

No securities regulatory authority has expressed an opinion about these securities and it is an offence to claim otherwise. This short form prospectus constitutes a public offering of these securities only in those jurisdictions where they may be lawfully offered for sale and thereby only by persons permitted to sell such securities. These securities have not been and will not be registered under the United States Securities Act of 1933, as amended, or any state securities laws. Accordingly, subject to certain exceptions, these securities may not be offered or sold in the United States of America or to, or for the benefit of, U.S. persons. See "Plan of Distribution".

Information has been incorporated by reference in this short form prospectus from documents filed with securities commissions or similar authorities in Canada. Copies of the documents incorporated herein by reference may be obtained on request without charge from the Secretary of Brookfield Renewable Power Preferred Equity Inc. at P.O. Box 762, Brookfield Place, 181 Bay Street, Suite 300, Toronto, Ontario, Canada, M5J 2T3, Telephone: (819) 561-2722, and are also available electronically at www.sedar.com.

SHORT FORM PROSPECTUS

Initial Public Offering

March 3, 2010

Brookfield

Renewable Power Fund

BROOKFIELD RENEWABLE POWER PREFERRED EQUITY INC.

\$250,000,000

10,000,000 Class A Preference Shares, Series 1

This short form prospectus qualifies the distribution (the "**Offering**") of 10,000,000 Class A Preference Shares, Series 1 (the "**Series 1 Shares**") of Brookfield Renewable Power Preferred Equity Inc. (the "**Corporation**") at a price of \$25.00 per Series 1 Share (the "**Offering Price**"). The Corporation is a wholly-owned subsidiary of Brookfield Renewable Power Fund (the "**Fund**") and the net proceeds of the Offering will be loaned to the Fund. The Fund will use proceeds of the loan to repay debt and for general corporate purposes. See "Use of Proceeds". As described below, the Series 1 Shares will be guaranteed by the Fund. For the initial five year period commencing on the Closing Date (as defined herein) and ending on and including April 30, 2015 (the "**Initial Fixed Rate Period**"), the holders of Series 1 Shares will be entitled to receive fixed cumulative preferential cash dividends, as and when declared by the board of directors (the "**Board of Directors**") of the Corporation, payable quarterly on the last day of January, April, July and October in each year at an annual rate equal to \$1.3125 per share. The initial dividend will be payable April 30, 2010 and will be \$0.1834 per share, based on the anticipated closing date of March 10, 2010 (the "**Closing Date**"). See "Details of the Offering".

For each five-year period after the Initial Fixed Rate Period (each a "**Subsequent Fixed Rate Period**"), the holders of the Series 1 Shares will be entitled to receive fixed cumulative preferential cash dividends, as and when declared by the Board of Directors, payable quarterly on the last day of January, April, July and October during the Subsequent Fixed Rate Period, in an annual amount per share determined by multiplying the Annual Fixed Dividend Rate (as defined herein) applicable to such Subsequent Fixed Rate Period by \$25.00. The Annual Fixed Dividend Rate for each Subsequent Fixed Rate Period will be equal to the sum of the Government of Canada Yield (as defined herein) on the 30th day prior to the first day of such Subsequent Fixed Rate Period plus 2.62%. See "Details of the Offering".

Option to Convert Into Series 2 Shares

The holders of Series 1 Shares will have the right, at their option, to convert their shares into Class A Preference Shares, Series 2 (the "**Series 2 Shares**") of the Corporation on the basis of one Series 2 Share for each Series 1 Share, subject to certain conditions, on April 30, 2015 and on April 30 every five years thereafter. The holders of Series 2 Shares will be entitled to receive floating rate cumulative preferential cash dividends, as and when declared by the Board of Directors, payable quarterly on the last day of each Quarterly Floating Rate Period (as defined herein), in the amount per Series 2 Share determined by multiplying the applicable Floating Quarterly Dividend Rate (as defined herein) by \$25.00. The Floating Quarterly Dividend Rate will be equal to the sum of the T-Bill Rate (as defined herein) plus 2.62% (calculated on the basis of the actual number of days elapsed in the applicable Quarterly Floating Rate Period divided by 365) determined on the 30th day prior to the first day of the applicable Quarterly Floating Rate Period. See "Details of the Offering".

The Series 1 Shares will not be redeemable by the Corporation prior to April 30, 2015. On April 30, 2015 and on April 30 every five years thereafter, subject to certain other restrictions set out in “Details of the Offering — Description of the Series 1 Shares - Restrictions on Dividends and Retirement and Issue of Shares”, the Corporation may, at its option, on at least 30 days and not more than 60 days prior written notice, redeem for cash all or from time to time any part of the outstanding Series 1 Shares for \$25.00 per Series 1 Share, in each case together with all accrued and unpaid dividends up to but excluding the date fixed for redemption (less any tax required to be deducted and withheld by the Corporation). See “Details of the Offering”.

The Series 2 Shares will not be redeemable by the Corporation prior to April 30, 2015. Subject to certain other restrictions set out in “Details of the Offering — Description of the Series 2 Shares — Restrictions on Dividends and Retirement and Issue of Shares”, the Corporation may, at its option, on at least 30 days and not more than 60 days prior written notice, redeem all or from time to time any part of the outstanding Series 2 Shares by payment in cash of a per share sum equal to i) \$25.00 in the case of redemptions on April 30, 2020 and on April 30 every five years thereafter (each a “**Series 2 Conversion Date**”), or ii) \$25.50 in the case of redemptions on any date which is not a Series 2 Conversion Date on or after April 30, 2015, in each case together with all accrued and unpaid dividends up to but excluding the date fixed for redemption (less any tax required to be deducted and withheld by the Corporation). See “Details of the Offering”.

The Series 1 Shares and the Series 2 Shares do not have a fixed maturity date and are not redeemable at the option of the holders thereof. See “Risk Factors”.

The Series 1 Shares and Series 2 Shares will be fully and unconditionally guaranteed by the Fund as to (i) the payment of dividends, as and when declared, (ii) the payment of amounts due on redemption of the Series 1 Shares and Series 2 Shares, and (iii) the payment of amounts due on the liquidation, dissolution or winding-up of the Corporation. As long as the declaration or payment of dividends on the Series 1 Shares or Series 2 Shares are in arrears, the Fund will not make any distributions on the trust units (the “**Trust Units**”) of the Fund or make any distributions or pay any dividends on equity securities of any successor entity to the Fund. The guarantees by the Fund will be subordinated to all of the debt of the Fund that is not stated to be *pari passu* or subordinate to the guarantees and will rank senior to the Trust Units.

The Fund has previously announced its intention to convert to a corporation on or before January 1, 2011. It is currently anticipated that the Corporation will become the successor to the Fund through the conversion. However, if the Corporation does not become the successor, the successor entity will assume all of the obligations of the Fund under the guarantees and the guarantees will remain in full force and effect, unless the successor entity and the issuer of the Series 1 Shares and Series 2 Shares are one and the same person. If the successor entity and the issuer of the Series 1 Shares and the Series 2 Shares are not one and the same person, any preference shares issued by the successor entity will rank *pari passu* or junior to the guarantees. See “Details of the Offering - Description of the Series 1 Shares - Series 1 Guarantee” and “Details of the Offering - Description of the Series 2 Shares - Series 2 Guarantee”.

There is no market through which these securities may be sold and purchasers may not be able to resell securities purchased under this short form prospectus. This may affect the pricing of the securities in the secondary market, the transparency and availability of trading prices, the liquidity of the securities, and the extent of issuer regulation. See “Risk Factors”.

The Toronto Stock Exchange (the “TSX”) has conditionally approved the listing of the Series 1 Shares and the Series 2 Shares. The Series 1 Shares will be listed under the symbol “BRF.PR.A.” Listing is subject to the Corporation fulfilling all of the listing requirements of the TSX on or before May 11, 2010. The issued and outstanding Trust Units of the Fund are listed and posted for trading on the TSX under the symbol “BRC.UN”. On February 17, 2010, being the last trading day on which the Trust Units traded prior to the public announcement of the Offering, the closing price of the Trust Units on the TSX was \$21.19 per Trust Unit.

Standard & Poor’s Rating Services, a division of The McGraw Hill Companies (Canada) Corporation (“**S&P**”) assigned a preliminary rating of P-3 (high) for the Series 1 Shares and Dominion Bond Rating Service Limited (“**DBRS**”) assigned a provisional rating of Pfd-3 (high) for the Series 1 Shares. In addition, S&P has assigned the Fund a stability rating of SR-2 and DBRS has assigned the Fund a stability rating of STA-2 (high). See “Ratings”.

**Price: \$25.00 per Series 1 Share to yield initially
5.25% per annum**

Scotia Capital Inc., CIBC World Markets Inc., RBC Dominion Securities Inc., TD Securities Inc., BMO Nesbitt Burns Inc., National Bank Financial Inc., HSBC Securities (Canada) Inc., Macquarie Capital Markets Canada Ltd., FirstEnergy Capital Corp., Canaccord Financial Ltd., Desjardins Securities Inc., Genuity Capital Markets and Brookfield Financial Corp. (“**Brookfield Financial**”) are acting as underwriters (collectively, the “**Underwriters**”) of this Offering. The Underwriters, as principals, conditionally offer the Series 1 Shares, subject to prior sale, as and when issued by the Corporation and accepted by the Underwriters in accordance with the conditions contained in the Underwriting Agreement referred to under “Plan of Distribution” and subject to the approval of certain legal matters on behalf of the Corporation by Torsy LLP and on behalf of the Underwriters by Goodmans LLP. The Series 1 Shares shall be taken up by the Underwriters, if at all, on or before a date not later than 42 days after the date of the receipt for this short form prospectus. See “Plan of Distribution”.

The price of the Series 1 Shares offered hereby was established by negotiation between the Corporation and the Underwriters, other than Brookfield Financial. Subject to applicable laws and in connection with this distribution, the Underwriters may effect transactions which stabilize or maintain the market price of the Series 1 Shares at levels other than those which otherwise might prevail on the open market. Such transactions, if commenced, may be discontinued at any time. **The Underwriters may offer the Series 1 Shares at a lower price than stated above.** See “Plan of Distribution”.

	<u>Price to the Public</u>	<u>Fees⁽¹⁾</u>	<u>Net Proceeds to the Corporation⁽²⁾</u>
Per Series 1 Share	\$25.00	\$0.75	\$24.25
Total.....	\$250,000,000	\$7,500,000	\$242,500,000

- (1) The Underwriters’ fee for the Series 1 Shares is \$0.25 for each such share sold to certain institutions and \$0.75 per share for all other Series 1 Shares sold by the Underwriters. The Underwriters’ fee indicated in the table assumes that no Series 1 Shares are sold to such institutions.
- (2) After deducting the Underwriters’ fee, but before deducting the aggregate expenses of the Offering, estimated to be \$780,000, which, together with the Underwriters’ fee, will be paid by the Corporation.

Brookfield Asset Management Inc. (“Brookfield”) is an influential security holder of each of the Fund, the Corporation and Brookfield Financial. In addition, the Fund has outstanding indebtedness pursuant to a promissory note owing to a subsidiary of Brookfield Renewable Power Inc. (“BRPI”), a wholly-owned subsidiary of Brookfield. Accordingly, the Fund and the Corporation are “related issuers”, and may be considered to be “connected issuers”, of Brookfield Financial within the meaning of applicable Canadian securities legislation. Additionally, Scotia Capital Inc. is a subsidiary of a financial institution (the “Scotia Affiliate”) that currently holds the promissory note owing to a subsidiary of BRPI and which promissory note will be repaid out of the proceeds of the Offering. Accordingly, the Fund and the Corporation may be considered to be “connected issuers” of Scotia Capital Inc. See “Plan of Distribution”.

The earnings coverage ratio of the Fund for the 12-month period ended December 31, 2009 after giving effect to the issuance of Series 1 Shares is less than one-to-one. See “Earnings Coverage Ratios of the Fund” and “Risk Factors”.

