BROOKFIELD REAL ESTATE SERVICES FUND

NOTICE OF SPECIAL MEETING OF
UNITHOLDERS AND SPECIAL VOTING UNITHOLDERS

to be held on December 10, 2010

and

MANAGEMENT INFORMATION CIRCULAR

with respect to a

PLAN OF ARRANGEMENT

involving

BROOKFIELD REAL ESTATE SERVICES FUND,
RL RES HOLDING TRUST,
RESIDENTIAL INCOME FUND L.P.,
RESIDENTIAL INCOME FUND GENERAL PARTNER LIMITED,
BROOKFIELD REAL ESTATE SERVICES INC./
SERVICES IMMOBILIERS BROOKFIELD INC.

and the Unitholders and Special Voting Unitholders of
BROOKFIELD REAL ESTATE SERVICES FUND

November 11, 2010

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Dear Unitholders:

You are invited to attend a special meeting (the "**Meeting**") of holders ("**Voting Unitholders**") of units ("**Fund Units**") and special voting units ("**Special Voting Units**", and together with the Fund Units, the "**Voting Units**") of Brookfield Real Estate Services Fund (the "**Fund**") to be held at The Hockey Hall of Fame, Brookfield Place, 30 Yonge Street, Toronto, Ontario, at 10:00 a.m. (Toronto time) on December 10, 2010. At the Meeting, you will be asked to consider a proposed arrangement (the "**Arrangement**") involving the Fund and its subsidiaries that operate the Fund's business and a newly created corporation, Brookfield Real Estate Services Inc./Services immobiliers Brookfield Inc. ("**Brookfield NewCo**"), that will result in the reorganization of the Fund from an income trust structure into a dividend paying public corporation.

As you know, on November 8, 2010 the Fund announced its intention to propose to Voting Unitholders that the Fund would convert to a corporate structure. This announcement was the result of an assessment of the financial and legal considerations of such a conversion undertaken by the Fund, which has culminated in the Arrangement that you are being asked to consider at the Meeting.

Under the Arrangement, Voting Unitholders will receive, for each Fund Unit held, one restricted voting share (each, a "**Restricted Voting Share**") of Brookfield NewCo on the effective date of the Arrangement (the "**Effective Date**"), which the Fund expects to occur on or about December 31, 2010. The Restricted Voting Shares will have the same voting rights as the Fund Units. The basic structure of the Fund, which carries on business through Residential Income Fund L.P. (the "**Partnership**") and its subsidiaries, will continue and Brookfield NewCo will indirectly own and operate the business currently carried on by the Fund and its subsidiaries. Following the conversion, Brookfield NewCo will indirectly hold all of the Class A partnership units of the Partnership and Trilon Bancorp Inc. ("**TBI**"), directly or through an affiliate, will continue to hold all of the Class B partnership units of the Partnership, being 3,327,667 Class B partnership units. Brookfield NewCo will assume the obligation of the Fund to exchange the Class B partnership units of the Partnership, which will become exchangeable for Restricted Voting Shares upon the exercise by TBI of its exchange rights.

Upon completion of the Arrangement, the Restricted Voting Shares will be listed on the Toronto Stock Exchange, subject to Brookfield NewCo satisfying certain conditions for listing. The board of directors of Brookfield NewCo will be comprised of the current members of the board of trustees of the Fund, being Lorraine Bell, Simon Dean, Allen Karp, Gail Kilgour and George Myhal. In addition, consequential amendments to the management services agreement (the "**Management Services Agreement**") pursuant to which Brookfield Real Estate Services Manager Limited (the "**Manager**") provides certain management, administrative and other services to the Fund and certain of its subsidiaries will be made in connection with the Arrangement to allow the Management Services Agreement to continue in respect of Brookfield NewCo and certain of its subsidiaries.

Brookfield NewCo is expected to implement a dividend policy for 2011 whereby it will initially pay a monthly dividend of $0.092 ($1.10 per annum) per Restricted Voting Share. Provided the Arrangement is approved by Voting Unitholders at the Meeting, the first monthly dividend is anticipated to be declared in January 2011 and paid in February 2011. The amount of any dividends payable will be at the discretion of Brookfield NewCo's board of directors and will be reviewed in the normal course on the basis of a number of factors including the financial performance, future prospects and capital requirements of Brookfield NewCo's business.

A special committee of the independent trustees of the Fund (the "**Special Committee**") was formed to consider the Arrangement, and the consequential amendments to the Management Services Agreement required in connection with the Arrangement, and retained its own independent financial and legal advisors in connection with its review of the proposed Arrangement. The board of trustees of the Fund, based upon the unanimous recommendation in favour of the Arrangement by the Special Committee, as well as other factors more particularly described in the attached management information circular (the "**Information Circular**"), believe the Arrangement is in the best interests of the Fund and the Voting Unitholders and recommends that Voting Unitholders vote in favour of the Arrangement. The trustees of the Fund and the directors and officers of the Manager and their associates, who own in the aggregate approximately 0.94% of the outstanding Voting Units, have indicated that they intend to vote in favour of the Arrangement.

The resolution approving the Arrangement and related matters must be approved by more than two-thirds of the votes cast by the Voting Unitholders voting in person or by proxy at the Meeting. The Arrangement is also subject to the approval of the Ontario Superior Court of Justice, the Toronto Stock Exchange and all necessary regulatory approvals.

We encourage you to read the materials in the accompanying Information Circular carefully. The Information Circular contains a detailed description of the Arrangement as well as detailed information regarding the Fund and Brookfield NewCo. **Please give this material your careful consideration and, if you require assistance, consult your financial, tax or other professional advisors. If you are unable to attend the Meeting in person, please complete and deliver the applicable enclosed form of proxy, in order to ensure your representation at the Meeting.**

On behalf of the board of trustees of the Fund, we would like to express our gratitude for the support our Voting Unitholders have demonstrated with respect to our decision to convert into a corporate structure. We look forward to seeing you at the Meeting.

Yours very truly,

(Signed) "*George Myhal*"
George Myhal
Chairman of the Board of Trustees

BROOKFIELD REAL ESTATE SERVICES FUND

NOTICE OF SPECIAL MEETING OF UNITHOLDERS AND SPECIAL VOTING UNITHOLDERS

to be held on December 10, 2010

NOTICE IS HEREBY GIVEN that, pursuant to an order (the "**Interim Order**") of the Ontario Superior Court of Justice dated November 10, 2010, a special meeting (the "**Meeting**") of the holders ("**Voting Unitholders**") of units ("**Fund Units**") and special voting units ("**Special Voting Units**" and, together with the Fund Units, the "**Voting Units**") of Brookfield Real Estate Services Fund (the "**Fund**") will be held at The Hockey Hall of Fame, Brookfield Place, 30 Yonge Street, Toronto, Ontario, at 10:00 a.m. (Toronto time) on December 10, 2010 for the following purposes:

(a) to consider pursuant to the Interim Order and, if thought advisable, to pass, with or without variation, a special resolution, the full text of which is set forth in Appendix "A" to the accompanying management information circular of the Fund dated November 11, 2010 (the "**Information Circular**"), to approve a plan of arrangement under section 182 of the *Business Corporations Act* (Ontario) involving the reorganization of the Fund's income trust structure into a public corporation to be named "Brookfield Real Estate Services Inc./Services immobiliers Brookfield Inc." and all transactions contemplated thereby, all as more particularly described in the Information Circular; and

(b) to transact such other business as may properly come before the Meeting or any adjournment or postponement thereof.

Accompanying this Notice of Meeting are: (i) the Information Circular; and (ii) a voting instruction form or form of proxy to be used for voting at the Meeting. As a Voting Unitholder, you are entitled to attend the Meeting and to cast one vote for each Fund Unit or Special Voting Unit that you own. If you are a registered Voting Unitholder and are unable to attend the Meeting, you will still be able to vote on the items of business set out above by completing the form of proxy (printed on blue paper) (a "**Form of Proxy**") included with this Information Circular. The Information circular explains how to complete the voting instruction form or form of proxy, how the voting process works and provides specific details of the matters proposed to be considered at the Meeting. Voting Unitholders are urged to read the Information Circular carefully in evaluating the matters for consideration at the Meeting. **To be valid, registered Voting Unitholders must submit the Form of Proxy to the Fund's transfer agent, CIBC Mellon Trust Company, at least 24 hours prior to the commencement of the Meeting, excluding Saturdays, Sundays and holidays, and may do so: (i) by mail in the enclosed postage prepaid envelope to P.O. Box 721, Agincourt, Ontario, M1S 0A1; (ii) by hand to 320 Bay Street, Banking Hall Level, Toronto, Ontario M5H 4A6; or (iii) by facsimile to (416) 368-2502 or 1-866-781-3111 (toll free), Attention: Proxy Department.**

If you are a non-registered beneficial Voting Unitholder, you must follow the instructions provided by your broker, securities dealer, bank, trust company or similar entity in order to vote your Voting Units.

The board of trustees of the Fund has fixed November 5, 2010 as the record date for the meeting. We urge you to read these materials carefully and cast your vote on these important matters.

Dated at Toronto, Ontario this 11th day of November, 2010.

BROOKFIELD REAL ESTATE SERVICES FUND

By: (signed) "*George Myhal*"
George Myhal
Chairman of the Board of Trustees

MANAGEMENT INFORMATION CIRCULAR

Introduction

This management information circular (the "Information Circular") is furnished in connection with the solicitation of proxies by and on behalf of the Trustees of the Fund, for use at the Meeting, and any postponement(s) or adjournment(s) thereof, for the purposes set forth in the accompanying Notice of Meeting. No Person has been authorized to give any information or make any representation in connection with the Arrangement or any other matters to be considered at the Meeting other than those contained in this Information Circular and, if given or made, any such information or representation must not be relied upon as having been authorized.

All summaries of, and references to, the Arrangement in this Information Circular are qualified in their entirety by reference to the complete text of the Plan of Arrangement, a copy of which is attached as Exhibit "A" to the Arrangement Agreement, which agreement is attached as Appendix "D" to this Information Circular. You are urged to carefully read the full text of the Plan of Arrangement and the Arrangement Agreement.

All capitalized terms used in this Information Circular but not otherwise defined herein have the meanings set forth under "Glossary of Terms" or elsewhere in this Information Circular.

The information contained in this Information Circular is given as of November 11, 2010 unless otherwise specifically stated.

Forward-Looking Statements

Certain statements in this Information Circular, including the appendices attached hereto, that are not current or historical factual information may constitute forward-looking information within the meaning of applicable securities legislation. Forward-looking information can be identified by words such as "may", "will", "continue", "should", "expect", "anticipate", "believe", "plan", "intend" and other similar words. These forward-looking statements relate to, among other things:

- the approval of the Arrangement by Voting Unitholders at the Meeting;
- the completion of the Arrangement;
- the Fund's ability to obtain the regulatory and court approvals required in order to complete the Arrangement;
- the benefits of the Arrangement;
- the information relating to Brookfield NewCo upon completion of the Arrangement as described in Appendix "E" – Information Concerning Brookfield NewCo and elsewhere in this Information Circular;
- the listing of the Restricted Voting Shares on the TSX; and
- anticipated dividends on the Restricted Voting Shares.

Forward-looking information reflects current expectations regarding future events and operating performance and speaks only as of the date of this Information Circular. Such statements should not be read as guarantees of future performance or results and will not necessarily be an accurate indication of whether or not those results will be achieved. Forward-looking information is based upon a number of assumptions and is subject to known and unknown risks, uncertainties and other factors, many of which are beyond the Fund's control, which may cause the actual results, performance or achievements of the Fund and its Subsidiaries, or industry results, to differ materially from anticipated future results, performance or achievements expressed or implied by such forward-looking information. The following are some of the factors that could cause actual results to differ materially from those expressed in or underlying forward-looking information: a change in general economic conditions; interest rates; consumer confidence; the level of residential resale transactions; the average rate of commissions charged; competition from other traditional real estate brokers or from discount and/or internet-based real estate alternatives; the availability of acquisition opportunities and/or the closing of existing real estate offices; other developments in the residential real estate brokerage industry or the Fund that reduce the number of and/or royalty revenue from the

fund's REALTORS®; the Fund's ability to maintain brand equity through the use of trademarks; the availability of equity and debt financing; a change in tax provisions; the delay of or the inability to complete the proposed Arrangement on the contemplated terms, including by reason of the Fund's inability to obtain the consents, permits or approvals that are required, including the approval of the Court and of its Voting Unitholders and receipt of Competition Act Approval; Brookfield NewCo's inability to meet TSX listing requirements; and failure to realize the anticipated benefits of the completion of the Arrangement, as well as the other factors indentified throughout this Information Circular or in the documents incorporated by reference herein. The foregoing list of factors is not exhaustive; investors should also refer to the risks described under "Risk Factors" in this Information Circular and in the Fund's Annual Information Form, which is available at www.sedar.com.

Although the forward-looking information contained in this Information Circular, including the appendices attached hereto, is based upon assumptions, current estimates, expectations and projections, which the Fund believes are reasonable in the circumstances as of the current date, there can be no assurance that actual results will be consistent with this forward-looking information and, as a result, the forward-looking information may prove to be incorrect. **Readers are cautioned not to place undue importance on forward-looking information.**

Other than as required under applicable securities laws, the Fund does not undertake to update any such forward-looking information. Additional information about these assumptions and risks and uncertainties is contained in the Fund's filings with securities regulators. These filings are also available at www.sedar.com or on the Fund's website at www.brookfieldres.com.

Non-GAAP Terms

The Fund's management's discussion and analysis of financial condition and results of operations for the years ended December 31, 2009 and December 31, 2008 and for the three and nine-month periods ended September 30, 2010 and September 30, 2009 (collectively, the "**Fund MD&A**"), which are incorporated by reference herein, make reference to certain non-GAAP financial measures to assist in assessing the Fund's financial performance. Non-GAAP financial measures do not have standard meanings prescribed by Canadian GAAP and are therefore unlikely to be comparable to similar measures presented by other issuers. For information regarding the non-GAAP financial measures used by the Fund, see the Fund MD&A.

Advice to Beneficial Holders of Fund Units

Persons who do not hold their Fund Units in their own name ("**Beneficial Unitholders**" or "**Beneficial Unitholder**" individually) should note that only proxies deposited by holders of Fund Units whose names appear on the records of the registrar and transfer agent for the Fund as the registered holders of Fund Units can be recognized and acted upon at the Meeting. If Fund Units are listed in an account statement provided to a holder by a broker, then in almost all cases those Fund Units will not be registered in such holder's name on the records of the Fund. Such Fund Units will more likely be registered under the name of the holder's broker or an agent of that broker. In Canada, the Fund Units are registered under the name of CDS & Co., the registration name for CDS Clearing and Depository Services Inc., which acts as nominee for many Canadian brokerage firms. Fund Units held by brokers or their nominees can only be voted (for or against resolutions) upon the instructions of the Beneficial Unitholder. Without specific instructions, the broker/nominees are prohibited from voting Fund Units for their clients. The Fund does not know for whose benefit the Fund Units registered in the name of CDS & Co. are held.

Applicable regulatory policy requires intermediaries/brokers to seek voting instructions from Beneficial Unitholders in advance of Voting Unitholders' meetings. Every intermediary/broker has its own mailing procedures and provides its own return instructions, which should be carefully followed by Beneficial Unitholders in order to ensure that their Fund Units are voted at the Meeting. Often, the form of proxy supplied to a Beneficial Unitholder by its broker is identical to the form of proxy provided to registered Fund Unitholders; however, its purpose is limited to instructing the intermediaries/brokers how to vote on behalf of the Beneficial Unitholder. The majority of brokers now delegate responsibility for obtaining instructions from clients to Broadridge Financial Solutions, Inc. (formerly ADP Investor Communications) ("**Broadridge**"). Broadridge typically mails a scannable voting instruction form in lieu of the form of proxy. The Beneficial Unitholder is requested to complete and return the voting instruction form to them by mail or facsimile. Alternatively, the Beneficial Unitholder can call a toll-free telephone number or access the internet to vote the Fund Units held by the Beneficial Unitholder. Broadridge then tabulates the results of all instructions received and provides appropriate instructions respecting the voting of units to be represented at a

meeting. A Beneficial Unitholder who receives a voting instruction form cannot use that voting instruction form to vote Fund Units directly at the Meeting as the voting instruction form must be returned as directed by Broadridge well in advance of the Meeting in order to have the Fund Units voted.

Although you may not be recognized directly at the Meeting for the purposes of voting Fund Units registered in the name of your broker or other intermediary, you may attend at the Meeting as a proxyholder for the registered holder and vote your Fund Units in that capacity. If you wish to attend the Meeting and vote your own Fund Units, you must do so as proxyholder for the registered holder. To do this, you should enter your own name in the blank space on the applicable form of proxy or voting information form provided to you and return the document to your broker or other intermediary (or the agent of such broker or other intermediary) in accordance with the instructions provided by such broker, intermediary or agent well in advance of the Meeting.

See "General Proxy Information – Appointment and Revocation of Proxies".

Currency

All dollar amounts set forth in this Information Circular are in Canadian dollars, except where otherwise indicated.

Information for United States Fund Unitholders

The Restricted Voting Shares of Brookfield NewCo issuable to Fund Unitholders in exchange for the Fund Units pursuant to the Arrangement have not been and will not be registered under the 1933 Act, and such securities will be issued to such Fund Unitholders in reliance upon the exemption from the registration requirements of the 1933 Act set forth in section 3(a)(10) thereof. The solicitation of proxies for the Meeting is not subject to the proxy requirements of section 14(a) of the 1934 Act. Accordingly, the solicitations and transactions contemplated in this Information Circular are made in the United States for securities of a Canadian issuer in accordance with Canadian corporate and securities laws, and this Information Circular has been prepared solely in accordance with disclosure requirements applicable in Canada. Fund Unitholders in the United States should be aware that such requirements are different from those of the United States applicable to registration statements under the 1933 Act and proxy statements under the 1934 Act. Specifically, information concerning the operations of the Fund contained herein has been prepared in accordance with Canadian disclosure standards, which are not comparable in all respects to United States disclosure standards.

The financial statements and financial information included or incorporated by reference in this Information Circular have been presented in Canadian dollars, were prepared in accordance with Canadian GAAP, and are subject to Canadian auditing and auditor independence standards, which differ from United States GAAP and United States auditing and auditor independence standards in certain material respects, and thus may not be comparable to financial statements of United States companies.

The enforcement by investors of civil liabilities under the United States federal and state securities laws may be affected adversely by the fact that the Fund and its consolidated operations and its Subsidiaries and affiliates (the "**Fund Group**") are incorporated or organized outside the United States, that some or all of their officers, directors, trustees and general partners and the experts named herein are residents of a foreign country, and that all or a substantial portion of the assets of the members of the Fund Group and said persons are located outside the United States. As a result, it may be difficult or impossible for Fund Unitholders in the United States to effect service of process within the United States upon the Fund, any members of the Fund Group, their officers, directors, trustees and general partners or the experts named herein, or to realize against them upon judgments of courts of the United States predicated upon civil liabilities under the federal securities laws of the United States or any state securities laws. In addition, Fund Unitholders in the United States should not assume that the courts of Canada: (a) would enforce judgments of United States courts obtained in actions against such persons predicated upon civil liabilities under the federal securities laws of the United States or any state securities laws; or (b) would enforce, in original actions, liabilities against such persons predicated upon civil liabilities under the federal securities laws of the United States or any state securities laws.

The Restricted Voting Shares issuable to Fund Unitholders under the Arrangement will be freely transferable under the 1933 Act, except by Persons who will be "affiliate" of Brookfield NewCo after completion of the Arrangement

or were affiliates of Brookfield NewCo within 90 days prior to completion of the Arrangement. See "The Arrangement – Securities Law Matters – United States" in this Information Circular.

Holders of Fund Units should be aware that the acquisition of Restricted Voting Shares as a result of the implementation of the Arrangement as described herein may have tax consequences both in the United States and Canada. See "Certain Canadian Federal Income Tax Considerations – Holders Not Resident in Canada". The United States tax consequences for Fund Unitholders who are subject to United States taxation are not described herein. Such Fund Unitholders should consult their own tax advisors to determine the particular United States tax consequences to them of the Arrangement in light of their particular situation, as well as any tax consequences that may arise under the laws of any other relevant foreign state, local, or other taxing jurisdiction.

THE RESTRICTED VOTING SHARES ISSUABLE PURSUANT TO THE ARRANGEMENT HAVE NOT BEEN APPROVED OR DISAPPROVED BY THE UNITED STATES SECURITIES AND EXCHANGE COMMISSION OR THE SECURITIES REGULATORY AUTHORITY OF ANY STATE OF THE UNITED STATES, NOR HAS THE UNITED STATES SECURITIES AND EXCHANGE COMMISSION OR THE SECURITIES REGULATORY AUTHORITY OF ANY STATE OF THE UNITED STATES PASSED UPON THE ADEQUACY OR ACCURACY OF THIS INFORMATION CIRCULAR. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENCE.

DOCUMENTS INCORPORATED BY REFERENCE

Information in respect of the Fund and its Subsidiaries has been incorporated by reference in this Information Circular from documents filed with securities commissions or similar authorities in Canada. Copies of the documents incorporated herein by reference may be obtained on request, without charge, from the Fund, at 39 Wynford Drive, Don Mills, Ontario, M3C 3K5 (attention: Kevin Cash, Chief Financial Officer), or by telephone: 416-510-5634, and are also available electronically at www.sedar.com.

The following documents of the Fund, filed by the Fund with the various securities commissions or similar authorities in each of the provinces of Canada, are specifically incorporated by reference into and form an integral part of this Information Circular:

(i) the Annual Information Form;

(ii) the consolidated financial statements of the Fund for the years ended December 31, 2009 and 2008, together with notes thereto and the auditors' report thereon;

(iii) management's discussion and analysis of the Fund for the years ended December 31, 2009 and 2008;

(iv) the management information circular of the Fund dated March 19, 2010 (the "**Fund Circular**");

(v) the material change report of the Fund dated November 10, 2010 regarding the announcement of the proposal to convert the Fund from an income trust to a corporate structure;

(vi) the unaudited consolidated interim financial statements of the Fund for the three and nine month periods ended September 30, 2010 and September 30, 2009, together with notes thereto; and

(vii) management's discussion and analysis of the Fund for the three and nine month periods ended September 30, 2010 and September 30, 2009.

Any documents of the type referred to above as well as any business acquisition reports and any material change reports (excluding confidential material change reports) subsequently filed by the Fund with securities regulatory authorities in Canada, after the date of this Information Circular and prior to the completion or withdrawal of the Arrangement, shall be deemed to be incorporated by reference in this Information Circular.

Any statement contained in a document incorporated or deemed to be incorporated by reference herein shall be deemed to be modified or superseded for the purposes of this Information Circular, to the extent that a

statement contained herein or in any other subsequently filed document which also is or is deemed to be incorporated by reference herein modifies or supersedes such statement. The modifying or superseding statement need not state that it has modified or superseded a prior statement or include any other information set forth in the document that it modifies or supersedes. The making of a modifying or superseding statement shall not be deemed an admission for any purposes that the modified or superseded statement, when made, constituted a misrepresentation, an untrue statement of a material fact or an omission to state a material fact that is required to be stated or that is necessary to make a statement not misleading in light of the circumstances in which it was made. Any statement so modified or superseded shall not constitute a part of this Information Circular, except as so modified or superseded.

GLOSSARY OF TERMS

The following is a glossary of certain terms used in this Information Circular, including the Summary hereof.

"**1933 Act**" means the *United States Securities Act of 1933*, as amended;

"**1934 Act**" means the *United States Securities Exchange Act of 1934*, as amended;

"**affiliate**" has the meaning ascribed to the term "affiliated companies" in the *Securities Act* (Ontario);

"**Agents**" means individuals licensed to buy or sell real estate, provided such individuals are affiliated with a broker licensed with the relevant regulatory body to manage a real estate brokerage office;

"**AIF**" or "**Annual Information Form**" means the Annual Information Form of the Fund dated March 19, 2010 in respect of the Fund's financial year ended December 31, 2009, incorporated by reference in this Information Circular;

"**allowable capital loss**" has the meaning ascribed to it under "Certain Canadian Federal Income Tax Considerations – Holders Resident in Canada – Taxation of Capital Gains and Capital Losses";

"**ARC**" means an advance ruling certificate issued by the Commissioner pursuant to section 102 of the Competition Act with respect to the transactions contemplated by the Plan of Arrangement;

"**Arrangement**" means the proposed arrangement, under the provisions of section 182 of the OBCA, on the terms and conditions set forth in the Plan of Arrangement as amended, modified or supplemented;

"**Arrangement Agreement**" means the arrangement agreement dated as of November 8, 2010, among the Fund, the Holding Trust, the Partnership, the General Partner and Brookfield NewCo pursuant to which the Fund, the Holding Trust, the Partnership, the General Partner and Brookfield NewCo have proposed to implement the Arrangement, a copy of which agreement is attached as Appendix "D" to this Information Circular, as it may be amended, modified or supplemented from time to time;

"**Arrangement Resolution**" means the special resolution in respect of the Arrangement and related matters, in substantially the form attached as Appendix "A" to this Information Circular, to be voted upon by Voting Unitholders at the Meeting;

"**Articles of Arrangement**" means the articles in respect of the Arrangement required under subsection 183(1) of the OBCA to be filed with the Director after the Final Order has been granted giving effect to the Arrangement;

"**Beneficial Unitholders**" has the meaning ascribed to it under "Management Information Circular – Advice to Beneficial Holders of Fund Units" and "**Beneficial Unitholder**" means any one of such individuals;

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

"**Broadridge**" means Broadridge Financial Solutions, Inc. (formerly ADP Investor Communications);

"**Brookfield NewCo**" means Brookfield Real Estate Services Inc./Services immobiliers Brookfield Inc., a corporation incorporated under the laws of the Province of Ontario, which will, upon completion of the Arrangement, own and operate the Business;

"**Business**" means the business currently being carried on by the Fund Group;

"**CDS**" means CDS Clearing and Depositary Services Inc., or its nominee (which is, at the date hereof, CDS & Co.);

"**Certificate**" means the certificate of arrangement which may be issued by the Director pursuant to subsection 183(2) of the OBCA giving effect to the Arrangement;

"**Class A LP Units**" means the Class A limited partnership units of the Partnership, all of which are currently held by the Holding Trust;

"**Class B LP Units**" means the Class B limited partnership units of the Partnership, all of which are currently held by TBI;

"**Commissioner**" means the Commissioner of Competition appointed pursuant to the Competition Act or a person designated or authorized pursuant to the Competition Act to exercise the powers and perform the duties of the Commissioner of Competition;

"**Competition Act**" means the *Competition Act* R.S.C. 1985, c. C-34, as amended, including the regulations promulgated thereunder;

"**Competition Act Approval**" means:

(i) the issuance of an ARC and such ARC has not been rescinded prior to the Effective Time; or

(ii) the obligation to give the requisite notice has been waived pursuant to paragraph 113(c) of the Competition Act,

and, in the case of (ii), the Fund has received a no-action letter that has not been rescinded prior to the Effective Time;

"**Competition Tribunal**" means the Competition Tribunal established under the *Competition Tribunal Act* (Canada);

"**Court**" means the Ontario Superior Court of Justice;

"**CRA**" means the Canada Revenue Agency;

"**Director**" means the director appointed under section 278 of the OBCA;

"**Effective Date**" means the date the Arrangement is effective under the OBCA;

"**Effective Time**" means the time on the Effective Date at which the Arrangement is effective, as specified in the Plan of Arrangement;

"**Excess Share Value**" has the meaning ascribed to it under "Certain Canadian Federal Income Tax Considerations – Holders Resident in Canada – Exchange of Fund Units for Restricted Voting Shares";

"**Excess Unit Value**" has the meaning ascribed to it under "Certain Canadian Federal Income Tax Considerations – Holders Resident in Canada – Exchange of Fund Units for Restricted Voting Shares";

"**Exchange Agreement**" means the exchange agreement entered into among TBI, the Fund, the Holding Trust, the Partnership, the General Partner and the Manager dated August 7, 2003 pursuant to which TBI has the right to indirectly exchange Class B LP Units (and the Manager will have the right to indirectly exchange Class A LP Units issued to the Manager pursuant to the Management Services Agreement) for Fund Units on the basis of one Fund Unit for each Class B LP Unit or Class A LP Unit exchanged, subject to adjustment as set out therein;

"**Final Order**" means the final order of the Court approving the Arrangement pursuant to subsection 182(5) of the OBCA, as such order may be affirmed, amended, modified or supplemented by any court of competent jurisdiction;

"**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;

"**Fund**" means Brookfield Real Estate Services Fund, a limited purpose trust established under the laws of the province of Ontario and governed by the Fund Declaration of Trust and, where the context requires, its Subsidiaries;

"**Fund Circular**" means the management information circular of the Fund dated March 19, 2010;

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

"**Fund Group**" means, collectively, the Fund and its consolidated operations and their respective Subsidiaries and affiliates;

"**Fund MD&A**" means, collectively, the Fund's management's discussion and analysis of financial condition and results of operations for the years ended December 31, 2009 and December 31, 2008 and the Fund's management's discussion and analysis of financial condition and results of operations for the three and nine month periods ended September 30, 2010 and September 30, 2009;

"**Fund Units**" means the trust units of the Fund;

"**GAAP**" means generally accepted accounting principles as in effect from time to time in Canada or the United States, as the context requires;

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

"**Holder**" has the meaning ascribed to it under "Certain Canadian Federal Income Tax Considerations";

"**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 amended and restated declaration of trust dated as of August 7, 2003, pursuant to which the Holding Trust was created and is governed, as the same may be amended, supplemented or restated from time to time;

