



RENEWAL ANNUAL INFORMATION FORM

March 20, 2009

TABLE OF CONTENTS

	Page
CAUTIONARY STATEMENT ON FORWARD-LOOKING INFORMATION	3
CORPORATE STRUCTURE	4
NAME, ADDRESS AND INCORPORATION	4
INTERCORPORATE RELATIONSHIPS	4
GENERAL DEVELOPMENT OF THE BUSINESS	5
THREE YEAR HISTORY	5
DESCRIPTION OF THE BUSINESS	5
GENERAL	5
INDIVIDUAL OPERATIONS	7
Québec	7
Ontario	8
British Columbia	9
New England – Maine and New Hampshire	9
ECONOMIC DEPENDENCE – MAJOR AGREEMENTS	10
Great Lakes Hydro Income Fund and Great Lakes Power Trust	10
Lièvre Power	11
PREI	13
Pingston Hydro	13
Mississagi Power	14
Carmichael	15
Prince Wind	16
GLHA	17
BUSINESS ENVIRONMENT	18
Competitive Strengths	18
Advantages of Hydroelectric Generation	18
Advantages of Wind Generation	19
Regulatory Environment	19
Safety, Health, the Environment	22
RISK FACTORS	23
DISTRIBUTION POLICY	30
MARKET FOR SECURITIES	30
GENERAL DESCRIPTION OF CAPITAL STRUCTURE	31
The Fund – Description of the Trust Units and the Trust Indenture	31
GLPT – The GLPT Indenture	36
RATINGS	37
TRUSTEES AND OFFICERS	38
INTERESTS OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS	40
TRANSFER AGENT AND REGISTRAR	40
LEGAL PROCEEDINGS AND REGULATORY ACTIONS	40
MATERIAL CONTRACTS	40
INTERESTS OF EXPERTS	41
AUDIT COMMITTEE INFORMATION	41
ADDITIONAL INFORMATION	43
SCHEDULE A – AUDIT COMMITTEE MANDATE	44

CAUTIONARY STATEMENT ON FORWARD-LOOKING INFORMATION

This annual information form contains forward-looking statements and information concerning the business, operations and financial condition of the Fund. Forward-looking statements can be identified by the use of words, such as “plans”, “expects”, or “does not expect”, “is expected”, “budget”, “scheduled”, “estimates”, “forecasts”, “pending”, “intends”, “anticipates”, or “does not anticipate”, or “believes” or variations of such words and phrases or state that certain actions, events or results “may”, “could”, “would”, “might” or “will” be taken, occur or be achieved. Although the Fund believes that the Fund’s anticipated future results, performance or achievements expressed or implied by the forward-looking statements and information are based on reasonable assumptions and expectations, it can give no assurance that such assumptions and expectations will prove to have been correct. Forward-looking statements and information involve assumptions, known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of the Fund to be materially different from anticipated future results, performance or achievements expressed or implied by the forward-looking statements and information.

Examples of such statements include, but are not limited to factors relating to production and the business, financial position, distribution policy, operations and prospects for the Fund. They include but are not limited to: changes in hydrology and wind conditions; equipment failure; failure by counterparties to fulfill contractual obligations and failure by the Fund to replace contracts; the Fund’s dependence on Brookfield Renewable Power Inc. and potential conflicts of interest between Brookfield Renewable Power Inc. and the Fund; inability of the Fund to successfully integrate acquisitions; failure by the Fund to discover liabilities associated with acquisitions; changes in the general economy; failure of transmission systems or adequate transmission capacity; water rights; changes in the Canadian/US dollar exchange rate; changes to regulations and increases in regulatory costs; failure by the Fund to renew, maintain or obtain necessary governmental permits; inability to generate or sell electricity; failure by the Fund to maintain dam safety; inadequate insurance; failure by the Fund to comply with health, safety and environmental regulations; threat of legal action and claims against the Fund; labour disruptions; changes in technology; energy rate fluctuations; inability of the Fund to access and refinance capital on desirable terms and changes in interest rates; changes in credit ratings; inability of the Fund to withdraw cash from subsidiaries; risks related to the nature of the Trust Units, tax matters and investment eligibility, the market for Trust Units and Trust Unit prices, and unitholder liability.

These factors and other risk factors, as described under “Risk Factors” on page 23, represent risks that the Fund believes are material. Other factors not presently known to the Fund or that the Fund presently believes are not material, could also cause actual results to differ materially from those expressed in the forward-looking statements and information contained and incorporated by reference herein. Accordingly, undue reliance should not be placed on these forward-looking statements or information. The Fund disclaims any obligation to update publicly or to revise any of the forward-looking statements or information contained or incorporated by reference in this annual information form, whether as a result of new information, future events or otherwise, except as required by applicable law.

These forward-looking statements represent our views as of the date of this document. These forward-looking statements should not be relied upon as representing the Fund’s views as of any date subsequent to the date of this annual information form.

CORPORATE STRUCTURE

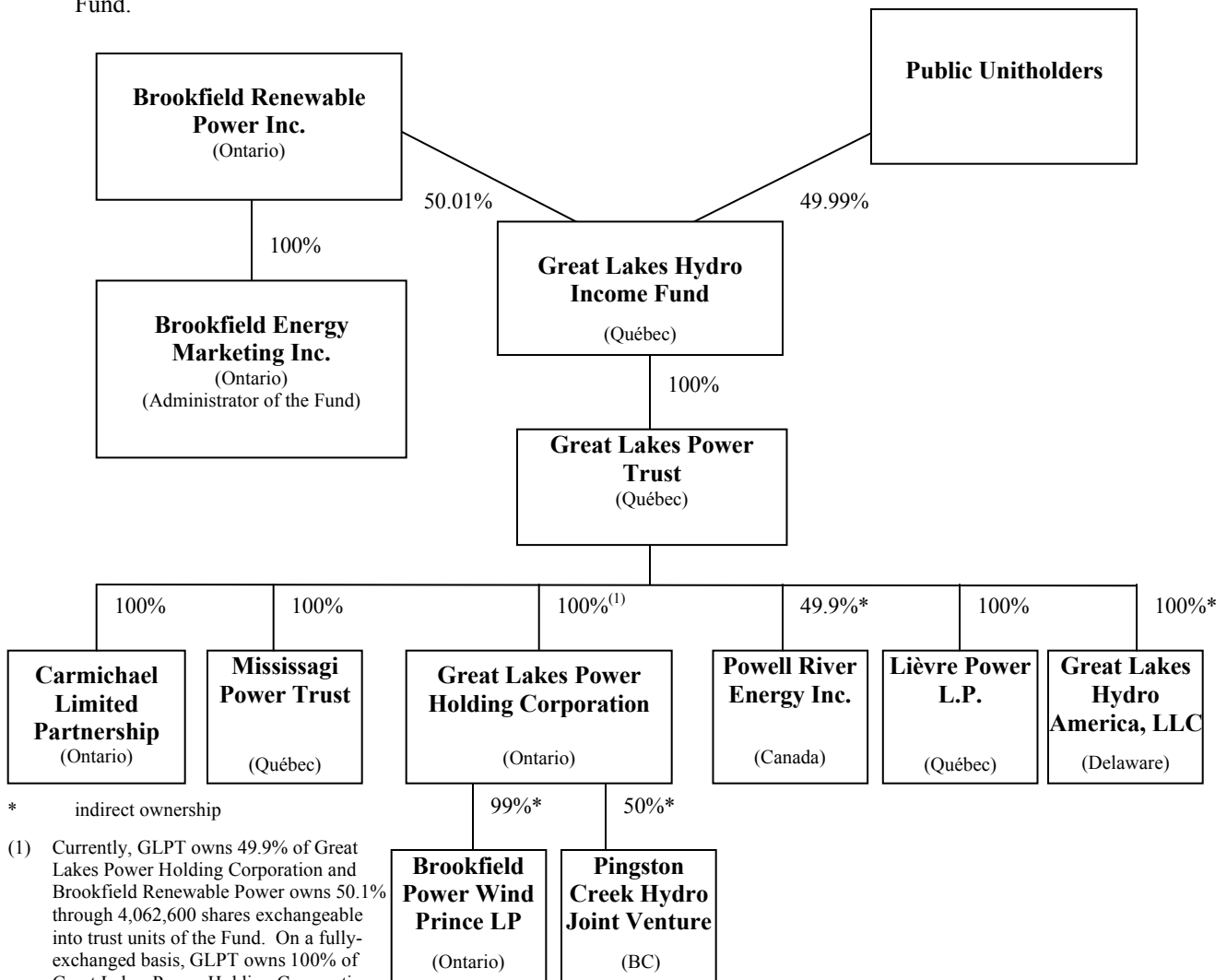
NAME, ADDRESS AND INCORPORATION

Great Lakes Hydro Income Fund (the “Fund”) was established as an unincorporated open-ended trust under the laws of the Province of Québec pursuant to a Trust Indenture (“Trust Indenture”) dated September 14, 1999 and restated October 27, 1999, as amended from time to time.

The Fund and its subsidiaries own and operate power generating facilities in Canada and the United States. The Fund is a publicly traded reporting issuer on the Toronto Stock Exchange under the stock symbol GLH.UN. Its head and registered office is located at 480 Boulevard de la Cité, in the City of Gatineau, in the Province of Québec, J8T 8R3.

INTERCORPORATE RELATIONSHIPS

The following chart illustrates the primary ownership and structural relationships among the Fund, Great Lakes Power Trust (“GLPT”), Brookfield Renewable Power Inc. (“Brookfield Renewable Power”) and Brookfield Energy Marketing Inc. (“BEMI”) as at March 20, 2009. BEMI is the administrator of the Fund under an administration agreement (the “Administration Agreement”) dated September 14, 1999 (see “Economic Dependent – Major Agreements” on page 10 and “Material Contracts” on page 40), and Brookfield Renewable Power, through its subsidiaries, is the administrator and manager of the assets of the Fund.



This annual information form (“AIF”) includes information regarding the 189 megawatt (“MW”) Prince wind farm in northern Ontario (“Prince Wind”) and the 45 MW Pingston hydro station in British Columbia operated as a joint venture (“Pingston Hydro”) acquired by the Fund on February 4, 2009, as more particularly described below under “Three Year History” and “General Development of the Business”. All other information provided in this AIF is provided as at December 31, 2008, unless otherwise stated. All financial information provided is in Canadian dollars unless otherwise stated.

GENERAL DEVELOPMENT OF THE BUSINESS

THREE YEAR HISTORY

Acquisitions and material financing activities relating to the Fund’s business since January of 2006 are described in more detail below:

Effective July 1, 2006, the Fund acquired the Carmichael Falls generating station (“Carmichael Falls”) from a wholly-owned subsidiary of Brookfield Renewable Power for a purchase price of \$56.3 million. On November 3, 2006, the Fund completed a term loan facility in the amount of \$32 million maturing in November 2011 and bearing interest at a rate of 4.753% with interest and principal payable quarterly commencing in February 2007. An amount of \$12 million will be due at the maturity of the facility. The term loan is secured by the Carmichael Falls assets.

On January 6, 2009, the Fund closed a public offering of 4,690,000 trust units of the Fund (“Trust Units”) at \$16.00 per Trust Unit to raise gross proceeds of approximately \$75 million on a bought deal basis (the “Offering”). Concurrent with the closing of the Offering, the Fund also sold to Brookfield Renewable Power, on a private placement basis, approximately 627,500 Trust Units at the offering price of \$16.00 per Trust Unit.

On February 4, 2009, the Fund indirectly acquired from Brookfield Renewable Power (i) Prince Wind and (ii) Pingston Hydro (the “Transaction”). Brookfield Renewable Power received in exchange for Prince Wind and Pingston Hydro consideration consisting of \$65 million in cash, generated from the proceeds of the Offering, and \$65 million of exchangeable shares (the “Exchangeable Shares”) in Great Lakes Power Holding Corporation (“GLP HC”), a subsidiary of GLPT which owns Prince Wind and Pingston Hydro. The Exchangeable Shares are exchangeable into Trust Units on a one-for-one basis. On a fully-exchanged basis, Brookfield Renewable Power retains its 50.01% interest in the Fund. The Transaction is described in more detail in the Fund’s prospectus (the “Prospectus”) dated December 30, 2008 which is available on SEDAR at www.sedar.com.

On March 17, 2009, the Fund announced its intention to commence a normal course issuer bid, pursuant to which the Fund may, during the twelve month period commencing March 19, 2009 and ending March 18, 2010, purchase on The Toronto Stock Exchange up to 1,000,000 Trust Units, representing less than 2% of its issued and outstanding Trust Units. Under the normal course issuer bid, the Fund may purchase up to 12,912 Trust Units on The Toronto Stock Exchange during any trading day, which represents 25% of the average daily trading volume on The Toronto Stock Exchange for the most recently completed six calendar months prior to The Toronto Stock Exchange's acceptance of the notice of the normal course issuer bid. The only exception to this limitation is purchases made pursuant to block purchase exemptions. The price to be paid for the Trust Units under the normal course issuer bid will be the market price at the time of purchase. All Trust Units purchased by the Fund under this bid will be promptly cancelled.

DESCRIPTION OF THE BUSINESS

GENERAL

As of March 20, 2009, the Fund indirectly owns, through GLPT, (i) Lièvre Power L.P. (“Lièvre Power”) which owns the Lièvre Power system on the Lièvre River in Québec, (ii) Mississagi Power Trust (“Mississagi Power”) which owns the Mississagi Power system located in northern Ontario, (iii) Carmichael Limited Partnership (“Carmichael”), which owns the Carmichael Falls assets in northern

Ontario, (iv) a 49.9% interest in Powell River Energy Inc. (“PREI”) which owns the Powell River energy system located in British Columbia, (v) Great Lakes Hydro America LLC (“GLHA”) which owns hydro facilities located in Maine and New Hampshire, (vi) Prince Wind, a wind farm in northern Ontario, and (vii) a 50% interest in Pingston Hydro, a joint venture which owns the Pingston Hydro facilities in British Columbia. The combined facilities owned and co-owned by the Fund include 27 hydroelectric generating stations with an installed capacity of 1,255 MW and one wind farm with 126 wind turbines. The Fund has no direct employees, but through its various subsidiaries employs approximately 25 people in Canada.

As described in more detail in the section below entitled “*Economic Dependence – Major Agreements*”, the Fund sells a substantial portion of its total generation output under long-term power purchase agreements (“PPAs”) to either industrial users or to public utilities. The remaining generation is sold to the Fund’s majority unitholder, Brookfield Renewable Power or its subsidiaries. All contracts with industrial users and subsidiaries of Brookfield Renewable Power are guaranteed by Brookfield Renewable Power to mitigate credit risk. The following is a summary of the long-term PPAs, with the price per kilowatt hour (“KWh”) as of December 31, 2008:

Long-Term PPA Contracts

Region	Weighted Average Number Of Years	Price (¢/KWh)
Québec	11.5	3.7
Ontario	16.1	6.5
British Columbia	3.0	3.6
New England	13.9	4.3
Weighted average as of December 31, 2008	11.9	4.5
Acquisitions subsequent to year-end ⁽¹⁾	18.0	7.5
Weighted average with acquisition	12.8	6.0

⁽¹⁾ Pingston Hydro and Prince Wind were acquired February 4, 2009. See “Three Year History” for more details.

Operating Characteristics

The following table sets forth the Fund’s operating statistics as at March 20, 2009:

Location	Number of Rivers	Generating Stations	Generating Units	Installed Capacity (MW)	Annual Long-term Average (GWh)
Québec	1	4	12	254	1,501
Ontario	2	5	10	508	836
Ontario (Wind)	-	-	126	189	506 ⁽¹⁾
British Columbia	3	3	10	128	710
New England	3	15	57	176	1,043
Total	9	27	215	1,255	4,596

⁽¹⁾ Based on levelized amounts

Financial Performance

Income before non-cash items consists of revenues net of the cost of operating and maintaining our facilities and the cost associated with the financing of these facilities.

	Invested capital		Income before Non-Cash Items	
	Dec. 31	Dec. 31	For the years ended	
	2008	2007	Dec. 31	2007
Millions	\$	\$	\$	\$
Québec	334	335	50.3	33.4
Ontario	349	354	44.7	29.1
British Columbia	116	118	14.8	14.9
New England	284	236	32.3	30.4
	1,083	1,043	142.1	107.8
Long-term debt	641	617	39.3	39.4
Holder of non-controlling interest	-	-	2.7	3.1
Invested capital/Income before non-cash items	442	426	100.1	65.3
Distribution			60.3	60.3

Information on the Fund's financial performance is available in its 2008 annual report, which can be accessed on SEDAR at www.sedar.com.

