective January 1, 2010 and in accordance with the terms of the Management Services Agreement. The estimated purchase price for the Incremental Franchises, calculated and subject to adjustment in accordance with the Management Services Agreement, was \$1.0 million. \$0.8 million (being approximately 80% of the estimated purchase price) was paid in cash by La Capitale L.P. to the Manager. In or about January of each of 2011 and 2012, the Manager will calculate the average annual Royalties earned during the period commencing on November 1, 2009, and ending on the last day of the 44th week of 2010 and 2011, respectively. Based on this calculation, the Manager will reforecast the purchase price for the La Capitale Incremental Franchises. In January 2011, 1/3 of such balance owing by La Capitale L.P. will be paid to the Manager together with interest thereon. In January 2012, 2/3 of such balance owing since Closing will be paid to the Manager, less the amount paid in January 2011 together with interest thereon. If the reforecast indicates that La Capitale L.P. has overpaid, then the Manager shall make a corresponding payment of

such amount to La Capitale L.P., together with interest thereon since January 1, 2010. The final payment will be calculated based on the average annual Royalties actually earned by La Capitale L.P. from November 1, 2009 through October 31, 2012 and will be paid in January, 2013. The acquisition of the Incremental Franchises was approved by Independent Trustees. Mr. Myhal declared his interest to the Board of Trustees and abstained from voting on the motion to acquire the La Capitale Incremental Franchises.

Interest of Informed Persons in Material Transactions

The Partnership and the Manager entered into an asset purchase agreement made effective the 1st day of January, 2009 with respect to the acquisition by the Partnership of 18 Incremental Franchises from the Manager. See “2009 Royal LePage Incremental Franchise Purchases”. La Capitale L.P. and the Manager entered into an asset purchase agreement made effective the 1st day of January, 2009 with respect to the acquisition by La Capitale L.P. of 3 La Capitale Incremental Franchises from the Manager. See “2009 La Capitale Incremental Franchise Purchases”. The Partnership and the Manager entered into an asset purchase agreement made effective the 1st day of January, 2010 with respect to the acquisition by the Partnership of 18 Incremental Franchises from the Manager. See “2010 Royal LePage Incremental Franchise Purchases”. La Capitale L.P. and the Manager entered into an asset purchase agreement made effective the 1st day of January, 2010 with respect to the acquisition by La Capitale L.P. of 3 La Capitale Incremental Franchises from the Manager. See “2010 La Capitale Incremental Franchise Purchases”.

Except as disclosed in this Circular, no insider or proposed nominee for election as a Trustee of the Fund and no associate or affiliate of the foregoing persons has or has had any material interest, direct or indirect, in any transaction since January 1, 2009, or in any proposed transaction that in either such case has materially affected or will materially affect the Fund.

Statement of Executive Compensation

In 2009 the Partnership paid Mr. Cohen’s law firm legal fees in the amount of \$34,064 in connection with legal work performed for the Partnership, the General Partner, the Holding Trust and the Fund. Except as disclosed above, none of the Fund, the Holding Trust, the Partnership or the General Partner paid any salary, bonus, other annual compensation, or other compensation to any officer or employee of any of them for the period commencing January 1, 2009 and ended December 31, 2009. All of the Executive Officers of the Fund, the Holding Trust, the Partnership, and the General Partner are employed by and remunerated by the Manager.

Employment and Severance Arrangements with Executive Officers

None of the Executive Officers of the Fund, the Holding Trust, the Partnership nor the General Partner has a written employment contract with the Fund, the Holding Trust, the Partnership or the General Partner.

Unit/Stock Options

No options to acquire Units or shares in any of the Fund, the Holding Trust, the Partnership nor the General Partner, as the case may be, have been issued to any person. No Units have been acquired during the fiscal period commencing January 1, 2009 and ended December 31, 2009 pursuant to the exercise of options.