"**Incremental Franchises**" means franchises established pursuant to Franchise Agreements entered into following March 31, 2003 (other than renewals or replacements of existing Franchise Agreements) and including any acquisition made by existing Franchisees of additional offices and/or additional Agents and any business combination entered into by any existing Franchisees that 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**" has the meaning ascribed to such term in National Policy 58-101 – *Disclosure of Corporate Governance Practices*;

"**Independent Trustees**" means the Trustees who are "unrelated" (as such term was defined in the TSX Company Manual as it existed on August 7, 2003) to each of the Fund, the Holding Trust, the Partnership and TBI and each of their affiliates;

"**Information Circular**" means this management information circular of the Fund dated November 11, 2010, together with all appendices hereto, distributed to Voting Unitholders in connection with the Meeting;

"**Initial Share**" means the common share in the capital of Brookfield NewCo held by the Fund, which will be re-designated as a Restricted Voting Share prior to the Effective Date;

"**Interim Order**" means the interim order of the Court under subsection 182(5) of the OBCA dated November 10, 2010 in connection with the approval of the Arrangement, providing for, among other things, the calling and holding of the Meeting, a copy of which order is attached as Appendix "B" to this Information Circular, as such order may be affirmed, amended, modified or supplemented by any court of competent jurisdiction;

"**Intermediary**" has the meaning ascribed to it under "General Proxy Information – Voting Units – Information for Beneficial Unitholders";

"**La Capitale**" means, collectively, the Business as conducted by the Manager and 9120-5583 Québec Inc., doing business under the name Réseau Immobilier La Capitale/La Capitale Real Estate Network;

"**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 Québec;

"**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 Canada Inc. 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 Canada Inc., including management of the Partnership Assets on behalf of the Partnership, as more particularly described under "Information Concerning the Fund – Management Services Agreement";

"**Manager**" means Brookfield Real Estate Services Manager Limited;

"**Meeting**" means the special meeting of Voting Unitholders to be held on December 10, 2010, and any adjournment(s) thereof, to consider and vote on the Arrangement Resolution;

"**Minister**" means the Minister of Finance (Canada);

"**no-action letter**" has the meaning ascribed to it under "The Arrangement – Competition Act";

"**Non-Resident Holder**" has the meaning ascribed to it under "Certain Canadian Federal Income Tax Considerations – Holders Not Resident in Canada";

"**Notice of Meeting**" means the Notice of Special Meeting of Unitholders and Special Voting Unitholders, which accompanies this Information Circular;

"**OBCA**" means the *Business Corporations Act* (Ontario) R.S.O. 1990 c. B.16, as amended, including the regulations promulgated thereunder, in either case as amended;

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

"**Partnership Assets**" means, collectively, the Trademarks, all rights under the Franchise Agreements (other than Franchise Agreements in respect of Incremental Franchises), and all rights to receive Royalties;

"**Person**" includes an individual, limited or general partnership, limited liability company, limited liability partnership, trust, joint venture, association, body corporate, trustee, executor, administrator, legal representative, government (including any governmental entity) or any other entity, whether or not having legal status;

"**Plan of Arrangement**" means the plan of arrangement attached as Exhibit A to the Arrangement Agreement, which agreement is attached as Appendix "D" to this Information Circular, as amended, modified or supplemented from time to time in accordance with the terms thereof;

"**Plans**" means trusts governed by registered retirement savings plans, registered retirement income funds, deferred profit sharing plans, registered education savings plans, registered disability savings plans and tax-free savings accounts, each as defined in the Tax Act;

"**Post-Conversion Governance Arrangements**" has the meaning ascribed to it under "Post-Conversion Governance and Securities Ownership Arrangements";

"**Preferred Shares**" means the preferred shares in the capital of Brookfield NewCo;

"**REALTORS®**" is a trademark identifying real estate licensees in Canada who are members of the Canadian Real Estate Association;

"**Record Date**" means November 5, 2010;

"**Registration Rights Agreement**" means the registration rights agreement among the Fund, the Manager and TBI, dated August 7, 2003 pursuant to which the Manager and TBI were granted registration rights by the Fund;

"**Resident Holder**" has the meaning ascribed to it under "Certain Canadian Federal Income Tax Considerations – Holders Resident in Canada";

"**Restricted Voting Shareholders**" means the holders of Restricted Voting Shares following completion of the Arrangement;

"**Restricted Voting Shares**" means the restricted voting shares in the capital of Brookfield NewCo, which will be designated as "restricted voting shares" prior to the Effective Date;

"**Royalties**" means the royalties generated by the Fund including both fixed and variable fee components, as described in further detail under the heading "Description of the Business – Royalties" in the AIF;

"**SEC**" means the United States Securities and Exchange Commission;

"**Shell Company**" has the meaning ascribed to it under "The Arrangement – Securities Law Matters – United States";

"**SIFT**" means a specified investment flow-through trust or partnership, as defined in the Tax Act;

"**Special Committee**" means the special committee of the Independent Trustees of the Fund that was formed to consider the Arrangement and the consequential amendments to the Management Services Agreement required in connection with the Arrangement;

"**Special Voting Share**" means the special voting share in the capital of Brookfield NewCo to be created prior to the Effective Date and issued to represent voting rights in Brookfield NewCo other than the right to vote in respect of the Independent directors of Brookfield NewCo and which will entitle the holder, until it and/or its affiliates cease to hold in the aggregate at least 10% of the Restricted Voting Shares then outstanding (calculated on the basis that all the Class B LP Units held by the holder and its affiliates have been exchanged for Restricted Voting Shares), to appoint two-fifths of the directors of Brookfield NewCo (provided that if two-fifths of the directors is not an integral multiple of one, then the number of directors that the holder is entitled to appoint shall be rounded up to the next highest integral multiple of one);

"**Special Voting Units**" means the special voting units of the Fund;

"**Subsidiary**" means, with respect to any Person, an entity that is a "subsidiary company" (as such terms is defined in the Securities Act (Ontario) (for such purposes, if such entity is not a corporation, as if such person were a corporation)) of such Person and includes any limited partnership, limited liability company, limited liability partnership, trust, joint venture, association or other association, whether or not having legal status, that would constitute a "subsidiary company" (as described above) if such entity were a corporation and "**Subsidiaries**" means more than one Subsidiary;

"**Tax Act**" means the *Income Tax Act*, R.S.C. 1985, c. 1. (5th Supp), as amended, including the regulations promulgated thereunder;

"**taxable capital gain**" has the meaning ascribed to it under "Certain Canadian Federal Income Tax Considerations – Holders Resident in Canada – Taxation of Capital Gains and Capital Losses";

"**Tax Proposals**" means, collectively, all specific proposals to amend the Tax Act which have been publicly announced by or on behalf of the Minister prior to the date of this Information Circular;

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

"**Trademarks**" means the trademark rights related to the Business held by or licensed to TBI, the Partnership, the Manager or La Capitale;

"**Transfer Agent**" means Computershare Investor Services Inc.;

"**Trustee**" or "**Trustees**" means the trustees of the Fund or any one of such trustee;

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

"**Voting Unitholders**" means holders from time to time of Voting Units; and

"**Voting Units**" means, collectively, the Fund Units and Special Voting Units.

Words importing the singular include the plural and vice versa and words importing any gender include all genders.

SUMMARY INFORMATION

The following is a summary of certain information contained elsewhere in this Information Circular. It is not, and is not intended to be, complete in itself. This is a summary only and is qualified in its entirety by the more detailed information and financial statements appearing elsewhere in this Information Circular and incorporated by reference herein. Voting Unitholders are urged to review carefully this Information Circular, including the Appendices, and the documents incorporated by reference in their entirety. Certain capitalized terms used in this Information Circular have the meanings set forth in the "Glossary of Terms".

The Meeting

The Meeting will be held at The Hockey Hall of Fame, Brookfield Place, 30 Yonge Street, Toronto, Ontario, on December 10, 2010, commencing at 10:00 a.m. (Toronto time) for the purposes set forth in the accompanying Notice of Meeting. The business of the Meeting will be to: (i) consider and vote upon the Arrangement Resolution; and (ii) conduct such business as may properly come before the Meeting. See "Special Business of the Meeting".

As of the date of this Information Circular, the Trustees are not aware of any changes to these items, and do not expect any other items to be brought forward at the Meeting. If there are changes or new items, your proxyholder can vote your Units on these items as he or she sees fit. See "General Proxy Information".

The Arrangement

Background to the Arrangement

On October 31, 2006, the Minister announced a new entity-level tax on distributions of certain income from, among other entities, certain publicly traded income trusts at a rate of tax comparable to the combined federal and provincial corporate tax rate and to treat such distributions as dividends to unitholders. The Minister announced that existing trusts would have a four-year transition period and generally would not be subject to the new rules until 2011, provided such trusts experienced only "normal growth" and no "undue expansion" before then. The announcement had an immediate impact on the Canadian capital markets and, generally, resulted in a significant decline in trading prices for publicly traded income trusts.

On December 15, 2006, the Minister released further guidance concerning the proposed tax changes, including the computation of "normal growth" for the purposes of the four-year transition period. The Minister also confirmed that he would not recommend any extension of this period. Bill C-52, the Budget Implementation Act, 2007, which received Royal Assent on June 22, 2007, contained rules relating to the tax treatment of SIFTs, which are designed to, among other things, implement the tax changes.

Since the October 31, 2006 announcement, the Board of Trustees and management have considered the potential impact and significance of the proposed tax changes to the Fund, and conducted a series of detailed analyses concerning the strategic direction of the Fund. In May 2010, the Board of Trustees established the Special Committee to begin to evaluate a number of available strategies in light of the tax changes. On August 5, 2010, the Board of Trustees met to discuss a potential conversion of the Fund to a corporate structure, as well as other alternatives for responding to the proposed tax changes, and authorized the Special Committee to retain independent legal and financial advisors to assist it in fulfilling its mandate.

Between August 5, 2010 and November 5, 2010, the Special Committee met on various occasions with its financial advisor and independent legal counsel and determined to pursue the conversion of the Fund to a corporate structure. During these meetings, the Special Committee reviewed proposed conversion alternatives and certain proposed consequential amendments to the Management Services Agreement.

The Board of Trustees met on November 5, 2010 to review a draft of this Information Circular and to receive further details concerning the proposed Arrangement. After due consideration, and after consultation with its financial and legal advisors, the Board of Trustees concluded that the Arrangement was in the best interests of the Fund and Voting Unitholders, and resolved to recommend that Voting Unitholders vote their Voting Units in favour of the Arrangement. On November 8, 2010, the Arrangement Agreement was entered into and the Fund announced its plans to seek Voting Unitholder approval to convert from an income trust to a corporation.

See "Background to and Reasons for the Arrangement – Background to the Arrangement".

Reasons for the Arrangement

Some of the reasons that the Board of Trustees believes that the Arrangement should be undertaken are that a corporate structure is expected to:

- broaden the investor base by attracting new investors and provide a more liquid trading market for the Restricted Voting Shares than currently exists for the Fund Units;
- result in enhanced access to capital markets, which will benefit the business as it continues to expand and grow its REALTOR® network;
- create a more flexible structure that will allow Brookfield NewCo to retain more of its cash flow and continue to grow the business; and
- remove the existing restrictions on non-resident ownership.

In addition, the Arrangement will not result in any material changes to the current rights of Voting Unitholders.

See "Background to and Reasons for the Arrangement – Reasons for the Arrangement".

Recommendation of the Board of Trustees

The Board of Trustees has determined that the Arrangement is in the best interests of the Fund and its Voting Unitholders, and recommends that Voting Unitholders vote in favour of the Arrangement Resolution.

In making determinations and recommendations, the Board of Trustees relied upon the recommendation of the Special Committee and legal, financial, tax and other advice and information received during the course of their deliberations. The following is a summary of the factors, among others, that the Board of Trustees considered in making its determinations and recommendations:

- the reasons and benefits of the Arrangement described under "Background to the Arrangement – Reasons for the Arrangement";
- the Arrangement Resolution must have received approval by holders of more than two-thirds (66⅔%) of votes cast at the Meeting in person or by proxy, in order for the Arrangement to be undertaken; and
- the Plan of Arrangement being sanctioned by the Court.

See "Background to and Reasons for the Arrangement – Recommendation of the Board of Trustees".

Effect of the Arrangement

General

If approved, the Arrangement will result in the reorganization of the Fund's income trust structure into a dividend paying public corporation to be named "Brookfield Real Estate Services Inc./Services immobiliers Brookfield Inc.", which will indirectly carry on the Business through the Fund Group. Upon completion of the Arrangement, each holder of Fund Units will receive one Restricted Voting Share for each Fund Unit held and the holders of Fund Units will become the Restricted Voting Shareholders of Brookfield NewCo. The Restricted Voting Shares will be designated as "restricted voting shares" in accordance with applicable securities laws and the rules of the TSX. However, the rights attached to the Restricted Voting Shares will be identical in all material respects to those of the Fund Units, other than in respect of the payment of dividends as discussed under the heading "The Arrangement – Effect of the Arrangement – Effect on Distributions" and in Appendix "E" – Information Concerning Brookfield NewCo under the headings "Description of Capital Structure – Restricted Voting Shares" and "Dividend Record and

Policy". In addition, TBI will continue to hold all of the Class B LP Units in the Partnership and Brookfield NewCo will assume certain obligations of the Fund, as discussed further under the heading "Post-Conversion Governance and Securities Ownership Arrangements", including, without limitation, the obligation to exchange Class B LP Units for Restricted Voting Shares rather than Fund Units upon the exercise by TBI of its exchange rights.

Effect on Distributions

Provided the Arrangement is approved at the Meeting, it is anticipated that a final distribution will be payable by the Fund on December 30, 2010 to holders of Fund Units of record on December 30, 2010. It is anticipated that the Fund will pay this distribution in January 2011 and it will be the last distribution paid to holders of Fund Units by the Fund. If the Arrangement is not approved at the Meeting, the Board of Trustees will assess matters at that time to determine the Fund's course of action regarding any future distributions on the Fund Units.

The board of directors of Brookfield NewCo is expected to adopt a monthly dividend policy upon completion of the Arrangement. While the Board of Trustees currently anticipates monthly dividends at an initial annualized rate of $1.10 per Restricted Voting Share, with the initial monthly dividend to be declared in January 2011 and paid in February 2011, the board of directors of Brookfield NewCo will assess dividend payout levels from time to time in light of Brookfield NewCo's financial performance and its then current and anticipated business needs at that time. The intended dividend payout level of Brookfield NewCo represents an adjustment to the Fund's current distribution level (at an annualized rate of $1.40 per Fund Unit) as a result of the anticipated tax on the Fund's earnings post conversion to a corporate structure.

See "The Arrangement – Effect of the Arrangement – Effect on Distributions".

Brookfield NewCo's dividend policy will be subject to the discretion of the board of directors of Brookfield NewCo and may vary depending on, among other things, Brookfield NewCo's earnings, financial requirements, the satisfaction of solvency tests imposed by the OBCA for the declaration of dividends and other relevant factors. See "Risk Factors" and Appendix "E" – Information Concerning Brookfield NewCo – "Dividend Record and Policy".

Post-Arrangement Structure

Following completion of the Arrangement, the former holders of Fund Units will be the sole holders of Restricted Voting Shares of Brookfield NewCo which, as described under "Arrangement Steps", will indirectly carry on the Business presently operated by the Fund Group.

The basic structure of the Fund Group will continue and the Class A LP Units and Class B LP Units will remain outstanding. Following completion of the Arrangement, Brookfield NewCo, indirectly through the Fund and the Holding Trust, will hold all of the Class A LP Units and TBI will continue to hold all of the Class B LP Units, being 3,327,667 Class B LP Units. Brookfield NewCo will assume certain obligations of the Fund, as discussed further under the heading "Post-Conversion Governance and Securities Ownership Arrangements", including, without limitation, the obligation to exchange Class B LP Units for Restricted Voting Shares rather than Fund Units upon the exercise by TBI of its exchange rights.

Upon the completion of the Arrangement, it is expected that approximately 9,483,850 Restricted Voting Shares, one Special Voting Share and no Preferred Shares will be issued and outstanding, assuming that no additional Fund Units are issued prior to the Effective Time.

See "The Arrangement – Effect of the Arrangement" and Appendix "E" – Information Concerning Brookfield NewCo.

Approval of the Arrangement

Approval of Voting Unitholders

Pursuant to the Interim Order, the number of votes required to pass the Arrangement Resolution shall be more than two-thirds (66⅔%) of the votes cast by Voting Unitholders, either in person or by proxy, at the Meeting. See "The Arrangement – Approvals – Voting Unitholder Approval".

If you return a form of proxy but do not specify how you want your Voting Units voted, the persons named as proxyholders will cast the votes represented by proxy at the Meeting FOR the approval of the Arrangement Resolution.

Court Approval

Implementation of the Arrangement requires the satisfaction of several conditions and the approval of the Court. See "The Arrangement – Procedure for the Arrangement Becoming Effective". An application for the Final Order approving the Arrangement is expected to be made on December 15, 2010 at Toronto, Ontario. The Notice of Application in respect of the Final Order is attached hereto as Appendix "C". At the hearing, the Court will consider, among other things, the fairness and reasonableness of the terms of the Arrangement, both from a substantive and a procedural point of view. The Court may approve the Arrangement, either as proposed or as amended, in any manner the Court may direct, subject to compliance with such terms and conditions, if any, as the Court thinks fit. Depending upon the nature of any required amendments, the Fund may determine not to proceed with the Arrangement. If the Final Order is obtained, in form and substance satisfactory to the Fund, the Holding Trust, the Partnership, the General Partner and Brookfield NewCo, acting reasonably, and all other conditions set forth in the Arrangement Agreement are satisfied or waived, the Fund expects the Effective Date to be on or around December 31, 2010.

See "The Arrangement – Procedure for the Arrangement Becoming Effective – Court Approvals".

Procedure for Exchange of Fund Units

Registration of interests in and transfers of the Fund Units are made only through a book-entry system administered by CDS. Fund Units are purchased and transferred by a holder of Fund Units through a participant in the CDS depository service such as a bank, trust company, securities broker or other financial institution. Upon a purchase of any Fund Units, the holder of such Fund Units receives only a customer confirmation and not a physical certificate. As the Fund Units trade in this "book entry" system, no certificates for the Restricted Voting Shares will be issued to holders following the Effective Date. Holders of Fund Units do not need to take any action involving their Fund Units. Registration of interests in and transfers of Restricted Voting Shares will continue to be made only through the book-entry system administered by CDS. The Fund reserves the right to permit the procedure for the exchange of securities pursuant to the Arrangement to be completed other than as set forth above.

See "The Arrangement – Procedure for Exchange of Fund Units".

Stock Exchange Listing

The TSX has conditionally approved the substitutional listing of the Restricted Voting Shares issuable pursuant to the Arrangement, subject to Brookfield NewCo fulfilling the requirements of the TSX. The Restricted Voting Shares will be listed on the TSX under the trading symbol "BRE".

See "The Arrangement – Stock Exchange Listing".

Certain Canadian Federal Income Tax Considerations

On a disposition of Fund Units in exchange for Restricted Voting Shares pursuant to the Arrangement, a holder of Fund Units will be considered to have disposed of its Fund Units for proceeds of disposition equal to their adjusted cost base. Accordingly, no capital gain or capital loss will be realized. The adjusted cost base of the Fund Units so exchanged will become the adjusted cost base of the Restricted Voting Shares issued to the particular holder of Fund Units.

This Information Circular contains a summary of the principal Canadian federal income tax considerations relevant to holders of Fund Units that relate to the Arrangement. The above comments are qualified in their entirety by reference to such summary. See "Certain Canadian Federal Income Tax Considerations". All holders of Fund Units should consult their own tax advisors for advice with respect to their own personal circumstances.

Other Tax Considerations

This Information Circular does not address any tax considerations of the Arrangement other than certain Canadian federal income tax considerations nor does it address the particular circumstances of any Holder. A Holder who is resident in a jurisdiction other than Canada should consult his, her or its own tax advisor with respect to the implications of the Arrangement, including any associated filing requirements in such jurisdiction and with respect to the tax implications in such jurisdiction of owning Restricted Voting Shares after the Arrangement. All Holders should also consult their own tax advisors regarding Canadian provincial or territorial tax considerations applicable to the Arrangement. See "Certain Canadian Federal Income Tax Considerations – Holders Not Resident in Canada – Other Tax Considerations".

Information Concerning Brookfield NewCo

Brookfield NewCo was incorporated on October 28, 2010 pursuant to the provisions of the OBCA for purposes of effecting the Arrangement. The principal and head office of Brookfield NewCo is located at 39 Wynford Drive, Don Mills, Ontario, M3C 3K5. Brookfield NewCo has not carried on any active business since its incorporation other than executing the Arrangement Agreement. Upon completion of the Arrangement, Brookfield NewCo will, through the Fund Group, operate the Business.

Brookfield NewCo will, as a result of the Arrangement, become (or, where necessary, seek to become) a reporting issuer in all Canadian provinces on the Effective Date and, accordingly, become subject to the informational reporting requirements under the securities laws of each jurisdiction in which it so becomes a reporting issuer. See Appendix "E" – Information Concerning Brookfield NewCo.

Post-Conversion Governance and Securities Ownership Arrangements

The Restricted Voting Shares will be designated as "restricted voting shares" in accordance with applicable securities laws and the rules of the TSX, but the rights attached to the Restricted Voting Shares will be identical in all material respects to those of the Fund Units, other than in respect of the payment of dividends as discussed under the heading "The Arrangement – Effect of the Arrangement – Effect on Distributions" and in Appendix "E" – Information Concerning Brookfield NewCo under the headings "Description of Capital Structure – Restricted Voting Shares" and "Dividend Record and Policy". The outstanding Class A LP Units and Class B LP Units will not be directly affected by the Arrangement, although as a result of the Arrangement, Brookfield NewCo will assume the obligation of the Fund to exchange the Class B LP Units for Restricted Voting Shares.

In addition, upon completion of the Arrangement, TBI will hold one Special Voting Share. The Special Voting Share will not be transferable other than to affiliates of TBI. The Special Voting Share will entitle the holder to a number of votes at any meeting of Restricted Voting Shareholders (except that the holder of the Special Voting Share will not be entitled to vote for the election of the Independent directors) equal to the number of Restricted Voting Shares that may be obtained upon the exchange of all the Class B LP Units held by the holder and/or its affiliates, but will not otherwise entitle the holder to any rights with respect to Brookfield NewCo's property or income (other than a nominal amount on the dissolution or winding up of Brookfield NewCo).

Upon completion of the Arrangement, certain existing governance rights of TBI will also be modified so that they will be exercisable in respect of Brookfield NewCo and its Restricted Voting Shares rather than in respect of the Fund and its Voting Units. These rights will be set out in the constating documents of Brookfield NewCo, as well as in certain associated documents that will set out the rules with respect to the governance of Brookfield NewCo, establish certain rights of its securityholders relating to their ownership of Brookfield NewCo securities and address related matters. The terms of the Special Voting Share will reflect the current provisions of the Fund Declaration of Trust with respect to board representation. Upon completion of the Arrangement, TBI will be entitled, until it and its affiliates cease to hold in the aggregate at least 10% of the Restricted Voting Shares then outstanding (calculated on the basis that all the Class B LP Units held by TBI and/or its affiliates have been exchanged for Restricted Voting Shares), to appoint two-fifths of the directors of Brookfield NewCo (provided that if two-fifths of the directors is not an integral multiple of one, then the number of directors that TBI is entitled to appoint shall be rounded up to the next highest integral multiple of one).

See "Post-Conversion Governance and Securities Ownership Arrangements".

Risk Factors

For a description of certain risk factors in respect of the Arrangement and the business of the Fund Group and the industry in which it operates, which will continue to apply to Brookfield NewCo after the Effective Date, see "Risk Factors".

GENERAL PROXY INFORMATION

Solicitation of Proxies

This Information Circular is furnished in connection with the solicitation of proxies by and on behalf of the Trustees 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 Information Circular to the Meeting include any postponement(s) or adjournment(s) 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 Manager at nominal cost. 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 Voting 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 the Fund at the Meeting. **A registered Voting Unitholder desiring to appoint some other person, who need not be a Voting Unitholder, to represent him or her 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 registered Voting Unitholder or his or her attorney duly authorized in writing or, if the registered Voting Unitholder is a corporation, by an officer or attorney thereof duly authorized.**

A proxy given pursuant to this solicitation may be revoked by instrument in writing, including another proxy bearing a later date, executed by the Voting 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. However, the revocation of a proxy does not affect any matter on which a vote has been taken prior to the revocation.

A registered Voting 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.

Voting of Proxies

Voting Units represented by a properly executed proxy will be voted for or against, or withheld from voting, as the case may be, on any ballot that may be conducted at the Meeting or at any adjournment or postponement of the Meeting in accordance with the instructions of the registered Voting Unitholder indicated on the proxy, and if the registered Voting Unitholder specifies a choice with respect to a matter to be acted on, those Voting Units will be voted accordingly. **In the absence of instructions, those Voting Units will be voted "FOR" each of the matters referred to in the form of proxy.** 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, or other matters which may properly come before the Meeting. At the time of the printing of this Information Circular, the Trustees know of no such amendments, variations or other matters to come before the Meeting. Should such matters arise, the persons named in the enclosed form of proxy will vote in accordance with their judgment on such matters or business.

Voting Units – Information for Beneficial Unitholders

Voting Unitholders who are not registered holders of their Voting Units (i.e. Beneficial Unitholders) should note that only proxies deposited by registered Voting Unitholders on the Record Date (being those whose names appear on the records of the Fund as the registered holders of Voting Units on November 5, 2010) can be recognized and acted upon at the Meeting. Currently, all issued and outstanding Fund Units are held in "book-entry only" form

under a system administered by CDS, and all Fund Units are currently registered under the name of CDS & Co., as nominee of CDS. **Accordingly, all holders of Fund Units other than CDS must provide voting instructions in the manner described in the enclosed voting instruction form and in this Information Circular. Beneficial Unitholders cannot vote at the Meeting by completing and depositing a form of proxy as a registered Voting Unitholder**.

Typically, Beneficial Unitholders will receive a voting instruction form or other similar document with this Information Circular from their broker or other Intermediary holding Voting Units on their behalf. This form allows you to provide voting instructions with respect to your Voting Units. The voting instruction form is similar to the form of proxy provided to a registered Voting Unitholder. However, its purpose is limited to instructing a registered Voting Unitholder (in this case, CDS) how to vote on your behalf. Intermediaries will typically make arrangements that will allow you to provide voting instructions by completing and returning a voting instruction form by mail or facsimile, calling a toll-free telephone number (1-800-474-7493) or by using the internet at www.proxyvotecanada.com. You should carefully follow the directions provided to you in order to ensure that your Voting Units are voted at the Meeting. Your Voting Units will not be voted without your instructions.

Please note that Beneficial Unitholders seeking to attend the Meeting will not be recognized at the Meeting for the purpose of voting their Voting Units unless the Beneficial Unitholder provides instructions to appoint him or her as a proxyholder. In order to do this, the individual should follow the instructions on the voting instruction form regarding the manner in which voting instructions are to be provided and, in doing so, specify that individual's own name as the person to be appointed as proxyholder for the purposes of voting his or her Voting Units. For instance, if "Jane Smith" is a Beneficial Unitholder and she wishes to be appointed as a proxyholder, in the voting instruction form she receives with this Information Circular, she should insert the name "Jane Smith" in the space provided and follow the other procedures specified on the form for appointing a proxyholder other than one of the individuals specified on the form.

All Beneficial Unitholders should communicate their voting instructions in accordance with directions received from the Intermediary holding Units on their behalf well in advance of the deadline for the receipt of proxies of 10:00 a.m. (Toronto time) on December 9, 2010 in order to allow their instructions to be processed before the deadline.

Record Date and Quorum

The Trustees of the Fund have fixed November 5, 2010 as the Record Date for the Meeting. A quorum for the Meeting consists of two or more individuals present in person either holding personally or representing by proxy not less in aggregate than 10% of the votes attached to all outstanding Voting Units. In the event that a quorum is not present within 30 minutes after the time fixed for the Meeting, the Meeting will be adjourned to a day not less than seven days later, at such time and place as determined by the chairperson of the Meeting and notified by a news release of the Fund. If at such adjourned meeting a quorum as defined above is not present, the Voting Unitholders present either in person or by proxy shall form a quorum, and any business may be brought before or dealt with at such an adjourned meeting which might have been brought before or dealt with at the original meeting in accordance with the notice calling that Meeting.

Voting Requirements

Pursuant to the Interim Order, the number of votes required to pass the Arrangement Resolution shall be more than two-thirds of the votes cast by Voting Unitholders, either in person or by proxy, voting at the Meeting.

FUND UNITS, SPECIAL VOTING UNITS AND PRINCIPAL HOLDERS THEREOF

The Fund has outstanding two classes of units that entitle holders to vote at meetings of Voting Unitholders: Fund Units and Special Voting Units. 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 issued and outstanding Fund Units are not subject to future calls or assessments, and entitle the holder thereof to one vote for each Fund Unit held at all meetings of holders of Fund Units. Subject to the applicable terms of the Fund Declaration of Trust, Fund Units are redeemable at any time on demand by the holders

thereof upon delivery to the Fund of a duly completed and properly executed notice requesting redemption in a form approved by the Trustees specifying the number of Fund Units to be redeemed.

Upon completion of the sale of the Business by TBI to the Partnership on August 7, 2003, TBI received 3,327,667 Class B LP Units of the Partnership and 3,327,667 Special Voting Units of the Fund. Each Special Voting Unit entitles the holder thereof to a number of votes at any meeting of Voting Unitholders (except that holders of Special Voting Units are not entitled to vote for the election of the Independent Trustees) equal to the number of Fund Units which may be obtained upon the exchange of the Class B LP Units, Class A LP Units or other securities to which the Special Fund Units relate, but do not otherwise entitle the holder to any rights with respect to the Fund's property or income. As at the date hereof, the Fund has 9,483,850 Fund Units and 3,327,667 Special Voting Units issued and outstanding, each of which entitles the holder to one vote per Voting Unit. Each holder of Voting Units of record at the close of business on the Record Date will be entitled to one vote for each Voting Unit held on all matters proposed to come before the Meeting.