Investing in the Series 1 Shares involves risks, certain of which are described under the heading “Risk Factors” on pages 23 through 30 of the fiscal 2008 annual information form of the Fund dated March 20, 2009 and under the headings “Financial Instrument Risks” on pages 14 through 15 and “Risk Factors” on pages 20 through 23, respectively, of the Fund’s management’s discussion and analysis for the 12-month period ended December 31, 2009 . See “Risk Factors” on page 22 of this short form prospectus.

Subscriptions for the Series 1 Shares will be received by the Underwriters subject to rejection or allotment in whole or in part and the right is reserved to close the subscription books at any time without notice. It is expected that the closing of the Offering will take place on March 10, 2010 or on such other date as the Corporation and the Underwriters may agree, but not later than March 31, 2010. A book entry only certificate representing the Series 1 Shares distributed hereunder will be issued in registered form only to CDS Clearing and Depository Services Inc. (“**CDS**”) or its nominee and will be deposited with CDS on the Closing Date. The Corporation understands that a purchaser of Series 1 Shares will receive only a customer

confirmation from the registered dealer who is a CDS participant and from or through whom the Series 1 Shares are purchased. See “Book Entry Only System”.

The Corporation’s registered and head office is at P.O. Box 762, Brookfield Place, 181 Bay Street, Suite 300, Toronto, Ontario, Canada, M5J 2T3. The Fund’s registered and head office is at 480 de la Cité boulevard, Gatineau, Québec, Canada, J8T 8R3.

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You should rely only on the information contained in or incorporated by reference in this short form prospectus. We have not authorized anyone to provide you with information that is different. This document may only be used where it is legal to sell these securities. You should not assume that the information contained in this short form prospectus is accurate as of any date other than the date on the front of this short form prospectus.

IMPORTANT NOTICE ABOUT INFORMATION IN THIS SHORT FORM PROSPECTUS

In this short form prospectus, unless the context otherwise indicates, references to “we”, “us”, “our” and “the Corporation” refer to Brookfield Renewable Power Preferred Equity Inc. All references in this short form prospectus to “dollars” or “\$” are to Canadian dollars unless otherwise noted.

CAUTIONARY STATEMENT ON FORWARD-LOOKING INFORMATION

This short form prospectus and the documents incorporated by reference herein may contain forward-looking statements and information concerning the business and operations of the Fund and the Offering and their impact on the business, operations, financial condition and distribution policy, tax position and prospects of the Fund, and the intention of the Fund to seek further acquisitions. Forward-looking statements can be identified by the use of words such as “plans”, “expects”, “budget”, “scheduled”, “estimates”, “forecasts”, “intends”, “anticipates”, “believes” or variations of such words and phrases or statements that certain actions, events or results “may”, “could”, “would”, “might” or “will” be taken, occur or be achieved. Although management believes that the Corporation’s and 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, the reader should not place undue reliance on forward-looking statements and information because they involve assumptions, known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of the Corporation and the Fund to differ materially from anticipated future results, performance or achievements expressed or implied by the forward-looking statements and information.

Factors that could cause actual results to differ materially from those contemplated or implied by forward-looking statements and information include, but are not limited to: risks associated with the credit rating of the Corporation and the Fund; the market value of the Series 1 Shares and Series 2 Shares will be affected by a number of factors and, accordingly, their trading pricing will fluctuate; the dependence of the Corporation on the Fund to meet its financial obligations; the redemption of Trust Units will reduce assets available to support the Guarantees (as defined below); the absence of a fixed maturity date for the Series 1 Shares and Series 2 Shares; the Series 1 Shares and Series 2 Shares may not be redeemed at the holder’s option; the Series 1 Shares and Series 2 Shares may be liquidated by the holder only in limited circumstances; absence of an active trading market for the Series 1 Shares and Series 2 Shares; redemption of the Series 1 Shares and Series 2 Shares by the Corporation; creditors of the Corporation and the Fund rank ahead of the holders of the Series 1 and Series 2 Shares in the event of an insolvency or winding-up of the Corporation or the Fund; the Series 1 Shares and Series 2 Shares have dividend rates that will reset; the Series 2 Shares have a floating interest component; the Series 1 Shares and Series 2 Shares may be converted or redeemed without the holders’ consent in certain circumstances; the declaration of dividends on the Series 1 Shares and Series 2 Shares is at the discretion of the Board of Directors; the payment of dividends under the Guarantees (as defined below) are limited to certain circumstances; the absence of voting rights for the holders of Series 1 Shares and Series 2 Shares; risks associated with the Fund’s proposed conversion to a corporation; 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; failure by the Fund to discover liabilities associated with, and inability of the Fund to successfully integrate, acquisitions, including the failure of transmission systems or adequate transmission capacity; water rights; changes in the Canadian/U.S. dollar exchange rate; changes to regulations and increases in regulatory costs; failure by the Fund to renew, maintain or obtain necessary governmental permits; the risk that the Fund will decrease distributions to fund capital expenditures; inability to generate or sell electricity; failure by the Fund to maintain equipment or dam safety; inadequate insurance; failure by the Fund to comply with health, safety and environmental regulations; labour disruptions; threat of legal action and claims against the Fund; changes in the general economy; changes in technology; the application of tax shelter investment rules to the Fund’s subsidiary entities; energy price fluctuations; inability of the Fund to access and refinance capital on desirable terms and changes in interest rates; 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 the prices of Trust Units; failure of the Fund to maintain its current credit ratings; potential unitholder liability; and other

risks and factors detailed from time to time in documents filed by the Fund with securities regulatory authorities in Canada, including in the Fund's annual information form under the heading "Risk Factors" and in the Fund's management discussion and analysis under the headings "Financial Instrument Risks" and "Risk Factors".

These factors and other risk factors, as described under "Risk Factors" and in documents filed by the Fund with securities regulatory authorities in Canada, represent risks that the Corporation and the Fund believe are material. Other factors not presently known to the Fund or the Corporation or that the Fund or the Corporation 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. The Fund and the Corporation disclaims any obligation to update publicly or to revise any of the forward-looking statements or information contained or incorporated by reference in this short form prospectus, whether as a result of new information, future events or otherwise, except as required by applicable law.

DOCUMENTS INCORPORATED BY REFERENCE

Information has been incorporated by reference in this short form prospectus from documents filed with securities commission or similar authorities in Canada. Copies of the documents incorporated herein by reference may be obtained on request without charge from the office of the Secretary of the Fund at 480 de la Cité boulevard, Gatineau, Québec, Canada, J8T 8R3, Telephone: (819) 561-2722, and are also available electronically at www.sedar.com under the company profile for the Fund.

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

1. the annual information form of the Fund dated March 20, 2009 (the "AIF");
2. the management information circular of the Fund dated March 20, 2009 distributed in connection with the annual meeting of unitholders held on May 13, 2009;
3. the audited comparative consolidated financial statements of the Fund and the notes thereto as at and for the year ended December 31, 2009, together with the report of the auditors thereon;
4. management's discussion and analysis of financial results as at and for the year ended December 31, 2009;
5. the material change report of the Fund dated July 14, 2009 relating to acquisition of entities that own 15 hydroelectric stations and the soon-to-be constructed Gosfield wind power project;
6. the management information circular of the Fund dated July 15, 2009 distributed in connection with the special meeting of unitholders held on August 19, 2009 (the "Special Meeting Circular"); and
7. the business acquisition report of the Fund dated November 10, 2009 relating to acquisition of entities that own 15 hydroelectric stations and the soon-to-be constructed Gosfield wind power project.

Any documents of the Corporation or the Fund of the type described in Section 11.1 of Form 44-101F1 — *Short Form Prospectus* ("Form 44-101F1") which are required to be filed with securities commissions or similar authorities in Canada on or after the date of this short form prospectus and prior to the termination of the Offering shall be deemed to be incorporated by reference into this short form prospectus.

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

in which it was made. Any statement so modified or superseded shall not be deemed, except as so modified or superseded, to constitute a part of this short form prospectus.

EXEMPTIVE RELIEF

As a result of the Offering, it is expected that the Corporation will become a reporting issuer in each of the provinces of Canada and will be required, among other things, to make continuous disclosure filings with applicable securities regulatory authorities; however, the Corporation applied for and received relief from the securities regulatory authorities in those provinces for exemption from certain continuous disclosure requirements prescribed by applicable securities legislation for reporting issuers.

Pursuant to a “dual application” for exemptive relief made by the Corporation pursuant to National Policy 11-203 – *Process for Exemptive Relief Applications in Multiple Jurisdictions*, the Corporation has received exemptive relief (the “**Exemptive Relief**”) dated February 15, 2010 from or on behalf of each of the securities regulatory authorities in each of the provinces of Canada, which Exemptive Relief will, among other things, permit the Corporation to rely on the exemption provided in section 13.4 of National Instrument 51-102 – *Continuous Disclosure Obligations* (“**NI 51-102**”) following the issuance of the Series 1 Shares. Pursuant to section 13.4 of NI 51-102, the Corporation is not required to file with Canadian securities regulatory authorities separate continuous disclosure information regarding the Corporation, except for material change reports in the event there is a material change in respect of the affairs of the Corporation that is not also a material change in respect of the affairs of the Fund. The Exemptive Relief granted the Corporation an exemption from the disclosure requirements in Item 6 (Earnings Coverage Ratios) and Item 11 (Documents Incorporated by Reference), with the exception of Item 11.1(1)(5), of Form 44-101F1 of National Instrument 44-101 — *Short Form Prospectus Distributions* (“**NI 44-101**”) in respect of the Corporation, as applicable. The Exemptive Relief also exempted the Corporation from the requirement in Section 2.8 of NI 44-101 to file a notice of intention to file a short form prospectus no fewer than 10 business days prior to the filing of the our first preliminary short form prospectus.

The Corporation does not directly satisfy the eligibility criteria contained in Part 2 of NI 44-101 in order to be able to file a prospectus in the form of a short form prospectus for the distribution of the Series 1 Shares. However, the Fund will fully and unconditionally guarantee the payments to be made by the Corporation in connection with the Series 1 Shares and the Series 2 Shares. As a result of the Fund’s guarantees and pursuant to the Exemptive Relief, the Corporation is qualified to avail itself of the short form prospectus provisions of Canadian securities legislation. As required by Canadian securities legislation, the Fund has certified the content of this short form prospectus (see “**Certificate of the Guarantor**”) and various disclosure documents filed by the Fund under applicable securities legislation are incorporated by reference herein.

The Corporation’s financial results will be reflected in the consolidated financial results of the Fund filed by the Fund subsequent to the date of this short form prospectus as supplemented with consolidating summary financial information to be filed by the Corporation in accordance with section 13.4 of NI 51-102 and the Exemptive Relief. See “Consolidating Summary Financial Information”.

THE CORPORATION

The Corporation is a wholly-owned subsidiary of Brookfield Renewable Power Fund and was established on February 10, 2010, under the *Canada Business Corporations Act*. The Corporation will loan the net proceeds of the Offering to the Fund (the “**Loan**”). Other than the Loan, the Corporation will have no significant assets or liabilities and will not have any ongoing business operations of its own.

The Corporation’s registered and head office is at P.O. Box 762, Brookfield Place, 181 Bay Street, Suite 300, Toronto, Ontario, Canada, M5J 2T3.

THE FUND

The Fund was established in 1999 as Great Lakes Hydro Income Fund as an unincorporated open-ended trust under the laws of the Province of Québec. The Fund changed its name to Brookfield Renewable Power Fund on August 31, 2009. The Fund indirectly owns and operates a diversified portfolio of high-quality, long-life power generating assets that produce electricity exclusively from environmentally friendly and renewable resources with a predominant focus on hydroelectric plants in Canada and the U.S. The Fund is a publicly-traded reporting issuer on the TSX under the symbol BRC.UN.

On July 6, 2009, the Fund announced its intention to convert to a corporation on or before January 1, 2011.

Recent Developments of the Fund

There have been no significant recent developments of the Fund since the filing of the audited comparative consolidated financial statements of the Fund and the notes thereto as at and for 12 months ended December 31, 2009.