INDIVIDUAL OPERATIONS

The following is a description of the individual business unit operations of the Fund. More details of the major agreements mentioned below are provided in the section entitled "*Economic Dependence – Major Agreements*".

Québec

Lièvre Power

Lièvre Power owns four generating stations (Masson, High Falls, Dufferin and Rapides-des-Cedres) comprising twelve generating units with a total installed capacity of 254 MW, located on the Lièvre River in Québec. The system's watershed area covers approximately 9,445 km² and produces, on average, approximately 1,501 gigawatt hours ("GWh") of energy annually.

Water for these facilities is stored primarily in three reservoirs located upriver on the Lièvre River and on two of its tributaries: Poisson Blanc on the Lièvre River, Kiamika on the Kiamika River, and Mitchénamécus on the Mitchénamécus River. These three reservoirs are owned and operated by the Government of Québec and represent aggregate usable water storage of approximately 518 GWh or 18,894 cubic metres per second for the day ("m³/s*d").

The power system also includes five substations and approximately 50 km of 120 kV transmission lines with four interconnections with the Québec power grid and two interconnections across the Ottawa River with the Ontario power grid.

The power produced from the Rapides-des-Cèdres facility, which was commissioned in 2005, is sold to Hydro-Québec under a PPA (the "**Hydro Québec PPA**").

A substantial portion of the power produced by Lièvre Power was sold to a newsprint mill located in Gatineau, Québec under a PPA which expired in December, 2008. The power is currently sold to Brookfield

Renewable Power, through the Power Agency and Guarantee Agreement (the “PAGA”), which resells the power through its trading and marketing activities. The PAGA expires in 2019.

Ontario

Mississagi Power

Mississagi Power owns four hydroelectric generating stations (Aubrey Falls, Wells, Rayner and Red Rock Falls) consisting of eight generating units built between 1950 and 1970 on the Mississagi River, and having a combined installed capacity of 498 MW. Mississagi Power also owns four water storage dams on Rocky Island Lake. The total drainage area of the watershed totals over 8,948 km². The system produces on average approximately 750 GWh annually. Each generating station is interconnected with the Ontario power grid.

The system encompasses a storage capacity of approximately 158 GWh or 6,493 m³/s*d. Rocky Island Lake is the primary storage reservoir of the Mississagi Power system and is located in the upper portion of the watershed. The dams on Rocky Island Lake were built in 1949 to provide additional storage for the original Rayner development. Today, they provide storage for all of the hydroelectric facilities located along the Mississagi River. Water storage capacity at Rocky Island Lake totals approximately 114.7 GWh or 3,824 m³/s*d.

Storage capacity is also provided at Aubrey Falls (43.3 GWh or 1,444 m³/s*d), Wells and Rayner (26.2 GWh or 1,389 m³/s*d) and Red Rock Falls (0.8 GWh or 136 m³/s*d). Waterpower leases with the Ontario Ministry of Natural Resources are in place for each generating station. Each lease has a term of 99 years that will expire between 2046 and 2066.

All power produced by the Mississagi Power system is sold to Brookfield Renewable Power for resale into the wholesale markets.

Carmichael

Carmichael owns one hydroelectric generating station built in 1992 on the Groundhog River, in the district of Cochrane in northern Ontario. The station has two 10 MW units with an installed capacity of 20 MW and supplies on average 86 GWh of energy annually, all of which is sold to Ontario Electricity Financial Corporation (“OEFC”). The drainage area of the watershed totals over 1,280 km². The generating station is interconnected with the Ontario power grid.

The PPA with the OEFC is a take or pay 50 year contract that is subject to renewal on an annual basis starting in 2042. Carmichael must sell all of its power exclusively to OEFC, with no minimum or maximum delivery commitment.

Prince Wind

In February of 2009, the Fund acquired Prince Wind from Brookfield Renewable Power.

Prince Wind was commissioned in 2006 and is currently one of the largest wind farms in Canada. It comprises 126 GE wind turbines extending over nearly 20,000 acres of land and has a total installed capacity of 189 MW, with a levelized annual generation of 506 GWh of electricity. Prince Wind is located near the City of Sault Ste. Marie and benefits from long-term land leases with public and private land owners.

Since commissioning, Prince Wind has achieved overall availability averaging 97%. It is a zero fuel resource and has low, predictable operating costs. Prince Wind generated approximately 479 GWh of electricity in 2007 and approximately 467 GWh of electricity in 2008. It is connected through the Independent Electricity System Operator (“IESO”) controlled transmission system via an 11 km transmission line.

All power produced by Prince Wind is sold at fixed prices to the Ontario Power Authority (“OPA”) under two PPAs.

British Columbia

PREI

The PREI system was built to supply the power needs of the pulp and paper facilities located in the Town of Powell River on the west coast of the British Columbia mainland, approximately 160 km north of Vancouver. The power system’s production base comprises two power generating stations (Powell River and Lois) with seven generating units for a total installed capacity of 83 MW producing 532 GWh on an average annual basis.

The Powell River generating station comprises three powerhouses containing five generating units located in the Town of Powell River. The Lois generating station consists of one powerhouse containing two units located 16 km south of the Powell River generating station. Water for both facilities is stored in two large lakes created by the dams of the two facilities. Powell Lake is approximately 42 km in length. Lois Lake, together with three interconnected lakes, is approximately 16 km in length. These lakes have total usable water storage of approximately 158 GWh or 10,815 m³/s*d. The system is interconnected to the British Columbia power grid and includes 20 km of transmission lines, which deliver power from the Lois generating station to the Powell River generating station.

All electricity generated by PREI is sold pursuant to a PPA with Catalyst Paper Corporation (“Catalyst”), the 50.1% co-owner of PREI, or to Powell River Energy Limited Partnership (“PREP”), an affiliate of PREI. Catalyst must purchase all the energy delivered on a first priority basis before purchasing or receiving energy from other sources for its pulp and paper mill in Powell River.

Pingston Hydro

The Fund acquired Brookfield Renewable Power’s 50% joint venture interest in Pingston Hydro in February of 2009.

Pingston Hydro is owned and operated as an unincorporated joint venture created in January of 2002 under the name Pingston Creek Hydro Joint Venture. Pingston Hydro operates pursuant to the terms of a joint venture agreement between Canadian Hydro Developers, Inc. (“Canadian Hydro”) and a subsidiary of GLP HC as owners of the joint venture.

Pingston Hydro is a run-of-the-river hydroelectric generating station situated along the shoreline of Arrow Lake in southeastern British Columbia and has a total installed capacity of 45 MW, with an expected long-term average generation of 178 GWh of electricity annually. Pingston Hydro’s intake source is Pingston Creek, which draws on a 306 km² drainage area, of which 182 km² provides direct flow for Pingston Hydro. Pingston Hydro is connected to the British Columbia power grid.

The electricity produced by Pingston Hydro is sold to BC Hydro pursuant to a fixed price PPA which expires in 2023.

New England – Maine and New Hampshire

GLHA - Maine

GLHA owns directly six hydroelectric generating stations located on the Penobscot River in northern Maine with an installed capacity of 127 MW. Together, these facilities generate on average 763 GWh annually. The system is interconnected to the New England power grid via a 120 kV line.

GLHA also owns, indirectly through Brassua Hydroelectric Limited Partnership (“**Brassua**”), one generating facility on the Moose River in Maine. The facility has an installed capacity of 4 MW and generates on average 17 GWh per year.

GLHA owns a series of reservoirs which are used to store water and regulate the water flows on the Penobscot River. Five reservoirs (Canada Falls, Seboomook, Caucomgomoc, Ragged Lake and Ripogenus) are located on the upper west branch and two other reservoirs (North Twin and Millinocket Lake) are located on the lower west branch. The largest reservoirs, Ripogenus and North Twin, have a combined total storage capacity of approximately 506 GWh or 14,701.5 m³/s*d.

All power produced by the Maine facilities located on the Penobscot River is sold to a wholly-owned subsidiary of Brookfield Renewable Power. All power produced by Brassua is sold to Central Maine Power Company under a PPA expiring on August 31, 2009. Thereafter, power produced by Brassua, being approximately 17 GWh per year, is expected to be sold into the New England electricity wholesale market.

GLHA - New Hampshire

GLHA also owns eight hydroelectric generating stations built between 1914 and 1988 on the Androscoggin River near Berlin, New Hampshire, having a combined installed capacity of 45 MW, and generating approximately 263 GWh annually.

The Androscoggin River flows over a distance of 322 km from the Rangeley Lakes region in western Maine to the Atlantic Ocean at Brunswick, Maine, with a short excursion through the State of New Hampshire. It covers a total drainage area of 5,348.3 km². The Androscoggin River flow is well regulated by a system of reservoirs located at the two head watersheds: Azischohos Lake watershed and East watershed. The Azischohos Lake watershed area is controlled by the Androscoggin Reservoir Company, which is owned by the major water users on the Androscoggin River. The East watershed area, formed by the Umbagog, Rangeley, Mooselookmeguntic, Upper and Lower Richardson lakes, is controlled by Florida Power Ltd.

All power produced by GLHA in New Hampshire, except for generation from the Errol facility, is sold to a wholly-owned subsidiary of Brookfield Renewable Power. Generation from the Errol facility is sold to Public Service of New Hampshire.

ECONOMIC DEPENDENCE – MAJOR AGREEMENTS

The following section contains all significant agreements entered into by the Fund upon which the Fund’s business is substantially dependent.

Great Lakes Hydro Income Fund and Great Lakes Power Trust

Administration Agreement

Pursuant to the Administration Agreement dated September 14, 1999 between BEMI and the Fund, BEMI provides certain administrative and support services to the Fund. All costs relating thereto are for the account of the Fund, including those necessary to: (i) ensure compliance by the Fund with continuous disclosure obligations under applicable securities legislation; (ii) provide investor relations services; (iii) provide or cause to be provided to unitholders all information to which unitholders are entitled under the Trust Agreement, including relevant information with respect to income taxes; (iv) call, hold and distribute materials, including notices of meetings and information circulars, in respect of all meetings of unitholders; (v) provide for the calculation of distributions to unitholders of distributable cash; (vi) attend to all administrative and other matters arising in connection with any redemptions of Trust Units; and (vii) ensure compliance with the Fund’s limitations on non-resident ownership. The Administration Agreement may be terminated only upon the occurrence of a limited number of events: (i) breach of a material covenant and such breach is not remedied within 60 days after notice thereof has been delivered to such party, or (ii) by either party in the event of the insolvency or receivership of the other party.

BEMI does not receive a fee for its services under the Administration Agreement but it is entitled to be reimbursed for all costs and expenses it incurs, in respect of any given period, in accordance with generally accepted accounting principles.

Management Agreement

Pursuant to the Management Agreement dated October 6, 2005 between BEMI and GLPT, BEMI performs management services for GLPT including: (i) reporting to the board of trustees of GLPT (the “**Board**”); (ii) accounting and financial services (which include coordination and management of the accounting, cash management, treasury, and other systems); (iii) preparing financial statements and other financial reports; and (iv) preparing reports requested by and in a form satisfactory to the Board. The Management Agreement may be terminated only upon the occurrence of a limited number of events: (i) failure to pay an amount when due and such failure is not remedied within 15 days, (ii) breach of a material covenant and such breach is not remedied within 45 days, or (iii) either party becomes insolvent, bankrupt, liquidated, wound up, or otherwise acknowledges its insolvency.

BEMI does not receive a fee for its services under the Management Agreement but it is entitled to be reimbursed for all costs and expenses it incurs, in respect of any given period, in accordance with generally accepted accounting principles.

Lièvre Power

Management, Operations and Maintenance Agreement

On September 30, 1999, GLPT entered into the management, operations and maintenance agreement with BEMI. On October 6, 2005, GLPT transferred the Lièvre hydroelectric assets to Lièvre Power. At that time, this agreement was assigned from GLPT to Lièvre Power, and from BEMI to its sister company, Brookfield Power Services Inc. (“**BPSI**”), except for the management services provided by BEMI to GLPT which were incorporated in the Management Agreement described above. Under this management, operations and maintenance agreement, BPSI operates and maintains the power system located on the Lièvre River in Québec in accordance with prudent industry practice and the annual operating plan. The agreement expires on December 31, 2019 and may be renewed for successive periods of five years.

All costs and expenses incurred by BPSI on behalf of Lièvre Power in relation to the operation and maintenance of the power system are reimbursed by Lièvre Power. These costs include operating, maintenance and capital improvement costs. Other than the reimbursement of costs, BPSI does not receive a fee for the provision of these services.

Power Agency and Guarantee Agreement

Pursuant to the PAGA dated September 30, 1999, Brookfield Renewable Power guarantees to Lièvre Power, except in certain limited circumstances, the price (the “**Guaranteed Price**”) and collectibility of each megawatt hour (“**MWh**”) of energy produced and delivered by Lièvre Power, excluding the generating facilities of Rapides-des-Cèdres. Since January 1, 2001, the Guaranteed Price is subject to an annual adjustment equal to the lesser of 3%, or 40% of the increase in the consumer price index during the previous year. In 2008, the Guaranteed Price was (i) \$40/MWh for 1,065,000 MWh of generation in any given year, and (ii) \$32 per MWh for generation in excess of 1,065,000 MWh in any given year.

Should the total revenues of the power system from all sources for any month be less than the Guaranteed Price for energy at the end of such month, Brookfield Renewable Power will pay to Lièvre Power an amount equal to such deficiency. In the years during which Brookfield Renewable Power is able to sell electricity produced by the power system for prices in excess of the Guaranteed Price, Brookfield Renewable Power will receive each month the positive difference, if any, between the revenues received from sales of electricity and all ancillary services, and the Guaranteed Price.

A hydrology reserve facility is provided by Brookfield Renewable Power to Lièvre Power under the PAGA to a maximum amount of \$15 million in order to levelize cash distributions to unitholders as a consequence of changes in hydrology on the Lièvre Power system from year to year. This facility is available for a period ending on the earlier of (i) November 18, 2014, and (ii) the date of the sale of all or substantially all of the Lièvre Power generating facilities. Lièvre Power is entitled to draw up to \$5 million per contract year for such purposes.

Under the PAGA, Brookfield Renewable Power is appointed as the exclusive agent of Lièvre Power in respect of sales of electricity, transmission and other additional services, and provides sales services, including the negotiation of PPAs between Lièvre Power and its customers. In addition, Brookfield Renewable Power negotiates, on behalf of Lièvre Power, purchases of electricity, energy storage and operating agreements with interconnected utilities.

Brookfield Renewable Power also schedules, dispatches and transmits the power produced and the power supplied to third parties in accordance with prudent industry practice.

Brookfield Renewable Power receives, for acting as the exclusive agent of Lièvre Power in connection with the sale of power and for providing sales, scheduling, dispatch and transmission services, an annual fee subject to an annual adjustment equal to the increase in the consumer price index during the previous year, reflecting the recovery of its annual costs associated with the provision of such services. In 2008, the annual fee received by Brookfield Renewable Power was \$600,000.

The PAGA has an initial term of twenty years which expires on December 31, 2019 and, except for the provisions regarding the Guaranteed Price, is renewable for successive five year terms at the option of Brookfield Renewable Power. The PAGA is subject to customary termination provisions in the event of a material breach.

1999 Hydraulic Power Lease

On November 17, 1999, a 20 year hydraulic lease was entered into by GLPT with the Minister of Natural Resources (Québec) and the Minister of the Environment (Québec) with respect to the Lièvre Power system, as may be amended, restated, supplemented or replaced from time to time. The hydraulic power lease provides Lièvre Power with all land, water lots, space on existing dams, rights of way, access and ancillary rights to operate the facilities at Masson and High Falls. The hydraulic lease was assigned to Lièvre Power in October, 2005. Its initial term expires in 2019 and may be renewed at the option of Lièvre Power for a further 20 year period upon satisfaction by Lièvre Power of certain renewal conditions.

Rapides-des-Cèdres PPA

Under the Hydro-Québec PPA, Lièvre Power sells all energy generated at the Rapides-des-Cèdres generating station to Hydro-Québec for distribution to its customers. The term of the Hydro-Québec PPA is the lesser of 25 years and the term of the Rapides-des-Cèdres hydraulic power lease. If the Rapides-des-Cèdres hydraulic power lease is terminated, the Hydro-Québec PPA will also terminate.

Rapides-des-Cèdres Hydraulic Power Lease

On December 19, 2003, the Rapides-des-Cèdres hydraulic power lease was executed for lease of hydraulic forces, parcels of land, portions of river bed and the use of sections of the existing Rapides-des-Cèdres dam for the development and operation of a hydroelectric generation facility. The 20 year lease commenced June 30, 2005, and may be renewed for an additional term of 20 years at the option of Lièvre Power.