Report on Executive Compensation

The Fund does not maintain a Compensation Committee, because, pursuant to the Management Services Agreement, it is the role of the Manager to provide the Executive Officers at no additional cost to the Fund, the Holding Trust, the Partnership and the General Partner. The Manager has the responsibility to determine the level of compensation in respect of the Fund's senior executives (including the Executive Officers) with a view towards providing such executives with competitive compensation package having regard to performance.

Auditors, and Transfer Agent and Registrar

The auditors of the Fund are Deloitte & Touche LLP, Chartered Accountants, Suite 1400, Brookfield Place, 181 Bay Street, Toronto, Ontario, Canada, M5J 2V1.

The transfer agent and registrar for the Fund is CIBC Mellon Trust Company, 320 Bay Street, P.O. Box 1, Toronto, Ontario, M5H 4A6.

Management of the Fund

On January 1, 2008, the Partnership, the Fund, the Holding Trust, the General Partner, La Capitale L.P., 9188-5517 Quebec Inc. and the Manager entered into the Management Services Agreement. Pursuant to the provisions of the Management Services Agreement, the Manager has agreed to provide certain management, administrative and support services to the Fund, the Holding Trust, the General Partner and the Partnership. The duties of the Manager include: (i) ensuring compliance with continuous disclosure obligations under all applicable securities legislation and stock exchange requirements; (ii) providing accounting and financial services; (iii) ensuring prompt collections under the Franchise Agreements and otherwise ensuring compliance by Franchisees with their respective obligations under the Franchise Agreements; (iv) pursuing the growth of the Brokerage Network through the addition of Incremental Franchises; (v) negotiating and communicating with third parties with respect to contractual and other matters; (vi) providing investor relations services; (vii) providing or causing to be provided to Fund Unitholders and Special Unitholders all information to which Fund Unitholders and Special Unitholders are entitled under the Declaration of Trust; (viii) calling, holding and distributing materials (including notices of meetings and information circulars) in respect of all meetings of Fund Unitholders and Special Unitholders; (ix) determining the amounts payable from time to time to Unitholders; (x) if necessary, dealing with Franchisees on questions of interpretation of the Franchise Agreements; (xi) arranging for distributions to Unitholders of distributable cash; (xii) attending to all administrative and other matters arising in connection with any redemption of Units and Holding Trust Units. On or about February 11, 2010, the Management Services Agreement was amended to replace 9188-5517 Quebec Inc. with 4541219.

In exercising its powers and discharging its duties under the Management Services Agreement, the Manager is required to exercise the degree of care, diligence and skill that a reasonably prudent manager having responsibilities of a similar nature would exercise in comparable circumstances. As a result of the services provided by the Manager under the Management Services Agreement, the Manager is "a person or company in a special relationship with a reporting issuer" with respect to the Fund for the purposes of the *Securities Act* (Ontario).

Under the Management Services Agreement, the Manager is entitled to an annual fee, payable by the Partnership on a monthly basis in arrears, equal to 20% of the cash of the Partnership derived from Royal LePage franchises and 30% of the cash of the Partnership derived from La Capitale franchises.

The Management Services Agreement has an initial term of 10 years and is automatically renewable for successive 10 year periods unless notice of termination is given by either the Fund, the Holding Trust, the General Partner and the Partnership or the Manager at least twelve months prior to the expiry of the initial or any renewal terms. The Management Services Agreement may be terminated earlier on behalf of the Fund by the Independent Trustees if a substantial deterioration in the business of the Partnership occurs that is not caused by force majeure, provided that such termination is approved at a meeting of Fund Unitholders and Special Unitholders by a resolution approved by holders representing at least 50% of the aggregate number of issued and outstanding Fund Units and Special Fund Units and at least 66²/₃% of the aggregate number of Fund Units and Special Fund Units that are voted at the meeting, in each case excluding any Fund Units and Special Fund Units held by the Manager or any of its affiliated entities. In the event of such termination, and provided that the Manager is not then in default, the Fund will pay to the Manager a fee equal to the aggregate of all fees paid to the Manager under the Management Services Agreement in the previous calendar year.