Formation and Administration

The Fund was established as an unincorporated open-ended trust under the laws of the Province of Québec pursuant to a trust indenture dated September 14, 1999 and restated October 27, 1999, as amended from time to time. The Fund is a publicly-traded reporting issuer on the TSX under the symbol BRC.UN. BRPI holds approximately 50.01% of the issued and outstanding Trust Units, on a fully-exchanged basis, and the remaining Trust Units are held by the public.

The Fund has no employees and is currently administered by Brookfield Energy Marketing Inc. (“**BEMI**”), a wholly-owned subsidiary of BRPI, pursuant to the terms of an administration agreement dated September 14, 1999 (the “**Administration Agreement**”). BEMI also provides management services for Brookfield Renewable Power Trust (“**BRPT**”) pursuant to the terms of a management agreement dated October 6, 2005 (the “**Management Agreement**”). Summaries of the material terms of the Administration Agreement and the Management Agreement are included on pages 10 and 11 of the Fund’s fiscal 2008 AIF dated March 20, 2009 and copies of these agreements are available on SEDAR at www.sedar.com.

As at February 17, 2010, the Fund had 104,718,976 Trust Units outstanding (108,781,476 Trust Units assuming the exchange of all of BRPI’s exchangeable shares). The Fund’s market capitalization totaled approximately \$2.305 billion (on a fully-exchanged basis), based on the closing price of \$21.19 per Trust Unit on the TSX on February 17, 2010.

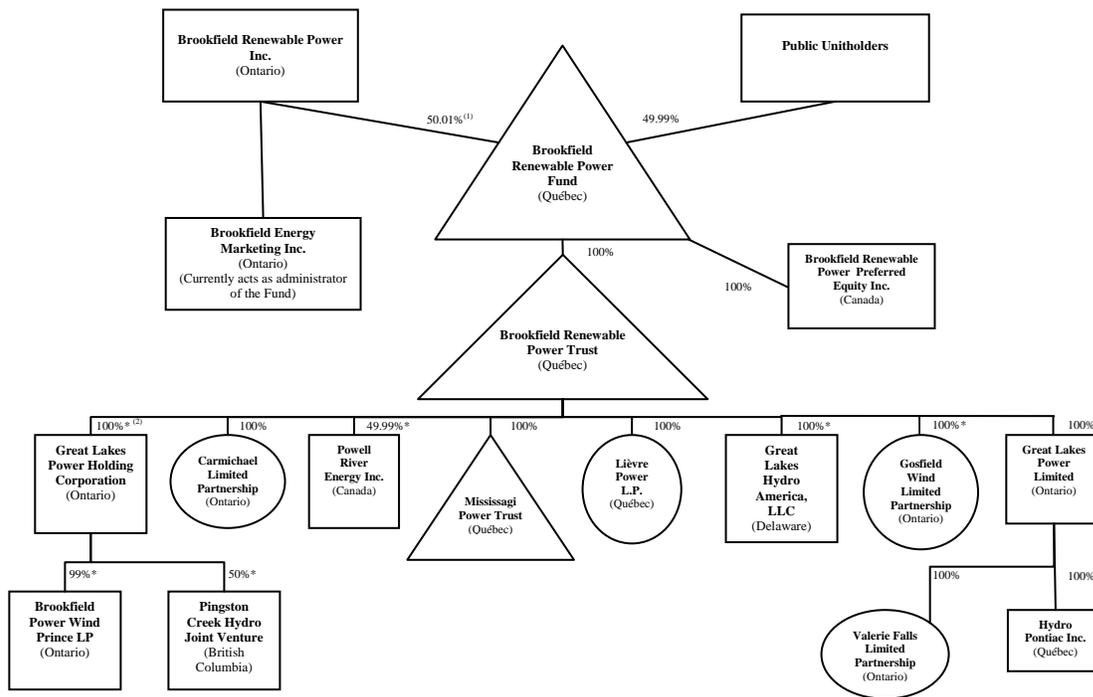
CIBC Mellon Trust Company (the “**Trustee**”) acts as the Fund’s sole trustee. The Fund’s corporate office is located at 480 de la Cité Boulevard, in the City of Gatineau, in the Province of Québec, J8T 8R3.

Summary Description of the Business

The Fund indirectly owns and operates a diversified portfolio of high-quality, long-life power generating assets that produce electricity exclusively from environmentally friendly and renewable resources with a predominant focus on hydroelectric plants. The Fund’s portfolio currently consists of 42 hydroelectric generating stations located in Ontario, Québec, British Columbia and New England and one wind farm located in Ontario. As described in more detail in the Fund’s AIF, the Fund sells substantially all of its power generation under long-term PPAs at fixed prices to either industrial users, public utilities or the Fund’s manager, BRPI (including its subsidiaries).

Ownership and Structure of the Fund

The following chart illustrates the primary ownership and structural relationships among the Corporation, the Fund, and BRPI as at February 24, 2010:



Notes:

* indirect ownership

(1) Assuming the exchange of all Exchangeable Shares (as defined below) held by BRPI.

(2) Currently, Brookfield Renewable Power Fund owns 49.9% of Great Lakes Power Holding Corporation and BRPI owns 50.1% through 4,062,500 shares exchangeable for Trust Units ("Exchangeable Shares"). On a fully-exchanged basis, Brookfield Renewable Power Trust owns 100% of Great Lakes Power Holding Corporation.

CONSOLIDATING SUMMARY FINANCIAL INFORMATION

The tables below contain consolidating summary financial information for the years ended December 31, 2009 and 2008 for (i) the Fund, (ii) the Corporation, (iii) the Fund's subsidiaries, other than the Corporation, on a consolidated basis, (iv) consolidating adjustments, and (v) the Fund and all of its subsidiaries on a consolidated basis, in each case for the periods indicated. Such summary financial information is intended to provide investors with meaningful and comparable financial information about the Fund and its subsidiaries. This summary financial information should be read in conjunction with the Fund's audited consolidated financial statements as at and for the years ended December 31, 2009 and 2008, which are incorporated by reference herein.

For the twelve months ended December 31, 2009 and 2008 (in millions of Canadian dollars)⁽¹⁾

(in millions of dollars) (unaudited)	Fund ⁽²⁾		Corporation ⁽⁵⁾		Subsidiaries of the Fund other than the Corporation ⁽³⁾		Consolidating adjustments ⁽⁴⁾		Fund (consolidated)	
	2009	2008	2009	2008	2009	2008	2009	2008	2009	2008
Total Revenue	0.0	0.0	0.0	0.0	288.0	195.7	0.0	0.0	288.0	195.7
Net Income (Loss)	(175.6)	59.3	0.0	0.0	(278.7)	35.7	278.7	(35.7)	(175.6)	59.3
Current Assets	11.1	3.0	0.0	0.0	84.5	34.3	(7.7)	(12.2)	87.9	25.1
Long-Term Assets	1,078.2	354.5	0.0	0.0	3,383.6	1,097.3	(1,023.4)	(352.2)	3,438.4	1,099.6
Current Liabilities	10.9	6.9	0.0	0.0	110.9	127.9	(7.7)	(12.2)	114.1	122.6
Long-Term Liabilities	200.0	30.6	0.0	0.0	2,589.6	957.0	(314.7)	(326.6)	2,474.9	661.0
Non-Controlling Interests	0.0	0.0	0.0	0.0	38.3	(16.0)	0.0	0.0	38.3	(16.0)

Notes:

- (1) The consolidating summary financial information in this table is unaudited, was prepared in accordance with Canadian generally accepted accounting principles, and does not give effect to the Offering. The Fund's independent auditor has not performed a review of this consolidating summary financial information.
- (2) This column accounts for investments in all subsidiaries of the Fund under the equity method.
- (3) This column accounts for investments in all subsidiaries of the Fund (other than the Corporation) on a consolidated basis.
- (4) This column includes the necessary amounts to eliminate the intercompany balances between the Fund, the Corporation and other subsidiaries to arrive at the information for the Fund on a consolidated basis.
- (5) The Corporation was incorporated on February 10, 2010 and, accordingly, was not consolidated by the Fund in its audited comparative consolidated financial statements and the notes thereto as at and for the year ended December 31, 2009.

CONSOLIDATED CAPITALIZATION OF THE CORPORATION

The following table sets forth the Corporation's consolidated capitalization as at February 10, 2010 on an actual basis and as adjusted to give effect to the Offering:

	As at February 10, 2010	As at February 10, 2010 as adjusted to give effect to the Offering ⁽¹⁾
	<i>(in thousands)</i>	
Indebtedness:	\$0	\$0
Shareholders' equity:		
(Common shares: authorized - unlimited; outstanding - one; as adjusted to give effect to the Offering - one)	\$0	\$0
(Preference shares: authorized - unlimited; outstanding - 0; as adjusted to give effect to this offering - 10 million)	\$0	\$250,000
Total Capitalization:	\$0	\$250,000

Notes:

- (1) Gives effect to the issuance of \$250 million of Series 1 Shares before deducting the Underwriters' fee and the expenses of the Offering.

CONSOLIDATED CAPITALIZATION OF THE FUND

The following table sets forth the Fund's consolidated capitalization as at December 31, 2009 on an actual basis and as adjusted to give effect to Offering and application of the net proceeds therefrom as described under "Use of Proceeds". The following should be read with the comparative consolidated financial statements of the Fund and the notes thereto incorporated by reference in this short form prospectus and the management's discussion and analysis incorporated by reference in this short form prospectus.

	As at December 31, 2009⁽¹⁾	As at December 31, 2009 as adjusted to give effect to the Offering
<i>(in thousands)</i>		
Indebtedness:		
Long-term debt (including current portion)	\$1,468,780	\$1,468,780
Unsecured notes	\$200,000	\$0
Due to holder of non-controlling interest	\$20,801	\$20,801
Other long-term liabilities	\$4,907	\$4,907
Future income tax	\$319,693	\$319,693
Derivative liabilities (including current portion) and power purchase agreements	\$504,978	\$504,978
Unitholders' equity:		
Non-controlling interest	\$(18,334) ⁽²⁾	\$231,666
Deficit and accumulated other comprehensive loss	\$(501,020)	\$(508,520)
Trust Units	\$1,477,909 ⁽²⁾	\$1,477,909 ⁽²⁾

Notes:

- (1) The amounts have been derived from the audited annual financial statements of the Fund as at December 31, 2009.
(2) Assuming that the Exchangeable Shares are exchanged for Trust Units at a price of \$19.17 per share being the 20 day average closing price of the Trust Units as of December 31, 2009.

EARNINGS COVERAGE RATIOS OF THE FUND

The Fund's indirect dividend requirements on all of the Class A Preference Shares, after giving effect to the issue of the Series 1 Shares, and adjusted to a before-tax equivalent using an effective income tax rate of 31%, amounted to \$19.0 million, for the 12 months ended December 31, 2009. The Fund's interest requirements for the 12 months then ended amounted to \$68.0 million. The Fund's loss before interest and income tax for the 12 months ended December 31, 2009 was \$(209.7 million), which is (2.41) times the Fund's aggregate dividend and interest requirements for this period. In order to achieve an earnings coverage ratio of one-to-one for the 12-months ended December 31, 2009, the Fund would need to have earned an additional \$296.8 million.

The ratio has been calculated excluding \$0.5 million of carrying charges for the debt securities reflected as current liabilities. If those debt securities had been classified in their entirety as long term debt for the purposes of calculating the ratio, the entire amount of annual carrying charges for such debt securities, \$0.5 million, would have been reflected in the calculation of the Fund's interest and dividend obligations. If the earnings coverage ratio had been calculated as though the debt securities reflected as current liabilities were classified as long term debt, the earnings coverage ratio would be (2.40) to one.

The earnings coverage ratio is negative as the Fund expensed in 2009 a one-time \$349 million contract amendment payment to increase the rate the Fund receives for generation at its Lievre Power and Mississagi Power facilities under existing agreements. The payment was allocated from the purchase price of the August acquisition of assets from Brookfield Renewable Power Inc. The earnings coverage ratio after giving effect to reversing the contract amendment payment is 1.60 to one.