Project Financing

On October 6, 2005, \$225 million Series 1 senior secured bonds were issued by Lièvre Power Financing Corporation, a GLPT wholly-owned subsidiary, unconditionally guaranteed by Lièvre Power and secured, in part, by all of the assets of Lièvre Power. The senior bonds were issued pursuant to a trust indenture

between Lièvre Power Financing Corporation, Lièvre Power and BNY Trust Company of Canada as trustee. The senior bonds bear interest at a rate of 5.556% payable quarterly commencing January 6, 2006 until October 6, 2025 when the senior bonds mature.

PREI

Management Operations and Maintenance Agreement

Pursuant to a management, operation and maintenance agreement dated January 31, 2001, among BPSI, PREI and Catalyst, BPSI provides management and operations services to PREI and sees to the maintenance of the PREI facilities. Other than the reimbursement of costs, BPSI does not receive a direct fee for the provision of these services. This agreement may be terminated only upon the occurrence of a limited number of events. It expires on December 31, 2021 may be extended for successive periods of 5 years each.

PPAs

All power generated by PREI is sold to: i) Catalyst pursuant to a 10 year take or pay PPA (the “**Catalyst PPA**”) expiring on January 31, 2011 or ii) PREP pursuant to a 50 year PPA expiring on December 31, 2051 (“**PREP PPA**”). PREI is owned 50.1% by Catalyst and 49.9% by the Fund.

Price and Contract Guarantees

On February 2, 2001, PREI entered into a PPA guarantee with Brookfield Renewable Power pursuant to which Brookfield Renewable Power guarantees the payment obligations of Catalyst under the Catalyst PPA. On July 24, 2002, the guarantee was amended and restated to provide for the guarantee by Brookfield Renewable Power of the payment obligations of PREP under the PREP PPA. Brookfield Renewable Power receives an annual fee of \$500,000 for providing this guarantee. If Catalyst or PREP is in default under their respective PPAs and does not cure the default within the applicable cure period, then the Catalyst PPA or the PREP PPA, as the case may be, will terminate and Brookfield Renewable Power will purchase or guarantee the purchase price for electricity that would otherwise have been sold to Catalyst or PREP. This guarantee terminates on December 31, 2021.

Conditional Water Licenses

The Province of British Columbia has issued to PREI conditional water licenses for its facilities which permits PREI to divert water on Powell River and Lois Lake for the purpose of generating electricity and other ancillary uses. These conditional water licenses have no expiry.

Project Financing

On July 24, 2002, PREI issued \$75 million Series 2002A first mortgage bonds through a private placement debt offering, bearing an annual interest rate of 6.387% payable quarterly and maturing on July 24, 2009. The first mortgage bonds are secured by a first ranking lien on all of the PREI assets. Even though the current credit market environment is challenging, management of the Fund believes that it will successfully refinance this project debt at maturity.

Pingston Hydro

PPA

The electricity produced by Pingston Hydro is sold to BC Hydro pursuant to a fixed price PPA which expires in 2023 and is subject to customary termination provisions in the event of a material breach of the agreement. The price under the PPA includes the purchase of all emissions credits, clean power allowances or similar credits or allowances related to the production of the electricity.

Operations and Maintenance Agreement

The operations of Pingston Hydro are subject to an operations and maintenance agreement dated January 23, 2002 between a subsidiary of GLP HC and Canadian Hydro. Canadian Hydro is required to operate Pingston Hydro in accordance with the applicable annual operating and maintenance plan, as well as with all applicable laws. This agreement is to remain in force for the life of the joint venture. Other than the reimbursement of costs, Canadian Hydro does not receive a fee under this agreement.

Management and Power Marketing Agreement

Canadian Hydro, a subsidiary of GLP HC and BEMI have entered into a management and power marketing agreement dated January 23, 2002 to remain in force for the life of the joint venture. This agreement outlines the duties of BEMI in respect of sales of electricity and certain management services to be provided to Pingston Hydro. BEMI is delegated the exclusive power and authority, among other things: to manage and administer the revenues of Pingston Hydro; to sell power generated by Pingston Hydro and to make all decisions relating thereto; and to amend, administer, perform and carry out the terms of certain material contracts relating to Pingston Hydro. Other than the reimbursement of costs, BEMI does not receive a fee under this agreement.

Royalty Agreements

Pingston Hydro is subject to certain overriding royalty agreements in favour of the original developers of Pingston Hydro, which collectively provide for the payment by Pingston Hydro of 4% of its gross revenues for so long as Pingston Hydro, or any hydroelectric generation, transmission or distribution facility constructed on the site of Pingston Hydro in substitution of Pingston Hydro, exists.

Site and Water Rights

Pingston Hydro's powerhouse, power lines and related facilities are located on public lands under statutory rights-of-way which allow Pingston Hydro to occupy the lands for so long as they are required by Pingston Hydro. Pingston Hydro's right to draw water is granted under a conditional water license issued by the Province of British Columbia. The water license permits Pingston Hydro to use and store the water necessary for the operation of the facility. There is no fixed term to the water license.

Pingston Hydro's intake facilities are located on public land under a Permit to Occupy Crown Land issued by the Province of British Columbia. The Permit to Occupy Crown Land was issued in connection with Pingston Hydro's water license, and will become void if the water license is terminated, cancelled or is abandoned.

Project Financing

In February 2005, Pingston Hydro was financed through the advance of \$70 million of senior secured Series 1 first mortgage bonds. These bonds are secured by the assets of Pingston Hydro, bear interest at 5.281% and mature on February 11, 2015. Interest is payable semi-annually.

Mississagi Power

Administration Agreement

Pursuant to an administration agreement dated May 17, 2002 between BPSI and Mississagi Power, BPSI provides management, operations and maintenance services to Mississagi Power. Other than the reimbursement of costs, BPSI does not receive a fee for the provision of these services. This agreement expires on December 31, 2022 and may be terminated only upon the occurrence of a limited number of events. The agreement automatically renews for successive periods of five years.

PPA

Pursuant to a 20 year master PPA ending on December 31, 2022, all power generated by Mississagi Power is sold to a subsidiary of Brookfield Renewable Power. The price under this agreement in 2008 was

\$59/MWh. The obligations of BEMI under this agreement are guaranteed by Brookfield Renewable Power.

Hydrology Reserve Facility

A hydrology reserve facility is provided by Brookfield Renewable Power to Mississagi Power under an agreement dated May 17, 2002 to a maximum amount of \$10 million in order to levelize the cash distributions to unitholders as a consequence of changes in hydrology from year to year. The facility is available for the period ending on the earlier of (i) December 31, 2017, (ii) the date of the sale of all or substantially all of the Mississagi Power assets, and (iii) a change of control of Mississagi Power. Mississagi Power is entitled to draw up to \$3 million per contract per year for such purposes.

Waterpower Leases

The Province of Ontario has issued to Mississagi Power certain waterpower leases which grants rights to Mississagi Power to operate generate, maintain and repair its hydropower facilities. These waterpower leases have varying expiry dates ranging between 2046 to 2066.

Project Financing

On November 27, 2003, Mississagi Power issued \$175 million of Series 1 senior secured bonds maturing on November 27, 2020. The bonds bear an annual interest rate of 6.917% payable semi annually and no principal repayment is required before the maturity date.

Carmichael

PPA

Pursuant to a PPA expiring on March 31, 2042, all power generated by the Carmichael facilities is sold exclusively to OEFC with no minimum or maximum delivery commitment. The PPA is subject to renewal on an annual basis starting in 2042. Prices are pre-determined and set out in a schedule to the agreement.

Management, Operations and Maintenance Agreement

Pursuant to a management, operations and maintenance agreement dated July 1, 2006 between BEMI and Carmichael, BEMI provides management and operations services to Carmichael. The agreement expires on July 1, 2026 and may be terminated in certain limited circumstances. The annual fee payable to BEMI under this agreement is \$525,000.

Waterpower Lease

The Province of Ontario has issued a waterpower lease which grants rights to Carmichael to operate, generate, maintain and repair the Carmichael Falls facility and to use water from the Groundhog River to generate electricity. This waterpower lease will expire on December 31, 2022. It is renewable for a further 10 year period upon satisfaction by the Crown that Carmichael has complied with all terms of the waterpower lease.

Project Financing

On November 3, 2006, Carmichael completed a term loan facility in the amount of \$32 million. This facility matures in November of 2011 and bears interest at a rate of 4.753%, with interest and principal payable quarterly commencing in February 2007. An amount of \$12 million will be due at the maturity of the facility. The term loan is secured by the Carmichael Falls assets.

Prince Wind

PPAs

All power produced by Prince Wind is sold at fixed prices to the OPA under two PPAs, which are structured as “take or pay” arrangements, expiring in 2026 (“**PPA 1**”) and 2028 (“**PPA 2**”), respectively. Fifteen percent of the prices under these agreements are indexed annually to the consumer price index.

The contract capacity for PPA 1 is 337 GWh and for PPA 2 is 322 GWh, with no minimum delivery requirements under either contract. The price paid by OPA for electricity generated by Prince Wind under both PPAs includes all emissions credits, clean power allowances or similar credits or allowances related to the production of electricity. The agreements are subject to customary termination provisions in the event of a material breach of the agreement.

Management, Operations and Maintenance Agreement

Prince Wind is party to a management, operations and maintenance agreement amended and restated as of November 30, 2007 with, among others, Brookfield Power Wind Operations LP (“**BPWO**”), an entity related to Brookfield Renewable Power. Pursuant to the terms of this agreement, BPWO generally provides all services required for the Prince Wind operations for an initial term of 20 years, which is automatically renewed for successive 20 year periods. BPWO is entitled to receive an amount equal to \$500,000 per annum (intended to compensate it for its overhead), adjusted annually for inflation, and is reimbursed for its direct operating costs.

Wind Levelization Agreement

On February 4, 2009, GLPT and Brookfield Renewable Power entered into a wind levelization agreement with respect to Prince Wind (the “**Wind Levelization Agreement**”). The Wind Levelization Agreement provides that for each year until 2018, inclusively, in the event that the actual generation amount for Prince Wind is lower than (i) in respect of Phase I, 267 GWh or (ii) in respect of Phase II, 239 GWh (either of such amounts being the “**Levelization Amount**”), Brookfield Renewable Power will make a payment to GLPT. The payment will be equal to (i) the difference between the actual generation amount and the applicable Levelization Amount multiplied by the applicable PPA rate, plus (ii) any payments that would have been due under the Canadian Federal Government’s EcoEnergy Program in respect of such difference in generation. In the event the actual generation amount for Prince Wind is higher than the applicable Levelization Amount, GLPT will reimburse Brookfield Renewable Power in a similar manner in respect of such excess generation. Payments will be made by March 1 each year, in respect of the preceding year, with the first payment due March 1, 2010 for the year ended December 31, 2009. Each Levelization Amount will be adjusted downward as a result of certain “force majeure” events (such as acts of God, fires or explosions, civil disobedience and acts of war) and in certain other circumstances set forth in the Wind Levelization Agreement. Each of Brookfield Renewable Power and GLPT may terminate its obligations under the Wind Levelization Agreement in certain circumstances.

EcoEnergy Program

Prince Wind qualified under the Canadian Government’s EcoEnergy Program. The EcoEnergy Program provides Prince Wind with an additional \$10/MWh incentive from the Canadian Government. This program expires March 31, 2017, and payments are subject to a maximum capacity factor (as defined under the program) of 35%.

Land Leases

Prince Wind is party to numerous leases with public and private landowners for the use of over 20,000 acres of land near the City of Sault Ste. Marie in northern Ontario. The land leases with private landowners have second renewal terms of 30 years each and expire between 2037 and 2039.

Project Financing

In November 2007, Prince Wind was financed with a \$300 million floating rate bank facility which matures on November 30, 2012 and is secured by the assets of Prince Wind. Payments of interest and principal are made quarterly pursuant to amortization matched to coincide with the termination of the last PPA in 2028. Brookfield Renewable Power has hedged the bank facility's floating interest rate to a fixed rate of approximately 5.60% until 2011 and 5.725% in 2012.

GLHA

PPAs - Maine

Pursuant to a 20 year PPA between GLHA and BEMI ending on January 31, 2022, all power generated by GLHA at the six generating facilities located on the Penobscot River in Maine is sold to BEMI for resale into wholesale markets. The price under this agreement in 2008 was US\$37/MWh. The obligations of BEMI under this agreement are guaranteed by Brookfield Renewable Power.

Pursuant to a PPA dated January 13, 1986 between Brassua and Central Maine Power Company, which expires on August 1, 2009, all power generated by Brassua is sold to Central Maine Power Company at specified rates per kilowatt produced. After the expiry of this PPA, the Fund expects that power produced by Brassua, being approximately 17 GWh per year, will be sold into the New England wholesale market.

PPAs – New Hampshire

Pursuant to a 20 year PPA between GLHA and BEMI ending on December 31, 2022, all power generated by GLHA from its generating facilities located on the Androscoggin River in Maine, except for Errol Hydroelectric Co. LLC (“**Errol**”) and Pontook Operating Limited Partnership (“**Pontook**”), is sold to BEMI. In 2008, the price under this contract was US\$37/MWh. The obligations of BEMI under this agreement are guaranteed by Brookfield Renewable Power.

Pursuant to a 20 year PPA between Pontook and BEMI ending on December 31, 2023, all power generated by Pontook is sold to BEMI. In 2008, the price under this agreement was US\$37/MWh. The obligations of BEMI under this agreement are guaranteed by Brookfield Renewable Power.

Pursuant to a PPA dated May 11, 1994 between Errol and Public Service Company of New Hampshire which terminates on December 31, 2023, all power generated by Errol is sold to Public Service Company of New Hampshire at specified rates per kilowatt produced.

Management, Operations and Maintenance Agreement

Pursuant to a management, operations and maintenance agreement between GLHA, Errol, Pontook, Brassua and Brookfield Power New England LLC (“**BPNE**”), among others, dated December 25, 2006, BPNE provides management and operational services to Errol, Pontook, Brassua and GLHA. The agreement expires on December 25, 2026, with successive renewal periods of five years, and may be terminated in certain limited circumstances.

Real Property Leases

Errol leases the site upon which its hydroelectric facility is located under a 40 year lease agreement expiring on December 31, 2023. The lease provides for minimum rent and cost escalation adjustments based on electricity or gross revenues generated, plus any property and personal property taxes owing.

Brassua leases the site upon which its hydroelectric facility is located under a 20 year lease agreement expiring on April 1, 2012. The lease provides for minimum rent and cost escalation adjustments based on electricity or gross revenues generated, plus any property and personal property taxes owing.

Pontook leases a portion of the site upon which its hydroelectric facility is located under a 45 year lease agreement expiring December 31, 2032. The lease provides for minimum rent and cost escalation adjustments based on electricity or gross revenues generated, plus any property and personal property taxes owing.

Project Financing

The Fund refinanced the GLHA Maine and New Hampshire operations with US\$110 million and US\$15 million offering of senior secured notes, in May and September 2004, respectively. The US\$110 million and US\$15 million notes are secured by a first ranking lien on all of the GLHA assets, bear annual interest rates of 5.54% (US\$110 million) and 6.04% (US\$15 million) payable quarterly, and mature on May 28, 2014.

BUSINESS ENVIRONMENT

Competitive Strengths

The Fund benefits from the following competitive strengths:

Long Term Contracts: The Fund sells a large portion of its generation under long term PPAs with creditworthy counterparties which reduces the Fund's risk to market conditions. Brookfield Renewable Power, as guarantor of a significant portion of the Fund's revenue (as more fully described in the section above entitled "*Economic Dependence – Major Agreements*"), has investment grade issuer ratings from Dominion Bond Rating Service ("**DBRS**") and Fitch Ratings ("**Fitch**").

Strong Affiliation with Brookfield Renewable Power: The Fund benefits from the financial strength and managerial expertise, experience and knowledge of its administrator and manager, Brookfield Renewable Power and its subsidiary BEMI. Brookfield Renewable Power's parent company, Brookfield Asset Management Inc., considers power generation to be one of its core business segments.

Experienced Management Team: The Fund's and BEMI's management team have substantial experience and a consistent track record of successfully growing both its asset base and its cash flows.

Interconnected Markets: The majority of the Fund's power generating facilities are located in the north-eastern United States and Canada. The New York, New England, Ontario and Québec power markets are all interconnected, allowing power generated in one of these markets to be delivered into any of the other markets.

Geographic and Technological Diversity: The Fund's power generating facilities are located in four distinct power markets reducing the impact of any one individual market or regulatory risk. The regional diversity of its hydroelectric plants, located on nine different river systems, materially mitigates the risk of encountering lower overall hydrology. The Prince Wind farm recently acquired adds to the Fund's diversification with a second technology to generate renewable power.