The following table sets forth information with respect to the only Voting Unitholders known to the Trustees of the Fund and the Manager who own beneficially, directly or indirectly, or exercise control or direction over, more than 10% of the issued and outstanding Voting Units of the Fund:

Name[(1)]	Number and Class of Shares to be held	Percentage of Class Held	Percentage of Voting Rights Held
Brookfield Asset Management Inc.[(2)]	3,327,667 Special Voting Units	100%	26%
Goodman & Company, Investment Counsel Ltd.	1,896,618 Fund Units	20%	14.8%
Fiera Sceptre Inc.	995,800 Fund Units	10.5%	7.8%

(1) Information in the above table is based on data found in publicly-available securities filings and, in respect of Brookfield Asset Management Inc., as provided by Brookfield Asset Management Inc. to the Fund.

(2) Upon completion of the sale of the Business by TBI to the Partnership on August 7, 2003, TBI received 3,327,667 Class B LP Units and 3,327,667 Special Voting Units. TBI is beneficially owned by Brookfield Asset Management Inc.

INTERESTS OF INFORMED PERSONS IN MATERIAL TRANSACTIONS

To the knowledge of the Trustees, no Trustee of the Fund or director or officer of the Manager, or associate or affiliate of the foregoing persons or any affiliate of the Fund, or any person who beneficially owns, or controls or directs, directly or indirectly, voting securities of the Fund carrying more than 10% of all voting rights attached to all voting securities of the Fund, nor any proposed director of Brookfield NewCo or any associate or affiliate of any such person, had any material interest, direct or indirect, in any transaction or proposed transaction since January 1, 2010 which has materially affected or would materially affect the Fund or any of its Subsidiaries, other than as disclosed in this Information Circular and in the section entitled "Interests of Informed Persons in Material Transactions" in the Fund Circular, which is incorporated by reference herein.

SPECIAL BUSINESS OF THE MEETING

The Meeting will be constituted as a special meeting. As set out in the Notice of Meeting, the business of the Meeting will be to: (i) consider and vote upon the Arrangement Resolution; and (ii) conduct such business as may properly come before the Meeting. As of the date of this Information Circular, the Trustees are not aware of any changes to these items, and do not expect any other items to be brought forward at the Meeting. If there are changes or new items, your proxyholder can vote your Units on these items as he or she sees fit. See "General Proxy Information".

To be effective, the Arrangement must be approved by a resolution passed by more than two-thirds (66 2/3%) of the votes cast by the Voting Unitholders voting in person or by proxy at the Meeting. A copy of the Arrangement Resolution is set out in Appendix "A" of this Information Circular.

The persons whose names are printed on the proxy intend to vote FOR the Arrangement Resolution unless specifically instructed otherwise on the proxy.

BACKGROUND TO AND REASONS FOR THE ARRANGEMENT

Background to the Arrangement

On October 31, 2006, the Minister announced a new entity-level tax on distributions of certain income from, among other entities, certain publicly traded income trusts at a rate of tax comparable to the combined federal and provincial corporate tax rate and to treat such distributions as dividends to unitholders. The Minister announced that existing trusts would have a four-year transition period and generally would not be subject to the new rules until 2011, provided such trusts experienced only "normal growth" and no "undue expansion" before then. The announcement had an immediate impact on the Canadian capital markets and, generally, resulted in a significant decline in trading prices for publicly traded income trusts.

On December 15, 2006, the Minister released further guidance concerning the proposed tax changes, including the computation of "normal growth" for the purposes of the four-year transition period. The Minister also confirmed that he would not recommend any extension of this period. Bill C-52, the Budget Implementation Act, 2007, which received Royal Assent on June 22, 2007, contained rules relating to the tax treatment of SIFTs, which are designed to, among other things, implement the tax changes.

Since the October 31, 2006 announcement, the Board of Trustees and management have considered the potential impact and significance of the proposed tax changes to the Fund, and conducted a series of detailed analyses concerning the strategic direction of the Fund. In May 2010, the Board of Trustees established the Special Committee to begin to evaluate a number of available strategies in light of the tax changes. On August 5, 2010, the Board of Trustees met to discuss a potential conversion of the Fund to a corporate structure, as well as other alternatives for responding to the proposed tax changes, and authorized the Special Committee to retain independent legal and financial advisors to assist it in fulfilling its mandate.

Between August 5, 2010 and November 5, 2010, the Special Committee met on various occasions with its financial advisor and independent legal counsel and determined to pursue the conversion of the Fund to a corporate structure. During these meetings, the Special Committee reviewed proposed conversion alternatives and certain proposed consequential amendments to the Management Services Agreement. See "The Arrangement – Amendments to the Management Services Agreement".

The Board of Trustees met on November 5, 2010 to review a draft of this Information Circular and to receive further details concerning the proposed Arrangement. After due consideration, and after consultation with its financial and legal advisors, the Board of Trustees concluded that the Arrangement was in the best interests of the Fund and its Voting Unitholders, and resolved to recommend that Voting Unitholders vote their Voting Units in favour of the Arrangement. On November 8, 2010, the Arrangement Agreement was entered into and the Fund announced its plans to seek Voting Unitholder approval to convert from an income trust to a corporation.

Reasons for the Arrangement

Some of the reasons that the Board of Trustees believes that the Arrangement should be undertaken are that a corporate structure is expected to:

- broaden the investor base by attracting new investors and providing a more liquid trading market for the Restricted Voting Shares than currently exists for the Fund Units;
- result in enhanced access to capital markets, which will benefit the business as it continues to expand and grow its REALTOR® network;
- create a flexible structure that will allow Brookfield NewCo to retain more of its cash flow and continue to grow the business; and

- remove the existing restrictions on non-resident ownership.

In addition, the Arrangement will not result in any material changes to the current rights of Voting Unitholders. See "The Arrangement – Effect of the Arrangement".

Recommendation of the Board of Trustees

The Board of Trustees has unanimously determined that the Arrangement is in the best interests of the Fund and its Voting Unitholders, and recommends that Voting Unitholders vote in favour of the Arrangement Resolution.

In making determinations and recommendations, the Board of Trustees considered the input of the Special Committee and legal, financial, tax and other advice and information received during the course of their deliberations. The following is a summary of the factors, among others, that the Board of Trustees considered in making its determinations and recommendations:

- the reasons and benefits of the Arrangement described under "Background to the Arrangement – Reasons for the Arrangement";

- the Arrangement Resolution must have received more than 66⅔% of votes cast at the Meeting in person or by proxy, in order for the Arrangement to be undertaken; and

- the Plan of Arrangement must be sanctioned by the Court.

The foregoing discussion of the information and factors considered and given weight by the Board of Trustees is not intended to be exhaustive. In reaching the determination to approve and recommend the Arrangement Resolution, the Board of Trustees did not assign any relative or specific weight to the factors that were considered, and individual Trustees may have given different weight to each factor. There are risks associated with the Arrangement, including that some of the potential benefits set forth in this Information Circular may not be realized or that there may be significant costs associated with realizing such benefits. See "Risk Factors".

THE ARRANGEMENT

Effect of the Arrangement

General

If approved, the Arrangement will result in the reorganization of the Fund's income trust structure into a dividend paying public corporation to be named "Brookfield Real Estate Services Inc./Services immobiliers Brookfield Inc.", which will indirectly carry on the Business through the Fund Group. Upon completion of the Arrangement, each holder of Fund Units will receive one Restricted Voting Share for each Fund Unit held and the holders of Fund Units will become the Restricted Voting Shareholders of Brookfield NewCo. The Restricted Voting Shares will be designated as "restricted voting shares" in accordance with applicable securities laws and the rules of the TSX. However, the rights attached to the Restricted Voting Shares will be identical in all material respects to those of the Fund Units, other than in respect of the payment of dividends as discussed under the heading "The Arrangement – Effect of the Arrangement – Effect on Distributions" and in Appendix "E" – Information Concerning Brookfield NewCo under the headings "Description of Capital Structure – Restricted Voting Shares" and "Dividend Record and Policy". In addition, TBI will continue to hold all of the Class B LP Units in the Partnership and Brookfield NewCo will assume certain obligations of the Fund, as discussed further under the heading "Post-Conversion Governance and Securities Ownership Arrangements", including, without limitation, the obligation to exchange Class B LP Units for Restricted Voting Shares rather than Fund Units upon the exercise by TBI of its exchange rights.

It is anticipated that the board of directors of Brookfield NewCo will be comprised of the current members of the Board of Trustees, being Lorraine Bell, Simon Dean, Allen Karp, Gail Kilgour and George Myhal. The Manager will continue to provide Brookfield NewCo with its executive officers at no additional cost pursuant to the terms of

the Management Services Agreement, which will be amended and continued in respect of Brookfield NewCo and its Subsidiaries.

The following individuals are the directors and senior officers of the Manager, in which capacities they will provide executive management services to Brookfield NewCo:

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, Québec	President, La Capitale Real Estate Network
Andy Puthon	Guelph, Ontario	Executive Vice-President, Network Development
Gino Romanese	Markham, Ontario	Senior Vice-President, Corporate Offices
Max Cohen	Toronto, Ontario	Secretary

Effect on Voting Unitholders

Under the Arrangement, the outstanding Fund Units will be transferred to Brookfield NewCo in consideration for Restricted Voting Shares on the basis of one Restricted Voting Share for each Fund Unit so transferred. See "Procedure for Exchange of Fund Units" and "Certain Canadian Federal Income Tax Considerations". As noted above under "The Arrangement – Effect of the Arrangement", the rights attached to the Restricted Voting Shares will be identical in all material respects to those of the Fund Units, other than in respect of the payment of dividends. See "The Arrangement – Effect on Distributions" and Appendix "E" – Information Concerning Brookfield NewCo.

In connection with the Arrangement, the Special Voting Units of the Fund will be redeemed by the Fund for no consideration and TBI, the current sole holder of all of the Special Voting Units, will subscribe, for nominal consideration, for one Special Voting Share of Brookfield NewCo. The Special Voting Share will not be transferable other than to affiliates of TBI. The Special Voting Share will entitle the holder to a number of votes at any meeting of Restricted Voting Shareholders (except that the holder of the Special Voting Share will not be entitled to vote for the election of the Independent directors) equal to the number of Restricted Voting Shares that may be obtained upon the exchange of all the Class B LP Units held by the holder and/or its affiliates, but will not otherwise entitle the holder to any rights with respect to Brookfield NewCo's property or income (other than a nominal amount on the dissolution or winding up of Brookfield NewCo). The Special Voting Share will also be redeemable at the option of the holder for nominal consideration.

The terms of the Special Voting Share will also reflect the current provisions of the Fund Declaration of Trust with respect to board representation, which currently provide that TBI will be entitled to appoint two-fifths of the Trustees so long as it and its affiliates hold an aggregate of at least 10% of the Fund Units (calculated on the basis that all of the Class B LP Units held by TBI and/or its affiliates have been exchanged for Fund Units). Upon completion of the Arrangement, TBI will be entitled, until it and its affiliates cease to hold in the aggregate at least 10% of the Restricted Voting Shares then outstanding (calculated on the basis that all the Class B LP Units held by TBI and/or its affiliates have been exchanged for Restricted Voting Shares), to appoint two-fifths of the directors of Brookfield NewCo (provided that if two-fifths of the directors is not an integral multiple of one, then the number of directors that TBI is entitled to appoint shall be rounded up to the next highest integral multiple of one). See "Post-Conversion Governance and Securities Ownership Arrangements".

Effect on Distributions

For the balance of 2010, the Fund is expected to continue paying monthly distributions of $0.117 per Fund Unit in accordance with its current distribution policy. Provided the Arrangement is approved at the Meeting, it is anticipated that a final distribution will be payable by the Fund on December 30, 2010 to holders of Fund Units of record on December 30, 2010. It is anticipated that the Fund will pay this distribution in January 2011 and it will be the last distribution paid to holders of Fund Units by the Fund. In the event that the Arrangement is not

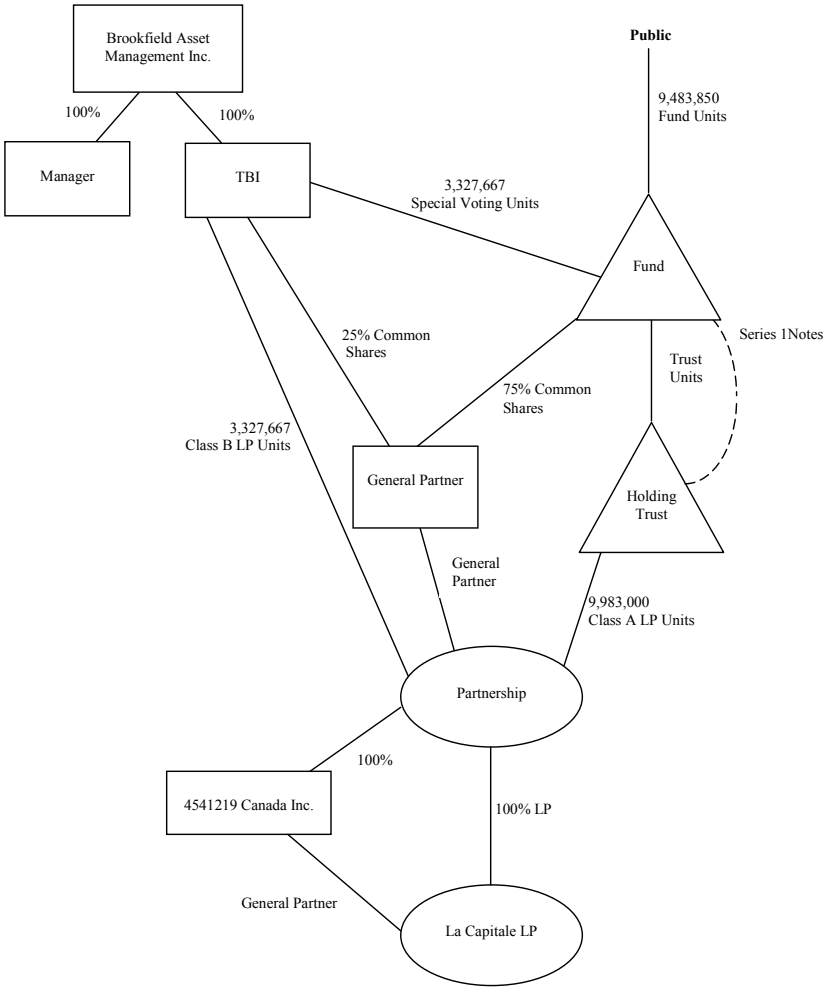
implemented, the Board of Trustees will assess matters at that time to determine the Fund's course of action regarding any future distributions on the Fund Units.

The board of directors of Brookfield NewCo is expected to adopt a monthly dividend policy upon completion of the Arrangement. While the Board of Trustees currently anticipates monthly dividends at an initial annualized rate of $1.10 per Restricted Voting Share, with the initial monthly dividend to be declared in January 2011 and paid in February 2011, the board of directors of Brookfield NewCo will assess dividend payout levels from time to time in light of Brookfield NewCo's financial performance and its then current and anticipated business needs at that time. The intended dividend payout level of Brookfield NewCo represents an adjustment to the Fund's current distribution level (at an annualized rate of $1.40 per Fund Unit) as a result of the anticipated tax on the Fund's earnings post conversion to a corporate structure.

Brookfield NewCo's dividend policy will be subject to the discretion of the board of directors of Brookfield NewCo and may vary depending on, among other things, Brookfield NewCo's earnings, financial requirements, the satisfaction of solvency tests imposed by the OBCA for the declaration of dividends and other relevant factors. See "Risk Factors" and Appendix "E" – Information Concerning Brookfield NewCo – "Dividend Record and Policy".

Pre-Arrangement Structure

The following diagram sets forth the organizational structure of the Fund prior to the Arrangement.



Pre-Arrangement Matters

Pursuant to the Arrangement Agreement, each of the Fund, the Holding Trust, the Partnership, the General Partner and Brookfield NewCo have covenanted and agreed that prior to the Arrangement, the Fund Declaration of Trust, the Holding Trust Declaration of Trust, the limited partnership agreement of the Partnership and the articles of incorporation of Brookfield NewCo will be amended to the extent necessary to facilitate the Arrangement and the implementation of the steps and transactions described in the Plan of Arrangement, as provided therein, and contemplated in this Information Circular, including, without limitation, with respect to the articles of incorporation of Brookfield NewCo to create the Special Voting Share and to designate the common shares in the capital of Brookfield NewCo, including the Initial Share, as Restricted Voting Shares.

Arrangement Steps

Pursuant to the Arrangement, commencing at the Effective Time, each of the events set out below shall occur and shall be deemed to occur in the following order, each occurring five minutes apart, without any further act or formality except as otherwise provided in the Plan of Arrangement:

Redemption of the Special Voting Units and Issuance of Special Voting Share

(i) The Special Voting Units will be redeemed by the Fund for no consideration and TBI will subscribe, for nominal consideration, for one Special Voting Share.

Exchange of Fund Units for Restricted Voting Shares

(ii) The outstanding Fund Units shall be transferred to Brookfield NewCo, free and clear of any claims, solely in consideration for Restricted Voting Shares on the basis of one Restricted Voting Share for each Fund Unit so transferred. At the time the Restricted Voting Shares are so issued, an amount determined by the directors of Brookfield NewCo shall be added to the stated capital account maintained for the Restricted Voting Shares issued under the Arrangement. The stated capital maintained in respect of the Restricted Voting Shares may be subsequently reduced by an amount determined by the directors, in respect of which no amount is to be distributed to the shareholders of Brookfield NewCo, as contemplated by section 34(1)(b)(ii)(B) of the OBCA.

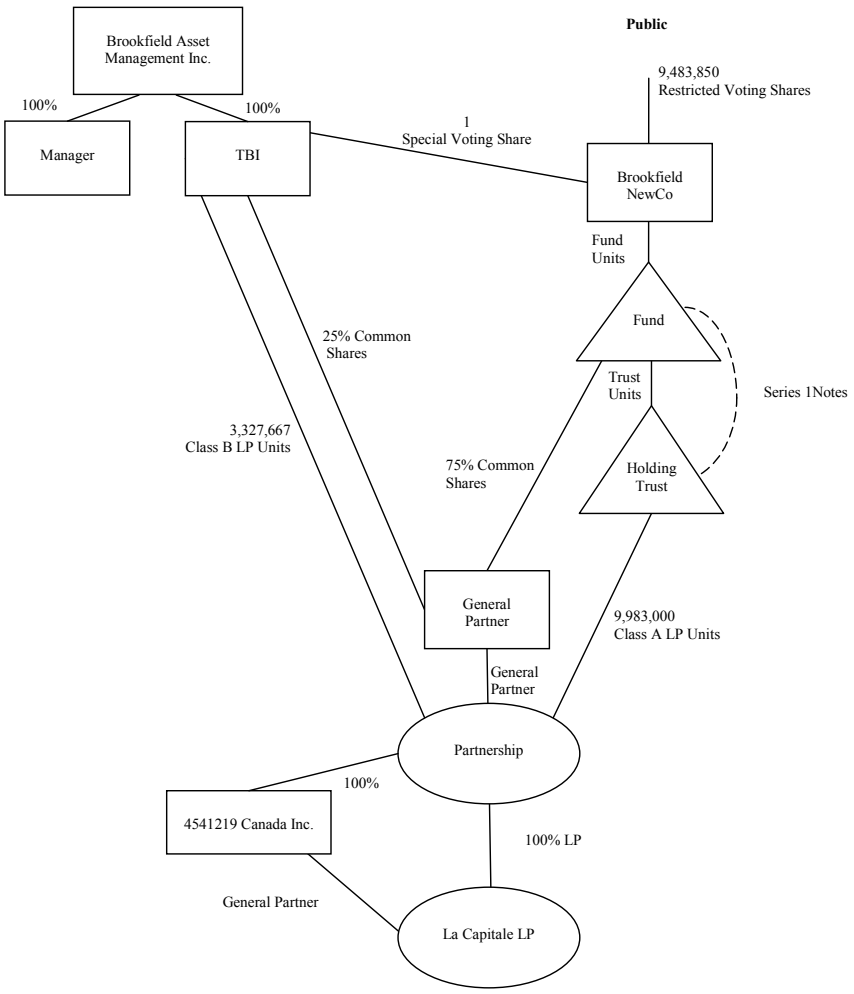
Cancellation of the Initial Share of Brookfield NewCo

(iii) The Initial Share issued to the Fund in connection with the organization of Brookfield NewCo will be purchased for cancellation by Brookfield NewCo for consideration of ten dollars ($10.00) and shall be cancelled.

Post Arrangement Structure

Following completion of the Arrangement, the former holders of Fund Units will be the sole holders of Restricted Voting Shares of Brookfield NewCo which, as described under “Arrangement Steps”, will indirectly carry on the Business presently operated by the Fund Group. The basic structure of the Fund Group will continue and the Class A LP Units and Class B LP Units will remain outstanding. Following completion of the Arrangement, Brookfield NewCo indirectly, through the Fund and the Holding Trust, will hold all of the Class A LP Units and TBI will continue to hold all of the Class B LP Units, being 3,327,667 Class B LP Units. Brookfield NewCo will assume certain obligations of the Fund, as discussed further under the heading “Post-Conversion Governance and Securities Ownership Arrangements”, including, without limitation, the obligation to exchange Class B LP Units for Restricted Voting Shares rather than Fund Units upon the exercise by TBI of its exchange rights.

The following diagram illustrates the organizational structure of Brookfield NewCo immediately following the completion of the Arrangement.



Upon the completion of the Arrangement, an aggregate of approximately 9,483,850 Restricted Voting Shares, one Special Voting Share and no Preferred Shares will be issued and outstanding, assuming that no Fund Units are issued prior to the Effective Time. See Appendix "E" – Information Concerning Brookfield NewCo.

In addition, upon completion of the Arrangement, certain existing governance rights of TBI will be modified so that they will be exercised in respect of Brookfield NewCo rather than the Fund. These rights will be set out in the Post-Conversion Governance Arrangements. See "Post-Conversion Governance and Securities Ownership Arrangements".

Arrangement Agreement

The Arrangement is being effected pursuant to the Arrangement Agreement. The Arrangement Agreement contains covenants, representations and warranties of and from each of the Fund, the Holding Trust, the General Partner, the Partnership and Brookfield NewCo and various conditions precedent, both mutual and with respect to each entity and the Fund. The Arrangement Agreement is attached as Appendix "D" to this Information Circular and reference is made thereto for the full text of the Arrangement Agreement.

Amendments to Trust Declarations and Partnership Agreement

If required, each of the Declaration of Trust, the Holding Trust Declaration of Trust and the Partnership limited partnership agreement will be amended to the extent necessary to facilitate the Arrangement and the implementation of the steps and transactions described in the Plan of Arrangement. See "The Arrangement – Pre-Arrangement Steps".

Amendments to the Management Services Agreement

As a result of the Arrangement, certain consequential amendments will be made to the Management Services Agreement to account for the conversion from the Fund's income trust structure to a corporate structure and to allow the Management Services Agreement to be continued in respect of Brookfield NewCo. Such amendments will include, without limitation, an adjustment to the formula used to calculate the amounts required to be paid by the Partnership to the Manager in connection with the Manager's assignment of additional Incremental Franchises to the Partnership.

Currently, the consideration payable to the Manager for the assignment of additional Incremental Franchises is calculated by dividing: (i) 92.5% of the Royalties from the applicable Incremental Franchises (net of management fees attributable to such Royalties) during the applicable "reporting period" (as defined in the Management Services Agreement); by (ii) the annual distribution yield paid on the Fund Units for the 52-week period immediately preceding the applicable determination date for the given reporting period. This payment formula will be revised to incorporate a reduction on the net Royalties equal to the effective tax applicable to Brookfield NewCo following completion of the Arrangement. The intent of this adjustment is that Brookfield NewCo not be adversely impacted with respect to amounts payable for the assignment of additional Incremental Franchises.

For further detail on the Management Services Agreement, see the section entitled "Information Concerning the Fund – Management Services Agreement".

Procedure for the Arrangement Becoming Effective

The Arrangement is proposed to be carried out pursuant to section 182 of the OBCA. The following procedural steps must be taken for the Arrangement to become effective:

(i) the Arrangement must be approved by two-thirds (66 2/3%) of the votes cast by the Voting Unitholders voting at the Meeting in accordance with the Interim Order;

(ii) the Arrangement must be approved by the Court pursuant to the Final Order;

(iii) all conditions precedent to the Arrangement, including those set forth in the Arrangement Agreement, must be satisfied or waived by the appropriate parties; and

(iv) the Final Order, Articles of Arrangement and related documents, in the form prescribed by the OBCA, must be filed with the Director and the Certificate must be issued by the Director.

Voting Unitholder Approval

Pursuant to the Interim Order, the Arrangement Resolution must be passed by more than two-thirds (66 2/3%) of the votes cast by Voting Unitholders, either in person or by proxy, voting at the Meeting. See "General Proxy Information – Voting Requirements".

Notwithstanding the foregoing, the Arrangement Resolution authorizes the Board of Trustees, without further notice or approval of the Voting Unitholders, to amend or terminate the Arrangement Agreement or Plan of Arrangement, or to revoke the Arrangement Resolution at any time prior to the Arrangement becoming effective pursuant to the provisions of the OBCA. The full text of the Arrangement Resolution is attached as Appendix "A" to this Information Circular.

The Declaration of Trust does not provide for a right of dissent for Voting Unitholders in connection with the Arrangement or the approval of the Arrangement Resolution.

The Trustees and the directors, trustees and officers of the Fund Group and the Manager, who beneficially own, directly or indirectly, or exercise control or direction over 0.94% of the outstanding Voting Units, have indicated that they intend to vote in favour of the Arrangement Resolution.

Court Approvals

Interim Order

On November 10, 2010, the Court granted the Interim Order facilitating the calling of the Meeting and prescribing the conduct of the Meeting and other matters. The Interim Order is attached as Appendix "B" to this Information Circular.

Final Order

The OBCA provides that an arrangement requires Court approval. Subject to the terms of the Arrangement Agreement, and if the Arrangement Resolution is approved by Voting Unitholders at the Meeting in the manner required by the Interim Order, the Fund, the Holding Trust, the Partnership, the General Partner and Brookfield NewCo will make an application to the Court for the Final Order.

The application for the Final Order approving the Arrangement is scheduled for December 15, 2010 at 10:00 a.m. (Toronto time), at Toronto, Ontario, or at any other date following notification by news release to the Voting Unitholders of the date of the hearing of such application, at least two days before such date. The Notice of Application in respect of the Final Order is attached hereto as Appendix "C". At the hearing, any Voting Unitholder and any other interested party who wishes to participate or to be represented or to present evidence or argument may do so, subject to filing with the Court and serving upon the Fund, the Holding Trust, the Partnership, the General Partner and Brookfield NewCo a notice of intention to appear together with any evidence or materials which such party intends to present to the Court on or before noon (Toronto time) on December 10, 2010. Service of such notice shall be effected by service upon the Fund's legal counsel, Goodmans LLP, Bay Adelaide Centre, 333 Bay Street, Suite 3400, Toronto, Ontario M5H 2S7, Attention: Tom Friedland/Jason Wadden.

The Restricted Voting Shares of Brookfield NewCo issuable to Fund Unitholders in exchange for their Fund Units pursuant to the Arrangement have not been and will not be registered under the 1933 Act, and such securities will be issued in reliance upon the exemption from the registration requirements of the 1933 Act provided by section 3(a)(10) thereof. The Court has been advised that if the terms and conditions of the Arrangement are approved by the Court, the issuance of such Restricted Voting Shares to Fund Unitholders pursuant to the Arrangement will not require registration under the 1933 Act, pursuant to section 3(a)(10) thereof.

The Fund has been advised by its counsel, Goodmans LLP, that the Court has broad discretion under the OBCA when making orders with respect to the Arrangement and that the Court will consider, among other things, the fairness and reasonableness of the Arrangement, both from a substantive and a procedural point of view. The Court may approve the Arrangement, either as proposed or as amended, in any manner the Court may direct, subject to compliance with such terms and conditions, if any, as the Court thinks fit. Depending upon the nature of any required amendments, the Fund may determine not to proceed with the Arrangement. If the Final Order is obtained, in form and substance satisfactory to the Fund, the Holding Trust, the Partnership, the General Partner and Brookfield NewCo, acting reasonably, and all other conditions set forth in the Arrangement Agreement are satisfied or waived, the Fund expects the Effective Date to be on or around December 31, 2010.