The Management Services Agreement may be terminated by the Manager in the event of the insolvency or receivership of the Fund, the Holding Trust, the Partnership or the General Partner, or in the case of default by the Fund, the Holding Trust, the Partnership or the General Partner in the performance of a material obligation under the

Management Services Agreement (other than as a result of the occurrence of a force majeure event) which is not remedied within 30 days after written notice thereof has been delivered. The Management Services Agreement may be terminated by the Fund, the Holding Trust, the General Partner and the Partnership in the event of the insolvency or receivership of the Manager, or in the case of default by the Manager in the performance of a material obligation under the Management Services Agreement (other than as a result of the occurrence of a force majeure event) which is not remedied within 30 days after written notice thereof has been delivered.

The Management Services Agreement contains provisions to regulate any conflicts of interest which may arise and provides for indemnification by the Manager of the Fund, the Partnership, the Holding Trust and the General Partner and by the Fund, the Partnership, the Holding Trust and the General Partner of the Manager in certain circumstances. The Management Services Agreement may only be assigned by the Manager with the consent of the Fund, the Holding Trust, the General Partner and the Partnership.

The following individuals are the directors and senior officers of the Manager:

NAME	MUNICIPALITY OF RESIDENCE	POSITION
Philip Soper	Toronto, Ontario	President and Director
Kevin Cash	Markham, Ontario	Senior Vice-President, C.F.O. and Director
George Myhal	Toronto, Ontario	Director
Nicolas Ayotte	Candiac, Quebec	President, La Capitale Real Estate Network
Andy Puthon	Guelph, Ontario	Executive Vice-President, Network Development
Gino Romanese	Markham, Ontario	Senior Vice-President, Corporate Offices
Gurinder Sandhu	Oakville, Ontario	Vice-President, Finance
Max Cohen	Toronto, Ontario	Secretary

CORPORATE GOVERNANCE PRACTICES

The Board has adopted, as its approach to corporate governance, the guidelines set out in National Policy 58-201 “Corporate Governance Guidelines”.

Mandate of the Board:

The Board assumes explicit responsibility for the stewardship of the Fund directly and through its committees. The Board is comprised of the Trustees of the Fund. The responsibilities of the Board and each committee of the Board are set out in written mandates, which are reviewed and approved periodically. These mandates are provided in the appendices to the Fund’s Annual Information Form dated March 19, 2010. In fulfilling its mandate, the Board is, among other matters, responsible for the following:

- **strategic planning** – overseeing the strategic planning process for the Fund together with the Manager and reviewing, approving and monitoring the strategic plan for the Fund and the Partnership including fundamental financial and business strategies and objectives;

- **risk management** – assessing the major risks facing the Fund and reviewing, approving and monitoring the manner of managing those risks;
- **Manager** – monitoring the performance of the Manager on behalf of the Fund and the Partnership, with reference to the Management Services Agreement among the Fund, the Manager, the Partnership, its general partner, and others;
- **Incremental Franchises** - reviewing and evaluating the purchase of Incremental Franchises by the Partnership, as contemplated in the Management Services Agreement , including determining or amending appropriate criteria to be used as a basis for selecting Incremental Franchises; and
- **maintaining integrity** - reviewing and monitoring the controls and procedures within the Fund to maintain its integrity including its disclosure controls and procedures, its internal controls and procedures for financial reporting and compliance with its code of ethics.

The Board reviews major strategic initiatives to ensure that the proposed actions are in accordance with Unitholder objectives. Prior to the beginning of each fiscal year, the Manager presents its financial plan and its objectives for the current year in the context of the approved strategic plan. The Manager reports to the Board on a quarterly basis with respect to progress against the Fund’s current year’s goals and analyzes financial results against the financial plan. The Manager provides the Board with monthly operational reports and industry performance measures.