Storage Capacity: The Fund has the equivalent of approximately 1,340 GWh of storage capacity throughout its portfolio providing the ability to avoid spillage and manage water resources.

Financial Strength and Attractive Debt Maturity Profile: The Fund pursues a conservative approach to its capitalization by maintaining a prudent level of low-cost limited recourse project financing and modest levels of corporate debt. The long-life nature of its assets allows the Fund to arrange project level financing with long-term limited recourse debt, and with minimal near-term maturities.

Advantages of Hydroelectric Generation

The unique nature of hydroelectric generation provides many advantages over other forms of electricity generation, including a high level of reliability, low operating costs, operational flexibility to meet ongoing

base-load electricity needs and peak demands, minimal environmental impacts, and its reliance on renewable resources.

Reliability: The equipment involved in producing hydroelectric power has relatively few moving parts. Since the processes do not include combusting fossil fuels at high temperatures or creating steam, there is minimal wear and tear on the machinery, which contributes to long life and low maintenance requirements. Unplanned outage rates for hydroelectric units are among the lowest in the electricity industry.

Low Operating Costs: Other than water royalties paid to governmental authorities, hydroelectric facilities do not have any other significant variable costs, such as fuel costs, which can be quite material and highly volatile for fossil-fuelled plants. As well, most hydroelectric plants can be operated remotely by a single person from a centralized control centre. Combined with the low maintenance and outstanding reliability of equipment, operating expenses are comparatively low.

High Operational Flexibility: Hydroelectric plants can adjust quickly to changes in demand and, depending on the flow of the river and the storage capacity of the reservoirs, hydroelectric plants can service both the base power requirements of its customers as well as their peak power requirements.

Low Environmental Impact: Hydroelectric generation produces virtually no greenhouse gas emissions or acid rain, both of which have major impacts on the environment. Hydroelectric generation minimizes thermal, chemical, radioactive, water and air pollution as compared to fossil-fuelled and nuclear generated power. Instead of producing substantial amounts of residual wastes during the power generation process, hydroelectric generation simply returns the water to the river.

Advantages of Wind Generation

In early 2009, the Fund added Prince Wind to its generating assets. Wind power generation also has many advantages over other forms of electricity generation, including low operating costs and minimal environmental impacts.

Low Operating Costs: Other than payments under land leases to public and private landowners, wind farms do not have any other significant variable costs. Prince Wind can be operated remotely by a single person from a centralized control centre, similar to the Fund's hydroelectric generating plants.

Low Environmental Impact: Wind power generation produces virtually no greenhouse gas emissions or acid rain, both of which have major impacts on the environment. Wind farms minimize thermal, chemical, radioactive, water and air pollution as compared to fossil-fuelled and nuclear generated power.

Regulatory Environment

The North American electricity industry has been characterized by significant change over the past several decades, as several jurisdictions in both Canada and the United States have opened their electricity markets to competition. While the pace of deregulation has differed from region to region, wholesale electricity trading markets have developed, access to transmission systems has been afforded, and a number of electric utilities have been restructured in response to state mandated efforts to move towards competition. Additionally, independent power producers have had the opportunity to increase their generating portfolios in markets where asset sales have been either mandated by the regulator, where opportunities to acquire assets have materialized through consolidation or rationalization, or where construction of new power plants have been partially or totally opened to privately-owned generators.

In Canada, over 80% of the electricity generated is provided by large provincially-owned corporations, such as Hydro-Québec and Ontario Power Generation Inc., with the remainder being produced by smaller investor-controlled corporations or by industrial companies. In the late 1970s and 1980s, provincial governments, which have legislative authority over the supply of power and utilities, responded to consumer demand for competitive electricity tariffs by initiating programs and policies aimed at permitting the purchase of electricity from independent power producers. In the 1990s, ongoing customer demand for lower prices and the desire to improve global competitiveness in the United States, Canada and worldwide led to many initiatives to restructure the electricity industry from a highly regulated industry controlled by

large vertically integrated Crown-owned utilities, to one that now favours increased competition and promotes opportunities for new market participants. Deregulation of the electricity industry has taken place or continues to be studied in most provinces in Canada, and a number of jurisdictions in the United States.

In Canada, Ontario, Alberta and New Brunswick have opened their electricity markets to full wholesale competition, while the provinces of British Columbia and Québec have restructured their electric utilities and opened development of new projects to private developers. In the northeast United States, New York and most of New England and mid-Atlantic states have taken steps to open up their retail electricity markets to competition. As deregulation has achieved varying degrees of success, market constructs which outlined rules for deregulation have continued to evolve.

Québec

On May 1, 1997, Hydro-Québec opened its transmission system and wholesale electricity market to competition. A few months later, the Federal Energy Regulatory Commission issued a wholesale power marketer license to Hydro-Québec enabling it to negotiate the sale and purchase of electricity directly, based on US market prices. As a result of this action, electricity producers in Québec now have the option to sell electricity outside Québec and to “wheel” it through Hydro-Québec’s transmission lines at specified rates.

In 2000, Hydro-Québec implemented the separation of its operations into distribution, transmission and generation of electricity.

Hydro-Québec Production generates electricity and sells it on wholesale markets both inside and outside Québec. For the Québec market, Hydro-Québec Production supplies Hydro-Québec Distribution with a heritage pool of up to 165 TWh of electricity per year, at a fixed-price of 2.79 cents per kWh. Beyond this volume, it competes freely in response to Hydro-Québec Distribution’s calls for tenders.

Hydro-Québec TransÉnergie (“**HQT**”) owns and operates Hydro-Québec’s transmission system, which has 18 interconnections allowing power interchange between Québec and the systems in Labrador, New Brunswick, Ontario and the northeastern United States. HQT offers non-discriminatory access to Québec’s transmission system to all customers on the wholesale market in the northeastern United States. It also makes its interconnections available to customers both inside and outside Québec.

Québec’s distribution network now consists of 11 distributors including Hydro-Québec Distribution, nine operators of municipal systems and one regional cooperative. With open access to HQT’s transmission grid, all electricity distributors and large consumers may purchase electricity in Québec or elsewhere. Hydro-Québec Distribution supplies domestic markets with electricity and ensures the reliability of the distribution system.

Following a consultation process which began in November 2004, the Québec Ministry of Natural Resources (“**MNR**”) established the government’s energy strategy. Changes to several statutes were deemed required by the MNR in order to implement the strategy. Bill 52 was adopted on December 13, 2006 amending, inter alia, the Act respecting the Régie de l’énergie (such Act, the “**Act**” and such Régie, the “**Régie**”). Of note was an amendment to the Act which provided that, at the request of the electric power carrier, HQT, all auxiliary carriers (with a capacity of 44 kV or more) must negotiate the terms of an electric power transmission service contract with HQT. Subsequent to the amendment of the Act, the Fund, through its wholly owned subsidiary Lièvre Power, sought clarification from the Régie as to whether or not Lièvre Power was an “auxiliary carrier”. On May 22 2008, the Régie determined that Lièvre Power is an auxiliary carrier under the Act, as amended. Lièvre Power’s designation as an auxiliary carrier is not expected to have a material adverse effect on the Fund’s Québec based operations.

Ontario

The *Energy Competition Act, 1998* received Royal Assent to, among other things: (i) end Ontario Hydro’s monopoly in electricity supply and introduce a competitive market; (ii) broaden the mandate of the Ontario Energy Board (“**OEB**”) to include regulation of the electricity sector and improve gas sector regulation; and (iii) reorganize Ontario Hydro into its successor commercial corporations.

On April 1, 1999, Ontario Hydro's five successor companies were established as follows: Ontario Hydro Services Company Inc. now known as Hydro One Inc.; Ontario Power Generation Inc.; OEFC; the independent market operator, which became the IESO under the *Electricity Restructuring Act, 2004*; and Electrical Safety Authority. The IESO was set up as a non-profit corporation responsible for ensuring the reliability and fairness of the Ontario wholesale electricity market.

Ontario's wholesale energy market was opened on May 1, 2002. This milestone required completion of many items by the IESO and OEB, including the finalization of the market rules, confirmation of market readiness by the IESO and approval of the provincial transmission revenue allocation to be approved by the OEB. In addition, the treatment of Ontario's independent power companies, such as those operated by the Fund and Brookfield Renewable Power, was finalized.

In December 2004, the *Electricity Restructuring Act, 2004* received Royal Assent. This legislation was designed to bring stability to Ontario's electricity sector in the following ways. First, the newly formed OPA is responsible for assessing the need for new generation capacity in the marketplace, with the goal of assuring an adequate, long-term supply of electricity. Second, the role played by the OEB had been re-defined so that it now has the authority to oversee the setting of regulated pricing of electricity at the retail level. These regulated prices are intended to provide price stability to consumers. Third, the OPA, through the Integrated Power System Plan, has created a Conservation Bureau with the mandate to, among other things, set targets for conservation, renewable energy, transmission investment and for the overall supply mix of electricity in the province.

Ontario's electricity generators compete with other suppliers from both within and outside of Ontario to sell electricity to the wholesale market, consisting of purchasers of bulk power such as electricity distribution utilities, industrial customers, aggregators, brokers and marketers. Wholesale market participants buy and sell electricity either through the IESO administrated market or through bilateral contracts, such as PPAs.

British Columbia

The two major electricity utilities in British Columbia are BC Hydro and FortisBC. BC Hydro, a crown corporation, is the major generator of power in British Columbia. It owns most of the transmission lines through B.C. Transmission Corporation and supplies directly or indirectly approximately 90% of the total electricity consumed in that province. The remaining load in British Columbia is served by FortisBC, which generates, transmits and distributes power in the southeast portion of the province.

Open access to the transmission system of BC Hydro has been available in British Columbia since January 1, 1996 and the FortisBC system since March 20, 1998. Although there have been various regulatory proceedings in which further restructuring of the electricity industry in British Columbia has been contemplated, no other significant structural steps have been taken to encourage competition in the wholesale market of British Columbia. Thus, the bulk of retail load is served by either BC Hydro or FortisBC with the main exception being the load served by eight municipal distribution utilities within the FortisBC service area and by the City of New Westminster within the BC Hydro service area. Independent power producers located in British Columbia may sell to BC Hydro or FortisBC or employ access to either transmission system to sell their generation outside of the province. In addition, development of new generation reserves is open to private developers through "calls for power" issued by BC Hydro.

New England

The Independent System Operator – New England ("ISO-NE"), created in 1997, is responsible for the day-to-day operation of New England's bulk power generation and transmission system; oversight and fair administration of the region's wholesale electricity markets which first opened in 1999; and management of a comprehensive regional bulk power system planning process. ISO-NE serves the states of Connecticut, Maine, Massachusetts, New Hampshire, Rhode Island and Vermont.

Safety, Health, the Environment and Community Relations

Health and Safety

The Fund has adopted a Health and Safety Policy and an Environmental Policy requiring all employees, contractors, agents and others involved in its operations to comply with established safety, health and environmental practices. The Fund's subsidiaries provide suitable training to achieve the desired compliance.

The Fund strives to achieve excellence in safety performance and to be recognized as an industry leader in accident prevention. The Fund recognizes and is committed to the following health, safety and environmental principles:

- Accountability and responsibility for safety performance extends from the trustees through to the executives, managers, supervisors and workers.
- Active participation of leadership in the management of health and safety.
- A primary focus on the elimination and control of high risk hazards for employees, contractors, visitors and the population potentially affected by the Fund's operations.
- The right and the responsibility of every employee to contribute to safe work performance.
- Prevention through the proactive application of a comprehensive safe work management system.

The Fund's overall objective is to incur zero high risk safety incidents and zero lost time injuries.

Environment

The Fund's environmental practices are based on the fundamental values of accountability, partnership and open communication. The Fund endeavours to manage natural resources in ways that ensure sustainable development. The Fund's approach protects and enhances the ecosystems and communities affected by its activities. It recognizes and is committed to the following environmental principles:

- Meet legislative requirements and strive to achieve a level of performance not only governed by these requirements but also by consideration of the socio-economic and environmental expectations of stakeholders.
- Engage in open and transparent dialogue with stakeholders to achieve a greater understanding of expectations and constraints.
- Promote a partnership approach for the development of responsible and realistic solutions.
- Understand, minimize and manage the impacts and risks to the public and the environment associated with operations and plan for emergency situations.
- Integrate environmental, public and socio-economic considerations into business processes.
- Ensure efficiency of our operations and activities in the use of our natural resources.
- Exercise leadership by encouraging and training employees at all levels to ensure environmental stewardship and public safety.
- Ensure that performance demonstrates a leadership position.

- Put in place environmental management systems that support this policy and ensure continual improvement.

The Fund is committed to the environmentally responsible management of its assets. Developments undertaken by the Fund, as well as the new Prince Wind and Pingston Hydro assets being transferred to the Fund in connection with the Transaction, have all obtained their required environmental authorizations from the appropriate regulatory authorities. Expenditures on environmental compliance are minimal due to the nature of the assets held and are included in the Fund's ongoing capital expenditure plan.

The Fund pays particular attention to dam safety. Inspections and independent evaluations of the Fund's dams and other hydroelectric structures are periodically conducted, and repairs and upgrades are made to any elements or design features as may be required from time to time.

Public safety is also one of our primary concerns. The Fund endeavours to keep the lands and waterways for its operations safe for the general public. The Fund also conducts information sessions for the general public to educate them of the dangers of using land and waterways of hydroelectric generating facilities for recreational purposes.

RISK FACTORS

An investment in Trust Units is subject to certain risks. The risks and uncertainties below represent the risks that the Fund believes are material. If any of the events or developments discussed below actually occurs, the Fund's assets, liabilities, business, financial condition, results of operations and distributable cash could be adversely affected. Other factors not presently known to the Fund or that the Fund presently believes are not material could also affect the future business and operations of the Fund.

Risks Relating to the Business of the Fund

Changes in Hydrology and Wind Conditions

The revenues generated by the Fund's facilities are proportional to the amount of electricity generated which in turn is dependent upon available water flows and wind conditions. Hydrology and wind conditions have natural variation from year to year and may also change permanently because of climate change or other factors. A sustained decline in water flow of the Fund's hydroelectric stations or wind conditions at the Fund's wind energy facilities could lead to a material adverse change in the volume of electricity generated and revenues and distributable cash.

Equipment Failure

The Fund's generation assets may not continue to perform as they have in the past and there is a risk of equipment failure due to wear and tear, latent defect, design error or operator error, among other things, which could have a material adverse effect on the Fund's assets, liabilities, business, financial condition, results of operations and distributable cash. In particular, wind generation turbines are less commercially proven than the Fund's existing assets.

Performance of Counterparties and Contract Expiry

A significant portion of the power the Fund generates is sold under long-term PPAs with either Brookfield Renewable Power, public utilities or industrial end-users (in the latter case, Brookfield Renewable Power guarantees the obligation of the Purchaser). If for any reason any of the purchasers of power under such PPAs or the guarantor are unable or unwilling to fulfill their contractual obligations under the relevant PPA or if they refuse to accept delivery of power pursuant to the relevant PPA, the Fund's assets, liabilities, business, financial condition, results of operations and distributable cash could be materially and adversely affected as the Fund may not be able to replace the agreement with an agreement on equivalent terms and conditions. In addition, certain of the PPAs provide for terms that are above market and as such PPAs expire, the Fund may not be able to replace those PPAs with an agreement on equivalent terms and conditions.

Dependence on Brookfield Renewable Power and Potential Conflicts of Interest

The Fund is dependent on Brookfield Renewable Power, as guarantor of the price for certain electricity produced and delivered, as manager and/or operator of the power systems, as purchaser of power and as sales and marketing agent. Accordingly, distributions to unitholders will be dependent upon the ability of Brookfield Renewable Power to satisfy its obligations under certain agreements relating to the power systems.

Certain conflicts of interest may arise as a result of Brookfield Renewable Power pursuing its own business interests, which may render Brookfield Renewable Power in competition with the Fund. As well, there may be conflicts which arise due to market conditions as Brookfield Renewable Power is the guarantor of electricity prices for some power systems as well as the dispatcher and operator of the power systems.

Until the exchange of all of the Exchangeable Shares, Brookfield Renewable Power owns more than 50% of the votes of GLP HC, a subsidiary of GLPT owning the Prince Wind and Pingston Hydro assets and, therefore, the Fund is dependent in part on Brookfield Renewable Power to make shareholder decisions regarding Prince Wind and Pingston Hydro, subject to its obligations in the exchange and voting agreement described on page 41 of this AIF.