Conditions Precedent to the Arrangement

The respective obligations of the parties to the Arrangement, being the Fund, the Holding Trust, the Partnership, the General Partner and Brookfield NewCo, to consummate the transactions contemplated by the Arrangement Agreement, and in particular the Arrangement, are subject to the satisfaction, on or before the Effective Date, of a number of conditions, any of which may be waived by the mutual consent of such parties without prejudice to their right to rely on any other of such conditions. These conditions include, without limitation:

(i) the Interim Order shall have been granted in form and substance satisfactory to the Fund, the Holding Trust, the Partnership, the General Partner and Brookfield NewCo, acting reasonably, not later than November 12, 2010 or such later date as such parties may agree and shall not have been set aside or modified in a manner unacceptable to such parties on appeal or otherwise;

(ii) the Arrangement Resolution shall have been approved by the requisite number of votes cast by the Voting Unitholders at the Meeting in accordance with the provisions of the Interim Order and any applicable regulatory requirements;

(iii) the Final Order shall have been granted in form and substance satisfactory to the Fund, the Holding Trust, the Partnership, the General Partner and Brookfield NewCo, acting reasonably, not later than December 17, 2010 or such later date as such parties may agree;

(iv) the Articles of Arrangement and all necessary related documents, in form and substance satisfactory to the Fund, the Holding Trust, the Partnership, the General Partner and Brookfield NewCo, acting reasonably, shall have been accepted for filing by the Director together with the Final Order in accordance with subsection 183(1) of the OBCA;

(v) no material action or proceeding shall be pending or threatened by any person, company, firm, governmental authority, regulatory body or agency and there shall be no action taken under any existing applicable law or regulation, nor any statute, rule, regulation or order which is enacted, enforced, promulgated or issued by any court, department, commission, board, regulatory body, government or governmental authority or similar agency, domestic or foreign, that:

(a) makes illegal or otherwise directly or indirectly restrains, enjoins or prohibits the Arrangement or any other transactions contemplated in the Arrangement Agreement or the Plan of Arrangement, or

(b) results in a judgment or assessment of material damages directly or indirectly relating to the transactions contemplated in the Arrangement Agreement or the Plan of Arrangement;

(vi) all material regulatory consents, exemptions and approvals considered necessary or desirable by the parties with respect to the transactions contemplated under the Arrangement shall have been completed or obtained including, without limitation, consents, exemptions and approvals from applicable securities regulatory authorities, under the rules or policies of the TSX and Competition Act Approval; and

(vii) the TSX shall have conditionally approved the listing or the substitutional listing of the Restricted Voting Shares to be issued pursuant to the Arrangement, subject only to the filing of required documents, which cannot be filed prior to December 31, 2010.

Upon the conditions being fulfilled or waived, the Fund, the Holding Trust, the Partnership, the General Partner and Brookfield NewCo intend to file a copy of the Final Order and the Articles of Arrangement with the Director under the OBCA, together with such other materials as may be required by the Director, in order to give effect to the Arrangement on or about December 31, 2010.

Timing of Completion of the Arrangement

If the Meeting is held as scheduled and is not adjourned and the Arrangement Resolution is approved, the Fund, the Holding Trust, the Partnership, the General Partner and Brookfield NewCo currently intend to apply for the Final Order approving the Arrangement on December 15, 2010 at 10:00 a.m. (Toronto time). If the Final Order is obtained in form and substance satisfactory to the Fund, the Holding Trust, the Partnership, the General Partner and Brookfield NewCo, acting reasonably, and all other conditions set forth in the Arrangement Agreement are satisfied or waived, the Fund expects the Effective Date to be on or about December 31, 2010. The Effective Date could be delayed, however, for a number of reasons, including a failure to obtain the Final Order when scheduled.

Procedure for Exchange of Fund Units

Registration of interests in and transfers of the Fund Units are made only through a book-entry system administered by CDS. Fund Units are purchased and transferred by a holder of Fund Units through a participant in the CDS depository service such as a bank, trust company, securities broker or other financial institution. Upon a purchase of any Fund Units, the holder of such Fund Units receives only a customer confirmation and not a physical certificate. As the Fund Units trade in this "book entry" system, no certificates for the Restricted Voting Shares will be issued to

holders of Fund Units following the Effective Date. Holders of Fund Units do not need to take any action involving their Fund Units. Registration of interests in and transfers of Restricted Voting Shares will continue to be made only through the book-entry system administered by CDS. The Fund reserves the right to permit the procedure for the exchange of securities pursuant to the Arrangement to be completed other than as set forth above.

Expenses of the Arrangement

The aggregate estimated costs to be incurred by the Fund with respect to the Arrangement and related matters including, without limitation, financial advisory, accounting and legal fees, and the preparation, printing and mailing of this Information Circular and other related documents and agreements, are expected to be approximately $700,000.

Stock Exchange Listing

It is a condition to completion of the Arrangement that the TSX shall have approved the substitutional listing of the Restricted Voting Shares. The TSX has conditionally approved the substitutional listing of the Restricted Voting Shares, subject to the fulfillment of the customary requirements of such exchange as soon as possible following completion of the Arrangement. After the Effective Date, Brookfield NewCo will be listed on the TSX under the symbol "BRE". Following completion of the Arrangement, the Fund Units will be delisted from the TSX.

Securities Law Matters

Canada

All securities to be issued under the Arrangement, including the Restricted Voting Shares to the holders of Fund Units, will be issued in reliance on exemptions from prospectus and registration requirements of applicable Canadian securities laws and, following completion of the Arrangement, the Restricted Voting Shares will generally be "freely tradeable" (other than as a result of any "control block" restrictions which may arise by virtue of the ownership thereof) under applicable Canadian securities laws of the provinces of Canada.

United States

The Restricted Voting Shares of Brookfield NewCo issuable to Fund Unitholders in exchange for their Fund Units pursuant to the Arrangement have not been and will not be registered under the 1933 Act. Such securities will be issued in reliance upon the exemption from the registration requirements of the 1933 Act provided by section 3(a)(10) thereof. Section 3(a)(10) exempts the issuance of securities issued in exchange for one or more bona fide outstanding securities from the general requirement of registration where the terms and conditions of the issuance and exchange of such securities have been approved by any court of competent jurisdiction, after a hearing upon the fairness of the terms and conditions of the issuance and exchange at which all persons to whom the securities will be issued have the right to appear and receive timely notice thereof. The Court is authorized to conduct a hearing at which the fairness of the terms and conditions of the Arrangement will be considered. The Court granted the Interim Order on November 10, 2010 and, subject to the approval of the Arrangement by Voting Unitholders, a hearing on the Arrangement will be held on December 15, 2010 by the Court. See "The Arrangement – Procedure for the Arrangement Becoming Effective – Court Approvals – Final Order".

The Restricted Voting Shares issuable to Fund Unitholders under the Arrangement will be freely transferable under the 1933 Act, except by Persons who will be "affiliate" of Brookfield NewCo after completion of the Arrangement or were affiliates of Brookfield NewCo within 90 days prior to completion of the Arrangement. Persons who may be deemed to be "affiliates" of an issuer include individuals or entities that control, are controlled by, or are under common control with, the issuer, whether through ownership of voting securities, by contract or otherwise, and generally include executive officers and directors of the issuer as well as principal shareholders of the issuer.

Any resale of such Restricted Voting Shares by such an affiliate (or former affiliate) may be subject to the registration requirements of the 1933 Act, absent an exemption or exclusion therefrom. Subject to certain limitations, such affiliates (and former affiliates) may immediately resell Restricted Voting Shares outside the United States without registration under the 1933 Act pursuant to Regulation S under the 1933 Act. If available, such affiliates (and former affiliates) may also resell such Restricted Voting Shares pursuant to Rule 144 under the

U.S. Securities Act. Unless certain conditions are satisfied, Rule 144 under the 1933 Act is not available for resales of securities of issuers that have ever had: (i) no or nominal operations; and (ii) no or nominal assets other than cash and cash equivalents (a "**Shell Company**"). Therefore, if Brookfield NewCo were to ever be deemed to be, or to have at any time previously been, a Shell Company, Rule 144 under the U.S. Securities Act may be unavailable for resales of Restricted Voting Shares unless and until Brookfield NewCo has satisfied the applicable conditions. In general terms, the satisfaction of such conditions would require Brookfield NewCo to be a registrant under the 1934 Act, to have been in compliance with its reporting obligations thereunder during the preceding 12 months (or for such shorter period that it was required to file such reports), and to have filed certain information with the SEC at least 12 months prior to the intended resale.

The foregoing discussion is only a general overview of certain requirements of United States federal securities laws applicable to the resale of Restricted Voting Shares received upon completion of the Arrangement. All holders of such securities are urged to consult with counsel to ensure that the resale of their securities complies with applicable securities legislation.

Competition Act

Under the Competition Act and the rules promulgated thereunder by the Commissioner, the Arrangement cannot be completed until either the Commissioner has issued an ARC, which shall not have been rescinded prior to the Effective Time, or the obligation to give the notice required under section 114 of the Competition Act has been waived pursuant to paragraph 113(c) of the Competition Act and the Fund shall have been advised in writing that the Commissioner is of the view that sufficient grounds do not exist to initiate proceedings before the Competition Tribunal with respect to the Arrangement and that the Commissioner, at that time, does not intend to make an application under section 92 of the Competition Act in respect of the transactions contemplated by the Plan of Arrangement (a "**no-action letter**"). The Fund has requested an ARC or, in the alternative, a no action letter and a waiver of the notification requirement pursuant to paragraph 113(c) of the Competition Act. The Fund believes that such request is required for technical reasons under the Competition Act, but that the Arrangement has no anti-competitive consequences.

CERTAIN CANADIAN FEDERAL INCOME TAX CONSIDERATIONS

In the opinion of Goodmans LLP, counsel to the Fund and Brookfield NewCo, the following is a fair and adequate summary, as of the date hereof, of the principal Canadian federal income tax considerations generally applicable under the Tax Act to holders of the Fund Units in respect of the Arrangement and the holding of Restricted Voting Shares received pursuant to the Arrangement. This summary is applicable to a holder who: (i) holds Fund Units and will hold any Restricted Voting Shares received pursuant to the Arrangement as capital property; (ii) deals at arm's length and is not affiliated with the Fund or Brookfield NewCo; and (iii) does not use or hold Fund Units and will not use or hold Restricted Voting Shares in the course of carrying on a business, and did not acquire the Fund Units or Restricted Voting Shares in one or more transactions considered to be an adventure or concern in the nature of trade (a "**Holder**"). A Holder who is a Canadian resident and who might not otherwise be considered to hold their Fund Units or Restricted Voting Shares as capital property may, in certain circumstances, be entitled to have the Fund Units, Restricted Voting Shares and any other "Canadian security" (as defined in the Tax Act) held by it in the taxation year of the election and in all subsequent taxation years treated as capital property by making the irrevocable election permitted by subsection 39(4) of the Tax Act. A Holder contemplating making such an election should consult their own tax advisor.

This summary is not applicable to a Holder: (i) that is a "financial institution" for the purposes of the "mark-to-market property" rules under the Tax Act; (ii) that is a "specified financial institution" within the meaning of the Tax Act; (iii) an interest in which is a "tax shelter investment" (as defined in the Tax Act); or (iv) that has elected to have the "functional currency" reporting rules under the Tax Act apply. Counsel has assumed for the purposes of this summary that the Fund is at all relevant times a "mutual fund trust" for the purposes of the Tax Act.

This summary is based upon the facts set out in this Information Circular, the provisions of the Tax Act in force at the date of this Information Circular and counsel's understanding of the current administrative and assessing policies and practices of the CRA published in writing prior to the date hereof. This summary takes into account all specific proposals to amend the Tax Act which have been publicly announced by or on behalf of the Minister prior to the

date of this Information Circular (the "**Tax Proposals**"). No assurance can be given that the Tax Proposals will be enacted as currently proposed or at all.

This summary is not exhaustive of all possible Canadian federal income tax consequences and, except for the Tax Proposals, does not take into account, or anticipate any changes in law, whether by legislative, regulatory or judicial action or decision. This summary does not take into account any provincial, territorial or foreign income tax considerations. The provincial, territorial or foreign income tax consequences of the Arrangement may differ significantly from those identified in the following discussion. Holders should consult their own tax advisors in respect of the provincial, territorial, or foreign income tax consequences of the Arrangement.

This summary is of a general nature only and should not be construed to be, nor is it intended to be, legal or tax advice or representations to any particular Holder. Accordingly, Holders should consult their own tax advisors for advice with respect to the income tax consequences to them in their particular circumstances.

Holders Resident in Canada

The following portion of the summary generally is applicable to a Holder that is, for the purposes of the Tax Act and any applicable income tax treaty or convention and at all relevant times, a resident of Canada (a "**Resident Holder**").

Exchange of Fund Units for Restricted Voting Shares

A Resident Holder who disposes of Fund Units to Brookfield NewCo in exchange for Restricted Voting Shares pursuant to the Arrangement will be deemed: (i) to have disposed of each such Fund Unit for proceeds of disposition equal to the adjusted cost base (as defined in the Tax Act) of such Fund Unit to the Resident Holder immediately before the disposition; and (ii) to have acquired each Restricted Voting Share received on the exchange at a cost equal to the adjusted cost base to the Resident Holder of the particular Fund Unit immediately before the particular disposition. Resident Holders will therefore not realize a capital gain or capital loss on the disposition of their Fund Units to Brookfield NewCo in exchange for Restricted Voting Shares.

If either: (i) the fair market value of the Restricted Voting Share immediately after the disposition exceeds the fair market value of the Fund Unit at the time of the disposition ("**Excess Share Value**"); or (ii) the fair market value of a Fund Unit at the time of disposition exceeds the fair market value of the Restricted Voting Share immediately after the disposition and it is reasonable to regard any portion of the excess value as a benefit that the Resident Holder desired to confer on a person or partnership with whom such Resident Holder does not deal at arm's length ("**Excess Unit Value**"), the Excess Share Value or the Excess Unit Value, as applicable, must be included in computing the income of the Resident Holder for the taxation year in which the disposition occurs. No assurance can be given that the CRA will accept the position that the fair market value of a Fund Unit at the time of disposition is equal to the fair market value of a Restricted Voting Share immediately after the disposition.

Dividends on Restricted Voting Shares

In the case of a Resident Holder who is an individual (other than certain trusts), a dividend received or deemed to be received on a Restricted Voting Share will be included in computing the Resident Holder's income, and will be subject to the normal gross-up and dividend tax credit rules applicable to dividends paid by taxable Canadian corporations under the Tax Act, including the enhanced gross-up and dividend tax credit applicable to any dividend designated as an "eligible dividend" in accordance with the provisions of the Tax Act. There may be limitations on the ability to designate all dividends on the Restricted Voting Shares as "eligible dividends".

A dividend received or deemed to be received on a Restricted Voting Share by a Resident Holder that is a corporation generally will be included in the Resident Holder corporation's income for the taxation year in which such dividend is received and generally will be deductible in computing the Resident Holder corporation's taxable income. A Resident Holder that is a "private corporation" or a "subject corporation" (as those terms are defined in the Tax Act), may be liable to pay a refundable tax of 33 1/3% under Part IV of the Tax Act on a dividend received (or deemed to be received) in the taxation year on a Restricted Voting Share to the extent such dividend is deductible in computing such Resident Holder's taxable income for the year.

Disposing of Restricted Voting Shares

A disposition or a deemed disposition of a Restricted Voting Share by a Resident Holder generally will result in the Resident Holder realizing a capital gain (or a capital loss) in the taxation year of the disposition equal to the amount by which the proceeds of disposition of the Restricted Voting Share are greater (or less) than the aggregate of the Resident Holder's adjusted cost base thereof and any reasonable costs of disposition. The adjusted cost base of a Restricted Voting Share to a Resident Holder generally will be the average of the cost of all Restricted Voting Shares held by such Resident Holder as capital property. Such capital gain (or capital loss) will be subject to the tax treatment described below under "Holders Resident in Canada – Taxation of Capital Gains and Capital Losses".

Taxation of Capital Gains and Capital Losses

Generally, one-half of any capital gain (a "**taxable capital gain**") realized by a Resident Holder in a taxation year must be included in the Resident Holder's income for the year, and one-half of any capital loss (an "**allowable capital loss**") realized by a Resident Holder in a taxation year must be deducted from taxable capital gains realized by the Resident Holder in that year. Allowable capital losses for a taxation year in excess of taxable capital gains for that year may, generally, be carried back and deducted in any of the three preceding taxation years or carried forward and deducted in any subsequent taxation year against net taxable capital gains realized in such years, to the extent and under the circumstances described in the Tax Act.

The amount of any capital loss realized by a Resident Holder that is a corporation on the disposition of a Restricted Voting Share may be reduced by the amount of dividends received or deemed to be received by the Resident Holder on such shares (or on shares for which the shares have been substituted) to the extent and under the circumstances described in the Tax Act. Similar rules may apply where a corporation is a member of a partnership or a beneficiary of a trust that owns Restricted Voting Shares, directly or indirectly, through a partnership or a trust. A Resident Holder to whom these rules may be relevant should consult his, her or its own tax advisor.

A Resident Holder that is throughout the year a "Canadian-controlled private corporation" (as defined in the Tax Act) may be liable to pay, in addition to tax otherwise payable under the Tax Act, a refundable tax of 6⅔% on certain investment income, including taxable capital gains.

Alternative Minimum Tax

Taxable capital gains realized and dividends received by a Resident Holder that is an individual or a trust, other than certain specified trusts, may give rise to alternative minimum tax under the Tax Act. A Restricted Voting Shareholder who is an individual should contact his or her tax advisor in this regard.

Reduction of Stated Capital

In the event that the stated capital of the Restricted Voting Shares is reduced pursuant to the Arrangement, there will not be any immediate Canadian income tax consequences to a Holder. However, the reduction of the stated capital and consequential reduction of the paid-up capital of the Restricted Voting Shares may have future Canadian income tax consequences to a Holder in certain limited circumstances, which may include if Brookfield NewCo were to repurchase, under certain limited circumstances, any of its Restricted Voting Shares or if Brookfield NewCo were dissolved.

Eligibility for Investment

The Restricted Voting Shares will be qualified investments under the Tax Act for Plans provided that the Restricted Voting Shares are listed on a "designated stock exchange" (which currently includes the TSX) for purposes of the Tax Act.

Notwithstanding the foregoing, if the Restricted Voting Shares are "prohibited investments" for purposes of a tax-free savings account, a Holder will be subject to a penalty tax as set out in the Tax Act. The Restricted Voting Shares will not be a prohibited investment for a trust governed by a tax-free savings account provided that the Holder of the tax-free savings account deals at arm's length with Brookfield NewCo and does not have a significant interest (within the meaning of the Tax Act) in Brookfield NewCo, or a corporation, partnership or trust with which

Brookfield NewCo does not deal at arm's length for the purposes of the Tax Act. Holders are advised to consult their own tax advisors in this regard.

Holders not Resident in Canada

The following portion of the summary generally is applicable to a Fund Unitholder who is, at all relevant times, neither a resident of Canada nor deemed to be a resident of Canada for the purposes of the Tax Act and any applicable income tax treaty or convention and who does not hold or use, or is not deemed to hold or use, their Fund Units or Restricted Voting Shares in the course of carrying on business in Canada (a "**Non-Resident Holder**"). Special rules, which are not discussed in this summary, may apply to a Non-Resident Holder that is an insurer carrying on business in Canada and elsewhere.

Exchange of Fund Units for Restricted Voting Shares

A Non-Resident Holder will not realize a capital gain or loss for Canadian federal income tax purposes on the disposition of their Fund Units to Brookfield NewCo in exchange for Restricted Voting Shares pursuant to the Arrangement. Where a Fund Unit held by a Non-Resident Holder was "taxable Canadian property" of the Non-Resident Holder, a Restricted Voting Share received upon the Arrangement will be deemed to be, at any time within 60 months after the disposition, taxable Canadian property to the Non-Resident Holder. A Fund Unit generally will not be considered to be taxable Canadian property to a Non-Resident Holder unless, at any time during the 60-month period immediately preceding the disposition of Fund Units, the Non-Resident Holder or a person with whom the Non-Resident Holder did not deal at arm's length (or any combination thereof) held more than 25% of the Fund Units and more than 50% of the fair market value of the Fund Units was derived directly or indirectly from one or any combination of (i) real or immovable property situated in Canada, (ii) Canadian resource properties, (iii) timber resource properties, (as such terms are defined in the Tax Act) and (iv) options in respect of, or interests in, or for civil law rights in, property described in (i) to (iii), whether or not the property exists.

Any Excess Share Value or Excess Fund Unit Value attributable to a Non-Resident Holder will be deemed to be a dividend from a corporation resident in Canada for purposes of the Tax Act. Such amount will be subject to withholding tax in Canada at a rate of 25% unless reduced by the provisions of an applicable tax treaty. No assurance can be given that the CRA will accept the position that the fair market value of a Fund Unit at the time of disposition is equal to the fair market value of a Restricted Voting Share immediately after the disposition.

Dividends on Restricted Voting Shares

A dividend paid or deemed to be paid to a Non-Resident Holder on a Restricted Voting Share will be subject to Canadian withholding tax at the rate of 25% unless such rate is reduced under the provisions of an applicable tax treaty.

Disposition of Restricted Voting Shares

A Non-Resident Holder will generally not be liable to Canadian income tax on a disposition or deemed disposition of a Restricted Voting Share unless the Non-Resident Holder's Restricted Voting Share is, or is deemed to be, taxable Canadian property to the Non-Resident Holder at the time of disposition and the Non-Resident Holder is not entitled to relief under the provisions of an applicable tax treaty. Conversely, to the extent that a Non-Resident Holder realizes a capital loss from the disposition of a Restricted Voting Share, the amount of the capital loss may not be deductible against capital gains of a Non-Resident Holder for the purposes of the Tax Act.

Generally, a Restricted Voting Share will not be taxable Canadian property to a Non-Resident Holder at a particular time provided that either: (a) at no time during the 60-month period preceding the particular time did such Restricted Voting Share derive more than 50% of its fair market value directly or indirectly from one or any combination of: (i) real or immovable properties situated in Canada, (ii) Canadian resource properties, (iii) timber resource properties (as such terms are defined in the Tax Act), and (iv) options in respect of, or interests in, or for civil law rights in, property described in (i) to (iii), whether or not the property exists; or (b) such Restricted Voting Share is listed on a designated stock exchange (which currently includes the TSX) at that time and at no time during the 60-month period ending at that time did the Non-Resident Holder, persons not dealing at arm's length with such Non-Resident Holder or the Non-Resident Holder together with all such persons, own 25% or more of the issued shares of any

class or series of the capital stock of NewCo. Notwithstanding the foregoing, in certain circumstances set out in the Tax Act, Restricted Voting Shares could be deemed to be a taxable Canadian property. In particular, if a Unit held by a Non-Resident Holder was taxable Canadian property to such Non-Resident Holder, a Restricted Voting Share received by the Non-Resident Holder upon the Arrangement will be deemed to be, at any time within 60 months after the disposition, taxable Canadian property to such Non-Resident Holder.

Reduction of Stated Capital

The tax consequences of the reduction of capital to a Non-Resident Holder will generally be as described above under "– Holders Resident in Canada – Reduction of Stated Capital".

Other Tax Considerations

This Information Circular does not address any tax considerations of the Arrangement other than certain Canadian federal income tax considerations nor does it address the particular circumstances of any Holder. A Holder who is resident in a jurisdiction other than Canada should consult his, her or its own tax advisor with respect to the implications of the Arrangement, including any associated filing requirements in such jurisdiction and with respect to the tax implications in such jurisdiction of owning Restricted Voting Shares after the Arrangement. All Holders should also consult their own tax advisors regarding Canadian provincial or territorial tax considerations applicable to the Arrangement.

INFORMATION CONCERNING THE FUND

The Fund

The Fund is a limited purpose trust established under the laws of the province of Ontario pursuant to the Fund Declaration of Trust. The Fund's registered and head office is located at 39 Wynford Drive, Don Mills, Ontario, M3C 3K5. The Fund Units of the Fund are traded on the TSX under the symbol "BRE.UN". The Fund's fiscal year ends December 31.

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 Trustees of the Fund are: Lorraine Bell, Simon Dean, Allen Karp, Gail Kilgour and George Myhal. The Fund is administered by the Trustees and managed by the Manager pursuant to the Management Services Agreement. The Fund has no employees of its own. See "Description of the Business – Management Services Agreement".

For a detailed description of the Fund, its business, which is conducted through the Partnership, and the industry in which it operates, see the sections entitled "Description of the Fund", "Development of the Business" and "Description of the Business" in the AIF, which is incorporated by reference herein.

The Holding Trust

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 Class A 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 Holding Trust are: Lorraine Bell, Simon Dean, Allen Karp, Gail Kilgour and George Myhal.

For a detailed description of the Holding Trust, see the section entitled "Description of the Holding Trust" in the AIF, which is incorporated by reference herein.

The Partnership

The Partnership is a limited partnership formed under the laws of the province of Ontario and governed by the limited partnership agreement between the General Partner and the trustees of the Holding Trust, on behalf of the

Holding Trust, as same may be amended from time to time. The Partnership is currently owned as to 75% by the Holding Trust and as to 25% by TBI. The general partner of the Partnership is the General Partner, which is owned as to 75% by the Fund and as to 25% by TBI. 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, namely: Lorraine Bell, Simon Dean, Allen Karp, Gail Kilgour and George Myhal.

For a detailed description of the Partnership, see the section entitled "Description of the Partnership" in the AIF, which is incorporated by reference herein.

Significant Acquisitions

Other than the Arrangement, there are no proposed "significant acquisitions", as such term is defined in National Instrument 51-102 – *Continuous Disclosure Obligations*, as of the date of this Information Circular.

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, the Partnership, La Capitale L.P. and 4541219 Canada Inc. 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 Fund Group's network of residential property brokerage Franchisees through the assignment of additional 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 Voting Unitholders all information to which Voting Unitholders are entitled under the Fund Declaration of Trust; (viii) calling, holding and distributing materials (including notices of meetings and information circulars) in respect of all meetings of Voting Unitholders; (ix) determining the amounts payable from time to time to Voting Unitholders; (x) if necessary, dealing with Franchisees on questions of interpretation of the Franchise Agreements; (xi) arranging for distributions to holders of Fund Units; and (xii) attending to all administrative and other matters arising in connection with any redemptions of Voting Units and units of the Holding Trust. Pursuant to the Management Services Agreement, 9120-5583 Québec Inc. also renders certain management, administrative and support services in respect of La Capitale.

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. In addition, the Management Services Agreement contains a formula used to calculate amounts required to be paid by the Partnership to the Manager (which amounts can be paid in cash or, at the option of the Partnership, through the issue of Class A LP Units and an equivalent number of Special Fund Units) in respect of the assignment to the Fund Group of additional Incremental Franchises, which amounts are calculated by dividing 92.5% of the Royalties from the applicable Incremental Franchises (net of management fees attributable to such Royalties) during the applicable "reporting period" (as defined in the Management Services Agreement) by the annual distribution yield paid on the Fund Units for the 52-week period immediately preceding the applicable determination date for the given reporting period. As of the date of this Information Circular, all such amount paid by the Partnership were paid in cash and no Class A LP Units have been issued to the Manager.

The Management Services Agreement has an initial 10-year term expiring August 6, 2013, unless sooner terminated in accordance with its terms. Upon expiry of the initial term, the Management Services Agreement renews automatically 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 12 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 Voting Unitholders by a resolution approved by holders representing at least 50% of the aggregate number of issued and outstanding Voting Units and at least 66 2/3% of the aggregate number of Voting Units that are voted at the meeting, in each case excluding any Voting Units held by the Manager or any of its affiliates. 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.

For a detailed description of the Management Services Agreement, see the section entitled "Description of the Business – Management Services Agreement" in the AIF, which is incorporated by reference herein.

Certain consequential amendments to the Management Services Agreement will be made in connection with the Arrangement. See the section entitled "The Arrangement – Amendments to the Management Services Agreement" for further details.

Distribution History and Policy

A summary table of distributions made by the Fund annually for each of the 2007, 2008 and 2009 fiscal years is provided in the Fund's AIF under the heading "Distributions". For the Fund's distribution policy, see the section entitled "Business of the Fund – Distribution Policy" in the AIF, which is incorporated by reference herein. For information on the intended dividend policy of Brookfield NewCo, see the section entitled "Dividend Record and Policy" in Appendix "E" – Information Concerning Brookfield NewCo.

Market for Securities

Price Range and Trading Volume of Fund Units

The outstanding Fund Units are listed and posted for trading on the TSX under the trading symbol "BRE.UN". The following table sets forth the price range for and the approximate monthly trading volume of the Fund Units as reported by the TSX for the periods indicated.

	Price Range		
	High ($)	**Low ($)**	**Volume (#)**
2010			
November 1 – November 10	13.25	12.72	108,085
October	13.30	12.75	266,183
September	13.40	12.30	191,035
August	12.81	12.29	128,672
July	12.67	11.67	125,853
June	12.99	11.42	160,839
May	13.84	12.04	272,257
April	13.90	12.60	261,388
March	13.45	12.31	570,337
February	12.95	11.85	636,462
January	13.45	11.61	725,917
2009			
December	11.75	11.25	218,010
November	11.78	11.15	246,738

On November 10, 2010, the last trading day prior to the date of this Information Circular, the closing price of the Fund Units was $13.25.

Prior Sales

During the twelve months preceding the date of this Information Circular, the Fund made purchases under a normal course issuer bid at market prices in accordance with the rules and policies of the TSX. A total of 335,430 Fund Units were purchased under such bid in 2009 before the Fund reached the maximum amount permitted under the normal course issuer bid. For additional information respecting previously issued securities of the Fund, see the Fund MD&A and Fund Circular, which are incorporated by reference herein.

Legal Proceedings

There are no outstanding legal proceedings material to the Fund to which the Fund or its Subsidiaries are a party or in respect of which any of their respective properties are subject, nor are there any such proceedings known to be contemplated.

Transfer Agent and Registrar

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

INFORMATION CONCERNING BROOKFIELD NEWCO

Brookfield NewCo was incorporated on October 28, 2010 pursuant to the provisions of the OBCA for the sole purpose of participating in the Arrangement. The principal and head office of Brookfield NewCo is located at 39 Wynford Drive, Don Mills, Ontario, M3C 3K5.

On the Effective Date, Brookfield NewCo will carry on the Business currently carried on by the Fund and its Subsidiaries, and will become a reporting issuer in all of the provinces of Canada and will become subject to the informational reporting requirements under applicable securities laws as a result of the Arrangement.