TRADING PRICE AND VOLUME OF THE SECURITIES OF THE FUND

The Trust Units of the Fund are listed on the TSX under the symbol “BRC.UN”. The following table sets forth the reported high and low trading prices and trading volumes of the Trust Units of the Fund as reported by the TSX for the periods indicated.

	High	Low	Volume
	(\$)	(\$)	
2009			
March.....	16.10	14.70	1,221,637
April.....	15.99	15.00	1,050,949
May.....	15.95	15.20	1,596,069
June.....	16.51	15.36	1,654,389
July.....	17.36	15.21	5,507,791
August.....	18.00	17.01	2,174,134
September(1).....	18.00	16.96	2,360,827
October.....	19.23	17.57	2,522,403
November.....	19.25	17.95	1,950,063
December.....	20.00	18.55	5,684,202
2010			
January.....	20.16	19.10	1,807,417
February.....	21.59	19.30	3,887,165
March (to March 2).....	20.61	20.10	178,472

Notes:

(1) Prior to September 2, 2009, the Trust Units traded under the symbol “GLH.UN.”

On February 17, 2010, being the last trading day on which the Trust Units traded prior to the public announcement of the Offering, the closing price of the Trust Units on the TSX was \$21.19 per Trust Unit.

TRADING PRICE AND VOLUME OF THE SECURITIES OF THE CORPORATION

The Corporation does not currently have shares listed on any stock exchange.

DESCRIPTION OF SHARE CAPITAL OF THE CORPORATION

Pursuant to the Corporation’s articles of incorporation, the Corporation is authorized to issue an unlimited number of common shares (the “**Common Shares**”), an unlimited number of class A preference shares (the “**Class A Preference Shares**”), issuable in series and an unlimited number of class B preference shares (the “**Class B Preference Shares**”), issuable in series. The following is a summary of rights, privileges, restrictions and conditions attached to the Common Shares and the Class B Preference Shares. Provisions relating to the Class A Preference Shares are summarized in “Details of the Offering” below.

Description of the Common Shares

Holders of Common Shares are entitled to one vote for each such share held on all votes taken at meetings of the shareholders of the Corporation, except meetings at which only the holders of a specified class or series of shares of the Corporation are entitled to vote. As at the date hereof, one Common Share was issued and outstanding, which Common Share was directly held by the Fund. Subject to the rights of holders of Class A Preference Shares or any series thereof, Class B Preference Shares or any series thereof, and other shares of the Corporation ranking prior to the Common Shares, the holders of Common Shares are entitled to dividends as may be declared from time to time by the Board of Directors.

Description of the Class B Preference Shares

Issuance in Series

The Board of Directors of the Corporation may from time to time issue Class B Preference Shares in one or more series, each series to consist of such number of shares as will before issuance thereof be fixed by the directors who will at the same time determine the designation, rights, privileges, restrictions and conditions attaching to that series of Class B Preference Shares. As at the date hereof, the Corporation had not issued any Class B Preference Shares.

Priority

The Class B Preference Shares rank junior to the Class A Preference Shares and senior to the Common Shares and all other shares ranking junior to the Class B Preference Shares with respect to priority in payment of dividends and in the distribution of assets in the event of the liquidation, dissolution or winding-up of the Corporation. Pursuant to the *Canada Business Corporations Act*, each series of Class B Preference Shares participates rateably with every other series of Class B Preference Shares in respect of accumulated dividends and return of capital.

Voting

Subject to applicable corporate law or unless provision is made in the articles relating to any series of Class B Preference Shares, the holders of the Class B Preference Shares or of a series thereof are not entitled as holders of that class or series to receive notice of, to attend or to vote at any meeting of the shareholders of the Corporation.

Approval

The approval of the holders of the Class B Preference Shares of any matters to be approved by a separate vote of the holders of the Class B Preference Shares may be given by special resolution in accordance with the share conditions for the Class B Preference Shares. Each holder of Class B Preference Shares entitled to vote at a class meeting of holders of Class B Preference Shares, or at a joint meeting of the holders of two or more series of Class B Preference Shares, has one vote in respect of each \$25.00 of issue price of the Class B Preference Shares held by such holder.

PLAN OF DISTRIBUTION

Under an agreement (the “**Underwriting Agreement**”) dated February 24, 2010 among the Corporation and the Underwriters, the Corporation has agreed to issue and sell, and the Underwriters have agreed to purchase, on March 10, 2010 or on such other date as may be agreed, but in any event not later than March 31, 2010 subject to compliance with all necessary legal requirements and to the terms and conditions contained in the Underwriting Agreement, 10,000,000 Series 1 Shares at a price of \$25.00 per share for an aggregate price of \$250,000,000, payable in cash to the Corporation against delivery. The Offering Price and other terms of the Offering were determined by negotiation between the Corporation and the Underwriters, other than Brookfield Financial. The Underwriting Agreement provides that the Corporation will pay to the Underwriters a fee of \$0.25 per share for Series 1 Shares sold to certain institutions and \$0.75 per share for all other Series 1 Shares purchased by the Underwriters, in consideration for their services in connection with the Offering.

The obligations of the Underwriters under the Underwriting Agreement are several and may be terminated at their discretion on the basis of their assessment of the state of the financial markets and may also be terminated on the occurrence of certain stated events. The Underwriters are, however, obligated to take up and pay for all of the Series 1 Shares offered hereby if any of the Series 1 Shares are purchased under the Underwriting Agreement. If an Underwriter fails to purchase the Series 1 Shares which it has agreed to purchase, any one or more of the other Underwriters may, but is not obligated to (unless the number of Series 1 Shares which an Underwriter or Underwriters fail to purchase amounts to 10% or less of the total number of Series 1 Shares to be purchased by the Underwriters), purchase such Series 1 Shares. The Corporation is not obligated to sell less than all of the Series 1 Shares.

The Underwriters propose to offer the Series 1 Shares initially at the Offering Price. After the Underwriters have made a reasonable effort to sell all of the Series 1 Shares at the Offering Price, the offering price of the Series 1 Shares may be decreased, and further changed from time to time, to an amount not greater than the Offering Price and the compensation realized by the Underwriters will be decreased by the amount that the aggregate price paid by purchasers for the Series 1 Shares is less than the gross proceeds paid by the Underwriters to the Corporation. Any such reduction will not affect the proceeds received by the Corporation.

The TSX has conditionally approved the listing of the Series 1 Shares and the Series 2 Shares. The Series 1 Shares will be listed under the symbol “BRF.PR.A”. Listing is subject to the Corporation fulfilling all of the listing requirements of the TSX on or before May 11, 2010.

Pursuant to the terms of the Underwriting Agreement, subject to certain exceptions, the Corporation, has agreed not to sell, or announce its intention to sell, nor authorize or issue, any preference shares of the Corporation, other than the Series 1 Shares, during the period commencing on the date of this short form prospectus and ending 90 days after the Closing Date, without the prior written consent of Scotia Capital Inc., on behalf of the Underwriters, such consent not to be unreasonably withheld.

Pursuant to applicable policy statements of the Autorité des marchés financiers and the Ontario Securities Commission, the Underwriters may not, throughout the period of distribution, bid for or purchase the Series 1 Shares. The foregoing restriction is subject to exceptions, on the condition that the bid or purchase not be engaged in for the purpose of creating actual or apparent active trading in, or raising the price of, the Series 1 Shares. These exceptions include bids or purchases permitted under the Universal Market Integrity Rules for Canadian marketplaces of the Investment Industry Regulatory Organization of Canada relating to market stabilization and passive market-making activities and bids or purchases made for and on behalf of a customer where the order was not solicited during the period of distribution. Pursuant to the first mentioned exception, in connection with this Offering, the Underwriters may over-allot or effect transactions which stabilize or maintain the market price of the Series 1 Shares at levels other than those which otherwise might prevail on the open market. Such transactions, if commenced, may be discontinued at any time.

The Corporation and the Fund have agreed to indemnify the Underwriters against certain liabilities, including liabilities under applicable Canadian securities legislation.

Neither the Series 1 Shares nor the Series 2 Shares have been nor will be registered under the *United States Securities Act of 1933*, as amended, or any state U.S. securities laws and, subject to certain exceptions, may not be offered or sold within the United States or to U.S. persons.

Certain of the Underwriters and/or their affiliates have performed investment banking and advisory services for the Corporation and its affiliates from time to time for which they have received customary fees and expenses. The Underwriters and/or their affiliates may, from time to time, engage in transactions with, or perform services for, the Corporation and its affiliates in the ordinary course of business and receive fees in connection therewith.

Brookfield is an influential security holder of each of the Fund, the Corporation and Brookfield Financial. Brookfield indirectly owns all of the outstanding shares of Brookfield Financial. Brookfield also directly and indirectly owns all of the voting securities of BRPI and BRPI owns 50.01% of the Fund’s outstanding Trust Units on a fully-exchanged basis. In addition, the Fund has outstanding indebtedness pursuant to a promissory note owing to a subsidiary of BRPI. Accordingly, the Fund and the Corporation are “related issuers”, and may be considered to be “connected issuers”, of Brookfield Financial within the meaning of applicable Canadian securities legislation.

As of February 24, 2010, the Fund had approximately \$200 million of unsecured indebtedness outstanding to a subsidiary of BRPI pursuant to a promissory note. The subsidiary of BRPI has pledged its rights under the promissory note to the Scotia Affiliate. As a result, the Fund and the Corporation may be considered “connected issuers” of Scotia Capital Inc. within the meaning of applicable Canadian securities legislation. The Fund is currently in compliance with all terms of the promissory note governing the indebtedness, and there has been no waiver of a breach of any term of the promissory note since its execution. The Fund’s financial position remains consistent with the position that existed at the time the indebtedness was incurred. The net proceeds of the Offering will be loaned to the Fund, which will use \$200 million to repay this indebtedness.

Neither Brookfield Financial nor Scotia Capital Inc. will receive any direct benefit in connection with the Offering, other than its portion of the fee payable by the Corporation to the Underwriters and, with respect to the Scotia Affiliate that holds the promissory note described above, the repayment of such indebtedness. The decision to distribute the Series 1 Shares was made by the Fund and the Corporation. Neither Brookfield Financial nor the Scotia Affiliate proposed the Offering to the Corporation. The Underwriters, other than Brookfield Financial, negotiated the structure and price of the Offering and coordinated the due diligence activities for the Offering.

USE OF PROCEEDS

The net proceeds from the Offering, after deducting fees payable to the Underwriters and estimated expenses of the issue, will be approximately \$241,720,000 assuming that no Series 1 Shares are sold to certain institutions. The Corporation intends to lend these proceeds to the Fund, which will repay the \$200 million of indebtedness that arose pursuant to a promissory note issued on August 31, 2009 to BRPI in connection with the Fund's acquisition of BRPI's Canadian power assets, which promissory note was subsequently pledged to the Scotia Affiliate. The remainder of the net proceeds will be used for general corporate purposes.

RATINGS

The Corporation's Series 1 Shares have been assigned a provisional rating of "Pfd-3 (high)" by DBRS and a preliminary rating of "P-3 (high)" by S&P. The DBRS rating of "Pfd-3 (high)" is the highest sub-category within the third highest rating of the five standard categories of ratings utilized by DBRS for preferred shares. "High" and "low" grades may be used to indicate the relative standing of a credit within a particular rating category. A "P-3(high)" rating by S&P is the highest of the three sub-categories within the third highest rating of the eight standard categories of ratings utilized by S&P for preferred shares.

The Fund's stability is rated by two rating agencies, S&P and DBRS. At the date hereof, the stability ratings of the Fund were as follows:

Rating Agency	Rating	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.

Credit ratings are intended to provide investors with an independent assessment of the credit quality of an issue or issuer of securities and do not speak to the suitability of particular securities for any particular investor. The credit ratings assigned to the Series 1 Shares may not reflect the potential impact of all risks on the value of the Series 1 Shares. A rating is therefore not a recommendation to buy, sell or hold securities and may be subject to revision or withdrawal at any time by the rating agency. Prospective investors should consult the relevant rating organization with respect to the interpretation and implications of the ratings.