Risks Associated with Acquisitions

Acquisitions involve risks that could materially and adversely affect the Fund's business, including the failure of the new acquisitions to achieve the results the Fund expects. In addition, liabilities may exist that the Fund does not discover in its due diligence prior to the consummation of an acquisition or circumstances may exist with respect to the entities or assets acquired that could lead to future liabilities and, in each case, the Fund may only be entitled to limited recourse against the counterparties to the acquisition agreement. The discovery of any material liabilities subsequent to an acquisition could have a material adverse effect on the Fund's assets, liabilities, business, financial condition, results of operations and distributable cash.

Industry Risk

The Fund operates in the North American power sector, which is affected by competition, supply of and demand for power, the location of import/export transmission lines, and overall economic conditions. A general and extended decline in the North American economy or sustained conservation efforts to reduce electricity consumption could have the effect of reducing demand for electric energy over time.

Availability of Transmission Systems

The Fund's ability to sell electricity is impacted by the availability of the various transmission systems to deliver power to its contractual delivery point. The failure of existing transmission facilities, the lack of adequate transmission capacity or transmission congestion may have a material adverse effect on the Fund's ability to deliver electricity to its various counterparties or the requirement of counterparties to accept and pay for energy delivery, which could materially and adversely affect the Fund's assets, liabilities, business, financial condition, results of operations and distributable cash.

Water Rights

Water rights are generally owned or controlled by governments that reserve the right to control water levels or may impose water-use requirements as a condition of license renewal.

The Fund is required to make rental payments for water rights or pay similar fees for use of water once its hydroelectric projects are in commercial operation. Significant increases in water rental costs or similar fees in the future or changes in the way that governments regulate water supply could have a material adverse effect on the Fund's assets, liabilities, business, financial condition, results of operations and distributable cash.

Foreign Exchange

Distributable cash generated by the Fund's New England operations is denominated in US dollars and, therefore, distributions by the Fund may be affected by the fluctuations of the Canadian/US dollar exchange rate over time. A material increase in the value of the Canadian dollar may negatively impact the Fund's distributions. The Fund may manage the risk associated with foreign exchange rate fluctuations by, from time to time, entering into forward foreign exchange contracts and engaging in other hedging

strategies. To the extent that the Fund engages in risk management activities related to foreign exchange rates, the Fund will be subject to credit risks associated with the counterparties that it contracts with. Defaults by counterparties to these contracts may have a material adverse effect on the Fund's results of operations.

Regulatory Regime

The operation of the Fund's generation assets is subject to extensive regulation by various government agencies at the municipal, provincial, state and federal level. As legal requirements frequently change and are subject to interpretation and discretion, the Fund is unable to predict the ultimate cost of compliance with these requirements or their effect on its operations. Any new law or regulation could require additional expenditure to achieve or maintain compliance. Also, operations that are not currently regulated may become subject to regulation which could result in additional cost to the Fund's business.

Governmental Permits

The Fund's projects are required to comply with numerous domestic and foreign federal, regional, state and local statutory and regulatory standards and to maintain numerous licenses, permits and governmental approvals required for operation. Some of the licenses, permits and governmental approvals that have been issued to the Fund's projects contain conditions and restrictions, or may have limited terms. If the Fund fails to satisfy the conditions or comply with the restrictions imposed by its licenses, permits and governmental approvals, or the restrictions imposed by any statutory or regulatory requirements, it may become subject to regulatory enforcement action and the operation of the projects could be adversely affected or be subject to fines, penalties or additional costs. In addition, the Fund may not be able to renew, maintain or obtain all necessary licenses, permits and governmental approvals required for the continued operation of its projects, as a result of which the operation of the Fund's projects may be limited or suspended. The Fund's failure to renew, maintain or obtain all necessary licenses, permits or governmental approvals may have a material adverse effect on its assets, liabilities, business, financial condition, results of operations and distributable cash.

Availability of Capital to Meet Obligations

Distributable cash will be dependent upon the ability of GLPT or any of its affiliates to fund a portion of its capital program with committed credit facilities and refinance or renew its existing loan arrangements. The Fund may be required to reduce distributions or sell additional Trust Units in order to accommodate these items. Although the Fund has calculated a levelized annual amount to fund the various 20 year capital programs, there can be no assurance that sufficient capital will be available on acceptable terms to the Fund for such expenditures or that the amount required would be the same as currently estimated.

Force Majeure

The Fund's operations are exposed to potential damage, including partial or full loss, resulting from disasters (e.g., floods, high winds, fires and earthquakes) and the like. The Fund's generation assets could be exposed to effects of severe weather conditions, natural disasters and potentially catastrophic events such as a major accident or incident at the Fund's generation assets. An assault or an action of malicious destruction, sabotage or terrorism committed on the Fund's generation assets could also disrupt its ability to generate or sell power. In certain cases, there is the potential that some events may not excuse the Fund from performing its obligations pursuant to agreements with third parties. The Fund may be liable for damages or suffer further losses as a result. The occurrence of a significant event that disrupts the ability of the Fund's generation assets to produce or sell power for an extended period, including events which preclude existing customers from purchasing electricity, could have a material adverse effect on the Fund's assets, liabilities, business, financial condition, results of operations and distributable cash.

Dam Failure

The occurrence of dam failures at any of the Fund's hydroelectric generating stations or the occurrence of dam failures at other generating stations or dams operated by third parties whether upstream or downstream of the Fund's hydroelectric generating stations could result in a loss of generating capacity and repairing such failures could require the Fund to expend significant amounts of capital and other resources. Such failures could result in the Fund being exposed to significant liability for damages.

Insurance Limits

While the Fund maintains insurance coverage, such insurance may not continue to be offered on an economically feasible basis and may not cover all events that could give rise to a loss or claim involving the Fund's assets or operations. If the Fund's insurance coverage is not adequate and it is forced to bear such losses or claims, its financial position could be materially and adversely affected.

Health, Safety and Environmental Risks

The ownership and operation of the Fund's generation assets carry an inherent risk of liability related to public safety and worker health and safety and the environment, including the risk of government imposed orders to remedy unsafe conditions and/or to remediate or otherwise address environmental contamination, potential penalties for contravention of health, safety and environmental laws and potential civil liability. The Fund may become subject to government orders, investigations, inquiries or other proceedings (including civil claims) relating to health, safety and environmental matters as a result of which its operations may be limited or suspended. The occurrence of any of these events or any changes, additions to or more rigorous enforcement of, health, safety and environmental laws could have a material and adverse impact on operations and result in additional material expenditures. Additional environmental and workers' health and safety issues relating to presently known or unknown matters may require unanticipated expenditures, or result in fines, penalties or other consequences (including changes to operations) that may be material and adverse to the Fund's business and results of operations.

Litigation

In the normal course of the Fund's operations, it may become involved in various legal actions, typically involving claims relating to personal injuries, property damage, property taxes, land rights and contract disputes. The outcome with respect to outstanding, pending or future actions cannot be predicted with certainty and may be adverse to the Fund and as a result could have a material adverse effect on the Fund's assets, liabilities, business, financial condition, results of operations and distributable cash.

Labour Relations

The Fund's current collective agreements expire periodically and the Fund may not be able to renew its collective agreements without a labour disruption or without agreeing to significant increases in cost. In the event of a labour disruption such as a strike or lock-out, the ability of the Fund's generation assets to generate electricity may be impaired. The Fund's results from operations and distributable cash could be materially and adversely affected as a result.

Changes in Technology

There are other alternative technologies that can produce renewable power, such as fuel cells, micro turbines, wind turbines and photovoltaic (solar) cells. These alternative technologies currently produce electricity at a higher average price than the Fund's generation facilities; however, research and development activities are ongoing to seek improvements in such alternative technologies and their cost of producing electricity is gradually declining. It is possible that advances will further reduce the cost of alternative methods of power generation. If this were to happen, the competitive advantage of the Fund's projects may be significantly impaired or eliminated and the Fund's assets, liabilities, business, financial condition, results of operations and distributable cash could be materially and adversely affected as a result.

Risks Associated with Tax Matters

The Fund's interests in Prince Wind and Pingston Hydro is made through certain corporations and partnerships that may be considered to be "tax shelters" under the *Income Tax Act* (Canada) (the "**Tax Act**"), and therefore may be subject to the rules under the Tax Act relating to "tax shelter investments" (the "**tax shelter investment rules**"). The application of the tax shelter investment rules to the partnerships could result in a substantial reduction in capital cost allowance for those projects, which could cause the them to become subject to tax as a result of reduced deductions to it, including indirectly for capital cost allowance. The investment in these partnerships is intended not to be a tax shelter and is not expected to be in fact a tax shelter under the Tax Act. However, as the Canadian Revenue Agency may assert that such investment is a tax shelter, the partnerships will apply for and obtain, on a without prejudice basis, a tax shelter identification number. The identification number issued in respect of such partnerships as a tax shelter shall be included in any income tax return filed by an investor in such partnerships. Issuance of the

identification number is for administrative purposes only and does not in any way confirm the entitlement of such investor to claim any benefits associated with the tax shelter. Under the Investment Agreement (defined below under “*Material Contracts*”), Brookfield Renewable Power will agree to indemnify GLPT with respect to claims or losses relating to the breach of any representation or warranty of Brookfield Renewable Power contained in the Investment Agreement, including representations with respect to the application of the tax shelter investment rules, up to a maximum of \$130 million.

Energy Price Fluctuations

It is possible that in the future a portion of the Fund’s revenues may be tied, either directly or indirectly, to the wholesale market price for electricity in the markets in which the Fund operates. Wholesale market electricity prices are impacted by a number of factors including: the price of fuel (for example, natural gas) that is used to generate other sources of electricity; the management of generation and the amount of excess generating capacity relative to load in a particular market; the cost of controlling emissions of pollution, including potentially the cost of carbon; the structure of the market; and weather conditions that impact electrical load. As a result, the Fund cannot accurately predict future electricity prices and electricity price volatility could have a material adverse effect on the Fund’s assets, liabilities, business, financial condition, results of operations and distributable cash.

Risks Related to the Fund’s Financing

Capital Markets and Refinancing Risk

Future acquisitions and development, construction of new facilities and other capital expenditures will be financed out of cash generated from the Fund’s operations, borrowings and possible future sales of equity. As such, in order to finance the Fund’s growth, it may depend on raising additional equity and debt capital. The Fund’s ability to do so is dependent on, among other factors, the overall state of capital markets and investor appetite for investments in renewable energy assets in general and the Fund’s securities in particular.

In addition, many of the Fund’s project financings consist of interest-only or limited amortization financings. As such, a significant portion of outstanding indebtedness must be refinanced at maturity.

To the extent that external sources of capital become limited or unavailable or available on onerous terms, the Fund’s ability to complete acquisitions and make necessary capital investments to construct new or maintain existing facilities may be impaired, and its assets, liabilities, business, financial condition, results of operations and distributable cash may be materially and adversely affected as a result. In addition, the Fund’s future financings may be exposed to interest rate risk. If interest rates increase, an increased proportion of the Fund’s distributable cash may be required to service indebtedness.

Project Financing

The Fund relies on limited-recourse project financing structures to finance a significant portion of its operations. Such financings generally require the Fund to grant a first-priority security interest in underlying project assets in favor of third party lenders. In addition, the Fund’s ability to withdraw distributable cash from its subsidiaries financed on a limited-recourse basis is usually dependent on the achieving of minimum distributable cash or interest coverage ratios as well as the maintenance of certain collateral accounts. If the Fund cannot withdraw cash flow from its subsidiaries, its financial position and distributable cash could be materially and adversely affected.

Risks Related to the Fund

Nature of Trust Units

Securities like the Trust Units share certain attributes common to both equity securities and debt instruments. The Trust Units are dissimilar to debt instruments as there is no principal amounts owing to unitholders. The Trust Units do not represent a traditional investment and should not be viewed by investors as a direct investment in the business or as direct investments in securities of GLPT or other subsidiaries of the Fund. The Trust Units represent a fractional interest in the Fund. The Fund’s primary assets are GLPT Units and GLPT Notes (both defined below under “*General Description of Capital Structure – The Fund – Description of Trust Units and the Trust Indenture*”).

The Trust Units are not “deposits” within the meaning of the *Canada Deposit Insurance Corporation Act* (Canada) and are not insured under the provisions of that act or any other legislation. As holders of Trust Units issued by an unincorporated trust, unitholders do not have the statutory rights associated with ownership of shares of a corporation, for example, the right to bring “oppression” or “derivative actions”.

Income Tax Matters

On June 22, 2007, new tax rules were enacted under the Income Tax Act (Canada) (the “**Tax Act**”) that significantly change the income tax treatment of most publicly traded trusts and partnerships (other than certain real estate investment trusts) and the distributions and allocations, as the case may be, from these entities to their investors (the “**SIFT Rules**”). The SIFT Rules apply a tax on certain income (other than taxable dividends) earned by a “specified investment flow-through” (“**SIFT**”) trust or partnership, and treat the taxable distributions of such income received by investors in such entities as taxable dividends from taxable Canadian corporations. The SIFT Rules do not change the tax treatment of distributions that are in excess of the taxable income of a SIFT trust. Proposed amendments to the SIFT Rules were announced by the Minister on December 20, 2007, draft legislative proposals containing proposed amendments to the SIFT Rules were released on July 14, 2008 and a Notice of Ways and Means Motion containing proposed amendments to the SIFT Rules was tabled in the House of Commons on November 28, 2008. Under the SIFT Rules, certain income (other than taxable dividends) earned by these entities is taxed in a manner similar to income earned by a corporation and distributions or allocations, as the case may be, of such income made by these entities to investors is taxed in a manner similar to dividends from taxable Canadian corporations. The deemed dividend will be eligible for the enhanced dividend tax credit if paid or allocated to a resident of Canada. The SIFT Rules are generally effective for the 2007 taxation year for trusts and partnerships that commenced public trading after October 31, 2006, but are generally delayed until the 2011 taxation year for trusts and partnerships that were publicly traded prior to November 1, 2006, such as the Fund. However, the SIFT Rules will apply immediately in any taxation year ending after 2006 if the affected entity does not comply with the Normal Growth Guidelines, unless the excess growth arose as a result of a prescribed transaction. The Normal Growth Guidelines indicate that the deferral until 2011 will not be rescinded in respect of a SIFT trust whose equity capital grows as a result of issuances of new equity before 2011 by an annual amount that does not exceed the greater of \$50 million and an objective “safe harbour” amount that is based on a percentage of the SIFT trust’s market capitalization on October 31, 2006. Market capitalization, for these purposes, is to be measured in terms of the value of the SIFT trust’s issued and outstanding publicly-traded units. The Normal Growth Guidelines provide that a SIFT trust’s “safe harbour” will be 40% of the October 31, 2006 market capitalization for the period from November 1, 2006 until the end of 2007 and will be 60% of that benchmark for the remaining period until the end of 2010. These safe harbor growth limits are cumulative such that any unused limit for a given period is carried over to the next period until the end of 2010 (the \$50 million annual growth limit is not cumulative). For these purposes, new equity will include units and debt that is convertible into units and potentially other substitutes for such equity, including the Exchangeable Shares, but will generally not include new non-convertible debt or the replacement of debt outstanding on October 31, 2006 with equity. Also excluded from new equity are units that are issued on the exercise of exchangeable interests that were outstanding on October 31, 2006. The Normal Growth Guidelines may be amended from time to time. These constraints may not accommodate the Fund’s financing requirements to take advantage of growth opportunities that may be available during the interim period, including after the Offering, and may effectively preclude the Fund from pursuing certain acquisition opportunities. The SIFT Rules are not expected to have an immediate impact on the Fund’s tax treatment or the tax treatment of distributions to unitholders. There can be no assurance that Canadian federal income tax law respecting the taxation of income trusts and other flow-through entities will not be further changed in a manner that adversely affects the Fund and its unitholders.

There can be no assurance that Canadian federal income tax laws respecting the treatment of mutual fund trusts will not be changed in a manner which adversely affects the unitholders.

On October 31, 2003, the Department of Finance released, for public comment, proposed amendments to the Tax Act (the “**REOP Amendments**”) that related to the deductibility of interest and other expenses for income tax purposes for taxation years commencing after 2004. In general, the REOP Amendments may deny the realization of losses in respect of a business or property in a year if in the year it is not reasonable to expect that the taxpayer will realize a cumulative profit from that business or property for the period in which the taxpayer has carried on, and can reasonably be expected to carry on, that business, or has held,

and can reasonably be expected to hold, that property. Management believes it is reasonable to expect that the Fund and its subsidiaries will realize a cumulative profit from their respective properties and businesses as the case may be. As part of the 2005 Federal Budget, the Minister announced that an alternative proposal to replace the REOP Amendments would be released for comment at an early opportunity. No such alternative proposal has been released to date.