Reference is made to Appendix "E" – Information Concerning Brookfield NewCo for a more detailed description of Brookfield NewCo and certain pro forma information in respect of Brookfield NewCo.

POST-CONVERSION GOVERNANCE AND SECURITIES OWNERSHIP ARRANGEMENTS

Existing Arrangements

Upon completion of the sale of the Business by TBI to the Partnership on August 7, 2003 in connection with the initial public offering of the Fund, TBI received 3,327,667 Class B LP Units of the Partnership and 3,327,667 Special Voting Units of the Fund. Each Special Voting Unit entitles the holder thereof to a number of votes at any meeting of Voting Unitholders (except that holders of Special Voting Units are not entitled to vote for the election of the Independent Trustees) equal to the number of Fund Units that may be obtained upon the exchange of the Class B LP Units, Class A LP Units or other securities to which the Special Fund Units relate, but do not otherwise entitle the holder to any rights with respect to the Fund's property or income. Currently, there are no Class A LP Units or other securities to which the Special Fund Units relate.

In addition, TBI and the Manager have certain rights relating to their ownership of securities of the Partnership and the Fund, which have been in place since the Fund's initial public offering of its Fund Units in August 2003. The Fund Declaration of Trust currently provides that TBI is entitled to appoint two-fifths of the Trustees so long as it and its affiliates hold an aggregate of at least 10% of the Fund Units (calculated on the basis that all of the Class B LP Units held by TBI and/or its affiliates have been exchanged for Fund Units), provided that if two-fifths of the Trustees is not an integral multiple of one, then the number of Trustees that TBI is entitled to appoint shall be rounded up to the next highest integral multiple of one. The Exchange Agreement provides TBI and the Manager (or a party to whom Class B LP Units or Class A LP Units of the Partnership held by TBI or the Manager are transferred) the right, in the case of the Class B LP Units, to require the Holding Trust and the Fund to directly or indirectly exchange Class B LP Units and/or Class A LP Units for Fund Units on the basis of one Fund Unit for each Class B LP Unit and/or Class A LP Unit exchanged, provided that the exchange will not jeopardize the Fund's status as a "unit trust", or "mutual fund trust" under the Tax Act or result in the Fund Units being considered "foreign property" for the purposes of the Tax Act. The Class A LP Units currently outstanding, all of which are held by the Holding Trust, are not exchangeable under the Exchange Agreement.

Furthermore, the Registration Rights Agreement grants to TBI and the Manager demand and "piggy-back" registration rights whereby TBI or the Manager may, in certain circumstances, require the Fund to file a prospectus and otherwise assist with a public offering of Fund Units held by TBI or the Manager, as the case may be, subject to certain limitations. The Fund's expenses occurred in connection with such an offering are to be borne by TBI and/or

the Manager (or on a proportionate basis if both TBI and/or the Manager and the Fund are selling Fund Units) pursuant to the terms and conditions of the Registration Rights Agreement. In the event of a "piggy-back" offering, the Fund's future financing requirements are to take priority.

For further information on the Exchange Agreement and the Registration Rights Agreement, see the section entitled "Exchange Rights" in the AIF, which is incorporated by reference herein.

Post-Conversion Arrangements

The Restricted Voting Shares will be designated as "restricted voting shares" in accordance with applicable securities laws and the rules of the TSX, but the rights attached to the Restricted Voting Shares will be identical in all material respects to those of the Fund Units, other than in respect of the payment of dividends as discussed under the heading "The Arrangement – Effect of the Arrangement – Effect on Distributions" and in Appendix "E" – Information Concerning Brookfield NewCo under the headings "Description of Capital Structure – Restricted Voting Shares" and "Dividend Record and Policy".

The outstanding Class A LP Units and Class B LP Units will not be directly affected by the Arrangement, although as a result of the Arrangement, Brookfield NewCo will assume the obligation of the Fund to exchange the Class B LP Units, which will become exchangeable for Restricted Voting Shares, as discussed further below. The Class A LP Units currently outstanding are not exchangeable into Fund Units pursuant to the Exchange Agreement and, accordingly, the Class A LP Units will not be exchangeable for Restricted Voting Shares following completion of the Arrangement.

The Special Voting Units will be redeemed by the Fund for no consideration and TBI will subscribe, for nominal consideration, for one Special Voting Share. The Special Voting Share will not be transferable other than to affiliates of TBI. The Special Voting Share will entitle the holder to a number of votes at any meeting of Restricted Voting Shareholders (except that the holder of the Special Voting Share will not be entitled to vote for the election of the Independent directors) equal to the number of Restricted Voting Shares that may be obtained upon the exchange of all of the Class B LP Units held by the holder and/or its affiliates, but will not otherwise entitle the holder to any rights with respect to Brookfield NewCo's property or income (other than a nominal amount on the dissolution or winding up of Brookfield NewCo).

In addition, upon completion of the Arrangement, certain existing governance rights of TBI will be modified so that they will be exercisable in respect of Brookfield NewCo and its Restricted Voting Shares rather than in respect of the Fund and its Voting Units. These rights will be set out in the constating documents of Brookfield NewCo, as well as in certain associated documents that will set out the rules with respect to the governance of Brookfield NewCo, establish certain rights of its securityholders relating to their ownership of Brookfield NewCo securities and address related matters (collectively, the "**Post-Conversion Governance Arrangements**"). The Post-Conversion Governance Arrangements shall include, without limitation, the following:

(i) The share terms for the Special Voting Share will reflect the current provisions of the Fund Declaration of Trust with respect to board representation. Upon completion of the Arrangement, TBI will be entitled, until it and its affiliates cease to hold in the aggregate at least 10% of the Restricted Voting Shares then outstanding (calculated on the basis that all the Class B LP Units held by TBI and/or its affiliates have been exchanged for Restricted Voting Shares), to appoint two-fifths of the directors of Brookfield NewCo (provided that if two-fifths of the directors is not an integral multiple of one, then the number of directors that TBI is entitled to appoint shall be rounded up to the next highest integral multiple of one).

(ii) The rights currently provided to TBI and/or the Manager pursuant to the Exchange Agreement and Registration Rights Agreement shall be exercisable in respect of Brookfield NewCo and its Restricted Voting Shares following completion of the Arrangement. Brookfield NewCo will assume the obligation of the Fund to exchange the Class A LP Units and/or Class B LP Units, which will become exchangeable for Restricted Voting Shares upon the exercise by TBI or the Manager of their respective exchange rights, and TBI and the Manager will be entitled to exercise their respective demand and "piggy-back" registration rights in respect of Brookfield NewCo and its Restricted Voting Shares, with expenses borne by TBI and/or the Manager (or on a proportionate basis if both TBI and/or the Manager and Brookfield NewCo are selling Restricted Voting Shares).

RISK FACTORS

An investment in Fund Units, and following the Effective Date, in Restricted Voting Shares is subject to certain risks. Readers should carefully consider the risk factors described under the heading "Risk Factors" in the AIF and in the Fund MD&A, which are incorporated by reference in this Information Circular as well as the risk factors set forth below and elsewhere in this Information Circular.

Risk Factors Relating to the Arrangement

Conditions Precedent and Required Regulatory and Third Party Approvals

The completion of the Arrangement in the form contemplated by the Plan of Arrangement is subject to a number of conditions precedent, some of which are outside the control of the Fund, including, without limitation: receipt of Voting Unitholder approval at the Meeting; regulatory approvals, including the approval by the TSX of the substitutional listing of the Restricted Voting Shares to be issued pursuant to the Arrangement and receipt of Competition Act Approval; approval of the transactions contemplated by the Arrangement by the Fund's principal lenders; and the Final Order. There can be no certainty, nor can the Fund provide any assurance, that these conditions will be satisfied or, if satisfied, when they will be satisfied.

Failure to obtain the Final Order on terms acceptable to the Board of Trustees would likely result in the decision being made not to proceed with the Arrangement. If any of the required regulatory and third party approvals cannot be obtained on terms satisfactory to the Board of Trustees or at all, the Plan of Arrangement may have to be amended in order to mitigate against the negative consequence of the failure to obtain any such approval, and accordingly, the benefits available to Voting Unitholders resulting from the Arrangement may be reduced. Alternatively, in the event that the Plan of Arrangement cannot be amended so as to mitigate against the negative consequences of the failure to obtain a required regulatory or third party approval, the Arrangement may not proceed at all. If the Arrangement is not completed, the market price of the Fund Units may be adversely affected. See "The Arrangement – Procedure for the Arrangement Becoming Effective".

Risk Factors Relating to the Ownership of Restricted Voting Shares

The future payments of dividends by Brookfield NewCo and the level thereof are uncertain, as such payment of dividends is dependent upon, among other things, Brookfield NewCo's operating cash flow, financial and capital requirements, future prospects, the performance of the Business and the satisfaction of solvency tests imposed by the OBCA for the payment of dividends.

Risk Factors Relating to the Business

Risk factors in respect of the business of the Fund and its Subsidiaries and the industry in which they operate will continue to apply to Brookfield NewCo after the Effective Date and will not be affected by the Arrangement. For a description of these risk factors and for risk factors specific to Brookfield NewCo, see Appendix "E" − Information Concerning Brookfield NewCo – "Risk Factors". Such risk factors include, without limitation: general economic conditions; interest rates; consumer confidence; the level of residential resale transactions; the average rate of commissions charged; competition from other traditional real estate brokers or from discount and/or internet-based real estate alternatives; the availability of acquisition opportunities and/or the closing of existing real estate offices. See the sections entitled "Risks Related to the Residential Resale Real Estate Brokerage Industry and the Business of the Partnership and the Fund" in the AIF and "Risk Factors" in the Fund MD&A.

INDEBTEDNESS OF TRUSTEES AND DIRECTORS

No Trustee, director or officer of the Fund Group or of the Manager and none of their associates is currently, or was at any time during the fiscal year ended December 31, 2009, indebted to the Fund or any of its Subsidiaries and no indebtedness of such persons has been the subject of a guarantee, support agreement, letter of credit or other similar agreement provided by the Fund or any of its Subsidiaries.

INTEREST OF EXPERTS

The Fund's auditors are Deloitte & Touche LLP, Chartered Accountants, Licensed Public Accountants. Deloitte & Touche LLP are independent of the Fund in accordance with the Rules of Professional Conduct of the Institute of Chartered Accountants of Ontario.

Certain Canadian legal matters relating to the Arrangement are to be passed upon by Goodmans LLP on behalf of the Fund. As at November 11, 2010, the partners and associates of Goodmans LLP beneficially owned, directly or indirectly, less than 1% of the outstanding Voting Units.

INTEREST OF CERTAIN PERSONS IN MATTERS TO BE ACTED UPON

The Trustees and the directors and officers of the Manager, and their respective associates, as a group, beneficially own, or exercise control or direction over, directly or indirectly, an aggregate of approximately 119,845 Voting Units, representing approximately 0.94% of the outstanding Voting Units. Affiliates of Brookfield Asset Management Inc. own approximately 26% of the outstanding Voting Units. Each of the foregoing parties have indicated that they intend to vote in favour of the Arrangement Resolution.

The Arrangement will not result in any change of control, termination or other payments being made to any trustees, directors, officers or employees of the Fund Group or the Manager pursuant to employment, change of control or similar agreements.

Immediately after giving effect to the Arrangement, it is anticipated that: (i) the current Trustees and directors and officers of the Manager, and their respective associates, as a group, would continue to beneficially own, or exercise control or direction over, directly or indirectly, an aggregate of approximately 119,845 Restricted Voting Shares then representing approximately 0.94% of the outstanding Restricted Voting Shares (on a fully-diluted basis assuming the exchange of all of the Class B LP Units); and (ii) affiliates of Brookfield Asset Management Inc. would continue to own 3,327,667 Restricted Voting Shares, then representing approximately 26% of the outstanding Restricted Voting Shares (on a fully-diluted basis assuming the exchange of all of the Class B LP Units).

OTHER BUSINESS

Neither the Board of Trustees nor the Manager is aware of any amendments or variations to matters identified in the notice of the Meeting or of any other matters that are to be presented for action at the Meeting, other than those described in the notice.

ADDITIONAL INFORMATION

Additional information relating to the Fund is included in the Annual Information Form, its audited consolidated financial statements for the year ended December 31, 2009 and unaudited interim consolidated financial statements for the three and nine month periods ended September 30, 2010 and September 30, 2009, the Fund MD&A and the Fund Circular. Copies of these documents may be obtained from the SEDAR website at www.sedar.com, the Fund's website at www.brookfieldres.com or upon request, without charge, from the Fund, at 39 Wynford Drive, Don Mills, Ontario, M3C 3K5 (attention: Kevin Cash, Chief Financial Officer), or by telephone: 416-510-5634. Financial information is provided in the Fund's consolidated financial statements and interim consolidated financial statements for the three, six and nine month period ended September 30, 2010 and September 30, 2009 and the Fund MD&A.

APPROVAL OF CIRCULAR

The contents and sending of this Information Circular have been approved by the Trustees of the Fund.

DATED at Toronto, Ontario, this 11th day of November 2010.

BY ORDER OF THE TRUSTEES

(signed) *"George Myhal"*

George Myhal
Chairman of the Board of Trustees

AUDITORS' CONSENT

We have read the management information circular of Brookfield Real Estate Services Fund (the "Fund") dated November 11, 2010 relating to the reorganization of the Fund into a corporation. We have complied with Canadian generally accepted standards for an auditor's involvement with offering documents.

We consent to the incorporation by reference in the above-mentioned management information circular of our report to the unitholders of the Fund on the consolidated balance sheets of the Fund as at December 31, 2009 and 2008 and the consolidated statements of earnings and comprehensive earnings, unitholders' equity and cash flows for the years then ended. Our report is dated March 9, 2010.

We also consent to the use in the above-mentioned management information circular of our report to the directors of Brookfield Real Estate Services Inc./Services immobiliers Brookfield Inc. ("Brookfield NewCo") on the balance sheet of Brookfield NewCo as at October 28, 2010. Our report is dated November 11, 2010.

(Signed) "*Deloitte & Touche LLP*"
Chartered Accountants
Licensed Public Accountants

Toronto, Canada
November 11, 2010

APPENDIX A
ARRANGEMENT RESOLUTION

BE IT RESOLVED THAT:

1. the arrangement ("**Arrangement**") under section 182 of the *Business Corporations Act* (Ontario) substantially as set forth in the Plan of Arrangement (the "**Plan of Arrangement**") attached as Exhibit "A" to Appendix "D" to the Management Information Circular of Brookfield Real Estate Services Fund (the "**Fund**") dated November 11, 2010 (the "**Information Circular**") and all transactions contemplated thereby, be and are hereby authorized and approved;

2. the arrangement agreement ("**Arrangement Agreement**") dated November 8, 2010 among the Fund, RL RES Holding Trust, Residential Income Fund, L.P., Residential Income Fund General Partner Limited and Brookfield Real Estate Services Inc./Services immobiliers Brookfield Inc. ("**Brookfield NewCo**"), a copy of which is attached as Appendix "D" to the Information Circular, together with such amendments or variations thereto made in accordance with the terms of the Arrangement Agreement as may be approved by the persons referred to in paragraph 5 hereof, such approval to be evidenced conclusively by the execution and delivery of any such amendments or variations, is hereby confirmed, ratified and approved;

3. any amendments to the Fund's amended and restated declaration of trust dated as of the 7th day of August, 2003, as amended or as amended and restated from time to time, as the trustees of the Fund consider necessary or desirable to facilitate the Arrangement and the implementation of the Arrangement steps, as provided in the Arrangement Agreement, be and they are hereby authorized and approved**.**

4. notwithstanding that this resolution has been duly passed and/or has received the approval of the Ontario Superior Court of Justice, the board of trustees of the Fund or the board of directors of Brookfield NewCo, may, without further notice to or approval of the holders of trust units and special voting units of the Fund, subject to the terms of the Arrangement, amend or terminate the Arrangement Agreement or the Plan of Arrangement or revoke this resolution at any time prior to the filing of the Articles of Arrangement giving effect to the Arrangement; and

5. any trustee of the Fund or any officer or director of Brookfield NewCo be and is hereby authorized, for and on behalf of the Fund, RL RES Holding Trust, Residential Income Fund, L.P., Residential Income Fund General Partner Limited and Brookfield NewCo, to execute and deliver Articles of Arrangement and to execute, with or without the corporate seal and, if appropriate, deliver all other documents and instruments, negotiate, execute and deliver all other agreements and commitments and do all other things as in the opinion of such trustee, director or officer may be necessary or advisable to implement this resolution and the matters authorized hereby, such determination to be conclusively evidenced by the execution and delivery of any such document or instrument, and the taking of any such action.

APPENDIX B
INTERIM ORDER

(See attached.)

Court File No.: CV-10-8973-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

THE HONOURABLE MR. JUSTICE MORAWETZ	) WEDNESDAY, THE 10th)) DAY OF NOVEMBER, 2010

IN THE MATTER OF AN APPLICATION UNDER SECTION 182 OF THE *BUSINESS CORPORATIONS ACT*, R.S.O. 1990, c. B.16, AS AMENDED, AND RULES 14.05(2) AND 14.05(3) OF THE RULES OF CIVIL PROCEDURE

AND IN THE MATTER OF A PROPOSED ARRANGEMENT INVOLVING BROOKFIELD REAL ESTATE SERVICES FUND, RL RES HOLDING TRUST, RESIDENTIAL INCOME FUND L.P., RESIDENTIAL INCOME FUND GENERAL PARTNER LIMITED, BROOKFIELD REAL ESTATE SERVICES INC./SERVICES IMMOBILIERS BROOKFIELD INC. and THE UNITHOLDERS and SPECIAL VOTING UNITHOLDERS OF BROOKFIELD REAL ESTATE SERVICES FUND

BROOKFIELD REAL ESTATE SERVICES FUND, RL RES HOLDING TRUST, RESIDENTIAL INCOME FUND L.P., RESIDENTIAL INCOME FUND GENERAL PARTNER LIMITED and BROOKFIELD REAL ESTATE SERVICES INC./SERVICES IMMOBILIERS BROOKFIELD INC.

Applicants

INTERIM ORDER
(November 10, 2010)

THIS MOTION made by the Applicants, for an interim order for advice and directions pursuant to section 182 of the *Business Corporations Act*, R.S.O. 1990, c. B.16, as amended, (the "OBCA") was heard this day at 330 University Avenue, Toronto, Ontario.

ON READING the Notice of Motion, the Notice of Application issued on November 8, 2010 and the affidavit of Kevin Cash sworn November 8, 2010 (the "Cash Affidavit"), including the Plan of Arrangement, which is attached as Exhibit "A" to the Arrangement Agreement, which is attached as Appendix "D" to the draft management information circular (the "Circular") of Brookfield Real Estate Services Fund (the "Fund"), which is attached as Exhibit "A" to the Cash Affidavit, and on hearing the submissions of counsel for the Applicants,

Definitions

1. **THIS COURT ORDERS** that all definitions used in this Interim Order shall have the meaning ascribed thereto in the Circular or otherwise as specifically defined herein.

The Meeting

2. **THIS COURT ORDERS** that, in accordance with Article 12 of the Fund's Amended and Restated Declaration of Trust dated August 7, 2003 (the "Fund Declaration of Trust"), the Fund is permitted to call, hold and conduct a special meeting (the "Meeting") of holders (the "Voting Unitholders") of units of the Fund (the "Fund Units") and special voting units of the Fund (the "Special Voting Units") to be held at The Hockey Hall of Fame, Brookfield Place, 30 Yonge Street, Toronto, Ontario, on December 10, 2010 at 10:00 a.m. (Toronto time) in order for the Voting Unitholders to, among other things, consider and, if determined advisable, pass a special resolution authorizing, adopting and approving, with or without variation, the Arrangement and the Plan of Arrangement (collectively, the "Arrangement Resolution").

3. **THIS COURT ORDERS** that, in accordance with section 12.2 of the Fund Declaration of Trust, the Meeting shall be called, held and conducted in accordance with the notice of

special meeting of unitholders and special voting unitholders, which accompanies the Circular (the "Notice of Meeting"), the Fund Declaration of Trust and the terms of this and any further order of this Court.

4. **THIS COURT ORDERS** that, in accordance with section 12.8 of the Fund Declaration of Trust, the record date (the "Record Date") for determination of the Voting Unitholders entitled to notice of, and to vote at, the Meeting shall be November 5, 2010.

5. **THIS COURT ORDERS** that, in accordance with section 12.1 of the Fund Declaration of Trust, the only persons entitled to attend at the Meeting shall be:

   (a) the Voting Unitholders or their respective proxyholders;

   (b) the officers, directors, trustees, auditors and advisors of the Applicants;

   (c) other persons who may receive the permission of the chair of the Meeting; and

   (d) any other person permitted by the Fund Declaration of Trust.

6. **THIS COURT ORDERS** that the Fund may transact such other business at the Meeting as is contemplated in the Circular, or as may otherwise be properly before the Meeting.

Quorum

7. **THIS COURT ORDERS** that the chair of the Meeting shall be determined by the Fund and that, in accordance with section 12.3 and 12.6(a) of the Fund Declaration of Trust, the quorum at the Meeting shall be 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 of the Fund Units and Special Voting Units then outstanding.

Amendments to the Arrangement and Plan of Arrangement

8. **THIS COURT ORDERS** that the Fund is authorized to make, subject to the terms of the Fund Declaration of Trust, the Arrangement Agreement and paragraph 9, below, such amendments, modifications or supplements to the Arrangement and the Plan of Arrangement as it may determine without any additional notice to the Voting Unitholders, or others entitled to receive notice under paragraph 12 hereof, and the Arrangement and Plan of Arrangement, as so amended, modified or supplemented shall be the Arrangement and Plan of Arrangement to be submitted to the Voting Unitholders at the Meeting and shall be the subject of the Arrangement Resolution. Amendments, modifications or supplements may be made following the Meeting, but shall be subject to review and, if appropriate, further direction by this Honourable Court at the hearing for the final approval of the Arrangement.

9. **THIS COURT ORDERS** that, if any amendments, modifications or supplements to the Arrangement or Plan of Arrangement as referred to in paragraph 8, above, would, if disclosed, reasonably be expected to affect a Voting Unitholder's decision to vote for or against the Arrangement Resolution, notice of such amendment, modification or supplement shall be distributed, subject to the Fund Declaration of Trust and any further order of this Honourable Court, by press release, newspaper advertisement, prepaid ordinary mail, or by the method most reasonably practicable in the circumstances, as the Fund may determine.

Amendments to the Circular

10. **THIS COURT ORDERS** that, subject to the Fund Declaration of Trust, the Fund is authorized to make such amendments, revisions and/or supplements to the draft Circular as it may determine and the Circular, as so amended, revised and/or supplemented, shall be the Circular to be distributed in accordance with paragraph 12.

Adjournments and Postponements

11. **THIS COURT ORDERS** that the Fund, if it deems advisable and subject to the terms of the Arrangement Agreement and the Fund Declaration of Trust, is specifically authorized to adjourn or postpone the Meeting on one or more occasions, without the necessity of first convening the Meeting or first obtaining any vote of the Voting Unitholders respecting the adjournment or postponement, and notice of any such adjournment or postponement shall be given by such method as the Fund may determine is appropriate in the circumstances. This provision shall not limit the authority of the chair of the Meeting in respect of adjournments and postponements.

Notice of Meeting

12. **THIS COURT ORDERS** that, in order to effect notice of the Meeting, the Fund shall send the Circular (including the Notice of Application and this Interim Order), the Notice of Meeting, the form of proxy, along with such amendments or additional documents as the Fund may determine are necessary or desirable and are not inconsistent with the terms of this Interim Order (collectively, the "Meeting Materials"), in accordance with section 12.2 of the Fund Declaration of Trust, to the following:

(a) the registered Voting Unitholders at the close of business on the Record Date, at least twenty-one (21) days prior to the date of the Meeting by one or more of the following methods:

(i) by unregistered mail, postage prepaid, to the last addresses of the Voting Unitholders as they appear on the books and records of the Fund, or its registrar and transfer agent, or in such other manner as may be permitted under applicable securities laws, at the close of business on the Record Date;

(ii) by delivery, in person or by recognized courier service or inter-office mail, to any Voting Unitholder, to the address specified in (i) above, who is identified to the satisfaction of the Fund, who requests such transmission in writing; or

(iii) by facsimile or electronic transmission to any Voting Unitholder, who is identified to the satisfaction of the Fund, who requests such transmission in writing;

(b) non-registered Voting Unitholders by providing sufficient copies of the Meeting Materials to intermediaries and registered nominees in a timely manner, in accordance with National Instrument 54-101 of the Canadian Securities Administrators; and

(c) the respective trustees, directors and auditors of the Applicants by delivery in person, by recognized courier service, by pre-paid ordinary or first class mail or,

with the consent of the person, by facsimile or electronic transmission, at least twenty-one (21) days prior to the date of the Meeting;

and that compliance with this paragraph shall constitute sufficient notice of the Meeting.

13. **THIS COURT ORDERS** that, in accordance with section 12.2 of the Fund Declaration of Trust, the accidental failure or omission by the Fund to give notice of the meeting or to distribute the Meeting Materials to any person entitled by this Interim Order to receive notice, or any failure or omission to give such notice as a result of events beyond the reasonable control of the Fund, or the non-receipt of such notice shall, subject to further order of this Honourable Court, not constitute a breach of this Interim Order nor shall it invalidate any resolution passed or proceedings taken at the Meeting. If any such failure or omission is brought to the attention of the Fund, it shall use its best efforts to rectify it by the method and in the time most reasonably practicable in the circumstances.

14. **THIS COURT ORDERS** that the Fund is hereby authorized to make such amendments, revisions or supplements to the Meeting Materials, as the Fund may determine in accordance with the terms of the Arrangement Agreement ("Additional Information"), and that notice of such Additional Information may, subject to the Fund Declaration of Trust and paragraph 9, above, be distributed by press release, newspaper advertisement, pre-paid ordinary mail, or by the method most reasonably practicable in the circumstances, as the Fund may determine.

15. **THIS COURT ORDERS** that distribution of the Meeting Materials pursuant to paragraph 12 of this Interim Order shall constitute notice of the Meeting and good and sufficient service of the within Application upon the persons described in paragraph 12

and that those persons are bound by any orders made on the within Application. Further, no other form of service of the Meeting Materials or any portion thereof need be made, or notice given or other material served in respect of these proceedings and/or the Meeting to such persons or to any other persons, except to the extent required by the Fund Declaration of Trust or paragraph 9, above.

Solicitation and Revocation of Proxies

16. **THIS COURT ORDERS** that the Fund is authorized to use proxies at the Meeting, in accordance with section 12.4 of the Fund Declaration of Trust.

17. **THIS COURT ORDERS** that any proxy to be used at the Meeting must be received by the Fund's transfer agent, as described in the Circular, by 10:00 a.m. Eastern Time on December 9, 2010, or 24 hours (excluding Saturdays, Sundays and holidays) prior to the time set for the commencement of any reconvened Meeting, in accordance with the time provisions contained in section 12.4 of the Fund Declaration of Trust.

18. **THIS COURT ORDERS** that, any Voting Unitholder will be entitled to revoke a proxy at any time prior to the exercise thereof at the Meeting by:

(a) completing and signing a proxy bearing a later date or a form of revocation of proxy or other instrument in writing, and delivering it to the Fund's transfer agent, as described in the Circular, at any time up to and including the last Business Day preceding the Meeting at which the proxy is to be used, or at any adjournment thereof, or to the chair prior to the commencement of the Meeting (or at the reconvened Meeting in the event of an adjournment of the Meeting); or

(b) in any other manner permitted by law.

Voting

19. **THIS COURT ORDERS** that, in accordance with section 12.4 of the Fund Declaration of Trust, the only persons entitled to vote in person or by proxy on the Arrangement Resolution, or such other business as may be properly brought before the Meeting, shall be those Voting Unitholders who hold Units and/or Special Voting Units as of the close of business on the Record Date. Illegible votes, spoiled votes, defective votes and abstentions shall be deemed to be votes not cast. Proxies that are properly signed and dated but which do not contain voting instructions shall be voted in favour of the Arrangement Resolution.

20. **THIS COURT ORDERS** that, in accordance with sections 3.1(b) and 3.1(c) of the Fund Declaration of Trust, votes shall be taken at the Meeting on the basis of one vote per Fund Unit or Special Voting Unit and that, in accordance with section 12.6(a) of the Fund Declaration of Trust, in order for the Plan of Arrangement to be implemented, subject to further Order of this Honourable Court, the Arrangement Resolution must be passed, with or without variation, at the Meeting by an affirmative vote of more than 66⅔% of the votes cast in respect of the Arrangement Resolution at the Meeting in person or by proxy by the Voting Unitholders. Such votes shall be sufficient to authorize the Fund to do all such acts and things as may be necessary or desirable to give effect to the Arrangement and the Plan of Arrangement on a basis consistent with what is provided for in the Circular without the necessity of any further approval by the Voting Unitholders, subject only to final approval of the Arrangement by this Honourable Court.

21. **THIS COURT ORDERS** that, subject to sections 3.1(b) and 3.1(c) of the Fund Declaration of Trust, in respect of matters properly brought before the Meeting pertaining

to items of business affecting the Fund (other than in respect of (i) the Arrangement Resolution) each Voting Unitholder is entitled to the number of votes prescribed by the Fund Declaration of Trust.

Hearing of Application for Approval of the Arrangement

22. **THIS COURT ORDERS** that upon approval by the Voting Unitholders of the Plan of Arrangement in the manner set forth in this Interim Order, the Applicants may apply to this Honourable Court for final approval of the Arrangement.