DETAILS OF THE OFFERING

Description of the Class A Preference Shares

Issuance in Series

The Board of Directors of the Corporation may from time to time issue Class A Preference Shares in one or more series, each series to consist of such number of shares as will before issuance thereof be fixed by the directors who will at the same time determine the designation, rights, privileges, restrictions and conditions attaching to that series of Class A Preference Shares.

Priority

The Class A Preference Shares rank senior to the Class B Preference Shares, the Common Shares and all other shares ranking junior to the Class A Preference Shares with respect to priority in payment of dividends and in the distribution of assets in the event of the liquidation, dissolution or winding-up of the Corporation. Pursuant to the *Canada Business Corporations Act*, each series of Class A Preference Shares participates rateably with every other series of Class A Preference Shares in respect of accumulated dividends and return of capital.

Voting

Subject to applicable corporate law or unless provision is made in the articles relating to any series of Class A Preference Shares, the holders of the Class A Preference Shares or of a series thereof are not entitled as holders of that class or series to receive notice of, to attend or to vote at any meeting of the shareholders of the Corporation.

Approval

The approval of the holders of the Class A Preference Shares of any matters to be approved by a separate vote of the holders of the Class A Preference Shares may be given by special resolution in accordance with the share conditions for the Class A Preference Shares. Each holder of Class A Preference Shares entitled to vote at a class meeting of holders of Class A Preference Shares, or at a joint meeting of the holders of two or more series of Class A Preference Shares, has one vote in respect of each \$25.00 of issue price of the Class A Preference Shares held by such holder.

Description of the Series 1 Shares

The following is a summary of certain provisions attaching to the Series 1 Shares as a series.

Definition of Terms

The following definitions are relevant to the Series 1 Shares.

“**Annual Fixed Dividend Rate**” means, for any Subsequent Fixed Rate Period, the rate (expressed as a percentage rate rounded down to the nearest one hundred-thousandth of one percent (with 0.000005% being rounded up)) equal to the sum of the Government of Canada Yield on the applicable Fixed Rate Calculation Date plus 2.62%.

“**Bloomberg Screen GCAN5YR Page**” means the display designated as page “GCAN5YR<INDEX>” on the Bloomberg Financial L.P. service (or such other page as may replace the GCAN5YR page on that service) for purposes of displaying Government of Canada bond yields.

“**Fixed Rate Calculation Date**” means, for any Subsequent Fixed Rate Period, the 30th day prior to the first day of such Subsequent Fixed Rate Period.

“**Government of Canada Yield**” on any date means the yield to maturity on such date (assuming semi-annual compounding) of a Canadian dollar denominated non-callable Government of Canada bond with a term to maturity of five years as quoted as of 10:00 a.m. (Toronto time) on such date and which appears on the Bloomberg Screen GCAN5YR Page on such date; provided that, if such rate does not appear on the Bloomberg Screen GCAN5YR Page on such date, the Government of Canada Yield will mean the average of the yields determined by two registered Canadian investment dealers selected by the Corporation, as being the yield to maturity on such date

(assuming semi-annual compounding) which a Canadian dollar denominated non-callable Government of Canada bond would carry if issued in Canadian dollars at 100% of its principal amount on such date with a term to maturity of five years.

“**Initial Fixed Rate Period**” means the period commencing on the Closing Date and ending on and including April 30, 2015.

“**Subsequent Fixed Rate Period**” means for the initial Subsequent Fixed Rate Period, the period commencing on May 1, 2015 and ending on and including April 30, 2020 and for each succeeding Subsequent Fixed Rate Period, the period commencing on the day immediately following the end of the immediately preceding Subsequent Fixed Rate Period and ending on and including April 30 in the fifth year thereafter.

Issue Price

The Series 1 Shares will have an issue price of \$25.00 per share.

Dividends

During the Initial Fixed Rate Period, the holders of the Series 1 Shares will be entitled to receive fixed cumulative preferential cash dividends, as and when declared by the Board of Directors, payable quarterly on the last day of January, April, July and October in each year during the Initial Fixed Rate Period (or if such date is not a business day, the immediately following business day), at an annual rate equal to \$1.3125 per share. The initial dividend will be payable April 30, 2010 and will be \$0.1834 per share, based on the anticipated Closing Date of March 10, 2010.

During each Subsequent Fixed Rate Period, the holders of Series 1 Shares will be entitled to receive fixed cumulative preferential cash dividends, as and when declared by the Board of Directors, payable quarterly on the last day of January, April, July and October in each year during the Subsequent Fixed Rate Period (or if such date is not a business day, the immediately following business day), in an annual amount per share determined by multiplying the Annual Fixed Dividend Rate applicable to such Subsequent Fixed Rate Period by \$25.00.

The Annual Fixed Dividend Rate applicable to a Subsequent Fixed Rate Period will be determined by the Corporation on the Fixed Rate Calculation Date. Such determination will, in the absence of manifest error, be final and binding upon the Corporation and upon all holders of Series 1 Shares. The Corporation will, on the Fixed Rate Calculation Date, give written notice of the Annual Fixed Dividend Rate for the ensuing Subsequent Fixed Rate Period to the registered holders of the then outstanding Series 1 Shares.

Payments of dividends and other amounts in respect of the Series 1 Shares will be made by the Corporation to CDS, or its nominee, as the case may be, as registered holder of the Series 1 Shares. As long as CDS, or its nominee, is the registered holder of the Series 1 Shares, CDS, or its nominee, as the case may be, will be considered the sole owner of the Series 1 Shares for the purposes of receiving payment on the Series 1 Shares.

Series 1 Guarantee

Each Series 1 Share will be fully and unconditionally guaranteed by the Fund as to (i) the payment of dividends, as and when declared, (ii) the payment of amounts due on redemption of the Series 1 Shares, and (iii) the payment of the amounts due on the liquidation, dissolution and winding-up of the Corporation (the “**Series 1 Guarantee**”). Under the Series 1 Guarantee, holders of Series 1 Shares will be entitled to receive payment from the Fund within 15 days of any failure by the Corporation to make such payments when due. The obligations of the Fund under the Series 1 Guarantee will constitute direct unsecured, unsubordinated and known obligations of the Fund, which obligations are to be paid and settled before distributions may be made by the Fund to the holders of Trust Units. As long as the declaration or payment of dividends on the Series 1 Shares are in arrears, the Fund will not make any distributions on the Trust Units (which distributions, for greater certainty, include the aggregate Cash Redemption Price (as such term is defined in the amended and restated trust agreement of the Fund dated October 27, 1999) required to be paid on a redemption of Trust Units) or make any distributions or pay any dividends on equity securities of any successor entity to the Fund. The Series 1 Guarantee will be subordinated to all of the senior and subordinated debt of the Fund and will rank senior to the Trust Units. The Series 1 Guarantee will rank on a *pro rata* and *pari passu* basis with the obligations of the Fund under the Series 2 Guarantee (as defined below, and together with the Series 1 Guarantee, the “**Guarantees**”) in respect of the Series 2 Shares, and under similar guarantees that may be provided by the Fund in respect of other Class A Preference Shares. See “Description of Share Capital - Series 1 Shares”.

The Fund has previously announced its intention to convert to a corporation on or before January 1, 2011. It is currently anticipated that the Corporation will become the successor to the Fund through the conversion (the “**Successor**”). However, if the Corporation does not become the Successor, the corporate entity that is the Successor will assume all of the obligations of the Fund under the Guarantees and the Guarantees will remain in full force and effect, unless the Successor and the issuer of the Series 1 Shares and Series 2 Shares are one and the same person. If the Corporation is the Successor, the Guarantee will be cancelled. For greater certainty, if at any time all the Trust Units are owned by the Corporation, the Guarantee will automatically terminate. If the Successor and the issuer of the Series 1 Shares and the Series 2 Shares are not one and the same person, any equity securities issued by the Successor will rank *pari passu* or junior to the Guarantees.

Redemption

The Series 1 Shares will not be redeemable by the Corporation prior to April 30, 2015. On April 30, 2015 and on April 30 every five years thereafter (or, if such date is not a business day, the immediately following business day), and subject to certain other restrictions set out in “Description of the Series 1 Shares — Restrictions on Dividends and Retirement and Issue of Shares”, the Corporation may, at its option, on at least 30 days and not more than 60 days prior written notice, redeem all or from time to time any part of the outstanding Series 1 Shares by payment in cash of a per share sum equal to \$25.00, in each case together with all accrued and unpaid dividends up to but excluding the date fixed for redemption (less any tax required to be deducted and withheld by the Corporation).

If less than all of the outstanding Series 1 Shares are to be redeemed, the shares to be redeemed shall be selected on a *pro rata* basis disregarding fractions or, if such shares are at such time listed on such exchange, with the consent of the TSX, in such manner as the Board of Directors in its sole discretion may, by resolution, determine.

For so long as the Series 1 Guarantee remains in full force and effect, in the event of the liquidation, dissolution or winding-up of the Fund, whether voluntary or involuntary, or any other distribution of assets of the Fund among its unitholders or, following a conversion to a corporation, the shareholders of the Successor, for the purpose of winding-up its affairs, the Series 1 Shares shall be redeemed by the Corporation by payment in cash of a per share sum equal to \$25.00, together with all accrued and unpaid dividends up to but excluding the date of payment or distribution (less any tax required to be deducted and withheld by the Corporation).

The Series 1 Shares do not have a fixed maturity date and are not redeemable at the option of the holders of Series 1 Shares. See “Risk Factors”.

Conversion of Series 1 Shares into Series 2 Shares

Holders of Series 1 Shares will have the right, at their option, on April 30, 2015 and on April 30 every five years thereafter (a “**Series 1 Conversion Date**”), to convert, subject to the restrictions on conversion described below and the payment or delivery to the Corporation of evidence of payment of the tax (if any) payable, all or any of their Series 1 Shares registered in their name into Series 2 Shares on the basis of one Series 2 Share for each Series 1 Share. If a Series 1 Conversion Date falls on a day that is not a business day, such Series 1 Conversion Date shall be the immediately following business day. The conversion of Series 1 Shares may be effected upon written notice given by the registered holders of the Series 1 Shares not earlier than the 30th day prior to, but not later than 5:00 p.m. (Toronto time) on the 15th day preceding, a Series 1 Conversion Date. Once received by the Corporation, an election notice is irrevocable.

The Corporation will, at least 30 days and not more than 60 days prior to the applicable Series 1 Conversion Date, give notice in writing to the then registered holders of the Series 1 Shares of the above-mentioned conversion right. On the 30th day prior to each Series 1 Conversion Date, the Corporation will give notice in writing to the then registered holders of the Series 1 Shares of the Annual Fixed Dividend Rate for the next succeeding Subsequent Fixed Rate Period and the Floating Quarterly Dividend Rate (as defined herein) applicable to the Series 2 Shares for the next succeeding Quarterly Floating Rate Period.

If the Corporation gives notice to the registered holders of the Series 1 Shares of the redemption on a Series 1 Conversion Date of all the Series 1 Shares, the Corporation will not be required to give notice as provided hereunder to the registered holders of the Series 1 Shares of the Annual Fixed Dividend Rate, the Floating Quarterly Dividend Rate or of the conversion right of holders of Series 1 Shares and the right of any holder of Series 1 Shares to convert such Series 1 Shares will cease and terminate in that event.

Holders of Series 1 Shares will not be entitled to convert their shares into Series 2 Shares if the Corporation determines that there would remain outstanding on a Series 1 Conversion Date less than 1,000,000 Series 2 Shares, after having taken into account all Series 1 Shares tendered for conversion into Series 2 Shares and all Series 2 Shares tendered for conversion into Series 1 Shares. The Corporation will give notice in writing to all affected holders of Series 1 Shares of their inability to convert their Series 1 Shares at least seven days prior to the applicable Series 1 Conversion Date. Furthermore, if the Corporation determines that there would remain outstanding on a Series 1 Conversion Date less than 1,000,000 Series 1 Shares, after having taken into account all Series 1 Shares tendered for conversion into Series 2 Shares and all Series 2 Shares tendered for conversion into Series 1 Shares, then, all, but not part, of the remaining outstanding Series 1 Shares will automatically be converted into Series 2 Shares on the basis of one Series 2 Share for each Series 1 Share, on the applicable Series 1 Conversion Date and the Corporation will give notice in writing to this effect to the then registered holders of such remaining Series 1 Shares at least seven days prior to the Series 1 Conversion Date.