Interest on the GLPT Notes (as defined in “*General Description of Capital Structure – The Fund – Description of the Trust Units and the Trust Indenture*”) and interest-bearing debt owed to GLPT accrues at the Fund level and at the GLPT level, respectively for income tax purposes whether or not actually paid. As a result, the income of GLPT allocated to the Fund, in respect of a particular fiscal year may exceed the cash distributable by the Fund in such year. The Trust Indenture provides that an amount equal to the taxable income of the Fund (except capital gains realized on a redemption of Trust Units that is required to maximize the Fund’s capital gains refund) will be distributed each year to unitholders in order that the Fund will not have any liability for tax under the Tax Act in any year (except any liability which could result from any capital gains realized by the Fund as a result of redemptions of Trust Units). Where, in a particular year, the Fund does not have sufficient available cash to distribute such an amount to unitholders, the Trust Indenture provides that additional Trust Units may be distributed to unitholders in lieu of cash distributions. Unitholders will generally be required to include an amount equal to the fair market value of those Trust Units into their taxable income, in circumstances when they do not directly receive a cash distribution. The Fund’s ability to reduce its taxable income through distributions will be affected by the SIFT Rules once these rules apply to the Fund.

Currently, a trust will not be considered to be a mutual fund trust if it is established or maintained primarily for the benefit of non-resident persons or partnerships that are not Canadian partnerships unless all or substantially all of its property is property other than taxable Canadian property. On September 16, 2004, the Minister released proposed amendments to the Tax Act (the “**MFT Amendments**”) under which a trust would lose its status as a mutual fund trust if the aggregate fair market value of all units issued by the trust held by one or more non-resident persons or partnerships that are not Canadian partnerships is more than 50% of the aggregate fair market value of all the units issued by the trust where more than 10% (based on fair market value) of the trust’s property is taxable Canadian property or certain other types of property. If the MFT Amendments are enacted as proposed, and if, at any time, more than 50% of the aggregate fair market value of the Trust Units were held by non-residents and partnerships other than Canadian partnerships, the Fund would thereafter cease to qualify as a mutual fund trust. If the Fund ceases to qualify as a mutual fund trust under the Tax Act, then the income tax considerations described above would be materially and adversely different in certain respects. The MFT Amendments do not currently provide any means of rectifying a loss of mutual fund trust status. On December 6, 2004, the Department of Finance tabled a Notice of Ways and Means Motion which did not include these proposed changes. The Department of Finance has suspended implementation of the MFT Amendments pending further consultation with interested parties.

Investment Eligibility

There can be no assurance that the Trust Units will continue to be qualified investments for Registered Plans. The Tax Act imposes penalties for the acquisition or holding of non-qualified or ineligible investments by Registered Plans.

Market for Trust Units and Trust Unit Prices

As with any other publicly traded security, the value of Trust Units depends on various market conditions that will change from time to time. The market value of the Trust Units is influenced by investors’ perceptions of the Fund’s growth potential and current and potential earnings and cash distributions. Consequently, Trust Units may trade at prices that are greater or less than their net asset value. Factors that may affect the market price of Trust Units include, but are not limited to, the following:

- the market demand for Trust Units;
- general reputation of income funds;
- the underlying net asset value of the Fund’s portfolio;
- investor confidence in equity investments generally;

- changes in tax laws;
- general economic conditions; and
- the Fund's financial performance.

Credit Ratings

There is no assurance that any credit rating, if any, assigned to the Fund or to its or any of its subsidiaries debt securities will remain in effect for any given period of time or that any rating will not be lowered or withdrawn entirely by the relevant rating agency. A lowering or withdrawal of such ratings may have an adverse effect on the Fund's financial position.

Unitholder Liability

The Trust Indenture provides that no unitholder will be subject to any liability to any person in connection with a holding of Trust Units. However, there remains a risk, which is considered by the Fund to be remote in the circumstances, that a unitholder could be held personally liable, despite such statement in the Trust Indenture, for the obligations of the Fund to the extent that claims are not satisfied out of the assets of the Fund. It is intended that the affairs of the Fund will be conducted to minimize such risk wherever possible.

DISTRIBUTION POLICY

The Fund makes monthly distributions to its unitholders based on monthly distributable cash declarations. Distributable cash is based on 100% of the net earnings, excluding major maintenance expense, adjusted to account for non-cash transactions such as depreciation, amortization and future taxes. This figure is then reduced by a capital asset reserve to arrive at distributable cash.

The Fund increased dividend distributions from \$0.10175 per Trust Unit per month to \$0.1033 per Trust Unit per month in January 2006 and again to \$0.10417 per Trust Unit per month in August 2006. Annualized distributions paid for the past three years per Trust Unit were as follows:

Distributions	2008	2007	2006
\$paid/Per Trust Unit	\$1.25	\$1.25	\$1.24

If the Trustee determines that the Fund does not have sufficient cash to fully pay any distributions, the distribution may include the issuance of freely tradable Trust Units at a price per Trust Unit based upon a weighted average price per Trust Unit at which the Trust Units have traded during the period of the last 10 days prior to the record date.

MARKET FOR SECURITIES

The Trust Units are listed for trading on The Toronto Stock Exchange under the symbol **GLH.UN**. The following table sets forth the closing price range and trading volume of the Trust Units for the periods indicated.

	High (\$)	Low (\$)	Volume
	_____	_____	_____
2008			
January.....	19.14	18.10	647,318
February.....	18.49	17.35	740,176
March.....	17.40	16.56	473,232
April.....	17.67	16.71	776,911

	High (\$)	Low (\$)	Volume
May.....	18.29	17.30	419,520
June.....	19.39	18.05	570,822
July.....	19.05	17.62	614,762
August.....	20.64	18.49	643,054
September.....	19.96	18.17	768,123
October.....	18.30	15.85	911,082
November.....	17.87	16.11	886,761
December.....	18.37	15.82	1,270,244

On December 31, 2008, the Fund had 48,276,476 Trust Units outstanding. Based on the closing price on the Toronto Stock Exchange of \$15.94 per Trust Unit, the Fund’s market capitalization was approximately \$770 million. Subsequent to the closing of the Offering and the private placement with Brookfield Renewable Power in January 2009, the Fund had 53,593,976 Trust Units outstanding. Based on the closing price on the Toronto Stock Exchange of \$15.50 per Trust Unit, the Fund’s market capitalization at March 20, 2009 was approximately \$831 million.

GENERAL DESCRIPTION OF CAPITAL STRUCTURE

The Fund – Description of the Trust Units and the Trust Indenture

The Fund is an unincorporated open-ended trust created pursuant to the Trust Indenture and is governed by the laws of Québec. The Fund is a limited purpose trust whose powers are restricted to: (i) issuing Trust Units for consideration in order to (a) acquire securities issued by GLPT including, without limitation, trust units of GLPT (“**GLPT Units**”) and secured GLPT notes (“**GLPT Notes**”) issued by GLPT from time to time, either Series 1 or Series 2, pursuant to a secured note indenture dated October 27, 1999, as amended on October 27, 2003, between GLPT and CIBC Mellon Trust Company, and (b) acquire securities or ownership interests in or from other corporations, partnerships, trusts, or other persons or entities involved in the same business as GLPT or in a similar business; (ii) making investments in securities and borrowing funds for such purpose; and (iii) temporarily holding cash and other short-term investments.

Trustee

CIBC Mellon Trust Company (the “**Trustee**”) acts as the Fund’s trustee, transfer agent, and registrar for the Trust Units under the Trust Indenture. Subject to certain limitations, the Trustee shall have full, absolute, and exclusive power, control, and authority over the Fund’s property and affairs. The Trustee has delegated many of its powers to BEMI, as the Fund’s administrator pursuant to the Administration Agreement, and may delegate powers to such other persons as the Trustee may deem necessary or desirable.

The Trustee may resign its trust under the Trust Indenture by giving to BEMI, in its capacity as administrator of the Fund, not less than 90 days prior notice. The Trustee may be removed at any time with or without cause by Ordinary Resolution (as defined in the Trust Indenture). The Trustee may also be removed at any time by BEMI, in its capacity as administrator of the Fund, by notice in writing to the Trustee, in the event that the Trustee is declared bankrupt or insolvent or no longer satisfies other similar requirements provided for in the Trust Indenture, or if the Trustee, at any time, ceases (i) to be incorporated under the laws of Canada or a province thereof, (ii) to be resident in Canada, (iii) to be authorized under the laws of Québec to carry on the business of a trust company, and (iv) to have reported on its most recent audited consolidated financial statements shareholders’ equity of at least \$100 million or to be at least 50% owned by a Schedule I Canadian chartered bank. Any such resignation or removal shall take effect on the

earlier of 90 days after the date notice of such resignation is duly given, such Ordinary Resolution is approved, or such notice by BEMI is given, as the case may be, and the date a successor Trustee is appointed or elected. If no successor Trustee has been appointed or elected within 60 days of such notice of resignation, Ordinary Resolution, or notice by BEMI, as the case may be, BEMI, any unitholder, or any other interested party may apply to a court of competent jurisdiction for the appointment of a successor Trustee.

The Trust Indenture provides that the Trustee will be entitled to indemnification from the Fund in respect of the performance of its duties thereunder, in the absence of its gross or wilful fault or fraudulent acts.

Certain Restrictions on Trustee's Powers

The Trust Indenture provides that the Trustee may not, without the approval of the unitholders by Ordinary Resolution (i) exercise the voting rights attached to the GLPT Units with respect to any matter which, under the trust indenture of GLPT (the "**GLPT Indenture**"), requires or permits the approval of the GLPT unitholders by Ordinary Resolution, and (ii) subject to certain exceptions, appoint or change the Fund's auditors. Additionally, the Trust Indenture provides that the Trustee may not, without the approval of the unitholders by Special Resolution (as defined in the Trust Indenture) (i) exercise the voting rights attached to the GLPT Units with respect to any matter which under the GLPT Indenture requires or permits approval by the GLPT unitholders by Special Resolution, (ii) amend the Trust Indenture (except in certain limited circumstances described under "**Amendments**" below), (iii) sell, lease, or exchange all or substantially all of the Fund's property, other than in the ordinary course of business, (iv) authorize the termination, liquidation or winding-up of the Fund, other than at the end of the term of the Fund (as described under "**Term of the Fund**" below), or (v) authorize the combination, amalgamation or merger of the Fund, nor the Fund's involvement in other similar transactions, with any other person or entity.

Trust Units

All of the ownership interests in the Fund, including the Trust Units, constitute a single class of trust units. A Trust Unit represents a unitholder's proportionate, undivided ownership interest in the Fund. The aggregate number of Trust Units which the Fund may issue is unlimited.

No Trust Unit has any preference or priority over another. No unitholder has, nor is deemed to have, any right of ownership in any of the Fund's assets. Each Trust Unit carries the right to one vote at any meeting of unitholders and to participate equally and ratably in any distributions by the Fund and, in the event of any required distribution of all of the Fund's property, in the net assets of the Fund remaining after satisfaction of all liabilities.

Trust 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 reasonably acceptable to the Trustee, together with any certificate representing the Trust Units to be redeemed and written instructions as to the number of Trust Units to be redeemed.

Subject to the approval of the Board and for the sole purposes established for the Fund, the Trustee may issue Trust Units at such times, in such manner, for such consideration, and to such persons as the Trustee, in its sole discretion, shall determine. The Trustee shall use commercially reasonable efforts to issue Trust Units to such persons as the Board may determine for the purpose of facilitating any acquisition by, or other transaction of GLPT. Any funds received by the Fund pursuant to such issuance of Trust Units shall be promptly invested in GLPT Units, GLPT Notes, or a combination thereof, or in such other manner as the Board shall direct.

The Trustee may also issue Trust Units pursuant to a purchase or option plan approved by the Trustee upon the recommendation of the Board and, in compliance with applicable securities laws and stock exchange rules, to the Board or the employees of GLPT or other specified persons.

Trust Indenture Binds All Unitholders

The Trust Indenture is binding upon all holders of Trust Units and, upon receipt of a customer confirmation of purchase from a registered dealer which is a CDS Participant (as defined below) through which the Trust Units are purchased or, upon termination of the Book-Entry System (as defined below), upon receipt of a certificate for a Trust Unit, the unitholder shall be deemed to have agreed to be bound by the Trust Indenture.

Repurchase of Trust Units

The Fund may, from time to time, purchase Trust Units for cancellation in accordance with applicable securities legislation and the rules prescribed under applicable stock exchange or regulatory policies. Any such purchases will constitute an “issuer bid” under applicable securities legislation and must be conducted in accordance with the applicable requirements provided thereunder.

Redemption Right at the Option of the Unitholders

Trust 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 reasonably acceptable to the Trustee, together with any certificates representing Trust Units to be redeemed and written instructions as to the number of Trust Units to be redeemed. Upon tender of Trust Units of a unitholder for redemption, all rights to and under the Trust Units tendered for redemption shall be surrendered and the holder thereof shall be entitled to receive a price per Trust Unit (“**Redemption Price**”) equal to the lesser of: (i) 90% of the weighted average price per Trust Unit at which the Trust Units have traded on the principal exchange on which Trust Units are listed (or, if the Trust Units are not listed on any stock exchange, on the principal market on which the Trust Units are quoted for trading) during the period of the last 10 days during which Trust Units traded on such exchange or market immediately prior to the date on which the Trust Units were tendered for redemption; and (ii) an amount equal to (a) the closing price of the Trust Units on the principal stock exchange on which Trust Units are listed (or, if the Trust Units are not listed on any stock exchange, on the principal market on which the Trust Units are quoted for trading) if there was a trade on the date on which the Trust Units were tendered for redemption and the stock exchange or market provides a closing price; (b) the average of the highest and lowest prices of Trust Units on the principal exchange on which Trust Units are listed (or, if the Trust Units are not listed on any exchange, on the principal market on which the Trust Units are quoted for trading) if there was trading on the date on which the Trust Units were tendered for redemption and the exchange or other market provides only the highest and lowest trading prices of Trust Units traded on a particular day; or (c) the average of the last bid and ask prices on the principal exchange on which Trust Units are listed (or, if the Trust Units are not listed on any exchange, on the principal market on which the Trust Units are quoted for trading) if there was no trading on the date on which the Trust Units were tendered for redemption.

The aggregate Redemption Price payable by the Fund in respect of any Trust Units surrendered for redemption during any month shall be satisfied by way of a cash payment five days after the end of the calendar month in which the Trust Units were tendered for redemption, provided that the entitlement of unitholders to receive cash upon the redemption of their Trust Units is subject to the limitations that (i) the total amount payable by the Fund in respect of such Trust Units and all other Trust Units tendered for redemption in the same calendar month shall not exceed \$250,000 (provided that such limitation may be waived at the discretion of the Trustee); (ii) at the time such Trust Units are tendered for redemption, the outstanding Trust Units shall be listed for trading on The Toronto Stock Exchange or traded or quoted on any other stock exchange or market which the Trustee considers, in its sole opinion, provides representative fair market value prices for the Trust Units; or (iii) the normal trading of Trust Units is not suspended or halted on any stock exchange on which the Trust Units are listed (or, if not listed on a stock exchange, on any market on which the Trust Units are quoted for trading) on the date that the Trust Units are tendered for redemption or for more than five trading days during the 10 day trading period commencing immediately after the date on which the Trust Units are tendered for redemption.

If a unitholder is not entitled to receive cash upon the redemption of Trust Units as a result of the foregoing limitations, then the Redemption Price for such Trust Units shall be the fair market value thereof as

determined by the Trustee and shall, subject to any applicable regulatory approvals, be paid and satisfied by way of a distribution *in specie* of a *pro rata* number of GLPT Units and GLPT Notes (each GLPT Note being in the principal amount of \$100), to the extent that the GLPT Notes have not been repaid in full. No fractional GLPT Units or GLPT Notes will be distributed and where the number of GLPT Units and GLPT Notes to be received by a unitholder includes a fraction, such number shall be rounded to the next lowest whole number. Notwithstanding the foregoing, if the unitholder is a trust or a plan governed by a registered retirement savings plan, registered pension plan, registered education savings plan or registered retirement income fund (a “**Plan**”), upon the election of such Plan, the Trustee shall cause GLPT to redeem the proportionate share of GLPT Units that such Plan would otherwise be entitled to receive in consideration for the receipt of GLPT Series 2 Notes and then would distribute to such Plan GLPT Series 2 Notes in lieu of GLPT Units. See “*GLPT and the GLPT Indenture — GLPT Notes*”.