23. **THIS COURT ORDERS** that distribution of the Notice of Application and the Interim Order in the Circular, when sent in accordance with paragraph 12 shall constitute good and sufficient service of the Notice of Application and this Interim Order and no other form of service need be effected and no other material need be served unless a Notice of Appearance is served in accordance with paragraph 24.

24. **THIS COURT ORDERS** that any Notice of Appearance served in response to the Notice of Application shall be served on the lawyers for the Applicants, as soon as reasonably practicable, and, in any event, no less than five (5) days before the hearing of this Application at the following addresses:

GOODMANS LLP
Barristers & Solicitors
333 Bay Street, Suite 3400
Toronto, Ontario M5H 2S7

Tom Friedland / Jason Wadden
Tel: (416) 979-2211
Fax: (416) 979-1234

25. **THIS COURT ORDERS** that, subject to further order of this Honourable Court, the only persons entitled to appear and be heard at the hearing of the within application shall be:

(i) the Applicants; or

(ii) any person who has filed a Notice of Appearance herein in accordance with the Notice of Application, this Interim Order and the *Rules of Civil Procedure*.

26. **THIS COURT ORDERS** that any materials to be filed by the Applicants in support of the within Application for final approval of the Arrangement may be filed up to one day prior to the hearing of the Application without further order of this Honourable Court.

27. **THIS COURT ORDERS** that in the event the within Application for final approval does not proceed on the date set forth in the Notice of Application, and is adjourned, only those persons who served and filed a Notice of Appearance in accordance with paragraph 24 shall be entitled to be given notice of the adjourned date.

Extra-Territorial Assistance

28. **THIS COURT** seeks and requests the aid and recognition of any court or any judicial, regulatory or administrative body in any province of Canada and any judicial, regulatory or administrative tribunal or other court constituted pursuant to the Parliament of Canada or the legislature of any province and any court or any judicial, regulatory or administrative body of the United States or other country to act in aid of and to assist this Honourable Court in carrying out the terms of this Interim Order.

Variance

29. **THIS COURT ORDERS** that the Fund shall be entitled to seek leave to vary this Interim Order upon such terms and upon the giving of such notice as this Honourable Court may direct.

ENTERED AT / INSCRIT À TORONTO
ON / BOOK NO:
LE / DANS LE REGISTRE NO.:

NOV 10 2010

PER / PAR: NB

N THE MATTER OF AN APPLICATION UNDER SECTION 182, *BUSINESS CORPORATIONS ACT*, R.S.O. 1990, c. B.16, as amended

Court File No.: CV-10-8973-00CL

BROOKFIELD REAL ESTATE SERVICES FUND, *et al.*
Applicants

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

Proceeding commenced at Toronto

INTERIM ORDER
(November 10, 2010)

GOODMANS LLP
Barristers & Solicitors
333 Bay Street, Suite 3400
Toronto, Ontario M5H 2S7

Tom Friedland LSUC#: 31848L
Jason Wadden LSUC#: 46757M
Peter Kolla LSUC#: 54608K

Tel: (416) 979-2211
Fax: (416) 979-1234

Lawyers for the Applicants

\5905587

APPENDIX C
NOTICE OF APPLICATION

(See attached.)

Court File No.: CV-10-8973-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

IN THE MATTER OF AN APPLICATION UNDER SECTION 182 OF THE *BUSINESS CORPORATIONS ACT*, R.S.O. 1990, c. B.16, AS AMENDED, AND RULES 14.05(2) AND 14.05(3) OF THE RULES OF CIVIL PROCEDURE

AND IN THE MATTER OF A PROPOSED ARRANGEMENT INVOLVING BROOKFIELD REAL ESTATE SERVICES FUND, RL RES HOLDING TRUST, RESIDENTIAL INCOME FUND L.P., RESIDENTIAL INCOME FUND GENERAL PARTNER LIMITED, BROOKFIELD REAL ESTATE SERVICES INC./SERVICES IMMOBILIERS BROOKFIELD INC. and THE UNITHOLDERS and SPECIAL VOTING UNITHOLDERS OF BROOKFIELD REAL ESTATE SERVICES FUND

BROOKFIELD REAL ESTATE SERVICES FUND, RL RES HOLDING TRUST, RESIDENTIAL INCOME FUND L.P., RESIDENTIAL INCOME FUND GENERAL PARTNER LIMITED and BROOKFIELD REAL ESTATE SERVICES INC./SERVICES IMMOBILIERS BROOKFIELD INC.

Applicants

NOTICE OF APPLICATION

TO THE RESPONDENTS:

A LEGAL PROCEEDING HAS BEEN COMMENCED by the Applicants. The claim made by the Applicants appears on the following page.

THIS APPLICATION will come on for a hearing before a Judge presiding over the Commercial List on December 15, 2010 at 10:00 a.m., or as soon after that time as the application may be heard, at 330 University Avenue, Toronto, Ontario.

IF YOU WISH TO OPPOSE THIS APPLICATION, to receive notice of any step in the application or to be served with any documents in the application, you or an Ontario lawyer acting for you must forthwith prepare a notice of appearance in Form 38A prescribed by the Rules of Civil Procedure, serve it on the Applicants' lawyer or, where the Applicants do not have a lawyer, serve it on the applicant, and file it, with proof of service, in this court office, and you or your lawyer must appear at the hearing.

IF YOU WISH TO PRESENT AFFIDAVIT OR OTHER DOCUMENTARY EVIDENCE TO THE COURT OR TO EXAMINE OR CROSS-EXAMINE WITNESSES ON THE APPLICATION, you or your lawyer must, in addition to serving your notice of

appearance, serve a copy of the evidence on the Applicants' lawyer or, where the applicant does not have a lawyer, serve it on the applicant, and file it, with proof of service, in the court office where the application is to be heard as soon as possible, but not later than 2 p.m. on the day before the hearing.

IF YOU FAIL TO APPEAR AT THE HEARING, JUDGMENT MAY BE GIVEN IN YOUR ABSENCE AND WITHOUT FURTHER NOTICE TO YOU. IF YOU WISH TO OPPOSE THIS APPLICATION BUT ARE UNABLE TO PAY LEGAL FEES, LEGAL AID MAY BE AVAILABLE TO YOU BY CONTACTING A LOCAL LEGAL AID OFFICE.

Date November 8, 2010

Issued by _____
Local registrar

Address of court office: 330 University Avenue
Toronto, Ontario M5G 1R7

TO: ALL HOLDERS OF UNITS AND SPECIAL VOTING UNITS OF BROOKFIELD REAL ESTATE SERVICES FUND, AS AT NOVEMBER 5, 2010

AND TO: Deloitte & Touche LLP
181 Bay Street
Toronto, Ontario M5J 2V1

Attn: Craig Irwin

Auditor to Brookfield Real Estate Services Fund

APPLICATION

1. **THE APPLICANTS MAKE APPLICATION FOR:**

   a) an interim Order for advice and directions pursuant to section 182(5) of the *Business Corporations Act*, R.S.O. 1990, c. B.16, as amended (the "OBCA") with respect to a proposed arrangement (the "Arrangement") involving Brookfield Real Estate Services Fund (the "Fund"), RL Res Holding Trust (the "Holding Trust"), Residential Income Fund L.P. (the "Partnership"), Residential Income Fund General Partner Limited (the "General Partner") and Brookfield Real Estate Services Inc./Services immobiliers Brookfield Inc. ("Brookfield NewCo");

   b) a final Order approving the Arrangement pursuant to section 182(3) of the OBCA; and

   c) such further and other relief as this Honourable Court may deem just.

2. **THE GROUNDS FOR THE APPLICATION ARE:**

   a) the Fund is an unincorporated, open-ended, limited purpose trust established under the laws of Ontario pursuant to the Fund's Amended and Restated Declaration of Trust dated August 7, 2003 (the "Fund Declaration of Trust"). The Fund and its consolidated operations and their respective subsidiaries and affiliates (collectively, the "Fund Group") is the franchisor of the network of real estate brokers and agents in Canada operating under the brand names Royal LePage, La Capitale Real Estate Network and Johnston & Daniel. The Fund's units trade on the Toronto Stock Exchange;

   b) the Holding Trust is a limited purpose trust established under the laws of the province of Ontario and governed by the amended and restated declaration of trust dated as of August 7, 2003;

   c) the General Partner is a corporation incorporated under the laws of the province of Ontario. It is the general partner of the Partnership;

d) the Partnership is a limited partnership formed under the laws of the province of Ontario and governed by the limited partnership agreement between the General Partner and the trustees of the Holding Trust, on behalf of the Holding Trust;

e) Brookfield NewCo is a corporation incorporated under the laws of Ontario. It was incorporated on October 28, 2010 for the sole purpose of participating in the Arrangement. Upon completion of the Arrangement, it will carry on the business currently being carried on by the Fund Group and will become a reporting issuer in all of the provinces of Canada;

f) all statutory requirements under the OBCA and any interim Order have been or will be satisfied by the return date of this Application;

g) the Arrangement is procedurally and substantively fair and reasonable overall;

h) section 182 of the OBCA;

i) if made, the Order approving the Arrangement will constitute the basis for an exemption from the registration requirements of Section 3(a)(10) of the *Securities Act of 1933*, as amended, of the United States of America, with respect to the securities to be issued in the United States of America pursuant to the Arrangement;

j) certain of the holders of units of the Fund are resident outside of Ontario and will be served at their addresses as they appear on the books and records of the Fund as at November 5, 2010, pursuant to rules 17.02(n) and 17.02(o) of the *Rules of Civil Procedure* and the terms of any interim Order for advice and directions granted by this Honourable Court;

k) rules 14.05(2), 14.05(3) and 38 of the *Rules of Civil Procedure*; and

l) such further and other grounds as counsel may advise and this Honourable Court may permit.

3. **THE FOLLOWING DOCUMENTARY EVIDENCE WILL BE USED AT THE HEARING OF THE APPLICATION:**

a) such interim Order as may be granted by this Honourable Court;

b) an Affidavit of Kevin Cash, the Chief Financial Officer of the manager of the Fund, Brookfield Real Estate Services Manager Limited, and the Chief Financial Officer and the Corporate Secretary of Brookfield NewCo, to be sworn, on behalf of the Applicants outlining the basis for an interim Order for advice and directions, with exhibits thereto;

c) a further affidavit(s) to be sworn on behalf of the Applicants, reporting as to compliance with any interim Order and the results of any meeting conducted pursuant to such interim Order, with exhibits thereto; and

d) such further and other material as counsel may advise and this Honourable Court may permit.

November 8, 2010

GOODMANS LLP
Barristers & Solicitors
333 Bay Street, Suite 3400
Toronto, Ontario M5H 2S7

Tom Friedland LSUC#: 31848L
Jason Wadden LSUC#: 46757M
Peter Kolla LSUC#: 54608K

Tel: (416) 979-2211
Fax: (416) 979-1234

Lawyers for the Applicants

IN THE MATTER OF AN APPLICATION UNDER SECTION 182, *BUSINESS CORPORATIONS ACT*, R.S.O. 1990, c. B.16, as amended

BROOKFIELD REAL ESTATE SERVICES FUND, *et al.*
Applicants

Court File No:
CV-10-8973-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

Proceeding commenced at Toronto

NOTICE OF APPLICATION
(returnable December 15, 2010)

GOODMANS LLP
Barristers & Solicitors
333 Bay Street, Suite 3400
Toronto, Ontario M5H 2S7

Tom Friedland LSUC#: 31848L
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Peter Kolla LSUC#: 54608K

Tel: (416) 979-2211
Fax: (416) 979-1234

Lawyers for the Applicants

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APPENDIX D
ARRANGEMENT AGREEMENT

THIS ARRANGEMENT AGREEMENT is made as of the 8th day of November, 2010

AMONG:

BROOKFIELD REAL ESTATE SERVICES FUND, a trust established under the laws of the Province of Ontario (the "**Fund**")

- and -

RL RES HOLDING TRUST, a trust established under the laws of the Province of Ontario (the "**Holding Trust**")

- and -

RESIDENTIAL INCOME FUND L.P., a limited partnership established under the laws of the Province of Ontario (the "**Partnership**")

- and -

RESIDENTIAL INCOME FUND GENERAL PARTNER LIMITED, a corporation incorporated under the laws of the Province of Ontario (the "**General Partner**")

- and -

BROOKFIELD REAL ESTATE SERVICES INC./SERVICES IMMOBILIERS BROOKFIELD INC., a corporation incorporated under the laws of the Province of Ontario ("**Brookfield NewCo**")

WHEREAS:

(a) The Fund, the Holding Trust, the Partnership, the General Partner and Brookfield NewCo wish to propose an arrangement involving the holders of trust units (the "Fund Units") and special voting units (the "**Special Voting Units**") of the Fund and the holders of the Class B limited partnership units (the "**Class B LP Units**") of the Partnership;

(b) the Parties hereto intend to carry out the transactions contemplated herein by way of an arrangement under the *Business Corporations Act* (Ontario); and

(c) the Parties hereto have entered into this Agreement to provide for the matters referred to in the foregoing recitals and for the other matters relating to such arrangement.

NOW THEREFORE, in consideration of the covenants and agreements herein contained and other good and valuable consideration (the receipt and sufficiency of which is hereby acknowledged), the Parties hereto hereby covenant and agree as follows:

ARTICLE 1 - INTERPRETATION

1.1 DEFINITIONS

In this Agreement, the following terms have the following meanings:

"**Advance Ruling Certificate**" means an advance ruling certificate issued by the Commissioner pursuant to section 102 of the Competition Act with respect to the transactions contemplated by the Arrangement;

"**affiliate**" has the meaning ascribed to the term "affiliated companies" in the *Securities Act* (Ontario);

"**Agreement**", "**herein**", "**hereof**", "**hereto**", "**hereunder**" and similar expressions mean and refer to this arrangement agreement (including the schedules hereto) as supplemented, modified or amended, and not to any particular article, section, schedule or other portion hereof;

"**Arrangement**" means the proposed arrangement under the provisions of Section 182 of the OBCA, on the terms and conditions set forth in the Plan of Arrangement as amended, modified or supplemented;

"**Arrangement Resolution**" means the special resolution in respect of the Arrangement and related matters, in substantially the form attached as Appendix "A" to the Information Circular, to be voted on by Voting Unitholders at the Meeting;

"**Articles of Arrangement**" means the articles of arrangement in respect of the Arrangement required under subsection 183(1) of the OBCA to be filed with the Director after the Final Order has been granted giving effect to the Arrangement;

"**Brookfield NewCo**" means Brookfield Real Estate Services Inc./Services immobiliers Brookfield Inc., a corporation incorporated under the OBCA;

"**Business Day**" means a day, other than a Saturday, Sunday or statutory holiday, when banks are generally open in the City of Toronto, in the Province of Ontario, for the transaction of banking business;

"**Certificate**" means the certificate of arrangement which may be issued by the Director pursuant to subsection 183(2) of the OBCA giving effect to the Arrangement;

"**Class A LP Units**" means the Class A limited partnership units of the Partnership;

"**Class B LP Units**" means the Class B limited partnership units of the Partnership;

"**Class B Unitholders**" means the holders from time to time of the Class B LP Units;

"**Commissioner**" means the Commissioner of Competition appointed pursuant to the Competition Act or a person designated or authorized pursuant to the Competition Act to exercise the powers and perform the duties of the Commissioner of Competition;

"**Competition Act**" means the *Competition Act* R.S.C. 1985, c. C-34, as amended, including the regulations promulgated thereunder;

"**Competition Act Approval**" means:

(a) the issuance of an Advance Ruling Certificate and such Advance Ruling Certificate has not been rescinded prior to the Effective Time; or

(b) the obligation to give the requisite notice has been waived pursuant to paragraph 113(c) of the Competition Act,

and, in the case of (b), the Fund has been advised in writing by the Commissioner that, in effect, such person is of the view that sufficient grounds at that time do not exist to initiate proceedings before the Competition Tribunal under section 92 of the Competition Act with respect to the transactions contemplated by the Arrangement and therefore the Commissioner, at that time, does not intend to make an application under section 92 of the Competition Act in respect of the transactions contemplated by the Arrangement and such advice has not been rescinded prior to the Effective Time;

"**Court**" means the Ontario Superior Court of Justice;

"**Director**" means the director appointed under Section 278 of the OBCA;

"**Effective Date**" means the date that the Arrangement is effective under the OBCA;

"**Effective Time**" means 12:01 a.m. (Eastern Standard Time) on the Effective Date or such other time on the Effective Date as may be specified in writing by the Parties;

"**Exchange Agreement**" means the exchange agreement entered into among TBI, the Fund, the Holding Trust, the Partnership, the General Partner and Brookfield Real Estate Services Manager Limited (formerly Residential Income Fund Manager Limited) dated August 7, 2003 pursuant to which, among other things, TBI has the right to indirectly exchange Class B LP Units for Fund Units on the basis of one Fund Unit for each Class B LP Unit exchanged, subject to adjustment as set out therein;

"**Final Order**" means the final order of the Court approving the Arrangement pursuant to subsection 182(5) of the OBCA, as such order may be affirmed, amended, modified or supplemented by any court of competent jurisdiction;

"**Fund**" means Brookfield Real Estate Services Fund, a limited purpose trust established under the laws of the Province of Ontario and governed by the Fund Declaration of Trust and, where the context requires, its Subsidiaries;

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

"**Fund Units**" has the meaning ascribed thereto in the recitals to this Agreement;

"**General Partner**" means Residential Income Fund General Partner Limited, a corporation incorporated under the laws of the Province of Ontario, being 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 amended and restated declaration of trust dated as of August 7, 2003, pursuant to which the Holding Trust was created and is governed, as the same may be amended, supplemented or restated from time to time;

"**Independent**" has the meaning ascribed to such term in National Policy 58-101 – *Disclosure of Corporate Governance Practices*;

"**Information Circular**" means the management information circular of the Fund to be dated on or about November 11, 2010, together with all appendices thereto, to be distributed to Voting Unitholders in respect of the Meeting;

"**Initial Share**" means the common share in the capital of Brookfield NewCo held by the Fund, which will be re-designated as a Restricted Voting Share prior to the Effective Date;

"**Interim Order**" means an interim order of the Court under subsection 182(5) of the OBCA containing declarations and directions with respect to the Arrangement and the holding of the Meeting, as such order may be affirmed, amended, modified or supplemented by any court of competent jurisdiction;

"**Meeting**" means the special meeting of the Voting Unitholders to be held on December 10, 2010, and any adjournment(s) thereof, to consider and vote on the Arrangement Resolution;

"**OBCA**" means the *Business Corporations Act*, R.S.O. 1990, c. B.16, including the regulations promulgated thereunder, in either case as amended;

"**Parties**" means the parties to this Agreement, and "**Party**" means any one of them;

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

"**Partnership Agreement**" means the amended and restated limited partnership agreement made as of August 7, 2003 in respect of the Partnership, as the same may be amended, modified or supplemented from time to time;

"**Person**" includes an individual, limited or general partnership, limited liability company, limited liability partnership, trust, joint venture, association, corporation or other body corporate, trustee, executor, administrator, legal representative, government (including any governmental entity) or any other entity, whether or not having legal status;

"**Plan of Arrangement**" means the plan of arrangement attached hereto as Exhibit "A", as amended, modified or supplemented from time to time in accordance with the terms thereof;

"**Preferred Shares**" means the preferred shares in the capital of Brookfield NewCo;

"**Restricted Voting Shares**" means the restricted voting shares in the capital of Brookfield NewCo, which will be designated as "restricted voting shares" prior to the Effective Date;

"**Special Voting Share**" means the special voting share in the capital of Brookfield NewCo to be created prior to the Effective Date and issued to represent voting rights in Brookfield NewCo other than the right to vote in respect of the Independent directors of Brookfield NewCo and which will entitle the holder, until it and/or its affiliates cease to hold in the aggregate at least 10% of the Restricted Voting Shares then outstanding (calculated on the basis that all the Class B LP Units held by the holder and its affiliates have been exchanged for Restricted Voting Shares), to appoint two-fifths of the directors of Brookfield NewCo (provided that if two-fifths of the directors is not an integral multiple of one, then the number of directors that TBI is entitled to appoint shall be rounded up to the next highest integral multiple of one);

"**Special Voting Units**" has the meaning ascribed thereto in the recitals to this Agreement;

"**Subsidiary**" means, with respect to any Person, an entity that is a "subsidiary company" (as such terms is defined in the *Securities Act* (Ontario) (for such purposes, if such entity is not a corporation, as if such person were a corporation)) of such Person and includes any limited partnership, limited liability company, limited liability partnership, trust, joint venture, association or other association, whether or not having legal status, that would constitute a "subsidiary company" (as described above) if such entity were a corporation and "**Subsidiaries**" means more than one Subsidiary;

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

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

"**Voting Unitholders**" means the holders from time to time of Voting Units; and

"**Voting Units**" means, collectively, the Fund Units and Special Voting Units.

1.2 CURRENCY

All sums of money which are referred to in this Agreement are expressed in lawful money of Canada unless otherwise specified.

1.3 INTERPRETATION NOT AFFECTED BY HEADINGS

The division of this Agreement into articles, sections and schedules and the insertion of headings are for convenience of reference only and shall not affect the construction or interpretation of this Agreement.

1.4 ARTICLE REFERENCES

Unless reference is specifically made to some other document or instrument, all references herein to articles, sections and schedules are to articles, sections and schedules of this Agreement.

1.5 EXTENDED MEANINGS

Unless the context otherwise requires, words importing the singular number shall include the plural and vice versa; words importing any gender shall include all genders; and words importing Persons shall include individuals, partnerships, associations, bodies corporate, trusts, unincorporated organizations, governments, regulatory authorities, and other entities.

1.6 ENTIRE AGREEMENT

This Agreement, together with the exhibit attached hereto, constitutes the entire agreement between the Parties pertaining to the subject matter hereof and supersedes all prior agreements, understandings, negotiations and discussions, whether oral or written, between the Parties with respect to the subject matter hereof.

1.7 GOVERNING LAW

This Agreement shall be governed by and construed in accordance with the laws of Ontario and the laws of Canada applicable in Ontario and shall be treated in all respects as an Ontario contract.

1.8 EXHIBIT

Exhibit "A" annexed to this Agreement, being the Plan of Arrangement, is incorporated by reference into this Agreement and forms a part hereof.

ARTICLE 2 - THE ARRANGEMENT

2.1 ARRANGEMENT

As soon as reasonably practicable, the Fund, the Holding Trust, the General Partner, the Partnership and Brookfield NewCo shall apply to the Court pursuant to Section 182 of the OBCA for an order approving the Arrangement and in connection with such application shall:

(a) forthwith file, proceed with and prosecute an application for an Interim Order under Section 182 of the OBCA providing for, among other things, the calling and holding of the Meeting for the purpose of considering and, if thought advisable, approving the Arrangement Resolution; and

(b) subject to obtaining all necessary approvals as contemplated in the Interim Order and as may be directed by the Court in the Interim Order, take steps necessary to submit the Arrangement to the Court and apply for the Final Order.

Subject to the satisfaction or waiver of the conditions set forth herein, Brookfield NewCo shall, no later than December 31, 2010, deliver to the Director Articles of Arrangement and such other documents as may be required to give effect to the Arrangement, and the transactions comprising the Arrangement shall occur and shall be deemed to have occurred on the Effective Date in the order set out therein without any act or formality.

2.2 EFFECTIVE DATE

The Arrangement shall become effective at the Effective Time on the Effective Date.

ARTICLE 3 - COVENANTS

3.1 COVENANTS OF THE FUND, THE HOLDING TRUST, THE GENERAL PARTNER AND THE LIMITED PARTNERSHIP

Each of the Fund, the Holding Trust, the General Partner and the Limited Partnership covenants and agrees that it will:

(a) take, and cause its Subsidiaries to take, all reasonable actions necessary to give effect to the transactions contemplated by this Agreement and the Arrangement;

(b) use all reasonable efforts to obtain all consents, exemptions, approvals, assignments, waivers and amendments to or terminations of any instruments considered necessary or desirable by the Parties and take such measures as may be appropriate to fulfill its obligations hereunder and to carry out the transactions contemplated hereby;

(c) to the extent applicable to it, solicit proxies to be voted at the Meeting in favour of the Arrangement Resolution and prepare the Information Circular and proxy solicitation materials and any amendments, modifications or supplements thereto as required by, and in compliance with, the Interim Order, applicable corporate and securities laws and the Fund Declaration of Trust and/or the Partnership Agreement and file and distribute the same to the Voting Unitholders in a timely and expeditious manner in all jurisdictions where the same are required to be filed and distributed;

(d) to the extent applicable to it, convene the Meeting as contemplated by the Interim Order and conduct such Meeting in accordance with the Interim Order and as otherwise required by law;

(e) use all reasonable efforts to cause each of the conditions precedent set forth in Article 5 which are within its control to be satisfied on or before the Effective Date;

(f) subject to the approval of the Arrangement Resolution by the Voting Unitholders, as required by the Interim Order, submit the Arrangement to the Court and apply, together with Brookfield NewCo, for the Final Order;

(g) to the extent applicable to it, carry out the terms of the Final Order;

(h) to the extent applicable to it, upon issuance of the Final Order and subject to the conditions precedent in Article 5, proceed to file the Articles of Arrangement, the Final Order and all related documents with the Director pursuant to subsection 183 of the OBCA;

(i) subject to Section 7.3, not perform any act or enter into any transaction or negotiation which might interfere or be inconsistent with the consummation of the transactions contemplated by this Agreement;

(j) in the case of the Fund, prior to the Effective Date, make application for approval of the listing of the Restricted Voting Shares issuable pursuant to the Arrangement on the TSX; and

(k) in the case of the Fund, prior to the Effective Date, take such steps as necessary or desirable to amend the articles of incorporation of Brookfield NewCo to create the Special Voting Share and to designate the common shares in the capital of Brookfield NewCo, including the Initial Share, as Restricted Voting Shares.

3.2 COVENANTS OF BROOKFIELD NEWCO

Brookfield NewCo covenants and agrees that it will:

(a) take all reasonable actions necessary to give effect to the transactions contemplated by this Agreement and the Arrangement;

(b) use all reasonable efforts to obtain all consents, exemptions, approvals, assignments, waivers and amendments to or terminations of any instruments considered necessary or desirable by the Parties and take such measures as may be appropriate to fulfill its obligations hereunder and to carry out the transactions contemplated hereby;

(c) until the Effective Date, other than as contemplated herein, in the Plan of Arrangement or in the Information Circular, not carry on any business or enter into any transaction without the prior written consent of the Fund;

(d) until the Effective Date, not issue any securities or enter into any agreements to issue or grant options, warrants or rights to purchase any of its securities, except to the Fund;

(e) use all reasonable efforts to cause each of the conditions precedent set forth in Article 5 which are within its control to be satisfied on or before the Effective Date;

(f) subject to approval of the Arrangement Resolution by Voting Unitholders, as required by the Interim Order, submit the Arrangement to the Court and apply, in conjunction with the Fund, for the Final Order;

(g) to the extent applicable to it, carry out the terms of the Final Order;

(h) upon issuance of the Final Order and subject to the conditions precedent in Article 5, proceed to file the Articles of Arrangement, the Final Order and all related documents with the Director pursuant to Section 183 of the OBCA;

(i) reserve and authorize for issuance the Restricted Voting Shares and Special Voting Share issuable pursuant to the Arrangement;

(j) prior to the Effective Date, cooperate with the Fund in making the application for approval of the listing of the Restricted Voting Shares on the TSX; and

(k) prior to the Effective Date, take such steps as necessary or desirable to amend its articles of incorporation to create the Special Voting Share and to designate the common shares in the capital of Brookfield NewCo, including the Initial Share, as Restricted Voting Shares.

3.3 AMENDMENT OF AGREEMENTS AND ARTICLES OF BROOKFIELD NEWCO

The Parties agree that, pursuant to the Arrangement and in addition to any other amendments that may otherwise be made, the Fund Declaration of Trust will be amended in a manner satisfactory to the Fund and Brookfield NewCo, the Holding Trust Declaration of Trust will be amended in a manner satisfactory to the Fund, the Holding Trust and Brookfield NewCo, the Partnership Agreement will be amended in a manner satisfactory to the General Partner (on behalf of the Partnership) and Brookfield NewCo and the articles of incorporation of Brookfield NewCo will be amended in a manner satisfactory to the Fund and Brookfield NewCo, in each case acting reasonably, to the extent necessary to facilitate the Arrangement and the implementation of the steps and transactions described in the Plan of Arrangement, as provided therein, including, without limitation, with respect to the articles of incorporation of Brookfield NewCo to create the Special Voting Share and to designate the common shares in the capital of Brookfield NewCo, including the Initial Share, as Restricted Voting Shares.

ARTICLE 4 - REPRESENTATIONS AND WARRANTIES

4.1 REPRESENTATIONS AND WARRANTIES OF THE FUND

The Fund represents and warrants to and in favour of the other Parties hereto as follows, and acknowledges that the other Parties hereto are relying upon such representations and warranties:

(a) the Fund is a trust duly settled and validly existing under the laws of the Province of Ontario and has the power and capacity to enter into this Agreement, and to perform its obligations hereunder;

(b) the execution and delivery of this Agreement and all documents to be delivered pursuant hereto and, subject to the approval of the Arrangement Resolution, the completion of the transactions contemplated hereby and thereby do not and will not result in the breach of, or violate any term or provision of, the Fund Declaration of Trust;

(c) the execution and delivery of this Agreement and the completion of the transactions contemplated hereby have been duly approved by the trustees of the Fund and this Agreement constitutes a valid and binding obligation of the Fund enforceable against it in accordance with its terms;

(d) except as may be set out in the Information Circular, there are no actions, suits, proceedings, claims or investigations commenced or, to the knowledge of the Fund, contemplated or threatened against or affecting the Fund or its Subsidiaries in law or in equity before or by any domestic or foreign government department, commission, board, bureau, court, agency, arbitrator, or instrumentality of any kind, nor, to the knowledge of the Fund, are there any facts which may reasonably be expected to be a proper basis for any actions, suits, proceedings, claims or investigations which in any case would prevent or hinder the completion of the transactions contemplated by this Agreement or which can reasonably be expected to have a material adverse effect on the business, operations, properties, assets or affairs, financial or otherwise, of the Fund and its Subsidiaries taken as a whole; and

(e) as of the date hereof there are 9,483,850 Fund Units and 3,327,667 Special Voting Units issued and outstanding and, except as may be contemplated by this Agreement and the Plan of Arrangement, the only obligation, contractual or otherwise, of the Fund to issue any Voting Units or other securities is under the Partnership Agreement and the Exchange Agreement in connection with the exchange of Class B LP Units.