The Board ensures the Manager has considered the principal risks of the Fund's businesses and monitors those risks based on monthly business reports prepared by the Manager. In addition, the Audit Committee reviews the findings of the Fund's internal and external auditors, and thereby provides additional awareness of the principal risks to the Fund's businesses, and then reports thereon to the Board on a regular basis. The Audit Committee receives a copy of the results of each Franchise audit conducted by the Manager’s internal audit department. The Board considers and approves plans recommended by the Manager to offset and manage those risks. (Refer to Appendix A to the Fund’s Annual Information Form dated March 19, 2010) The Audit Committee and the Board approve the Annual Information Form and Management Discussion & Analysis prior to each being filed on the Canadian Securities Administrators’ System for Electronic Document Analysis and Retrieval (“SEDAR”).

Disclosure Policy:

The objective of the Fund’s disclosure policy (the “Disclosure Policy”) is to ensure that communications to the investing public about the Fund are timely, factual and accurate and consistent and broadly disseminated in accordance with all applicable legal and regulatory requirements. The Disclosure Policy extends to all employees of the Fund, the Holding Trust, the Partnership, the General Partner and the Manager. It covers disclosures in documents filed with securities commissions and written statements made in the Fund’s annual and quarterly reports, news releases, letters to shareholders, speeches and presentations by the Manager or other persons speaking on behalf of the Fund and information contained on the Fund’s Web site and other electronic communications. It extends to oral statements made in meetings and telephone conversations with analysts and investors, interviews with the media as well as press conferences and conference calls.

A committee consisting of the Chief Executive Officer and the Chief Financial Officer (collectively, the “**Disclosure Committee**”) of the Manager has been appointed by the Trustees to monitor the Manager’s and the Fund’s adherence to the Disclosure Policy. Material information will be publicly disclosed as soon as practicable via news releases. Once it is determined that a development is material, the Disclosure Committee will authorize the issuance of a news release, unless it is determined that such developments must remain confidential for the time being and appropriate control of that inside information is instituted. The Disclosure Committee will ensure that all persons with knowledge of such confidential information are informed of their obligation to keep the information confidential until it is disclosed to the public and to refrain from buying securities of the Fund or any other company that is affected by the confidential information. The Disclosure Committee is required to meet on a quarterly basis to review compliance with the Disclosure Policy.

Meetings of the Board:

The Board meets at least once in each quarter, with additional meetings held when appropriate. Meetings of the Board may be held by teleconference or other electronic means, as needed to discharge its responsibilities, but in most instances these meetings are in person. The Board also meets annually to review and approve the annual business plan and long-term strategic plan.

Time is allocated at each Board meeting for the independent Trustees to meet without management present. The Audit Committee follows a similar practice at each of its meetings. The Governance Committee meets not less than once each year. During 2009, five Board meetings, four meetings of the Audit Committees and one Governance Committee meeting were held and at each such meeting, time was allocated for the independent Trustees to meet without management present. In 2009, Mr. Myhal was unable to attend one Board meeting. The Board of Trustees of the Holding Trust and the Board of Directors of the General Partner meet at the same time as the Board of Trustees of the Fund.

Composition and Size of Board and Trustees:

The board is comprised of five trustees, four of whom, Ms. Bell, Mr. Karp, Ms. Kilgour and Mr. Dean are independent. The Trustees act at all times with a view to the best interests of the Fund and its Unitholders. Mr. Myhal is a director of the Manager and is an officer and director of its parent company. Mr. Dean was, until March 2005, the Chief Executive officer of the Manager, but effective March, 2008 is considered to be independent. Therefore, a majority of Trustees (4 of 5) on the Board are considered to be independent. The Board of Trustees of the Holding Trust and the Board of Directors of the General Partner are the same size and have the same composition as the Fund's Board of Trustees.

The Governance Committee examines issues relating to its size and number of Trustees on a periodic basis, and currently considers the size of five Trustees to be appropriate. The small size allows the Trustees to meet their obligations in an efficient, yet prudent and effective, manner.

Selection of New Board Members and Trustees:

The Board does not have a separate nominating committee for recommending the appointment of new Trustees. The Governance Committee is responsible for developing the approach of the Fund to board nominations, size and composition of the Board, board member effectiveness, board member orientation, and Trustees' compensation. Since the inception of the Fund, there have been no new members added to the Board.