It is anticipated that this redemption right will not be the primary mechanism for holders of Trust Units to dispose of their Trust Units. GLPT Units and the GLPT Notes which may be distributed *in specie* to unitholders in connection with redemption will not be listed on any stock exchange and no market is expected to develop in such GLPT Units and GLPT Notes. GLPT Notes may be subject to resale restrictions under applicable securities laws. GLPT Notes so distributed may be qualified investments for trusts governed by registered retirement savings plans, registered retirement income funds, registered education savings plans, and deferred profit sharing plans. Plans that own Trust Units should consult their own tax advisor before deciding to exercise the redemption rights thereunder.

Distributions

Monthly distributions are paid out to unitholders of record on the last day of each calendar month, no later than the last business day of the month following each record date.

If the Trustee determines that the Fund does not have sufficient cash to fully pay any distributions, the distribution may include the issuance of freely tradable Trust Units at a price per Trust Unit based upon a weighted average price per Trust Unit at which the Trust Units have traded during the period of the last 10 days prior to the record date.

Book-Entry System

Registration of interests in and transfers of Trust Units are usually made only through the book-entry system (the “**Book Entry System**”) administered by the CDS Clearing and Depository Services Inc. (“**CDS**”). Any purchase or sale of a Trust Unit must be made through a participant in the CDS Depository Service (a “**CDS Participant**”), which includes securities brokers and dealers, banks and trust companies. All rights of an owner of Trust Units must be exercised through CDS and the CDS Participant through which the owner owns such Trust Units. All distributions on Trust Units will be made by the Fund to CDS and distributions to CDS will be forwarded by CDS to the CDS Participant, and thereafter to the beneficial owner of the Trust Units. Each purchaser of a Trust Unit will receive a customer confirmation of purchase from the registered dealer from whom such Trust Unit is purchased in accordance with the practices and procedures of that registered dealer.

The ability of a beneficial owner of Trust Units to pledge the Trust Units or otherwise take action with respect to such owner’s interest therein (other than through a CDS Participant) may be limited due to the lack of physical certificates.

If CDS or its nominee notifies the Fund that it is unwilling or unable to continue as depository, or if at any time, CDS or its nominee ceases to be a clearing agency or otherwise ceases to be eligible to be a depository and the Fund is unable or does not wish to locate a qualified successor, or if the Fund elects to terminate the Book-Entry System, certificates will be issued to the beneficial owners of Trust Units.

Take-Over Bids

The Trust Indenture contains provisions to the effect that if, within 120 days after the date of a take-over bid within the meaning of the *Securities Act* (Québec), the bid is accepted by the holders of not less than

90% of the Trust Units (other than Trust Units held at the date of the take-over bid by or on behalf of the offeror or associates or affiliates of the offeror), then the offeror will be entitled to acquire the Trust Units held by unitholders who did not accept the offer on the same terms that the offeror acquired the Trust Units from the offerees who accepted the take-over bid.

Meeting of Unitholders

The Trust Indenture provides that there shall be an annual meeting of the unitholders immediately prior to, and at the same place as, each annual meeting of holders of GLPT Units for the purpose of: (i) directing and instructing the Trustee as to the manner in which the Trustee shall vote the GLPT Units in respect of (a) the election of trustees of GLPT at the corresponding annual meeting of GLPT unitholders; (b) the appointment of the auditors of GLPT for the ensuing year; and (c) generally, any other matter which requires a resolution of GLPT unitholders; (ii) appointing the auditors of the Fund for the ensuing year; and (iii) transacting such other business as the Trustee may determine or as may be properly brought before the meeting.

A meeting of unitholders may be convened at any time and for any purpose by the Trustee and must be convened, except in certain circumstances, if requisitioned by the holders of not less than 15% of the Trust Units then outstanding by a written requisition.

Unitholders may attend and vote at all meetings of the unitholders either in person or by proxy and a proxy need not be a unitholder.

Limitation on Non-Resident Ownership

At no time may non-residents of Canada (within the meaning of the Tax Act) be the beneficial owners of more than 49% of the Trust Units. The transfer agent and registrar may require declarations as to the jurisdictions in which beneficial owners of Trust Units are resident. If the transfer agent and registrar becomes aware that the beneficial owners of 49% of the Trust Units outstanding are, or may be, non-residents or that such a situation is imminent, the transfer agent and registrar may make a public announcement thereof and shall not accept a subscription for Trust Units from or issue or register a transfer of Trust Units to a person unless the person provides a declaration that the person is not a non-resident of Canada. If, notwithstanding the foregoing, the transfer agent and registrar determines that more than 49% of the Trust Units are held by non-residents, the transfer agent and registrar may send a notice to non-resident holders of Trust Units, chosen in inverse order to the order of acquisition or registration or in such manner as the transfer agent and registrar may consider equitable and practicable, requiring them to sell their Trust Units or a portion thereof within a specified period of not less than 30 days. If the unitholders receiving such notice have not sold the specified number of Trust Units or provided the transfer agent and registrar with satisfactory evidence that they are not non-residents of Canada within such period, the transfer agent and registrar may on behalf of such unitholders sell such Trust Units and, in the interim, shall suspend the voting and distribution rights attached to such Trust Units. Upon such sale the affected holders shall cease to be holders of Trust Units and their rights shall be limited to receiving the net proceeds of sale of such Trust Units.

Information and Reports

The Fund will provide unitholders with such financial information (including quarterly and annual financial statements) and other reports as are from time to time required by applicable law, including prescribed forms needed for the completion of unitholders' tax returns under the Tax Act or equivalent provincial legislation.

Term of the Fund

The Fund has been established for a term to continue until no property of the Fund is held by the Trustee. The termination, liquidation or winding-up of the Fund may be required by Special Resolution.

Amendments

The Trust Indenture provides that it may be amended by Special Resolution. The Trust Indenture may also be amended by the Trustee for the purpose of (i) ensuring continuing compliance with applicable laws, regulations, requirements or policies of any governmental authority having jurisdiction over the Trustee or the Fund; (ii) providing additional protection for the unitholders; (iii) removing any conflicts or inconsistencies in the Trust Indenture or making minor corrections which are, in the opinion of counsel to the Fund, necessary or desirable and not prejudicial to the unitholders; or (iv) making amendments which, in the opinion of counsel to the Fund, are necessary or desirable in the interests of the unitholders as a result of changes in taxation laws.

However, no such amendment may modify the right to one vote per Trust Unit or reduce the fractional undivided interest in the property of the Fund represented by any Trust Unit without the consent of the holder of such Trust Unit, and no amendment shall reduce the percentage of votes required to be cast at a meeting of the unitholders for the purpose of amending the provisions of the Trust Indenture without the consent of the holders of all of the Trust Units then outstanding.

GLPT- The GLPT Indenture

The Trustee, with direction and instruction from the unitholders, elects the Board. The Board is responsible for the oversight of GLPT and its subsidiaries in accordance with the GLPT Indenture. As such, this Annual Information Form provides information on GLPT and the Board.

GLPT is an unincorporated open-ended trust created pursuant to the GLPT Indenture and governed by the laws of Québec. It is a limited purpose trust and is restricted essentially to the ownership, operation and lease of assets and property in connection with the generation, accumulation, transmission, distribution, purchase and sale of electricity, as well as having investments and other direct or indirect rights in, and the conduct of the business of, the generation, accumulation, transmission, distribution, purchase and sale of electricity, and other ancillary matters. The GLPT Indenture contains provisions substantially similar to those of the Trust Indenture.

As long as Brookfield Renewable Power owns at least 10% of the outstanding Trust Units or in certain other limited circumstances, Brookfield Renewable Power shall be entitled to propose in the proxy-related materials sent to holders of Trust Units the nominees for election of the Board. If Brookfield Renewable Power owns less than the majority of the outstanding Trust Units, then a majority of the Board which may be proposed by Brookfield Renewable Power must be “independent” to Brookfield Renewable Power (as such term is defined in Section 1.4 of Regulation 52-110 – *Audit Committees* (“**Regulation 52-110**”) and up to three of the remaining trustees may be “related” to Brookfield Renewable Power. If Brookfield Renewable Power owns more than 50% of the Trust Units, then a majority of the proposed trustees may be “related” to Brookfield Renewable Power and at least three of the remaining proposed trustees would be required to be “independent” to Brookfield Renewable Power. While Brookfield Renewable Power is entitled to propose certain nominees for trustees in the circumstances described above, there is no requirement that the holders of Trust Units (including Brookfield Renewable Power) vote in favour of the nominees proposed by Brookfield Renewable Power. The GLPT Indenture also provides for the disqualification and removal of certain members of the Board between meetings of holders of Trust Units at which trustees are elected in the event that the ownership of Trust Units by Brookfield Renewable Power or its status as agent under certain agreements varies between such meetings.

As long as the Fund is a reporting issuer in any jurisdiction in Canada (as defined in applicable securities legislation), at least three of the trustees must be “independent” to Brookfield Renewable Power.

The GLPT Indenture provides that the Board must act honestly and in good faith with a view to the best interests of GLPT and, in connection therewith, exercise the degree of care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances. The GLPT Indenture provides that a trustee thereunder will be entitled to indemnification from GLPT in respect of the performance of his or her duties under the GLPT Indenture if (a) he or she acted with prudence and diligence and in good faith with a view to the best interests of GLPT and the holders of GLPT Units; and (b) in the case of a criminal

or administrative action or proceeding that is enforced by a monetary penalty, he or she had reasonable grounds for believing his or her conduct was lawful.

RATINGS

The Fund's stability and debt are rated by two rating agencies. At December 31, 2008, the stability ratings of the Fund were as follows:

Rating Agency	Ratings	Outlook
S&P	SR-2	Stable
DBRS	STA-2 (high)	—

The S&P stability rating provides an assessment of the Fund's overall sustainability and variability of cash flow, and a measurement of relative risk of cash-flow generation across all income fund sectors. Ratings range from "SR-1" for the highest level of distributable cash stability, to "SR-7" for the lowest. Specifically, an entity rated 'SR-2' has a very high level of distributable cash flow generation stability. A stability rating incorporates analyses of three aspects of the Fund: structure and governance; business risk profile; and financial risk profile, which includes distributable cash flow. Stability ratings on Canadian income funds use the distribution profile assessment, which considers an entity's distribution policy in the context of cash flow dynamics, and comments on the ability of the organization to maintain a given level of distributions.

The DBRS stability rating measures the long-term stability and sustainability of the Fund's distributions using a scale ranging from STA-1 to STA-7, highest to lowest credit respectively, with subcategories of high, middle and low. Ratings take into consideration the seven main factors of: (1) operating and industry characteristics; (2) asset quality; (3) financial flexibility; (4) diversification; (5) size and market position; (6) sponsorship/governance; and (7) growth. In addition, consideration is given to specific structural or contractual elements that may eliminate or mitigate risks or other potentially negative factors. Income funds rated STA-2 have very good distributions per unit stability and sustainability. The Fund exhibits performance that is only slightly below the STA-1 category, typically shows above-average strength in areas of consideration, and possesses levels of distributable income per unit that are not likely to be significantly negatively affected by foreseeable events. The Fund is above average in many, if not most, areas of consideration.

After the Fund announced the Transaction and the Offering on December 15, 2008, S&P affirmed a stability rating of SR-2 (stable) for the Fund and DBRS affirmed a stability rating of STA-2 (high) for the Fund.

Some of the Fund's long-term debt is also rated by DBRS. At December 31, 2008 the ratings were as follows:

Lièvre Power	A (Low)	DBRS
Mississagi Power	A (Low)	DBRS
PREI	A (Low)	DBRS

The DBRS long-term debt rating scale is meant to give an indication of the risk that a borrower will not fulfill its full obligations in a timely manner, with respect to both interest and principal commitments. Every DBRS rating is based on quantitative and qualitative considerations relevant to the borrowing entity.

Credit ratings are intended to provide investors with an independent measure of the credit quality of an issue of securities. DBRS rates debt instruments with ratings ranging from "AAA", which represent the highest quality of securities, to "D", which represent securities that are in payment default. Debt instruments that are rated in the A category by DBRS are of satisfactory credit quality. Protection of interest and principal is considered substantial but with a degree of strength that is less than that of AA rated entities. Entities in this category are more susceptible to adverse economic conditions and have greater cyclical tendencies than those

rated AA and AAA. A DBRS rating may be modified by the addition of a “(high)” or “(low)” to indicate the relative standing of a credit within a particular rating category.

The ratings herein mentioned are not a recommendation to purchase, sell or hold the Trust Units and do not comment as to market price or suitability for a particular investor. There can be no assurance that the ratings will remain in effect for any given period of time or that the ratings will not be revised or withdrawn entirely by either or both of S&P and/or DBRS in the future if, in their judgment, circumstances so warrant.

TRUSTEES AND OFFICERS

CIBC Mellon Trust Company acts as the Fund’s sole trustee.

The Fund has five officers who are appointed by CIBC Mellon Trust Company following the annual meeting of unitholders. The following table sets forth certain information with respect to the five officers of the Fund.

Name and Municipality of Residence	Office held with the Fund	Principal Occupation
Richard Legault Gatineau, Québec, Canada	President and Chief Executive Officer	President and Chief Executive Officer, Brookfield Renewable Power
Donald Tremblay Gatineau, Québec, Canada	Executive Vice President and Chief Financial Officer	Executive Vice President and Chief Financial Officer, Brookfield Renewable Power
Patricia Bood Ottawa, Ontario, Canada	Secretary	Secretary, Vice President of Legal Services and General Counsel, Brookfield Renewable Power
Andre Legault Ottawa, Ontario, Canada	Chief Operating Officer and Senior Vice President, Canadian Operations	Chief Operating Officer, Canadian Operations, Brookfield Renewable Power
Kim Osmars Marlborough, Massachussets, USA	Chief Operating Officer and Senior Vice President, U.S. Operations	Chief Operating Officer, U.S. Operations, Brookfield Renewable Power

All of the officers listed above have held their current positions in the Fund and Brookfield Renewable Power or affiliates for the past five years except:

- (1) Andre Legault who, from January 2008 to May, 2008, was employed by Brookfield Renewable Power as Vice President, Project Development. Prior to January 2008, Mr. Legault was President of SAL Consulting (consulting firm) (November 2006 – January 2008) and President and Chief Executive Officer of Papier Masson (paper mill) (January 2004 – January 2006) ; and
- (2) Kim Osmars, who between May and December of 2006, was employed with Hydro Ottawa (electric utility). Prior to May of 2006, Mr. Osmars was employed with Brookfield Renewable Power as Vice President, Project Development and Vice President, Ontario Operations.

Pursuant to the terms of the GLPT Indenture, there are seven trustees of GLPT. A majority of the Board are independent to Brookfield Renewable Power; as such term is defined in Regulation 52-110. The term of office of each trustee shall expire at the next annual meeting of GLPT unitholders unless a trustee otherwise resigns, is removed or disqualified pursuant to the terms of the GLPT Indenture.

The following table sets forth certain information with respect to the seven GLPT trustees who served on the Board as of December 31, 2008.

Name and Municipality of Residence	Principal Occupation	GLPT Trustee Since:
André Bureau, O.C. ⁽¹⁾⁽²⁾⁽⁷⁾⁽⁸⁾⁽⁹⁾ Ville Mont-Royal, Québec, Canada	Chairman of the Board of Astral Media Inc. (communications), and counsel with the law firm of Heenan Blaikie LLP	November 18, 1999
Dian Cohen, C.M. ⁽³⁾⁽⁴⁾⁽⁷⁾ Toronto, Ontario, Canada	Economic Consultant	November 18, 1999
Pierre Dupuis ⁽³⁾⁽⁴⁾⁽⁷⁾ Sutton, Québec, Canada	Corporate Director	November 18, 1999
Harry A. Goldgut ⁽⁵⁾ Thornhill, Ontario, Canada	Chairman of Brookfield Renewable Power	November 18, 1999
Kenneth W. Harrigan, O.C. ⁽⁶⁾⁽⁷⁾ Oakville, Ontario, Canada	President and Chief Executive Officer, K.W. Harrigan Consultants (corporate director).	November 18, 1999
Edward C. Kress ⁽⁵⁾ Toronto, Ontario, Canada	Group Chairman, Power, Brookfield Asset Management Inc.	November 18, 1999
Richard Legault ⁽⁵⁾ Gatineau, Québec, Canada	President and Chief Executive Officer of Brookfield Renewable Power	May 2, 2001

⁽¹⁾ Chair of the Board of Trustees

⁽²⁾ Chair of the Governance, Nominating and Compensation Committee

⁽³⁾ Member of the Audit Committee

⁽⁴⁾ Member of the Governance, Nominating and Compensation Committee

⁽⁵⁾ Related to Brookfield Renewable Power

⁽⁶⁾ Chair of the Audit Committee

⁽⁷⁾ “Independent” Trustees as defined in Regulation 52-110

⁽⁸⁾ Mr. Bureau was a director of Microcell Telecommunications Inc. from May 8, 1998 to November 8, 2004 and was its Chairman of the Board from May 14, 2003 to November 8, 2004. On January 6, 2003, Microcell Telecommunications Inc. announced that it had reached an agreement on the terms of a recapitalization plan with its unsecured noteholders, and had obtained a Court Order under the Companies’ Creditors Arrangement Act (“CCAA”) as to the proper implementation of such plan. Mr. Bureau is no longer a Director of Microcell Telecommunications Inc.