4.2 REPRESENTATIONS AND WARRANTIES OF THE HOLDING TRUST

The Holding Trust represents and warrants to and in favour of the other Parties hereto as follows, and acknowledges that the other Parties hereto are relying upon such representations and warranties:

(a) the Holding Trust is a trust duly settled and validly existing under the laws of the Province of Ontario and has the power and capacity to enter into this Agreement, and to perform its obligations hereunder;

(b) the execution and delivery of this Agreement and all documents to be delivered pursuant hereto and, subject to approval of the Arrangement Resolution, the completion of the transactions contemplated hereby and thereby do not and will not result in the breach of, or violate any term or provision of, the Holding Trust Declaration of Trust;

(c) the execution and delivery of this Agreement and the completion of the transactions contemplated hereby have been duly approved by the board of trustees of the Holding Trust and this Agreement constitutes a valid and binding obligation of the Holding Trust enforceable against it in accordance with its terms;

(d) except as may be set out in the Information Circular, there are no actions, suits, proceedings, claims or investigations commenced or, to the knowledge of the Holding Trust, contemplated or threatened against or affecting the Holding Trust or its Subsidiaries in law or in equity before or by any domestic or foreign government department, commission, board, bureau, court, agency, arbitrator, or instrumentality of any kind, nor, to the knowledge of the Holding Trust, are there any facts which may reasonably be expected to be a proper basis for any actions, suits, proceedings, claims or investigations which in any case would prevent or hinder the completion of the transactions contemplated by this Agreement or which can reasonably be expected to have a material adverse effect on the business, operations, properties, assets or affairs, financial or otherwise, of the Holding Trust and its Subsidiaries taken as a whole; and

(e) on the date hereof, all of the issued and outstanding trust units of the Holding Trust are held by the Fund and, except as may be contemplated by this Agreement and the Plan of Arrangement, the only obligation, contractual or otherwise, of the Holding Trust to issue any trust units or other securities is under the Partnership Agreement and the Exchange Agreement in connection with the exchange of Class B LP Units.

4.3 REPRESENTATIONS AND WARRANTIES OF THE GENERAL PARTNER

The General Partner represents and warrants to and in favour of the other Parties hereto as follows, and acknowledges that the other Parties hereto are relying upon such representations and warranties:

(a) the General Partner is a corporation incorporated under the laws of the Province of Ontario and has the power and capacity to enter into this Agreement, and to perform its obligations hereunder;

(b) the execution and delivery of this Agreement and all documents to be delivered pursuant hereto and the completion of the transactions contemplated hereby and thereby do not and will not result in the breach of, or violate any term or provision of, the articles of incorporation of the General Partner;

(c) the execution and delivery of this Agreement and the completion of the transactions contemplated hereby have been duly approved by the directors of the General Partner and this Agreement constitutes a valid and binding obligation of the General Partner enforceable against it in accordance with its terms;

(d) except as may be set out in the Information Circular, there are no actions, suits, proceedings, claims or investigations commenced or, to the knowledge of the General Partner, contemplated or threatened against or affecting the General Partner or its Subsidiaries in law or in equity before or by any domestic or foreign government department, commission, board, bureau, court, agency, arbitrator, or instrumentality of any kind, nor, to the knowledge of Investments, are there any facts which may reasonably be expected to be a proper basis for any actions, suits, proceedings, claims or investigations which in any case would prevent or hinder the completion of the transactions contemplated by this Agreement or which can reasonably be expected to have a material adverse effect on the business, operations, properties, assets or affairs, financial or otherwise, of the General Partner and its Subsidiaries taken as a whole; and

(e) on the date hereof, 75% of the issued and outstanding common shares of the General Partner are held by the Fund and 25% of the issued and outstanding common shares of General Partner are held by TBI and, except as may be contemplated by this Agreement and the Plan of Arrangement, there is no obligation, contractual or otherwise, of the General Partner to issue any General Partner common shares or other securities.

4.4 REPRESENTATIONS AND WARRANTIES OF THE PARTNERSHIP

The Partnership represents and warrants to and in favour of the other Parties hereto as follows, and acknowledges that the other Parties hereto are relying upon such representations and warranties:

(a) the Partnership is a limited partnership established under the laws of the Province of Ontario and has the power and capacity to enter into this Agreement, and to perform its obligations hereunder;

(b) the execution and delivery of this Agreement and all documents to be delivered pursuant hereto and, subject to approval of the Arrangement Resolution, the completion of the transactions contemplated hereby and thereby do not and will not result in the breach of, or violate any term or provision of the Partnership Agreement;

(c) the execution and delivery of this Agreement and the completion of the transactions contemplated hereby have been duly approved by the board of directors of the General Partner on behalf of the Partnership and this Agreement constitutes a valid and binding obligation of the Partnership enforceable against it in accordance with its terms;

(d) except as may be set out in the Information Circular, there are no actions, suits, proceedings, claims or investigations commenced or, to the knowledge of the Partnership, contemplated or threatened against or affecting the Partnership or its Subsidiaries in law or in equity before or by any domestic or foreign government department, commission, board, bureau, court, agency, arbitrator, or instrumentality of any kind, nor, to the knowledge of the Partnership, are there any facts which may reasonably be expected

to be a proper basis for any actions, suits, proceedings, claims or investigations which in any case would prevent or hinder the completion of the transactions contemplated by this Agreement or which can reasonably be expected to have a material adverse effect on the business, operations, properties, assets or affairs, financial or otherwise, of the Partnership and its Subsidiaries taken as a whole; and

(e) on the date hereof, the general partnership interest of the Partnership is held by the General Partner, all of the Class A LP Units are held by the Holding Trust and there are 3,327,667 Class B LP Units issued and outstanding and held by TBI and, except as may be contemplated by this Agreement and the Plan of Arrangement, there is no obligation, contractual or otherwise, of the Partnership to issue any partnership units or other securities.

4.5 REPRESENTATIONS AND WARRANTIES OF BROOKFIELD NEWCO

Brookfield NewCo represents and warrants to and in favour of the other Parties hereto as follows, and acknowledges that the other Parties hereto are relying upon such representations and warranties:

(a) Brookfield NewCo is a corporation incorporated under the laws of the Province of Ontario and has the power and capacity to enter into this Agreement, and to perform its obligations hereunder;

(b) the execution and delivery of this Agreement and all documents to be delivered pursuant hereto and the completion of the transactions contemplated hereby and thereby do not and will not result in the breach of, or violate any term or provision of, the articles of incorporation of Brookfield NewCo;

(c) the execution and delivery of this Agreement and the completion of the transactions contemplated hereby have been duly approved by the sole director of Brookfield NewCo and this Agreement constitutes a valid and binding obligation of Brookfield NewCo enforceable against it in accordance with its terms;

(d) except as may be set out in the Information Circular, there are no actions, suits, proceedings, claims or investigations commenced or, to the knowledge of Brookfield NewCo, contemplated or threatened against or affecting Brookfield NewCo or its Subsidiaries in law or in equity before or by any domestic or foreign government department, commission, board, bureau, court, agency, arbitrator, or instrumentality of any kind, nor, to the knowledge of Investments, are there any facts which may reasonably be expected to be a proper basis for any actions, suits, proceedings, claims or investigations which in any case would prevent or hinder the completion of the transactions contemplated by this Agreement or which can reasonably be expected to have a material adverse effect on the business, operations, properties, assets or affairs, financial or otherwise, of Brookfield NewCo and its Subsidiaries taken as a whole; and

(e) on the date hereof, the share capital of Brookfield NewCo consists solely of the Initial Share, which is issued and outstanding and held by the Fund and, except as may be contemplated by this Agreement and the Plan of Arrangement, there is no obligation, contractual or otherwise, of Brookfield NewCo to issue any additional common shares in its capital or any other securities.

ARTICLE 5 - CONDITIONS PRECEDENT

5.1 MUTUAL CONDITIONS PRECEDENT

The respective obligations of the Fund, the Holding Trust, the General Partner, the Partnership and Brookfield NewCo to complete the transactions contemplated by this Agreement shall be subject to the fulfillment or satisfaction, on or before the Effective Date, of each of the following conditions, any of which may be waived collectively by them without prejudice to their right to rely on any other condition:

(a) the Interim Order shall have been granted in form and substance satisfactory to the Parties, acting reasonably, not later than November 12, 2010 or such later date as the Parties hereto may agree and shall not have been set aside or modified in a manner unacceptable to such Parties on appeal or otherwise;

(b) the Arrangement Resolution shall have been approved by the requisite number of votes cast by the Voting Unitholders at the Meeting in accordance with the provisions of the Interim Order and any applicable regulatory requirements;

(c) the Final Order shall have been granted in form and substance satisfactory to the Parties, acting reasonably, not later than December 17, 2010 or such later date as the Parties hereto may agree;

(d) the Articles of Arrangement and all necessary related documents, in form and substance satisfactory to the Parties, acting reasonably, shall have been accepted for filing by the Director together with the Final Order in accordance with subsection 183(1) of the OBCA;

(e) no material action or proceeding shall be pending or threatened by any person, company, firm, governmental authority, regulatory body or agency and there shall be no action taken under any existing applicable law or regulation, nor any statute, rule, regulation or order which is enacted, enforced, promulgated or issued by any court, department, commission, board, regulatory body, government or governmental authority or similar agency, domestic or foreign, that: (i) makes illegal or otherwise directly or indirectly restrains, enjoins or prohibits the Arrangement or any other transactions contemplated herein; or (ii) results in a judgment or assessment of material damages directly or indirectly relating to the transactions contemplated herein;

(f) all material regulatory and third party consents, exemptions and approvals considered necessary or desirable by the Parties with respect to the transactions contemplated under the Arrangement shall have been completed or obtained including, without limitation, consents, exemptions and approvals from applicable securities regulatory authorities and under the rules or policies of the TSX and Competition Act Approval; and

(g) the TSX shall have conditionally approved the listing or the substitutional listing of the Restricted Voting Shares to be issued pursuant to the Arrangement, subject only to the filing of required documents, which cannot be filed prior to the Effective Date.

5.2 ADDITIONAL CONDITIONS TO OBLIGATIONS OF THE FUND, THE HOLDING TRUST, THE GENERAL PARTNER AND THE PARTNERSHIP

In addition to the conditions contained in Section 5.1, the obligation of the Fund, the Holding Trust, the General Partner and the Partnership to complete the transactions contemplated by this Agreement is subject to the fulfillment or satisfaction, on or before the Effective Date, of each of the following conditions, any of which may be waived by them without prejudice to their right to rely on any other condition:

(a) each of the covenants, acts and undertakings of Brookfield NewCo to be performed or complied with on or before the Effective Date pursuant to the terms of this Agreement shall have been duly performed or complied with; and

(b) the board of trustees of the Fund shall not have determined in its sole and absolute discretion that to proceed with the Arrangement would not be in the best interests of the Voting Unitholders and the Fund.

5.3 ADDITIONAL CONDITIONS TO OBLIGATIONS OF BROOKFIELD NEWCO

In addition to the conditions contained in Section 5.1, the obligation of Brookfield NewCo to complete the transactions contemplated by this Agreement is subject to the fulfillment or satisfaction, on or before the Effective Date, of the following condition, which may be waived by Brookfield NewCo without prejudice to its right to rely on any other condition:

(a) each of the covenants, acts and undertakings of the Fund, the Holding Trust, the General Partner and the Partnership to be performed or complied with on or before the Effective Date pursuant to the terms of this Agreement shall have been duly performed or complied with; and

(b) the board of directors of Brookfield NewCo shall not have determined in its sole and absolute discretion that to proceed with the Arrangement would not be in the best interests of Brookfield NewCo.

5.4 NOTICE AND EFFECT OF FAILURE TO COMPLY WITH CONDITIONS

If any of the conditions precedent set forth in Sections 5.1, 5.2 or 5.3 hereof shall not be satisfied or waived by the Party or Parties for whose benefit such conditions are provided on or before the date required for the satisfaction thereof, then a Party for whose benefit the condition precedent is provided may, in addition to any other remedies they may have at law or equity, rescind and terminate this Agreement; provided that, prior to the filing of the Articles of Arrangement for the purpose of giving effect to the Arrangement, the Party intending to rely thereon has delivered a written notice to the other Party, specifying in reasonable detail all breaches of covenants, representations and warranties or other matters which the Party delivering such notice is asserting as the basis for the non satisfaction of the applicable conditions precedent and the Party in breach shall have failed to cure such breach within ten Business Days of receipt of such written notice thereof (except that no cure period shall be provided for a breach which by its nature cannot be cured). More than one such notice may be delivered by a Party.

5.5 SATISFACTION OF CONDITIONS

The conditions set out in this Article 5 are conclusively deemed to have been satisfied, waived or released when, with the agreement of the Parties, Articles of Arrangement are filed under the OBCA to give effect to the Arrangement.

ARTICLE 6 - AMENDMENT AND TERMINATION

6.1 AMENDMENTS

This Agreement may, at any time and from time to time before or after the Meeting, be amended in any respect whatsoever by written agreement of the Parties hereto without further notice to or authorization on the part of their respective securityholders; provided that any such amendment that changes the consideration to be received by the holders of Fund Units pursuant to the Arrangement is brought to the attention of the Court and is subject to such requirements as may be ordered by the Court.

6.2 TERMINATION

This Agreement shall be terminated in each of the following circumstances:

(a) the mutual agreement of the Parties;

(b) the Arrangement shall not have become effective on or before December 31, 2010 or such later date as may be agreed to by the Parties hereto; and

(c) termination of this Agreement under Article 5 hereof.

ARTICLE 7 - GENERAL

7.1 BINDING EFFECT

This Agreement shall be binding upon and enure to the benefit of the Parties hereto and their respective successors.

7.2 NO ASSIGNMENT

No Party may assign its rights or obligations under this Agreement.

7.3 EXCLUSIVITY

None of the covenants of the Fund, the Holding Trust, the General Partner or the Partnership contained herein shall prevent the boards of trustees of the Fund or the Holding Trust, or the board of directors of the General Partner, on its own behalf and on behalf of the Partnership, from responding as required by law to any unsolicited submission or proposal regarding any acquisition or disposition of assets or any unsolicited proposal to amalgamate, merge or effect an arrangement, reorganization or similar transaction or any unsolicited acquisition proposal generally or make any disclosure to its securityholders with respect thereto which in the judgment of the boards of trustees of the Fund or the Holding Trust, or the board of directors of the General Partner, on its own behalf and on behalf of the Partnership, respectively, acting upon the advice of counsel, is required under applicable law.

7.4 EQUITABLE REMEDIES

All representations, warranties and covenants herein or to be given hereunder as to enforceability in accordance with the terms of any covenant, agreement or document shall be qualified as to applicable bankruptcy and other laws affecting the enforcement of creditors' rights generally and to the effect that specific performance, being an equitable remedy, may only be ordered at the discretion of a court of competent jurisdiction.

7.5 SURVIVAL OF REPRESENTATIONS AND WARRANTIES

The representations and warranties contained herein shall survive the performance by the Parties of their respective obligations hereunder for a period of one year.

7.6 SEVERABILITY

If any one or more of the provisions or parts thereof contained in this Agreement should be or become invalid, illegal or unenforceable in any respect in any jurisdiction, the remaining provisions or parts thereof contained herein shall be and shall be conclusively deemed to be, as to such jurisdiction, severable therefrom and:

(a) the validity, legality or enforceability of such remaining provisions or parts thereof shall not in any way be affected or impaired by the severance of the provisions or parts thereof severed; and

(b) the invalidity, illegality or unenforceability of any provision or part thereof contained in this Agreement in any jurisdiction shall not affect or impair such provision or part thereof or any other provisions of this Agreement in any other jurisdiction.

7.7 FURTHER ASSURANCES

Each Party hereto shall, from time to time and at all times hereafter, at the request of another Party hereto, but without further consideration, do all such further acts, and execute and deliver all such further documents and instruments as may be reasonably required in order to fully perform and carry out the terms and intent hereof.

7.8 TIME OF ESSENCE

Time shall be of the essence.

7.9 LIABILITY OF THE FUND

Each of the Parties acknowledges the obligations of the Fund under this Agreement and that such obligations will not be personally binding upon any of the trustees of the Fund, any registered or beneficial holder of Voting Units or any beneficiary under a plan of which a holder of such units acts as a trustee or carrier, and that resort will not be had to, nor will recourse be sought from, any of the foregoing or the private property of any of the foregoing in respect of any indebtedness, obligation or liability of the Fund arising hereunder, and recourse for such indebtedness, obligations or liabilities of the Fund will be limited to, and satisfied only out of, the assets of the Fund.

7.10 LIABILITY OF THE PARTNERSHIP

The Partnership is a limited partnership formed under the laws of the Province of Ontario, a limited partner of which is only liable for any of its liabilities or any of its losses to the extent of the amount that the limited partner has contributed or agreed to contribute to its capital and the limited partner's pro rata share of any undistributed income. Each of the Parties acknowledges that the obligations of the Partnership shall not be personally binding upon, nor shall resort be had to, the property of any of the limited partners, their heirs, successors and assigns, and that resort shall only be had to the property of the Partnership or the property of the Partnership's general partner. The sole general partner of the Partnership is the General Partner.

7.11 COUNTERPARTS

This Agreement may be executed in counterparts, in original, facsimile or electronic form, each of which shall be deemed an original, and all of which together constitute one and the same instrument.

[Remainder of page intentionally left blank. Signature page follows.]

IN WITNESS WHEREOF this Agreement has been executed and delivered by the Parties hereto effective as of the date first above written.

BROOKFIELD REAL ESTATE SERVICES FUND

Per: *"Allen Karp"* (signed)
Name: Allen Karp
Title: Trustee

RL RES HOLDING TRUST

Per: *"Allen Karp"* (signed)
Name: Allen Karp
Title: Trustee

RESIDENTIAL INCOME FUND L.P., by its general partner, RESIDENTIAL INCOME FUND GENERAL PARTNER LIMITED

Per: *"Allen Karp"* (signed)
Name: Allen Karp
Title: Director

RESIDENTIAL INCOME FUND GENERAL PARTNER LIMITED

Per: *"Allen Karp"* (signed)
Name: Allen Karp
Title: Director

BROOKFIELD REAL ESTATE SERVICES INC./SERVICES IMMOBILIERS BROOKFIELD INC.

Per: *"Kevin Cash"* (signed)
Name: Kevin Cash
Title: Chief Financial Officer

EXHIBIT "A"
PLAN OF ARRANGEMENT
UNDER SECTION 182 OF THE
BUSINESS CORPORATIONS ACT (ONTARIO)

ARTICLE 1 - INTERPRETATION

1.1 In this Plan of Arrangement, the following terms have the following meanings:

(a) "**Affiliate**" has the meaning ascribed to the term "affiliated companies" in the *Securities Act* (Ontario);

(b) "**Arrangement**", "**herein**", "**hereof**", "**hereto**", "**hereunder**" and similar expressions mean and refer to the arrangement under the provisions of Section 182 of the OBCA set forth in this Plan of Arrangement as amended, modified or supplemented, and not to any particular article, section or other portion hereof;

(c) "**Arrangement Agreement**" means the agreement dated as of November 8, 2010, among the Fund, the Holding Trust, the General Partner, the Partnership and Brookfield NewCo with respect to the Arrangement and all amendments thereto;

(d) "**Articles of Arrangement**" means the articles of arrangement in respect of the Arrangement required under subsection 183(1) of the OBCA to be filed with the Director after the Final Order has been granted giving effect to the Arrangement;

(e) "**Associate**" has the specified in the *Securities Act* (Ontario);

(f) "**Brookfield NewCo**" means Brookfield Real Estate Services Inc./Services immobiliers Brookfield Inc., a corporation incorporated under the laws of the Province of Ontario;

(g) "**Business Day**" means a day, other than a Saturday, Sunday or statutory holiday, when banks are generally open in the City of Toronto, in the Province of Ontario, for the transaction of banking business;

(h) "**Certificate**" means the certificate which may be issued by the Director pursuant to subsection 183(2) of the OBCA giving effect to the Arrangement;

(i) "**Class A LP Units**" means the Class A limited partnership units of the Partnership;

(j) "**Class B LP Units**" means the Class B limited partnership units of the Partnership;

(k) "**Class B Unitholders**" means the holders from time to time of the Class B LP Units;

(l) "**Court**" means the Ontario Superior Court of Justice;

(m) "**Director**" means the director appointed under Section 278 of the OBCA;

(n) "**Effective Date**" means the date the Arrangement is effective under the OBCA;

(o) "**Effective Time**" means 12:01 a.m. (Eastern standard time) on the Effective Date or such other time on the Effective Date as may be specified in writing by the Parties;

(p) "**Final Order**" means the final order of the Court approving the Arrangement pursuant to subsection 182(5) of the OBCA, as such order may be affirmed, amended, modified or supplemented by any court of competent jurisdiction;

(q) "**Fund**" means Brookfield Real Estate Services Fund, a trust established under the laws of the Province of Ontario and governed by the Fund Declaration of Trust and , where the context requires, its Subsidiaries;

(r) "**Fund Declaration of Trust**" means the amended and restated declaration of trust dated August 7, 2003, pursuant to which the Fund was created and is governed, as the same may be amended, supplemented or restated from time to time;

(s) "**Fund Units**" means the trust units of the Fund;

(t) "**Fund Unitholders**" means the holders from time to time of Fund Units;

(u) "**General Partner**" means Residential Income Fund General Partner Limited, a corporation incorporated under the laws of the Province of Ontario;

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

(w) "**Holding Trust Declaration of Trust**" means the amended and restated declaration of trust dated as of August 7, 2003, pursuant to which the Holding Trust was created and is governed, as the same may be amended, supplemented or restated from time to time;

(x) "**Independent**" has the meaning ascribed to such term in National Policy 58-101 – *Disclosure of Corporate Governance Practices*;

(y) "**Information Circular**" means the management information circular of the Fund dated on or about November 11, 2010, together with all appendices thereto, distributed to Voting Unitholders in respect of the Meeting;

(z) "**Initial Share**" means the common share in the capital of Brookfield NewCo held by the Fund, which will be re-designated as a Restricted Voting Share prior to the Effective Date;

(aa) "**Interim Order**" means the interim order of the Court under subsection 182(5) of the OBCA containing declarations and directions with respect to this Arrangement, as such order may be affirmed, amended, modified or supplemented by any court of competent jurisdiction;

(bb) "**Meeting**" means the special meeting of the Voting Unitholders to be held on December 10, 2010, and any adjournment(s) thereof, to consider and vote on the Arrangement and related matters;

(cc) "**OBCA**" means the *Business Corporations Act*, R.S.O. 1990, c. B.16, including the regulations promulgated thereunder, in either case as amended;

(dd) "**Parties**" means the parties to the Arrangement Agreement, and "**Party**" means any one of them;

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

(ff) "**Partnership Agreement**" means the amended and restated limited partnership agreement made as of August 7, 2003 in respect of the Partnership, as the same may be amended, modified or supplemented from time to time;

(gg) "**Person**" includes an individual, limited or general partnership, limited liability company, limited liability partnership, trust, joint venture, association, corporation or other body corporate, trustee, executor, administrator, legal representative, government (including any governmental entity) or any other entity, whether or not having legal status;

(hh) "**Restricted Voting Shares**" means the restricted voting shares in the capital of Brookfield NewCo, which will be designated as "restricted voting shares" prior to the Effective Date;

(ii) "**Special Voting Share**" means the special voting share in the capital of Brookfield NewCo to be created prior to the Effective Date and issued to represent voting rights in Brookfield NewCo other than the right to vote in respect of the Independent directors of Brookfield NewCo and which will entitle the holder, until it and/or its affiliates cease to hold in the aggregate at least 10% of the Restricted Voting Shares then outstanding (calculated on the basis that all the Class B LP Units held by the holder and its affiliates have been exchanged for Restricted Voting Shares), to appoint two-fifths of the directors of Brookfield NewCo (provided that if two-fifths of the directors is not an integral multiple of one, then the number of directors that TBI is entitled to appoint shall be rounded up to the next highest integral multiple of one);

(jj) "**Special Voting Unitholders**" means the holders from time to time of Special Voting Units;

(kk) "**Special Voting Units**" means the special voting units of the Fund;

(ll) "**Subsidiary**" means, with respect to any Person, an entity that is a "subsidiary company" (as such terms is defined in the Securities Act (Ontario) (for such purposes, if such entity is not a corporation, as if such person were a corporation)) of such Person and includes any limited partnership, limited liability company, limited liability partnership, trust, joint venture, association or other association, whether or not having legal status, that would constitute a "subsidiary company" (as described above) if such entity were a corporation and "**Subsidiaries**" means more than one Subsidiary;

(mm) "**TSX**" means the Toronto Stock Exchange;

(nn) "**Voting Unitholders**" means the holders from time to time of Voting Units; and

(oo) "**Voting Units**" means, collectively, the Fund Units and Special Voting Units.

1.2 The division of this Plan of Arrangement into articles and sections and the insertion of headings are for convenience of reference only and shall not affect the construction or interpretation of this Plan of Arrangement.

1.3 Unless reference is specifically made to some other document or instrument, all references herein to articles and sections are to articles and sections of this Plan of Arrangement.

1.4 Unless the context otherwise requires, words importing the singular number shall include the plural and vice versa; words importing any gender shall include all genders.

1.5 References in this Plan of Arrangement to any statute or sections thereof shall include such statute as amended or substituted and any regulations promulgated thereunder from time to time in effect.

ARTICLE 2 - ARRANGEMENT AGREEMENT

2.1 This Plan of Arrangement is made pursuant to, and is subject to the provisions of, and forms part of, the Arrangement Agreement.

2.2 This Plan of Arrangement, upon the filing of the Articles of Arrangement and the issue of the Certificate, if any, shall become effective on, and be binding on and after, the Effective Time on: (i) Voting Unitholders and Class B Unitholders; (ii) the Fund; (iii) the Holding Trust, (iv) the General Partner, (v) the Partnership; and (vi) Brookfield NewCo.

2.3 The Articles of Arrangement and Certificate shall be filed and issued, respectively, with respect to this Arrangement in its entirety. The Certificate shall be conclusive evidence that the Arrangement has become effective and that each of the provisions of Article 4 has become effective in the sequence and at the times set out therein.

2.4 Other than as expressly provided for herein, no portion of this Plan of Arrangement shall take effect with respect to any Party or Person until the Effective Time. Furthermore, each of the events listed in Article 4 shall be, without affecting the timing set out in Article 4, mutually conditional, such that no event described in said Article 3 may occur without all steps occurring, and those events shall effect the integrated transaction which constitutes the Arrangement.

ARTICLE 3 - PRE-ARRANGEMENT MATTERS

3.1 Unless otherwise consented to by the Fund in writing, prior to the Effective Date, the Fund Declaration of Trust, the Holding Trust Declaration of Trust, the Partnership Agreement and the articles of incorporation of Brookfield NewCo will be amended to the extent necessary to facilitate the Arrangement and the implementation of the Arrangement steps as provided in Article 4 and as contemplated in the Information Circular, including, without limitation, with respect to the articles of incorporation of Brookfield NewCo to create the Special Voting Share and to designate the common shares in the capital of Brookfield NewCo, including the Initial Share, as Restricted Voting Shares.

ARTICLE 4 - ARRANGEMENT

4.1 Commencing at the Effective Time, each of the events set out below shall occur and shall be deemed to occur in the following order, each occurring five minutes apart (unless otherwise noted), without any further act or formality except as otherwise provided herein:

Redemption of the Special Voting Units and Issuance of Special Voting Share

(a) The Special Voting Units will be redeemed by the Fund for no consideration and TBI will subscribe, for nominal consideration, for one Special Voting Share.

Exchange of Fund Units for Restricted Voting Shares

(b) The outstanding Fund Units shall be transferred to Brookfield NewCo, free and clear of any claims, solely in consideration for Restricted Voting Shares on the basis of one Restricted Voting Share for each Fund Unit so transferred. At the time the Restricted Voting Shares are so issued, an amount determined by the directors of Brookfield NewCo shall be added to the stated capital account maintained for the Restricted Voting Shares issued under the Arrangement, and the stated capital maintained in respect of the Restricted Voting Shares shall be subsequently reduced by an amount determined by the directors of Brookfield NewCo, in respect of which no amount is to be distributed to the shareholders of Brookfield NewCo, as contemplated by Section 34(1)(b)(ii)(B) of the OBCA.

Cancellation of the Initial Share of Brookfield NewCo

(c) The Initial Share issued to the Fund in connection with the organization of Brookfield NewCo will be purchased for cancellation by Brookfield NewCo for consideration of ten dollars ($10.00) and shall be cancelled.

4.2 Upon the redemption of the Special Voting Units, pursuant to Section 4.1, each former holder of Special Voting Units shall cease to be the holder of the Special Voting Units so redeemed and the name of such former holder of Special Voting Units shall be removed from the register of Special Voting Units.