Upon exercise by a registered holder of its right to convert Series 1 Shares into Series 2 Shares (and upon an automatic conversion), the Corporation reserves the right not to deliver Series 2 Shares to any person whose address is in, or whom the Corporation or its transfer agent has reason to believe is a resident of, any jurisdiction outside Canada, to the extent that such issue would require the Corporation to take any action to comply with the securities or analogous laws of such jurisdiction.

The Corporation's Option to Exchange

Should the Fund convert to a corporation, it is currently anticipated that the Corporation will become the publicly-listed Successor to the Fund. However, if the Corporation does not become the Successor, the Corporation may, at its option (and either as part of the conversion or otherwise), subject to any applicable regulatory approvals but without approval of the holders of Series 1 Shares, exchange all of the then outstanding Series 1 Shares into the same number of freely tradable preference shares of the Successor with the same terms as the Series 1 Shares, but without the Series 1 Guarantee (the “**New Series 1 Shares**”). Without limiting the generality of the foregoing, a publicly-listed entity will be treated as the Successor to the Fund if unitholders of the Fund receive, directly or indirectly, securities of such entity that are publicly-listed in exchange or substitution for Trust Units. In such case, the New Series 1 Shares would then be convertible into preference shares (the “**New Series 2 Shares**”) of the Successor with the same terms as the Series 2 Shares but without the Series 2 Guarantee.

Upon exercise by the Corporation of its right to exchange Series 1 Shares into New Series 1 Shares, the Corporation reserves the right not to deliver New Series 1 Shares to any person whose address is in, or whom the Corporation or its transfer agent has reason to believe is a resident of, any jurisdiction outside Canada, to the extent that such issue would require the Corporation to take any action to comply with the securities or analogous laws of such jurisdiction.

Purchase for Cancellation

Subject to applicable law and to the provisions described under “Description of the Series 1 Shares — Restrictions on Dividends and Retirement and Issue of Shares” below, the Corporation may at any time purchase for cancellation the whole or any part of the Series 1 Shares at the lowest price or prices at which in the opinion of the Board of Directors such shares are obtainable.

Rights on Liquidation

In the event of the liquidation, dissolution or winding-up of the Corporation or any other distribution of assets of the Corporation among its shareholders for the purpose of winding-up its affairs, the holders of the Series 1 Shares will be entitled to receive \$25.00 per share, together with all accrued and unpaid dividends up to but excluding the date of payment or distribution (less any tax required to be deducted and withheld by the Corporation), before any amount is paid or any assets of the Corporation are distributed to the holders of any shares ranking junior as to capital to the Series 1 Shares. Upon payment of such amounts, the holders of the Series 1 Shares will not be entitled to share in any further distribution of the assets of the Corporation.

The payment of the amount to be paid to the holders of the Series 1 Shares upon liquidation, dissolution and winding-up of the Corporation will be fully and unconditionally guaranteed by the Fund. See “Description of the Series 1 Shares - Series 1 Guarantee” and “Description of the Series 1 Shares - Redemption”.

Priority

The Series 1 Shares rank senior to the Class B Preference Shares and the Common Shares of the Corporation with respect to priority in the payment of dividends and in the distribution of assets in the event of the liquidation, dissolution or winding-up of the Corporation, whether voluntary or involuntary, or in the event of any other distribution of assets of the Corporation among its shareholders for the purpose of winding-up its affairs. The Series 1 Shares rank on a parity with every other series of Class A Preference Shares with respect to priority in the payment of dividends and in the distribution of assets in the event of the liquidation, dissolution or winding-up of the Corporation, whether voluntary or involuntary, or in the event of any other distribution of assets of the Corporation among its shareholders for the purpose of winding-up its affairs.

Restrictions on Dividends and Retirement and Issue of Shares

So long as any of the Series 1 Shares are outstanding, the Corporation will not, without the approval of the holders of the Series 1 Shares:

- (a) declare, pay or set apart for payment any dividends (other than stock dividends payable in shares of the Corporation ranking as to capital and dividends junior to the Series 1 Shares) on shares of the Corporation ranking as to dividends junior to the Series 1 Shares;
- (b) except out of the net cash proceeds of a substantially concurrent issue of shares of the Corporation ranking as to return of capital and dividends junior to the Series 1 Shares, redeem or call for redemption, purchase or otherwise pay off, retire or make any return of capital in respect of any shares of the Corporation ranking as to capital junior to the Series 1 Shares;
- (c) redeem or call for redemption, purchase, or otherwise pay off or retire for value or make any return of capital in respect of less than all of the Series 1 Shares then outstanding; or
- (d) except pursuant to any purchase obligation, sinking fund, retraction privilege or mandatory redemption provisions attaching thereto, redeem or call for redemption, purchase or otherwise pay off, retire or make any return of capital in respect of any Class A Preference Shares, ranking as to the payment of dividends or return of capital on a parity with the Series 1 Shares;

unless, in each such case, all accrued and unpaid dividends up to and including the dividend payable for the last completed period for which dividends were payable on the Series 1 Shares and on all other shares of the Corporation ranking prior to or on a parity with the Series 1 Shares with respect to the payment of dividends have been declared and paid or set apart for payment.

Shareholder Approvals

In addition to any other approvals required by law, the approval of all amendments to the rights, privileges, restrictions and conditions attaching to the Series 1 Shares as a series and any other approval to be given by the holders of the Series 1 Shares may be given by a resolution signed by all holders of the Series 1 Shares, or by a resolution carried by an affirmative vote of at least 66 2/3% of the votes cast at a meeting at which the holders of a majority of the outstanding Series 1 Shares are present or represented by proxy or, if no quorum is present at such meeting, at an adjourned meeting at which the holders of Series 1 Shares then present would form the necessary quorum. At any meeting of holders of Series 1 Shares as a series, each such holder shall be entitled to one vote in respect of each \$25.00 of issue price of the Series 1 Shares held by such holder.

The Fund may, without the approval of the holders of the Series 1 Shares, convert to a corporation and the Corporation may, except as may be required by law or ordered by the court, without the approval of the holders of Series 1 Shares participate in an amalgamation, merger, plan of arrangement, reorganization or other similar transaction in order to give effect to such conversion.

Voting Rights

The holders of the Series 1 Shares will not (except as otherwise provided by law and except for meetings of the holders of Class A Preference Shares as a class and meetings of all holders of Series 1 Shares as a series) be entitled to receive notice of, attend, or vote at, any meeting of shareholders of the Corporation unless and until the Corporation shall

have failed to pay eight quarterly dividends on the Series 1 Shares, whether or not consecutive. In the event of such non-payment, and for only so long as any such dividends remain in arrears, the holders of the Series 1 Shares will be entitled to receive notice of and to attend each meeting of the Corporation's shareholders, other than meetings at which only holders of another specified class or series are entitled to vote, and to one vote in respect of each \$25.00 of issue price of the Series 1 Shares held by such holder.

Tax Election

The Corporation will elect, in the manner and within the time provided under Part VI.1 of the *Income Tax Act* (Canada) (the "**Tax Act**"), to pay or cause payment of the tax, under Part VI.1 at a rate such that the corporate holders of Series 1 Shares will not be required to pay tax under Part IV.1 of the Tax Act on dividends received on such shares.

Description of the Series 2 Shares

The following is a summary of certain provisions attaching to the Series 2 Shares as a series.

Definition of Terms

The following definitions are relevant to the Series 2 Shares.

"Floating Quarterly Dividend Rate" means, for any Quarterly Floating Rate Period, the rate (expressed as a percentage rate rounded down to the nearest one hundred-thousandth of one percent (with 0.000005% being rounded up)) equal to the sum of the T-Bill Rate on the applicable Floating Rate Calculation Date plus 2.62% (calculated on the basis of the actual number of days elapsed in such Quarterly Floating Rate Period divided by 365).

"Floating Rate Calculation Date" means, for any Quarterly Floating Rate Period, the 30th day prior to the first day of such Quarterly Floating Rate Period.

"Quarterly Commencement Date" means the 1st day of each of February, May, August and November in each year.

"Quarterly Floating Rate Period" means, for the initial Quarterly Floating Rate Period, the period commencing on May 1, 2015 and ending on and including July 31, 2015, and thereafter the period from and including the day immediately following the end of the immediately preceding Quarterly Floating Rate Period to but excluding the next succeeding Quarterly Commencement Date.

"T-Bill Rate" means, for any Quarterly Floating Rate Period, the average yield expressed as a percentage per annum on three-month Government of Canada Treasury Bills, as reported by the Bank of Canada, for the most recent treasury bills auction preceding the applicable Floating Rate Calculation Date.

Issue Price

The Series 2 Shares will have an issue price of \$25.00 per share.

Dividends

The holders of the Series 2 Shares will be entitled to receive floating rate cumulative preferential cash dividends, as and when declared by the Board of Directors, payable quarterly on the last day of each Quarterly Floating Rate Period (or if such date is not a business day, the immediately following business day), in the amount per share determined by multiplying the applicable Floating Quarterly Dividend Rate by \$25.00.

The Floating Quarterly Dividend Rate for each Quarterly Floating Rate Period will be determined by the Corporation on the Floating Rate Calculation Date. Such determination will, in the absence of manifest error, be final and binding upon the Corporation and upon all holders of Series 2 Shares. The Corporation will, on the Floating Rate Calculation Date, give written notice of the Floating Quarterly Dividend Rate for the ensuing Quarterly Floating Rate Period to the registered holders of the then outstanding Series 2 Shares.

Payments of dividends and other amounts in respect of the Series 2 Shares will be made by the Corporation to CDS, or its nominee, as the case may be, as registered holder of the Series 2 Shares. As long as CDS, or its nominee, is the registered holder of the Series 2 Shares, CDS, or its nominee, as the case may be, will be considered the sole owner of the Series 2 Shares for the purposes of receiving payment on the Series 2 Shares.

Series 2 Guarantee

Each Series 2 Share will be fully and unconditionally guaranteed by the Fund as to (i) the payment of dividends, as and when declared, (ii) the payment of amounts due on redemption of the Series 1 Shares, and (iii) the payment of the amounts due on the liquidation, dissolution and winding-up of the Corporation (the “**Series 2 Guarantee**”). Under the Series 2 Guarantee, holders of Series 2 Shares will be entitled to receive payment from the Fund within 15 days of any failure by the Corporation to make such payments when due. The obligations of the Fund under the Series 2 Guarantee will constitute direct unsecured, unsubordinated and known obligations of the Fund, which obligations are to be paid and settled before distributions may be made by the Fund to the holders of Trust Units. As long as the declaration or payment of dividends on the Series 2 Shares are in arrears, the Fund will not make any distributions on the Trust Units of the Fund (which distributions, for greater certainty, include the aggregate Cash Redemption Price (as such term is defined in the amended and restated trust agreement of the Fund dated October 27, 1999) required to be paid on a redemption of Trust Units) or make any distributions or pay any dividends on equity securities of any Successor to the Fund. The Series 2 Guarantee will be subordinated to all of the senior and subordinated debt of the Fund and will rank senior to the Trust Units. The Series 2 Guarantee will rank on a *pro rata* and *pari passu* basis with the obligations of the Fund under the Series 1 Guarantee, and under similar guarantees that may be provided by the Fund in respect of other Class A Preference Shares. See “Description of Share Capital - Series 2 Shares”.

The Fund has previously announced its intention to convert to a corporation on or before January 1, 2011. It is currently anticipated that the Corporation will become the Successor. However, if the Corporation does not become the Successor, the entity that is the Successor will assume all of the obligations of the Fund under the Guarantees and the Guarantees will remain in full force and effect, unless the Successor and the issuer of the Series 1 Shares and Series 2 Shares are one and the same person. If the Corporation is the Successor, the Guarantee will be cancelled. For greater certainty, if at any time all the Trust Units are owned by the Corporation, the Guarantee will automatically terminate. If the Successor and the issuer of the Series 1 Shares and the Series 2 Shares are not one and the same person, any equity securities issued by the Successor will rank *pari passu* or junior to the Guarantees.