⁽⁹⁾ Mr. Bureau was a director of AT&T Canada Inc. from December 14, 2000 to April 1, 2003. On October 15, 2002, AT&T Canada Inc. filed under the CCAA in connection with a capital restructuring process. Mr. Bureau is no longer a director of AT&T Canada Inc.

The Trustees have been engaged in their principal occupations with his or her present employer or its predecessor or affiliates for at least five years, except:

- (1) Pierre Dupuis, who prior to January 1, 2005, was Vice-President and Chief Operating Officer of Dorel Industries Inc. (manufacturer and distributor of furniture).
- (2) Dian Cohen who, prior to 2006, was President of DC Productions Limited (economic consultancy firm).

As of December 31, 2008, the officers of the Fund and the Board, as a group, beneficially owned, directly or indirectly, or exercised control or direction over less than 1% of the issued Trust Units. The number of Trust Units beneficially held or over which control or direction is exercised by each of the trustees of GLPT, the officers of the Fund and the executive officers of BEMI are set out in the Management Information Circular dated March 20, 2009 (the “Circular”), which can be found on SEDAR at www.sedar.com.

The information as to Trust Units beneficially owned or over which control or direction is exercised, not being within the knowledge of the Fund, was taken from public insider filings.

For more information on the officers of the Fund and of BEMI, the administrator of the Fund, please see the Circular which can be found at www.sedar.com.

INTERESTS OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS

On February 4, 2009, the Fund indirectly acquired from its majority unitholder, Brookfield Renewable Power (480 Boulevard de la Cité, Gatineau, Québec J8T 8R3), each of Prince Wind and Pingston Hydro. The aggregate consideration for the acquisition was \$130 million, of which \$65 million was paid in cash financed through the Offering and the remaining \$65 million was paid through the issuance of Exchangeable Shares. Certain GLPT trustees (Messrs. Kress, Goldgut and Legault) and certain officers of the Fund (Messrs. R. Legault, D. Tremblay, K. Osmary, A. Legault and P. Bood) are also directors and officers of Brookfield Renewable Power.

In order to ensure that the Transaction was fair, reasonable and in the best interests of the Fund and its unitholders, the Board established an independent committee made up exclusively of independent trustees of GLPT (the “**Independent Committee**”) to review and consider the Transaction. The Independent Committee was advised by independent legal counsel and engaged an independent valuator to render a fairness opinion. Based on the fairness opinion and a review of the Transaction, the Independent Committee determined that the Transaction was fair and reasonable and in the best interests of the Fund and its unitholders, and recommended the Transaction for approval by the Board.

For more information on the Transaction, please see the Prospectus which is available on SEDAR at www.sedar.com.

TRANSFER AGENT AND REGISTRAR

The transfer agent and registrar for the Fund is CIBC Mellon Trust Company in Montréal, Québec.

LEGAL PROCEEDINGS AND REGULATORY ACTIONS

There are no material legal proceedings or regulatory actions involving the Fund or its subsidiaries.

MATERIAL CONTRACTS

As of March 20, 2009, there are five material contracts relating to the Fund: (i) the Administration Agreement dated September 14, 1999 between the Fund and BEMI; (ii) the Management Agreement dated October 6, 2005 between GLPT and BEMI; (iii) the investment agreement dated January 23, 2009 between the Fund and Brookfield Renewable Power, among others (the “**Investment Agreement**”), (iv) the Wind Levelization Agreement dated February 4, 2009 between Brookfield Renewable Power and GLPT; and (v) an exchange and voting agreement dated February 4, 2009 between the Fund and Brookfield Renewable Power, among others (the “**Exchange and Voting Agreement**”). The Administration Agreement and the Management Agreement are discussed in more detail under “*Economic Dependence – Major Agreements – Great Lakes Hydro Income Fund and Great Lakes Power Trust*”. The Wind Levelization Agreement is discussed in more detail under “*Economic Dependence – Major Agreements – Prince Wind*”.

Copies of all material contracts are available on SEDAR at www.sedar.com under the Fund’s publicly filed documents.

Investment Agreement

On January 23, 2009, the Fund, Brookfield Renewable Power, Brookfield Power Wind Corporation, GLP HC, GLPT and GLPT Power Holding Corporation entered into the Investment Agreement. Pursuant to the Investment Agreement, the Fund and GLPT acquired, for total cash consideration of approximately

\$65 million, a 49.9% interest in GLP HC, the company that owns a more than 99% interest in Prince Wind and a 50% joint venture interest in Pingston Hydro. See the “*Intercorporate Relationships*” table on page 4.

Brookfield Renewable Power provided customary representations, warranties and covenants in the Investment Agreement with respect to Prince Wind and Pingston Hydro, which representations and warranties survive for a period of three years following the closing of the Transaction, subject to certain exceptions. Brookfield Renewable Power has indemnified the Fund and GLPT with respect to claims or losses relating to the breach of any representation, warranty or covenant, including representations regarding certain tax matters, up to a maximum of \$130 million. A copy of the Investment Agreement is available on SEDAR at www.sedar.com.

Exchange and Voting Agreement

On February 4, 2009, Brookfield Renewable Power, the Fund, GLPT, Brookfield Power Wind Corporation, GLP HC, Great Lakes Exchange Corporation, and GLPT Power Holding Corporation entered into the Exchange and Voting Agreement.

Pursuant to the Exchange and Voting Agreement, Brookfield Renewable Power will have the right, at any time, to exchange all of its Exchangeable Shares into Trust Units. The Exchange and Voting Agreement also provides that, as long as the Exchangeable Shares remain outstanding, GLPT will be required to make payments from time to time to Brookfield Renewable Power to the extent that the distributions that would have been received by Brookfield Renewable Power on the Trust Units issuable on exercise of the Exchangeable Shares exceed the aggregate amount of the dividends received by Brookfield Renewable Power on its Exchangeable Shares (subject to certain tax adjustments). In addition, the Exchange and Voting Agreement provides that the governance policies generally applicable to subsidiaries of GLPT, including with respect to conflicts of interest and matters requiring approval by the Board, will apply to GLP HC, with necessary modifications. A form of the Exchange and Voting Agreement is attached as a schedule to the Investment Agreement which is available on SEDAR at www.sedar.com.

The Fund has not entered into any other material contracts required to be filed on SEDAR pursuant to s. 12.2 of Regulation 51-102 since January 1, 2002.

INTERESTS OF EXPERTS

Deloitte & Touche LLP, the Fund’s external auditor, is independent of the Fund in accordance with the Rules of Professional Conduct of the Institute of Chartered Accountants of Ontario.

AUDIT COMMITTEE INFORMATION

FORM 52-110F1

The following information is provided in accordance with Form 52-110F1 under the Regulation 52-110.

Audit Committee Charter

The Audit Committee Terms of Reference is attached as **Schedule A** to this Annual Information Form.

Composition of the Audit Committee

In fiscal year 2008, the Audit Committee was composed of the following three GLPT trustees: Kenneth Harrigan (Chair), Dian Cohen and Pierre Dupuis. Each trustee is considered “independent” and “financially literate” as such terms are defined in Regulation 52-110.

Relevant Education and Experience

Each member of the Audit Committee is financially literate, i.e., has the ability to read and understand financial statements. Collectively, the Audit Committee has the education and experience to fulfill the responsibilities outlined in the Audit Committee Terms of Reference. The education and past experience of each Audit Committee member that is relevant to the performance of his or her responsibilities as an Audit Committee member can be found in the Fund's Circular for its 2009 annual general meeting which is available on SEDAR at www.sedar.com.

Pre-Approval Policies and Procedures

The Board, upon the recommendation of the Audit Committee, has adopted a written policy on auditor independence (the "**Policy**"). Under the Policy, except in very limited circumstances, all audit and permitted non-audit services are required to be pre-approved by the Audit Committee. The Policy prohibits the auditors from providing the following types of non-audit services:

1. Bookkeeping or Other Services Related to the Fund's Accounting Records or Financial Statements.
2. Appraisal or Valuation Services or Fairness Opinions.
3. Actuarial Services.
4. Management Functions or Human Resources.
5. Broker-Dealer, Investment Adviser, or Investment Banking Services.
6. Legal Services and Expert Services Unrelated to the Audit.
7. Internal Audit Outsourcing.
8. Financial Information Systems Design and Implementation.

The Policy permits the auditors to provide other types of non-audit services, including tax services, but only if approved in advance by the Audit Committee, subject to limited exceptions.

The Policy also addresses issues relating to the disclosure of fees paid to the auditors.

External Auditor Service Fees (by Category)

For the years ending December 31, 2007 and 2008, the auditors of the Fund received fees from the Fund as detailed below:

	<u>2008 (\$)</u>	<u>2007 (\$)</u>
Audit Fees	439,860	275,943
Audit-Related Fees	14,500	14,500
Tax Fees	-	-
All other Fees	-	-

ADDITIONAL INFORMATION

Additional information with respect to the Fund, including remuneration and indebtedness of the Trustee, executive compensation for officers of the Fund, the principal holders of the Trust Units and corporate governance disclosure is contained in the Fund's Circular for its 2009 annual meeting of unitholders. Additional financial information is provided in the Fund's financial statements and MD&A for its most recently completed financial year.

The Fund shall provide any person or company, upon request to the Fund at 480 de la Cité Blvd, Gatineau, Québec, J8T 8R3 by mail, telephone at (416) 359-1955, fax at (416) 363-2856 or e-mail at unitholderenquiries@greatlakeshydro.com to the attention of Corporate Communications and Investor Relations:

- (i) when the securities of the Fund are in the course of a distribution pursuant to a short form prospectus or a preliminary short form prospectus:
 - a. one copy of the Fund's latest annual information form, together with a copy of any document, or the relevant pages of any document incorporated therein by reference;
 - b. one copy of the comparative financial statements of the Fund for its most recently completed financial year together with the accompanying auditors' report thereon and one copy of any interim financial statements of the Fund subsequent to the annual audited financial statements;
 - c. one copy of the management information circular of the Fund in respect of its most recent annual meeting of unitholders; and
 - d. one copy of any other documents that are incorporated by reference into the preliminary short form prospectus or the short form prospectus and are not required to be provided under a. to c. above; or
- (ii) at any other time, one copy of any other documents referred to in (i) a. to c. above, provided that the Fund may require the payment of a reasonable charge if the request is made by a person or company who is not a security holder of the Fund.

Additional information relating to the Fund may be found on SEDAR at www.sedar.com and at www.greatlakeshydro.com.

SCHEDULE A – AUDIT COMMITTEE MANDATE

GREAT LAKES POWER TRUST

GREAT LAKES HYDRO INCOME FUND

A committee of the board of Trustees of Great Lakes Power Trust (“GLPT”) to be known as the Audit Committee (the “Committee”) shall have the terms of reference set out below.

MEMBERSHIP AND CHAIRPERSON

Following each annual meeting of unitholders of Great Lakes Hydro Income Fund (the “Fund”), the board of Trustees of GLPT (the “Board”) shall appoint from its number three Trustees to serve on the Committee until the close of the next annual meeting of unitholders of the Fund or until the Member ceases to be a Trustee, resigns or is replaced, whichever first occurs. Any Member may be removed from office or replaced at any time by the Board.

All of the Members shall be “*independent*” and “and “*financially literate*” within the meaning of the corporate governance guidelines of the applicable regulatory authorities.

The Board shall appoint one of the Members as the chairperson of the Committee. If the chairperson is absent from a meeting, the other Members shall select a chairperson from those in attendance to act as chairperson of the meeting.

RESPONSIBILITIES

Financial Reporting and Process Review:

The Committee shall generally assume responsibility for developing the approach of the Fund to the following matters: publicly disclosed financial information; financial accounting and reporting; internal control; risk management and insurance; external audits; and shall review and make recommendations to the Board on all such matters.

The Committee or its Chairperson shall also comply with any audit, accounting and disclosure-related responsibilities of the Audit Committee or its Chairperson as set forth in the Code of Business Conduct & Ethics, and review or respond to any inquiries of a financial nature brought pursuant to the Code.

The Committee shall:

- (i) review and, where appropriate, recommend for approval by or report to the Board on the Fund’s interim financial statements, audited annual financial statements, in conjunction with the report of the external auditors; management’s discussion and analysis of financial condition and results of operations, and annual and interim earnings press releases before the Fund publicly discloses this information;
- (ii) be satisfied that adequate procedures are in place for the review of the Fund’s public disclosure documents extracted or derived from the Fund’s audited or unaudited financial information, and must periodically assess the adequacy of those procedures;
- (iii) review the effectiveness of management’s policies and practices concerning financial reporting and any proposed changes in major accounting policies;
- (iv) review the Fund’s major financial and risk management policies and the steps taken by management to mitigate those risks;
- (v) review any report which accompanies published financial statements (to the extent such a report

discusses financial condition or operating results) for consistency of disclosure with the financial statements themselves;

- (vi) review with the management, the external auditors and, if necessary, with legal counsel, that could have a material effect upon the financial position or operating results of the Trust, any litigation, claims, tax assessments, transactions or other contingencies as the external auditors or management may bring to its attention and which may have a material impact on financial results or which may otherwise adversely affect the financial well-being of the Fund or its subsidiaries and the manner in which these matters will be disclosed;
- (vii) review all proposed related party transactions and situations involving a conflict of interest that are not required to be dealt with by an “independent special committee” pursuant to applicable securities law rules (and where appropriate under applicable laws, the Committee may sit as an independent special committee);
- (viii) establish procedures for:
 - a. the receipt, retention and treatment of complaints received by the Fund regarding accounting, internal accounting controls, or auditing matters; and
 - b. the confidential anonymous submission by employees of the Fund of concerns regarding questionable accounting or auditing matters; and
- (ix) consider any other matters of a financial nature as directed by the Board or which, in its judgment, should be taken into account in reaching its recommendation to the Board.

External Auditors:

The external auditors of the Fund shall report directly to the Committee.

The Committee shall have the following responsibilities in relations with the external auditors:

- (i) to recommend to the Board of Trustees the external auditors to be nominated for the purpose of preparing or issuing an auditor’s report or performing other audit, review or attest services for the Fund, subject to ratification by the unitholders of the Fund as required, and the approval of the fees and expenses of such external auditors;
- (ii) to oversee the work of the external auditor, review the terms of the engagement letter and resolve disagreements between management and the external auditor on financial reporting;
- (iii) to receive, at least annually, a report from the external auditors on their independence and to review any relationships between the external auditors and the Fund or any other relationships that may adversely affect the independence of the external auditors and, based on such review, to assess their independence;
- (iv) to determine, through discussions with the external auditors, that no restrictions were placed by management on the scope of their examination or on its implementation;
- (v) to approve the Fund’s policy on non-audit related work by its external auditors, including the Fund’s hiring policies regarding partners, employees and former partners and employees of the present and former external auditor of the Fund, and pre-approve or reject any proposed non-audit related work to be conducted by the external auditors for the Fund; and
- (vi) to meet with the external auditors in private sessions, at least annually, to review any matters arising from their annual audit.

The Committee shall report to the board on its proceedings, reviews undertaken and any associated recommendations.

MEETINGS

Meetings of the Committee may be called by the chairperson of the Committee or the Chairperson of the Board. Meetings will be held each quarter. Special meetings may be held at the request of any Member, or at the request of the external auditors or the Board.

The powers of the Committee shall be exercisable by a meeting at which a quorum is present. A quorum shall be not less than a majority of the Members from time to time. Unless otherwise determined by the Board, the Committee shall have the power to fix its quorum and to regulate its procedure.

Notice of each meeting shall be given to each Member and to the Chairperson of the Board. Notice of meeting may be given verbally or by letter, telex, telegram, telephone facsimile transmission or telephone not less than 24 hours before the time fixed for the meeting. Members may waive notice of any meeting. The notice need not state the purpose or purposes for which the meeting is being held.

Matters decided by the Committee shall be decided by majority vote.

The Committee may invite from time to time such persons as it may see fit to attend its meetings and to take part in discussions and consideration of the affairs of the Committee.

The Committee shall appoint a secretary to be the secretary of all meetings of the Committee and to maintain minutes of all meetings and deliberations of the Committee.

Adopted July 26, 2005