4.3 Upon the exchange of Fund Units for Restricted Voting Shares, pursuant to Section 4.1:

(a) each former holder of Fund Units shall cease to be the holder of the Fund Units so exchanged and the name of each such former holder of Fund Units shall be removed from the register of Fund Units and Brookfield NewCo shall become the sole holder of the Fund Units and shall be added to the register of Fund Units as the sole owner of the Fund Units; and

(b) each such holder of Fund Units shall become the holder of the Restricted Voting Shares exchanged for Fund Units by such holder and shall be added to the register of holders of Restricted Voting Shares in respect thereof.

ARTICLE 5 - OUTSTANDING CERTIFICATES AND FRACTIONAL SECURITIES

5.1 From and after the Effective Time, any certificates formerly representing Fund Units shall represent only the right to receive Restricted Voting Shares in respect thereof as provided in this Plan of Arrangement.

5.2 If any certificate which immediately prior to the Effective Time represented an interest in outstanding Fund Units that were transferred pursuant to Section 4.1 hereof has been lost, stolen or destroyed, upon the making of an affidavit of that fact by the person claiming such certificate to have been lost, stolen or destroyed, the former registered holder thereof in the register of Fund Units shall, as a condition precedent to the receipt of any Restricted Voting Shares to be issued to such person, provide to Brookfield NewCo, the Fund and the Partnership a bond, in form and substance satisfactory to Brookfield NewCo, or otherwise indemnify Brookfield NewCo, the Fund and the Partnership to their satisfaction, in their sole and absolute discretion, against any claim that may be made against them with respect to the certificate alleged to have been lost, stolen or destroyed.

5.3 No fractional Restricted Voting Shares, and no certificates representing fractional Restricted Voting Shares, shall be issued pursuant to the Plan of Arrangement.

ARTICLE 6 - AMENDMENTS

6.1 The Fund, the Holding Trust, the General Partner, the Partnership and Brookfield NewCo may amend this Plan of Arrangement at any time and from time to time prior to the Effective Time, provided that each such amendment must be: (i) set out in writing; (ii) approved by the other Parties to the Arrangement Agreement; and (iii) filed with the Court.

6.2 Notwithstanding Sections 6.1, 6.3 and 6.4, any amendment, modification or supplement to this Plan of Arrangement may be made prior to the Effective Time by the Fund, the Holding Trust, the General Partner, the Partnership and Brookfield NewCo (or, following the Effective Time, by Brookfield NewCo) without the approval of the Court or the Voting Unitholders, provided that it concerns a matter which, in the reasonable opinion of the Fund, the Holding Trust, the General Partner, the Partnership and Brookfield NewCo (or, following the Effective Time, Brookfield NewCo), is of an administrative nature required to better give effect to the implementation of this Plan of Arrangement or is not adverse to the financial or economic interests of any former holder of Fund Units.

6.3 Subject to Section 7.2, any amendment to this Plan of Arrangement may be proposed by the Fund, the Holding Trust, the General Partner, the Partnership and Brookfield NewCo at any time prior to or at the Meeting (provided that the other Parties to the Arrangement Agreement shall have consented thereto) with or without any prior notice or communication to Voting Unitholders, and if so proposed and accepted by the persons voting at the Meeting (other than as may be required under the Interim Order), shall become part of this Plan of Arrangement for all purposes.

6.4 Subject to Section 7.2, the Fund, the Holding Trust, the General Partner, the Partnership and Brookfield NewCo may amend, modify and/or supplement this Plan of Arrangement at any time and from time to time after the Meeting and prior to the Effective Time with the approval of the Court and, if and as required by the Court, after communication to the Voting Unitholders.

ARTICLE 7 - GENERAL

7.1 Notwithstanding that the transactions and events set out herein shall occur and be deemed to occur in the order set out in this Plan of Arrangement without any further act or formality, each of the Parties to the Arrangement Agreement shall make, do and execute, or cause to be made, done and executed, all such further acts, deeds, agreements, transfers, assurances, instruments or documents as may reasonably be

required by any of them in order to further document or evidence any of the transactions or events set out herein.

7.2 If, prior to the Effective Date, any term or provision of this Plan of Arrangement is held by the Court to be invalid, void or unenforceable, the Court, at the request of any Parties, shall have the power to alter and interpret such term or provision to make it valid or enforceable to the maximum extent practicable, consistent with the original purpose of the term or provision held to be invalid, void or unenforceable, and such term or provision shall then be applicable as altered or interpreted. Notwithstanding any such holding, alteration or interpretation, the remainder of the terms and provisions of this Plan of Arrangement shall remain in full force and effect and shall in no way be affected, impaired or invalidated by such holding, alteration or interpretation.

7.3 This Plan of Arrangement shall be governed by and construed in accordance with the laws of the Province of Ontario and the federal laws of Canada applicable therein. Any questions as to the interpretation or application of this Plan of Arrangement and all proceedings taken in connection with this Plan of Arrangement and its provisions shall be subject to the exclusive jurisdiction of the Court.

APPENDIX E
INFORMATION CONCERNING BROOKFIELD NEWCO

NOTICE TO READER

As at the date hereof, Brookfield NewCo has not carried on any active business other than executing the Arrangement Agreement. Unless otherwise noted, the disclosure in this Appendix has been prepared assuming that the Arrangement has been completed. Brookfield NewCo will be the publicly-listed corporation resulting from the conversion of the Fund into a corporation pursuant to the Arrangement. Unless otherwise defined herein, all capitalized words and phrases used in this Appendix have the meaning given to such words and phrases in the "Glossary of Terms" or elsewhere in the Information Circular.

FORWARD-LOOKING STATEMENTS

This Appendix contains certain forward-looking statements and forward-looking information. Please refer to the section entitled "Forward-Looking Statements" in the Information Circular.

CORPORATE STRUCTURE

Name, Address and Incorporation

Brookfield NewCo was incorporated on October 28, 2010 pursuant to the provisions of the OBCA for the sole purpose of participating in the Arrangement. Brookfield NewCo has not carried on any active business since its incorporation other than executing the Arrangement Agreement. The principal and head office of Brookfield NewCo is located at 39 Wynford Drive, Don Mills, Ontario, M3C 3K5.

Upon completion of the Arrangement, Brookfield NewCo will carry on the Business, will become a reporting issuer in all of the provinces of Canada and will become subject to the informational reporting requirements under the securities laws of such jurisdictions as a result of the Arrangement.

GENERAL DEVELOPMENT AND DESCRIPTION OF THE BUSINESS

If approved, the Arrangement will result in the reorganization of the Fund's trust structure into a publicly listed corporation, Brookfield NewCo, and the former holders of Fund Units will become the Restricted Voting Shareholders of Brookfield NewCo. The Restricted Voting Shares will be designated as "restricted voting shares" in accordance with applicable securities laws and the rules of the TSX. However, the rights attached to the Restricted Voting Shares will be identical in all material respects to those of the Fund Units, other than in respect of the payment of dividends as discussed under the heading "The Arrangement – Effect of the Arrangement – Effect on Distributions" in the Information Circular and under the headings "Description of Capital Structure – Restricted Voting Shares" and "Dividend Record and Policy" below. The basic structure of the Fund Group will continue and the Class A LP Units and Class B LP Units will remain outstanding.

Following completion of the Arrangement, Brookfield NewCo, indirectly through the Fund and the Holding Trust, will hold all of the Class A LP Units and TBI will continue to hold all of the Class B LP Units, being 3,327,667 Class B LP Units. Brookfield NewCo will assume certain obligations of the Fund, as discussed further under the heading "Post-Conversion Governance and Securities Ownership Arrangements" in the Information Circular, including, without limitation, the obligation to exchange Class B LP Units for Restricted Voting Shares rather than Fund Units upon the exercise by TBI of its exchange rights.

Brookfield NewCo will continue to operate the Business as currently carried on by the Fund Group. It is anticipated that the board of directors of Brookfield NewCo will initially be comprised of all members of the Board of Trustees being: Lorraine Bell, Simon Dean, Allen Karp, Gail Kilgour and George Myhal. The senior management of Brookfield NewCo will be comprised of the current members of senior management of the Manager.

For a detailed description of the Business and the historical development of the Business, see "Description of the Business" and "Development of the Business" in the AIF, which is incorporated by reference in the Information Circular.

MANAGEMENT'S DISCUSSION AND ANALYSIS

In the event the Arrangement is completed, Brookfield NewCo will own and operate the Business. Brookfield NewCo's financial position, risks and outlook after the Arrangement is completed will be substantially the same as those outlined in the Fund's management's discussion and analysis incorporated by reference in the Information Circular. It is anticipated that Brookfield NewCo will account for the Arrangement transaction as a continuity of interests. Since the Arrangement does not contemplate a change of control for accounting purposes, the financial statements of Brookfield NewCo will reflect the consolidated assets and liabilities of the Fund at the respective carrying amounts; however, any change to the interpretation of a change of control for tax purposes could result in a change to the carrying amount of future income tax assets. Changes to the carrying amount of future income tax assets will be charged to future income tax expense and will result in a reduction to shareholders' equity and these changes may be material. As discussed in the Fund's management's discussion and analysis, Brookfield NewCo will adopt International Financial Reporting Standards effective January 1, 2011.

Brookfield NewCo will agree to indemnify its directors and officers, to the extent permitted under corporate law, against costs and damages incurred by the directors and officers as a result of lawsuits or any other judicial, administrative or investigative proceedings in which the directors and officers are sued as a result of their services. Management intends that Brookfield NewCo's directors and officers will be covered by directors' and officers' liability insurance substantially similar, and in the same amount, as currently in place by the Fund.

Readers are encouraged to review the Fund MD&A, which is filed on SEDAR at www.sedar.com and which has been incorporated by reference in the Information Circular.

DESCRIPTION OF CAPITAL STRUCTURE

Restricted Voting Shares

Holders of Restricted Voting Shares will be entitled to one vote per share at meetings of shareholders of Brookfield NewCo, to receive dividends if, as and when declared by the board of directors of Brookfield NewCo (subject to the rights of shares, if any, having priority over the Restricted Voting Shares) and to receive pro rata the remaining property and assets of Brookfield NewCo upon its dissolution or winding-up, subject to the rights of shares, if any, having priority over the Restricted Voting Shares. The Restricted Voting Shares will be designated as "restricted voting shares" in accordance with applicable securities laws and the rules of the TSX due to the fact that the Restricted Voting Shareholders will not vote for the directors who are appointed by the holder of the Special Voting Share. See "Description of Capital Structure – Special Voting Share". Upon completion of the Arrangement, there will be approximately 9,483,850 Restricted Voting Shares issued and outstanding.

Preferred Shares

The directors of Brookfield NewCo may, prior to the issuance of Preferred Shares, determine the series designation, rights, privileges, restrictions and conditions attaching to the Preferred Shares of each series including, without limiting the generality of the foregoing: (i) the rate, amount or method of calculation of any dividends; (ii) redemption and/or purchase rights; (iii) voting rights; and (iv) conversion rights, all subject to the issue by the director appointed under the OBCA of a certificate of amendment in respect of Brookfield NewCo's articles to designate each series of Preferred Shares. Upon completion of the Arrangement, there will be no Preferred Shares issued and outstanding. The Preferred Shares are intended to provide future financing flexibility and are not intended to be used for dilutive purposes, such as to block any takeover bid for Brookfield NewCo. Brookfield NewCo will not, without prior shareholder approval, issue Preferred Shares for any anti-takeover purpose.

Special Voting Share

Upon completion of the Arrangement, TBI will hold one Special Voting Share. The Special Voting Share will not be transferable other than to affiliates of TBI. The Special Voting Share will entitle the holder to a number of votes at any meeting of Restricted Voting Shareholders (except that the holder of the Special Voting Share will not be entitled to vote for the election of the Independent directors) equal to the number of Restricted Voting Shares that may be obtained upon the exchange of all the Class B LP Units held by the holder and/or its affiliates, but will not otherwise entitle the holder to any rights with respect to Brookfield NewCo's property or income (other than a

nominal amount on the dissolution or winding up of Brookfield NewCo). The Special Voting Share will be redeemable at the option of the holder for nominal consideration.

In addition, so long as TBI and/or its affiliates hold the Special Voting Share and so long as it and/or its affiliates hold an aggregate of 10% of the Restricted Voting Shares then outstanding (calculated on the basis that all of the Class B LP Units held by TBI and/or its affiliates have been exchanged for Restricted Voting Shares), TBI will be entitled to appoint two-fifths of the directors of Brookfield NewCo (provided that if two-fifths of the directors is not an integral multiple of one, then the number of directors that TBI is entitled to appoint shall be rounded up to the next highest integral multiple of one). See the section entitled "Post-Conversion Governance and Securities Ownership Arrangements" in the Information Circular for further details.

PRO FORMA CONSOLIDATED CAPITALIZATION

The following table sets forth the unaudited pro forma consolidated capitalization of Brookfield NewCo as at September 30, 2010, both before and after giving effect to the completion of the Arrangement. See also the balance sheet of Brookfield NewCo as at October 28, 2010, which is attached to the Information Circular as Appendix "F".

Designation (Authorized)	At September 30, 2010 before giving effect to the Arrangement[1]	At September, 2010 after giving effect to the Arrangement[2]
		(amounts in 000s unless otherwise noted)
Long-term debt	0	$52,256
Shareholders' equity	$10	$39,916
Total capitalization	$10	$92,172
Share capital (Unlimited)	1 Initial Share[3]	9,483,850 Restricted Voting Shares 1 Special Voting Share

(1) Assumes that Brookfield NewCo was incorporated as of September 30, 2010.

(2) Assumes no Fund Units (other than Fund Units held by the Fund or its Subsidiaries) are redeemed or cancelled prior to the Effective Date.

(3) Prior to the Effective Date, the articles of incorporation of Brookfield NewCo will be amended to re-designate the common shares in the capital of Brookfield NewCo as Restricted Voting Shares in accordance with applicable securities laws and the rules of the TSX. See "Description of Capital Structure – Restricted Voting Shares" and "The Arrangement – Pre-Arrangement Steps" in the Information Circular.

PRIOR SALES

Prior to the Effective Date, Brookfield NewCo will not issue any securities from its share capital other than the Initial Share issued at a price of $10.00 in connection with the incorporation and organization of Brookfield NewCo. This Initial Share will be repurchased and cancelled by Brookfield NewCo in connection with the Arrangement.

DIVIDEND RECORD AND POLICY

If the Arrangement is approved by Voting Unitholders at the Meeting and the Arrangement is implemented, it is anticipated that a dividend policy of Brookfield NewCo will be implemented post the Effective Date. Commencing in 2011, dividends are intended to be paid monthly, with the initial monthly dividend to be declared in January 2011 and paid in February 2011. The dividend will initially be set at $0.092 per Restricted Voting Share on a monthly basis or $1.10 annually. The amount of any dividends payable will be at the discretion of Brookfield NewCo's board of directors and will be reviewed periodically on the basis of a number of factors including the financial performance, future prospects and capital requirements of Brookfield NewCo's business. See "Risk Factors" below.

PRINCIPAL SHAREHOLDERS

Following completion of the Arrangement, based on data found in publicly-available securities filings (and in respect of Brookfield Asset Management Inc., as provided by Brookfield Asset Management Inc. to the Fund) and to the knowledge of the Trustees, as of the date of the Information Circular, the following table lists those persons or companies who will own, or record or beneficially, directly or indirectly, more than 10% of the voting rights attached to any class of voting securities of Brookfield NewCo:

Name[(1)]	Number and Class of Shares to be held	Percentage of Class Held	Percentage of Voting Rights Held
Brookfield Asset Management Inc.	1 Special Voting Share[(2)]	100%	26%
Goodman & Company, Investment Counsel Ltd.	1,896,618 Restricted Voting Shares	20%	14.8%
Fiera Sceptre Inc.	995,800 Restricted Voting Shares	10.5%	7.8%

(1) Information in the above table is based on data found in publicly-available securities filings and, in respect of Brookfield Asset Management Inc., as provided by Brookfield Asset Management Inc. to the Fund, and assumes that such information will not have changes as at the Effective Date.

(2) Pursuant to the Arrangement, TBI (which is beneficially owned by Brookfield Asset Management, Inc.) will subscribe for one Special Voting Share. The votes attached to such Special Voting Share shall be equal to the number of Restricted Voting Shares that may be obtained upon the exchange of the Class B LP Units held by TBI and/or its affiliates. As at the date hereof, there are 3,327,667 Class B Units outstanding, all held by TBI, which will become exchangeable for Restricted Voting Shares upon completion of the Arrangement. See "Post-Conversion Governance and Securities Ownership Arrangements" in the Information Circular for further details.

DIRECTORS AND EXECUTIVE OFFICERS

Following the completion of the Arrangement, it is anticipated that the board of directors of Brookfield NewCo will initially be comprised of the same individuals currently serving as members of the Board of Trustees, namely Lorraine Bell, Simon Dean, Allen Karp, Gail Kilgour and George Myhal. The directors of Brookfield NewCo shall hold office until the next annual meeting of Brookfield NewCo shareholders or until their respective successors have been duly elected or appointed. Following completion of the Arrangement, the board of directors of Brookfield NewCo will have an audit committee and a governance committee and it is anticipated that the mandates and policies of Brookfield NewCo in respect of corporate governance matters will be substantially similar to those of the Fund. See Appendix "A" to the Fund's AIF entitled "Brookfield Real Estate Services Fund – Governance Policy", which AIF is incorporated by reference in the Information Circular. All of the members of the audit committee and governance committee will be Independent from Brookfield NewCo.

The following table and notes thereto, set out, for each of the proposed directors of Brookfield NewCo, their respective names and municipalities of residence, principal occupations during the last five years, the date on which they became Trustees of the Fund and their current beneficial ownership of Fund Units.

Name	Present Principal Occupation	Period During Which Served as Trustee	Fund Units Held[(1)]
LORRAINE BELL New York, New York, U.S.A.	Self-employed Consultant	Since January 3, 2003	3,500
SIMON DEAN Oakville, Ontario	Self-employed Consultant	Since January 3, 2003	10,000
ALLEN KARP, Q.C. Toronto, Ontario	Corporate Director	Since February 8, 2003	15,000
GAIL KILGOUR Toronto, Ontario	Corporate Director	Since January 3, 2003	5,000
GEORGE MYHAL Toronto, Ontario	Chief Operating Officer, Brookfield Asset Management Inc.	Since January 3, 2003	72,600

(1) Based on information provided by each individual to Brookfield NewCo.

Upon completion of the Arrangement, certain current members of senior management of the Fund will become the officers of Brookfield NewCo. The following table sets out, for each of the proposed executive officers of Brookfield NewCo, the individual's name, municipality of residence, offices anticipated to be held, principal occupations during the last five years and their current beneficial ownership of Fund Units.

Name	Position with Brookfield NewCo	Principal Occupation	Fund Units Held[(1)]
PHILIP SOPER Toronto, Ontario	President and Chief Executive Officer	President and Director, Brookfield Real Estate Services Manager Limited Managing Partner, Brookfield Residential Property Services	6,745
KEVIN CASH Markham, Ontario	Chief Financial Officer	Senior Vice-President, C.F.O. and Director, Brookfield Real Estate Services Manager Limited Managing Partner, Brookfield Residential Property Services	2,600
MAX COHEN Toronto, Ontario	General Counsel and Secretary	Senior Partner, Cohen, Barristers and Solicitors	1,500
JOSEPH FREEDMAN Toronto, Ontario	Assistant Secretary	General Counsel, Brookfield Asset Management Inc.	2,900

(1) Based on information provided by each individual to Brookfield NewCo.

Immediately after giving effect to the Arrangement, it is anticipated that the anticipated directors and officers named in the above tables and their associates, as a group, will beneficially own, directly or indirectly, or exercise control or direction over, an aggregate of approximately 119,845 Restricted Voting Shares, representing approximately 0.94% of the issued and outstanding Restricted Voting Shares (on a fully-diluted basis assuming the exchange of all of the Class B LP Units).

Cease Trade Orders or Bankruptcies

To the knowledge of the Fund, none of the persons anticipated to be directors or executive officers of Brookfield NewCo: (i) are, as at the date of the Information Circular, or have been, within the 10 years before the date of the Information Circular, a director, chief executive officer or chief financial officer of any company (including the Fund) that, (a) was subject to a cease trade order, an order similar to a cease trade order, or an order that denied the relevant company access to any exemption under securities legislation, that was in effect for a period of more than 30 consecutive days (an "**Order**") that was issued while the person was acting in the capacity as director, chief executive officer or chief financial officer; or (b) was subject to an Order that was issued after the person ceased to be a director, chief executive officer or chief financial officer and which resulted from an event that occurred while that person was acting in the capacity as director, chief executive officer or chief financial officer; (ii) are, as at the date of the Information Circular, or have been within 10 years before the date of the Information Circular, a director or executive officer of any company (including the Fund) that, while that person was acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets; or (iii) have, within the 10 years before the date of the Information Circular, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of the person.

Penalties or Sanctions

To the knowledge of the Fund, none of the persons anticipated to be directors or executive officers of Brookfield NewCo, nor any personal holding company thereof owned or controlled by them, has been subject to: (i) any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority; or (ii) any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable investor in making an investment decision.

Indebtedness of Directors and Executive Officers

Upon completion of the Arrangement, none of the anticipated directors or executive officers of Brookfield NewCo, nor any of their associates, will be indebted to Brookfield NewCo or any of its Subsidiaries, nor does there exist any indebtedness of any such persons to another entity, which is the subject of a guarantee, support agreement, letter of credit or other similar arrangement or understanding provided by Brookfield NewCo.

Conflicts of Interest

There are potential conflicts of interest to which the Trustees who will comprise the board of directors of Brookfield NewCo and the senior officers of the Manager will be subject in connection with the operations of Brookfield NewCo. In particular, certain of the Trustees and senior officers of the Manager may be involved with other companies whose operations may, from time to time, be in direct competition with those of Brookfield NewCo or with entities which may, from time to time, provide financing to, or make equity investments in, competitors of Brookfield NewCo. Conflicts, if any, will be subject to the procedures and remedies available under the OBCA. The OBCA provides that in the event a director or officer of a company is a party to, or is a director or officer of a party to, or has a material interest in any person who is a party to, a material contract or material transaction with Brookfield NewCo, whether made or proposed, the director or officer will disclose his or her interest in such contract or transaction and, in the case of directors, will refrain from voting on any matter in respect of such contract or transaction, subject to certain limited exceptions set out in the OBCA. As at the date of the Information Circular, except as disclosed in the Information Circular or in this Appendix "E", none of the persons anticipated to be directors or executive officers of Brookfield NewCo has any material conflict of interest with Brookfield NewCo or any of its Subsidiaries.

Management Contracts

Following the completion of the Arrangement, certain consequential amendments to the Management Services Agreement will be made and such agreement will be continued with Brookfield NewCo as a party thereto. See "The Arrangement – Amendments to the Management Services Agreement" and "Information Concerning the Fund – Management Services Agreement" in the Information Circular and "Description of the Business – Management Services Agreement" in the AIF, which is incorporated by reference in the Information Circular.

COMPENSATION OF DIRECTORS AND EXECUTIVE OFFICERS

The compensation policies to be implemented by Brookfield NewCo, including the compensation of the directors and executive officers of Brookfield NewCo, will be structured on the same basis as the current compensation policies of the Fund. All of the executive officers of Brookfield NewCo and its Subsidiaries will continue to be employed by and remunerated by the Manager following completion of the Arrangement. For further information regarding the compensation policies of the Fund, including the compensation of the Trustees and executive officers of the Manager, see "Information Concerning the Fund – Management of the Fund" in the Fund Circular, which is incorporated by reference in the Information Circular.

INTEREST OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS

Except as disclosed in the Information Circular or this Appendix "E", based on publicly filed reports, none of the persons anticipated to be directors or executive officers of Brookfield NewCo, or any person or company that will be the direct or indirect owner of, or will exercise control or direction over, more than 10% of any class or series of Brookfield NewCo's outstanding voting securities, or any associate or affiliate of any of the foregoing persons or companies, has or has had any material interest, direct or indirect, in any past transaction or any proposed transaction that has materially affected or will materially affect Brookfield NewCo.

RISK FACTORS

Risk factors related to the business of the Fund and its Subsidiaries and the industry in which they operate will continue to apply to Brookfield NewCo after the Effective Date. In the event the Arrangement is completed, the business and operations of, and an investment in, Brookfield NewCo will be subject to various risk factors set forth in the Information Circular and the documents incorporated by reference therein. In addition, it should be noted that

the future payments of dividends by Brookfield NewCo and the level thereof are uncertain, as such payment of dividends is dependent upon, among other things, Brookfield NewCo's operating cash flow, financial and capital requirements, future prospects, the performance of the Business and the satisfaction of solvency tests imposed by the OBCA for the payment of dividends.

LEGAL PROCEEDINGS AND REGULATORY ACTIONS

Other than the proceedings relating to the approval of the Arrangement, and other than as disclosed under "Legal Proceedings" in the AIF, to the knowledge of the Fund and its affiliates, there are no legal proceedings to which Brookfield NewCo or members of the Fund and its Subsidiaries are a party or to which any of their assets are subject that will be material to Brookfield NewCo, and the Fund and its affiliates are not aware of any such proceedings that are contemplated.

AUDITORS, TRANSFER AGENT AND REGISTRAR

Auditors

The auditors of Brookfield NewCo are Deloitte & Touche LLP, Chartered Accountants, Licensed Public Accountants, Toronto, Ontario.

Transfer Agent and Registrar

The transfer agent and registrar for the Restricted Voting Shares will be CIBC Mellon Trust Company at its principal offices in Toronto, Ontario.

MATERIAL CONTRACTS

The only contract entered into by Brookfield NewCo since incorporation that materially affects Brookfield NewCo, or to which Brookfield NewCo will become a party on or prior to the Effective Date, that can reasonably be regarded as material to a proposed investor in Restricted Voting Shares, other than contracts entered into in the ordinary course of business, is the Arrangement Agreement. A copy of the Arrangement Agreement is attached at Appendix "D" to the Information Circular.

For a description of material contracts of the Fund, see the section entitled "Material Contracts" in the AIF, which is incorporated by reference in the Information Circular.

APPENDIX F
AUDITED BALANCE SHEET OF BROOKFIELD NEWCO

(See attached.)

Auditors' Report

To the Directors of
Brookfield Real Estate Services Inc./ Services immobiliers Brookfield Inc.

We have audited the balance sheet of Brookfield Real Estate Services Inc./ Services immobiliers Brookfield Inc. (the "Company") as at October 28, 2010. The balance sheet has been prepared in accordance with Canadian generally accepted accounting principles. The balance sheet is the responsibility of the Company's management. Our responsibility is to express an opinion on the balance sheet based on our audit.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statement is free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statement. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, the balance sheet presents fairly, in all material respects, the financial position of the Company as at October 28, 2010 in accordance with Canadian generally accepted accounting principles.

Deloitte & Touche LLP

Chartered Accountants
Licensed Public Accountants
November 11, 2010

BROOKFIELD REAL ESTATE SERVICES INC./SERVICES IMMOBLIERS BROOKFIELD INC.

Balance Sheet

(In Canadian dollars)

As at October 28, 2010

Asset	
Cash	$10
Shareholders' equity	
Share capital (note 3)	$10

See accompanying notes to the balance sheet.

BROOKFIELD REAL ESTATE SERVICES INC./ SERVICES IMMOBLIERS BROOKFIELD INC.

Notes to Balance Sheet
As at October 28, 2010
(In Canadian dollars)

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1. Basis of Presentation

Brookfield Real Estate Services Inc./Services immobliers Brookfield Inc. (the "Company") was incorporated pursuant to the provisions of the *Business Corporations Act* (Ontario) on October 28, 2010, for the purposes of participating in the proposed Arrangement described in Note 4. This balance sheet has been prepared in accordance with Canadian generally acceptable accounting principles ("GAAP"). The Company has not commenced operations at the balance sheet date. Accordingly, statements of earnings and comprehensive earnings, shareholders' equity and cash flows have not been prepared. The Company issued one common share on October 28, 2010 to Brookfield Real Estate Services Fund for cash proceeds of $10.

2. Summary of Significant Accounting Policies

Cash

Cash consists of cash held in petty cash as of the balance sheet date.

3. Share Capital

As at October 28, 2010

Authorized:	
Unlimited preferred shares, issuable in series	
Unlimited common shares, voting	
Issued:	
1 Common share	$10

The common shares are entitled to one vote per share at all meetings of the shareholders of the Company, to receive dividends, if, as and when declared by the board of directors of the Company and to receive pro rata the remaining property and assets of the Company upon its dissolution or winding up.

4. Proposed Plan of Arrangement:

On November 5, 2010 the Board of Trustees of Brookfield Real Estate Services Fund (the "Fund") approved a proposed transaction, providing for the reorganization of its income fund structure into a corporate structure (the "Conversion"). The Conversion will be completed by way of a plan of arrangement under the *Business Corporations Act* (Ontario) (the "Arrangement"). Pursuant to the Arrangement, holders of Fund units will receive restricted voting shares of the Company on a one-for-one basis. Prior to the effective date of the Arrangement, the articles of incorporation of the Company will be amended to re-designate the common shares in the

capital of the Company as "restricted voting shares" in accordance with applicable securities laws and the rules of the Toronto Stock Exchange and to create the special voting share in the capital of the Company that will be issued to Trilon Bancorp Inc. in connection with the Conversion.

The Company will assume the obligation of the Fund to exchange the Class B LP Units of Residential Income Fund LP, currently a subsidiary of the Fund, all of which are currently held by Trilon Bancorp Inc., which will become exchangeable for restricted voting shares of the Company upon completion of the Conversion.

Completion of the Conversion, as contemplated by the Arrangement, is subject to certain conditions, including regulatory and approval of the Fund's unitholders, but is anticipated to be effective on or about December 31, 2010.


Brookfield
Real Estate Services