Redemption

Subject to certain other restrictions set out in “Description of the Series 2 Shares — Restrictions on Dividends and Retirement and Issue of Shares”, the Corporation may, at its option, on at least 30 days and not more than 60 days prior written notice, redeem all or from time to time any part of the outstanding Series 2 Shares by payment in cash of a per share sum equal to (i) \$25.00 in the case of redemptions on April 30, 2020 and on April 30 every five years thereafter (each a “**Series 2 Conversion Date**”), or (ii) \$25.50 in the case of redemptions on any date which is not a Series 2 Conversion Date on or after April 30, 2015, in each case together with all accrued and unpaid dividends up to but excluding the date fixed for redemption (less any tax required to be deducted and withheld by the Corporation). If a Series 2 Conversion Date falls on a day that is not a business day, such Series 2 Conversion Date shall be the immediately following business day.

If less than all of the outstanding Series 2 Shares are to be redeemed, the shares to be redeemed shall be selected on a *pro rata* basis disregarding fractions or, if such shares are at such time listed on such exchange, with the consent of the TSX, in such manner as the Board of Directors in its sole discretion may, by resolution, determine.

For so long as the Series 2 Guarantee remains in full force and effect, in the event of the liquidation, dissolution or winding-up of the Fund, whether voluntary or involuntary, or any other distribution of assets of the Fund among its unitholders or, following a conversion to a corporation, the shareholders of the Successor, for the purpose of winding-up its affairs, the Series 2 Shares shall be redeemed by the Corporation by payment in cash of a per share sum equal to \$25.00, together with all accrued and unpaid dividends up to but excluding the date of payment or distribution (less any tax required to be deducted and withheld by the Corporation).

The Series 2 Shares do not have a fixed maturity date and are not redeemable at the option of the holders of Series 2 Shares. See “Risk Factors”.

Conversion of Series 2 Shares into Series 1 Shares

Holders of Series 2 Shares will have the right, at their option, on each Series 2 Conversion Date, to convert, subject to the restrictions on conversion described below and the payment or delivery to the Corporation of evidence of payment of the tax (if any) payable, all or any of their Series 2 Shares registered in their name into Series 1 Shares on the basis of one Series 1 Share for each Series 2 Share. If a Series 2 Conversion Date falls on a day that is not a business day, such Series 2 Conversion Date shall be the immediately following business day. The conversion of Series 2 Shares may be effected upon written notice given by the registered holders of the Series 2 Shares not earlier than the 30th day prior to, but not later than 5:00 p.m. (Toronto time) on the 15th day preceding, a Series 2 Conversion Date. Once received by the Corporation, an election notice is irrevocable.

The Corporation will, at least 30 days and not more than 60 days prior to the applicable Series 2 Conversion Date, give notice in writing to the then registered holders of the Series 2 Shares of the above-mentioned conversion right. On the 30th day prior to each Series 2 Conversion Date, the Corporation will give notice in writing to the then registered holders of Series 2 Shares of the Floating Quarterly Dividend Rate for the next succeeding Quarterly Floating Rate Period and of the Annual Fixed Dividend Rate applicable to the Series 1 Shares for the next succeeding Subsequent Fixed Rate Period.

If the Corporation gives notice to the registered holders of the Series 2 Shares of the redemption on a Series 2 Conversion Date of all the Series 2 Shares, the Corporation will not be required to give notice as provided hereunder to the registered holders of the Series 2 Shares of the Annual Fixed Dividend Rate, the Floating Quarterly Dividend Rate or of the conversion right of holders of Series 2 Shares and the right of any holder of Series 2 Shares to convert such Series 2 Shares will cease and terminate in that event.

Holders of Series 2 Shares will not be entitled to convert their shares into Series 1 Shares if the Corporation determines that there would remain outstanding on a Series 2 Conversion Date less than 1,000,000 Series 1 Shares, after having taken into account all Series 2 Shares tendered for conversion into Series 1 Shares and all Series 1 Shares tendered for conversion into Series 2 Shares. The Corporation will give notice in writing to all affected holders of Series 2 Shares of their inability to convert their Series 2 Shares at least seven days prior to the applicable Series 2 Conversion Date. Furthermore, if the Corporation determines that there would remain outstanding on a Series 2 Conversion Date less than 1,000,000 Series 2 Shares, after having taken into account all Series 2 Shares tendered for conversion into Series 1 Shares and all Series 1 Shares tendered for conversion into Series 2 Shares, then, all, but not part, of the remaining outstanding Series 2 Shares will automatically be converted into Series 1 Shares on the basis of one Series 1 Share for each Series 2 Share, on the applicable Series 2 Conversion Date and the Corporation will give notice in writing to this effect to the then registered holders of such remaining Series 2 Shares at least seven days prior to the Series 2 Conversion Date.

Upon exercise by a registered holder of its right to convert Series 2 Shares into Series 1 Shares (and upon an automatic conversion), the Corporation reserves the right not to deliver Series 1 Shares to any person whose address is in, or whom the Corporation or its transfer agent has reason to believe is a resident of, any jurisdiction outside Canada, to the extent that such issue would require the Corporation to take any action to comply with the securities or analogous laws of such jurisdiction.

The Corporation's Option to Exchange

Should the Fund convert to a corporation, it is currently anticipated that the Corporation will become the Successor to the Fund. However, if the Corporation does not become the Successor, the Corporation may, at its option (and either as part of the conversion or otherwise), subject to any applicable regulatory approvals but without the approval of the holders of Series 2 Shares, exchange all of the then outstanding Series 2 Shares, into the same number of freely tradable preference shares of the Successor with the same terms as the Series 2 Shares, but without the Series 2 Guarantee (the "**New Series 2 Shares**"). Without limiting the generality of the foregoing, a publicly-listed entity will be treated as the Successor to the Fund if unitholders of the Fund receive, directly or indirectly, securities of such entity that are publicly-listed in exchange or substitution for Trust Units. In such case, the New Series 2 Shares would then be convertible into preference shares (the "**New Series 1 Shares**") of the Successor with the same terms as the Series 1 Shares but without the Series 1 Guarantee.

Upon exercise by the Corporation of its right to exchange Series 2 Shares into New Series 2 Shares, the Corporation reserves the right not to deliver New Series 2 Shares to any person whose address is in, or whom the Corporation or its transfer agent has reason to believe is a resident of, any jurisdiction outside Canada, to the extent that such issue would require the Corporation to take any action to comply with the securities or analogous laws of such jurisdiction.

Purchase for Cancellation

Subject to applicable law and to the provisions described under “Description of the Series 2 Shares — Restrictions on Dividends and Retirement and Issue of Shares” below, the Corporation may at any time purchase for cancellation the whole or any part of the Series 2 Shares at the lowest price or prices at which in the opinion of the Board of Directors such shares are obtainable.

Rights on Liquidation

In the event of the liquidation, dissolution or winding-up of the Corporation or any other distribution of assets of the Corporation among its shareholders for the purpose of winding-up its affairs, the holders of the Series 2 Shares will be entitled to receive \$25.00 per share, together with all accrued and unpaid dividends up to but excluding the date of payment or distribution (less any tax required to be deducted and withheld by the Corporation), before any amount is paid or any assets of the Corporation are distributed to the holders of any shares ranking junior as to capital to the Series 2 Shares. Upon payment of such amounts, the holders of the Series 2 Shares will not be entitled to share in any further distribution of the assets of the Corporation.

The payment of the amount to be paid to the holders of the Series 2 Shares upon liquidation, dissolution and winding-up of the Corporation will be fully and unconditionally guaranteed by the Fund. See “Description of the Series 2 Shares - Series 2 Guarantee” and “Description of the Series 2 Shares - Redemption”.

Priority

The Series 2 Shares rank senior to the Class B Preference Shares and the Common Shares of the Corporation with respect to priority in the payment of dividends and in the distribution of assets in the event of the liquidation, dissolution or winding-up of the Corporation, whether voluntary or involuntary, or in the event of any other distribution of assets of the Corporation among its shareholders for the purpose of winding-up its affairs. The Series 2 Shares rank on a parity with every other series of Class A Preference Shares with respect to priority in the payment of dividends and in the distribution of assets in the event of the liquidation, dissolution or winding-up of the Corporation, whether voluntary or involuntary, or in the event of any other distribution of assets of the Corporation among its shareholders for the purpose of winding-up its affairs.

Restrictions on Dividends and Retirement and Issue of Shares

So long as any of the Series 2 Shares are outstanding, the Corporation will not, without the approval of the holders of the Series 2 Shares:

- (a) declare, pay or set apart for payment any dividends (other than stock dividends payable in shares of the Corporation ranking as to capital and dividends junior to the Series 2 Shares) on shares of the Corporation ranking as to dividends junior to Series 2 Shares;
- (b) except out of the net cash proceeds of a substantially concurrent issue of shares of the Corporation ranking as to return of capital and dividends junior to the Series 2 Shares, redeem or call for redemption, purchase or otherwise pay off, retire or make any return of capital in respect of any shares of the Corporation ranking as to capital junior to the Series 2 Shares;
- (c) redeem or call for redemption, purchase, or otherwise pay off or retire for value or make any return of capital in respect of less than all of the Series 2 Shares then outstanding; or
- (d) except pursuant to any purchase obligation, sinking fund, retraction privilege or mandatory redemption provisions attaching thereto, redeem or call for redemption, purchase or otherwise pay off, retire or make any return of capital in respect of any Class A Preference Shares, ranking as to the payment of dividends or return of capital on a parity with the Series 2 Shares;

unless, in each such case, all accrued and unpaid dividends up to and including the dividend payable for the last completed period for which dividends were payable on the Series 2 Shares and on all other shares of the Corporation ranking prior to or on a parity with the Series 2 Shares with respect to the payment of dividends have been declared and paid or set apart for payment.

Shareholder Approvals

In addition to any other approvals required by law, the approval of all amendments to the rights, privileges, restrictions and conditions attaching to the Series 2 Shares as a series and any other approval to be given by the holders of the Series 2 Shares may be given by a resolution signed by all holders of the Series 2 Shares, or by a resolution carried by an affirmative vote of at least 66 2/3% of the votes cast at a meeting at which the holders of a majority of the outstanding Series 2 Shares are present or represented by proxy or, if no quorum is present at such meeting, at an adjourned meeting at which the holders of Series 2 Shares then present would form the necessary quorum. At any meeting of holders of Series 2 Shares as a series, each such holder shall be entitled to one vote in respect of each \$25.00 of issue price of the Series 2 Shares held by such holder.

The Fund may, without the approval of the holders of the Series 2 Shares, convert to a corporation and the Corporation may, except as may be required by law or ordered by the court, without the approval of the holders of Series 2 Shares participate in an amalgamation, merger, plan of arrangement, reorganization or other similar transaction in order to give effect to such conversion.

Voting Rights

The holders of the Series 2 Shares will not (except as otherwise provided by law and except for meetings of the holders of Class A Preference Shares as a class and meetings of all holders of Series 2 Shares as a series) be entitled to receive notice of, attend, or vote at, any meeting of shareholders of the Corporation unless and until the Corporation shall have failed to pay eight quarterly dividends on the Series 2 Shares, whether or not consecutive. In the event of such non-payment, and for only so long as any such dividends remain in arrears, the holders of the Series 2 Shares will be entitled to receive notice of and to attend each meeting of the Corporation's shareholders, other than meetings at which only holders of another specified class or series are entitled to vote, and to one vote in respect of each \$25.00 of issue price of the Series 2 Shares held by such holder.

Tax Election

The Corporation will elect, in the manner and within the time provided under Part VI.1 of the Tax Act, to pay or cause payment of the tax, under Part VI.1 at a rate such that the corporate holders of Series 2 Shares will not be required to pay tax under Part IV.1 of the Tax Act on dividends received on such shares.