Independence of Board and Trustees:

The Board Chair is a member of management and is not independent. The Chair of the Governance Committee, who is not a member of management and is independent, often acts as a liaison between management and the Board and is consulted by management between meetings of the Board. He also provides feedback to the Chief Executive Officer and observations made by the independent Trustees as to how communication and relationships between the Board and its committees and management can be improved. The Governance Committee Chair ensures that the Board is able to function independently of management.

Position Descriptions:

The Board has not adopted specific position descriptions for the Chair or the Committee Chairs, however, the Board has adopted terms of reference for each committee, copies of which are annexed to the Fund's Annual Information Form. Pursuant to the terms of the Management Services Agreement the position of the Chief Executive Officer of the Manager is determined by TBI, the sole shareholder of the Manager. The Management Services Agreement provides that decisions relating to the operation of the Partnership are to be made by the Manager, however, acquisitions and any material expenditures to be made by the Partnership are subject to the approval of the Board.

Ethical Business Conduct:

None of the Fund, the Holding Trust, the General Partner nor the Partnership have any employees. The Manager, a subsidiary of Brookfield Asset Management, is responsible for managing the affairs of the Partnership, the Holding Trust and the Fund pursuant to the terms of the Management Services Agreement. As such, the Manager and all of its officers, directors and employees are subject to Brookfield Asset Management's Code of Business Conduct and Ethics. The Board has reviewed and accepted Brookfield Asset Management's Code of Business Conduct and Ethics, which was published and remains available on SEDAR as of May 24, 2006.

Compensation:

The compensation of Board members is determined jointly by the independent Trustees and management, having regard for director and trustee compensation for board members of income trusts of similar size and structure. In reviewing the adequacy and form of compensation and benefits, the Board seeks to ensure that the compensation and benefits reflect the responsibilities and risks involved in being a trustee of the Fund and align the interests of the trustees with the best interests of the Unitholders. Periodically, management reviews the annual and per meeting compensation paid to directors and trustees of similar income trusts to ensure that Trustee compensation is within the range of compensation paid to board members of income trusts of similar size and structure. Trustees are not paid for meetings of the Board of Directors of the General Partner or the Board of Trustees of the Holding Trust.

Orientation and Education:

The Manager has developed a Trustee Manual for the Trustees to educate and update Trustees. Within this manual, each member of the Board is provided with copies of the various charters, mandates, material agreements, and certain policies that have been approved to date by the Board. The Manager provides Trustees with ongoing information with respect to the Business and the industry in general. Presentations on different aspects of the operations of the Business as well as financing matters are regularly made to the Board by executives, including presentations on the next year's operational strategies and objectives.

Standing Committees:

The Board has formally appointed two permanent committees, the Audit Committee and the Governance Committee.

The Audit Committee is comprised of four outside Trustees, all of whom are independent Trustees. The Audit Committee has primary responsibility for ensuring the integrity of the Fund's financial reporting, risk management and internal controls. The committee has unrestricted access to the Fund's personnel and documents and has direct communication channels with the Fund's internal and external auditors in order to discuss audit and related matters whenever appropriate. (Refer to Appendix A to the Fund's Annual Information Form dated March 19, 2010.)

In fulfilling the oversight responsibilities detailed in its Terms of Reference, the Audit Committee recommends the appointment and reviews the audit efforts of the Fund's independent auditors, and provides an open avenue of communication amongst the independent accountants, financial and senior management and the Board of Trustees. In addition, the Audit Committee serves as an independent and objective party to monitor the Fund's financial reporting process and internal controls regarding finance, accounting, and the Fund's auditing, accounting, and financial reporting process generally. The Audit Committee approves the Fund's policy on non-audit related work by its external auditor, and pre-approves or rejects any proposed non-audit related work to be conducted by the external auditor for the Fund.

The Audit Committee is comprised of Lorraine Bell (Chair), Allen Karp, Gail Kilgour and Simon Dean, all of whom are non-management and unrelated. All members of the Audit Committee are financially literate, and the Chair of the Audit Committee is a Chartered Accountant. The Audit Committee meets on at least a quarterly basis with representatives of management and annually with the Fund's external auditors for the express purpose of reviewing the Fund's quarterly and annual financial statements, the Fund's financing plans and the adequacy of

internal controls over financial and reporting systems and the effectiveness of the Fund's management information systems. The Audit Committee meets directly with the Fund's external auditors in the absence of management on at least an annual basis. The Audit Committee also reviews and recommends approval of the auditor's fees to the Board.

The Governance Committee consists of four directors, all of whom are Independent Trustees, and are responsible for:

- (a) considering, and providing a recommendation on, any conflict of interest involving TBI or any of its affiliated entities and the Partnership (including any matter involving the Shareholders' Agreement, the Management Services Agreement, the Partnership Assets, the LP Units, the La Capitale License Agreement and the Royal LePage Sub-License Agreement) before such conflict of interest is approved by the board of directors of the General Partner;
- (b) annually reviewing:
 - the performance of the Manager as manager under the Management Services Agreement, including its business plans and prospects for the ensuing year;
 - the performance of the management of the Manager; and
 - adjustments to be made pursuant to the Management Services Agreement;
- (c) developing the Partnership's approach to governance issues;
- (d) advising the board in filling vacancies on the board; and
- (e) periodically reviewing the composition and effectiveness of the board and the contribution of individual directors.

Assessments:

The Governance Committee conducts, on an annual basis, a review and assessment of the performance of the Board and its members. The Chair of the Governance Committee provides feedback to the Chair and the CEO with respect to the results of his review.

ANNUAL BUSINESS

Receipt of Financial Statements

The audited financial statements of the Fund for the period commencing January 1, 2009 and ended December 31, 2009 and the report of the auditors thereon will be presented at the Meeting.

Election of Trustees

It is proposed that the Fund's existing five Trustees be elected at the Meeting.

The Declaration of Trust provides for a minimum of three and a maximum of ten Trustees. The Trustees are to supervise the activities and manage the affairs of the Fund. At all times a majority of the Trustees will be Independent Trustees. The Declaration of Trust provides that TBI will be entitled to designate two-fifths of the trustees of the Fund so long as it and its affiliated entities hold an aggregate of at least 10% of the Units (on a diluted basis). The number of trustees of the Fund will be reduced to the extent any Trustee designated by TBI is no longer entitled to serve as a Trustee due to a reduction in the ownership of Units by TBI. The party entitled to direct the

appointment of a Trustee can require the removal or replacement of the trustees that it designated at any time at its sole discretion. The balance of the Trustees are to be elected by Unitholders at the first annual meeting of Unitholders and at every annual meeting thereafter.

The statement as to the Units of the Fund beneficially owned or over which control or direction is exercised by the nominees for election as Trustees hereinbefore named is in each instance based upon information furnished by the nominee (See "Information Concerning the Fund – Trustees and Officers of the Fund").

Re-Appointment of Auditors

It is proposed that Deloitte & Touche LLP, Chartered Accountants, be re-appointed as auditors of the Fund at the Meeting.

The persons named in the enclosed form of proxy intend to vote for the re-appointment of Deloitte & Touche LLP, Chartered Accountants, as the auditors of the Fund to hold office until the next annual meeting of Unitholders, at a remuneration to be fixed by the Trustees.

OTHER BUSINESS

Other Matters

Unless otherwise stated, the information contained herein is given as of March 19, 2010. Management of the Fund is not aware of any other matters that are to be presented at the Meeting other than matters referred to in the Notice of Meeting. If any matters other than those referred to in this Circular should be presented at the Meeting, however, the persons named in the enclosed proxies are authorized to vote the Units represented by the proxies in accordance with their best judgment.

TRUSTEES' APPROVAL

The contents of this Circular and the delivery thereof to the Unitholders of the Fund has been approved by the Board of Trustees. Information contained in this Circular is given as of March 19, 2010, unless otherwise stated.

BY ORDER OF THE BOARD OF TRUSTEES

(signed) George Myhal
Chairman of the Board

Toronto, Ontario
March 19, 2010