BOOK ENTRY ONLY SYSTEM

Registration of interests in and transfers of the Series 1 Shares and of the Series 2 Shares, as applicable, will be made only through a book entry only system administered by CDS. On or about March 10, 2010, the expected Closing Date, but no later than March 31, 2010, the Corporation will deliver to CDS certificates evidencing the aggregate number of Series 1 Shares subscribed for under the Offering. Series 1 Shares and Series 2 Shares must be purchased, transferred and surrendered for conversion or redemption through a participant in CDS (a "**CDS Participant**"). All rights of an owner of Series 1 Shares or Series 2 Shares must be exercised through, and all payments or other property to which such owner is entitled will be made or delivered by, CDS or the CDS Participant through which the owner holds Series 1 Shares or Series 2 Shares, as applicable. Upon purchase of any Series 1 Shares or Series 2 Shares, as applicable, the owner will receive only the customary confirmation. References in this short form prospectus to a holder of Series 1 Shares or Series 2 Shares means, unless the context otherwise requires, the owner of the beneficial interest in such shares.

The ability of a beneficial owner of Series 1 Shares or Series 2 Shares to pledge the Series 1 Shares or Series 2 Shares, as applicable, or otherwise take action with respect to such owner's interest in such shares (other than through a CDS Participant) may be limited due to the lack of a physical certificate.

The Corporation has the option to terminate registration of the Series 1 Shares or Series 2 Shares through the book entry only system in which case certificates for Series 1 Shares or Series 2 Shares, as applicable, in fully registered form will be issued to beneficial owners of such shares or their nominees.

RISK FACTORS

An investment in the Series 1 Shares or the Series 2 Shares is subject to a number of risks described below and in the documents incorporated by reference herein. Before deciding whether to invest in the Series 1 Shares or Series 2 Shares, investors should consider carefully the risks relating to the Corporation and the Fund described below as well as the other information in this short form prospectus including, without limiting the risks described under the heading “Risk Factors” on pages 23 through 30 of the fiscal 2008 AIF dated March 20, 2009, and under the headings “Financial Instrument Risks” on page 14 and “Risks” on page 20, respectively, of the Fund’s management discussion and analysis for the 12-month period ended December 31, 2009.

Credit ratings may not reflect actual performance of the Corporation or the Fund

The preliminary/provisional credit ratings applied to the Series 1 Shares are an assessment, by the rating agencies, of the Corporation’s ability to pay its obligations. The credit ratings are based on certain assumptions about the future performance and capital structure of the Corporation or the Fund, that may or may not reflect the actual performance or capital structure of the Corporation or the Fund. Changes in credit ratings of the Series 1 Shares may affect the market price or value and the liquidity of the Series 1 Shares. There is no assurance that any credit rating assigned to the Series 1 Shares 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.

The market value of Series 1 Shares and Series 2 Shares will be affected by a number of factors and, accordingly, their trading prices will fluctuate.

From time to time, the stock market experiences significant price and volume volatility that may affect the market price of the Series 1 Shares and Series 2 Shares for reasons unrelated to the Corporation and the Fund’s performance. The value of those Series 1 Shares and Series 2 Shares are also subject to market fluctuations based upon factors which influence the Corporation and the Fund’s operations, such as legislative or regulatory developments, competition, technological change and global capital market activity.

The value of Series 1 Shares and Series 2 Shares will be affected by the general creditworthiness of the Corporation and the Fund. The Fund’s management discussion and analysis for the year ended December 31, 2009 is incorporated by reference in this short form prospectus and discusses, among other things, known material trends and events, and risks or uncertainties that are reasonably expected to have a material effect on the Fund’s business, financial condition or results of operations. See also the discussion under “Earnings Coverage Ratios of the Fund”, which ratios are relevant to an assessment of the risk that the Corporation will be unable to pay dividends on the Series 1 Shares and Series 2 Shares or that the Fund will be unable to pay under the Guarantees.

The market value of the Series 1 Shares and Series 2 Shares, as with other preference shares, is primarily affected by changes (actual or anticipated) in prevailing interest rates and in the credit rating assigned to such shares. The market price or value of the Series 1 Shares will decline as prevailing interest rates for comparable instruments rise, and increase as prevailing interest rates for comparable instruments decline. Real or anticipated changes in credit ratings on the Series 1 Shares and Series 2 Shares may also affect the cost at which the Fund can transact or obtain funding, and thereby affect its liquidity, business, financial condition or results of operations.

Prevailing yields on similar securities will affect the market value of the Series 1 Shares and the Series 2 Shares. Assuming all other factors remain unchanged, the market value of the Series 1 Shares and the Series 2 Shares would be expected to decline as prevailing yields for similar securities rise and would be expected to increase as prevailing yields for similar securities decline. Spreads over the Government of Canada Bond Yield, T-Bill Rate and comparable benchmark rates of interest for similar securities may affect the market value of the Series 1 Shares and the Series 2 Shares (or equity securities of any Successor to the Fund).

The market value of Series 1 Shares and Series 2 Shares may also depend on the market price of the Trust Units. It is impossible to predict whether the price of the Trust Units will rise or fall. Trading prices of the Trust Units will be influenced by the Fund’s financial results and by complex and interrelated political, economic, financial and other factors that can affect the capital markets generally, the stock exchanges on which the Trust Units are traded and the market segment of which the Fund is a part.

The Corporation's ability to meet its financial obligations is dependent on receipt of funds from the Fund.

As the Corporation is a holding company, the Corporation's ability to pay dividends and other operating expenses and interest and to meet its obligations depends entirely upon receipt of sufficient funds from the Fund, by way of interest, debt repayment or capital. Accordingly, the likelihood that holders of the Series 1 Shares and Series 2 Shares will receive dividends will depend on the financial position and creditworthiness of the Fund. The payment of interest by the Fund is also subject to restrictions set forth in certain laws and regulations which require that solvency and capital standards be maintained by such companies. As disclosed under the heading "Earnings Coverage Ratios of the Fund", the Fund's earnings coverage ratio for the 12 month period ended December 31, 2009 is less than one-to-one. Should the value of the underlying assets of the Corporation decrease substantially, the Corporation may not legally be in a position to declare or pay its dividends or pay amounts due upon redemption of the Series 1 Shares or Series 2 Shares or upon liquidation, dissolution or winding-up of the Corporation, and a holder's receipt of such amounts will depend on the ability of the Fund to pay such amounts under the Guarantees. See "Details of the Offering" and "Earnings Coverage Ratios of the Fund".

Redemptions of Trust Units will reduce assets available to support the Guarantees.

The Trust Units are redeemable on demand for cash or securities of BRPT. Redemptions of Trust Units will reduce the assets of the Fund available to support the Guarantees.

The Series 1 Shares and Series 2 Shares do not have a fixed maturity date, may not be redeemed at the holder's option and may be liquidated by the holder only in limited circumstances.

Neither Series 1 Shares nor the Series 2 Shares have a fixed maturity date and are not redeemable at the option of the holders of Series 1 Shares or Series 2 Shares, as applicable. The ability of a holder to liquidate its holdings of Series 1 Shares or Series 2 Shares may be limited.

There is currently no trading market for the Series 1 Shares and Series 2 Shares.

There is currently no trading market for the Series 1 Shares and the Series 2 Shares. There can be no assurance that an active trading market will develop for the Series 1 Shares after the Offering or for the Series 2 Shares following the issuance of any of those shares, or if developed, that such a market will be sustained at the offering price of the Series 1 Shares or the issue price of the Series 2 Shares. If an active or liquid market for the Series 1 Shares and the Series 2 Shares fails to develop or be sustained, the prices at which the Series 1 Shares and the Series 2 Shares trade may be adversely affected.

The public offering prices of the Series 1 Shares and the Series 2 Shares may be determined by negotiation between the Corporation and Underwriters based on several factors and may bear no relationship to the prices at which the Series 1 Shares and the Series 2 Shares will trade in the public market subsequent to such offering. See "Plan of Distribution".

The Corporation may redeem Series 1 Shares and Series 2 Shares.

The Corporation may choose to redeem the Series 1 Shares and the Series 2 Shares from time to time, in accordance with its rights described under "Details of the Offering — Description of the Series 1 Shares — Redemption" and "Details of the Offering — Description of the Series 2 Shares — Redemption", including when prevailing interest rates are lower than the yields borne by the Series 1 Shares and the Series 2 Shares. If prevailing rates are lower at the time of redemption, a purchaser would not be able to reinvest the redemption proceeds in a comparable security at an effective yield as high as the yields on the Series 1 Shares or the Series 2 Shares being redeemed. The Corporation's redemption right also may adversely impact a purchaser's ability to sell Series 1 Shares and Series 2 Shares as the optional redemption date or period approaches.

Creditors of the Corporation and the Fund rank ahead of holders of Series 1 Shares and Series 2 Shares in the event of an insolvency or winding-up of the Corporation or the Fund.

Creditors of the Corporation rank ahead of holders of Series 1 Shares and Series 2 Shares in the event of an insolvency or winding-up of the Corporation, and other creditors of the Fund rank ahead of the Corporation and holders of Series 1 Shares and Series 2 Shares in the event of an insolvency or winding-up of the Fund.

The Series 1 Shares and Series 2 Shares rank equally with other Class A Preference Shares of the Corporation that may be outstanding in the event of an insolvency or winding-up of the Corporation. If the Corporation becomes insolvent or

is wound-up, the Corporation's assets must be used to pay debt, including inter-company debt, before payments may be made on Series 1 Shares, Series 2 Shares and other Class A Preference Shares.

If the Fund becomes insolvent or is wound-up, the Fund's assets will likely be used to pay other debt, including inter-company debt, before payments will be made on the Guarantees. The Guarantees will be subordinated to all other debt of the Fund, other than debt that is specifically stated to rank *pari passu* with, or subordinate to, the Guarantees. The Loan will rank *pari passu* with all other unsecured debt obligations of the Fund, other than debt obligations that are subordinated, whether outstanding at the date of the Loan or thereafter incurred.

If the Corporation is the Successor and the Corporation becomes insolvent or is wound-up following the Conversion, the Corporation's assets must be used to pay debt, including inter-company debt, before payments may be made on Series 1 Shares, Series 2 Shares and other Class A Preference Shares.

The dividend rates on the Series 1 Shares and Series 2 Shares will reset.

The dividend rate in respect of the Series 1 Shares will reset on April 30, 2015 and on April 30 every five years thereafter. The dividend rate in respect of the Series 2 Shares will reset quarterly. In each case, the new dividend rate is unlikely to be the same as, and may be lower than, the dividend rate for the applicable preceding dividend period.

Investments in the Series 2 Shares, given their floating interest component, entail risks not associated with investments in the Series 1 Shares.

Investments in the Series 2 Shares, given their floating interest component, entail risks not associated with investments in the Series 1 Shares. The resetting of the applicable rate on a Series 2 Share may result in a lower yield compared to fixed rate Series 1 Shares. The applicable rate on a Series 2 Share will fluctuate in accordance with fluctuations in the T-Bill Rate on which the applicable rate is based, which in turn may fluctuate and be affected by a number of interrelated factors, including economic, financial and political events over which the Corporation has no control.

The Series 1 Shares and Series 2 Shares may be converted or redeemed without the holders' consent in certain circumstances.

An investment in the Series 1 Shares, or in the Series 2 Shares, as the case may be, may become an investment in Series 2 Shares, or in Series 1 Shares, respectively, without the consent of the holder in the event of an automatic conversion in the circumstances described under "Details of the Offering — Description of the Series 1 Shares — Conversion of Series 1 Shares into Series 2 Shares" and "Details of the Offering — Description of the Series 2 Shares — Conversion of Series 2 Shares into Series 1 Shares". Upon the automatic conversion of the Series 1 Shares into Series 2 Shares, the dividend rate on the Series 2 Shares will be a floating rate that is adjusted quarterly by reference to the T-Bill Rate which may vary from time to time while, upon the automatic conversion of the Series 2 Shares into Series 1 Shares, the dividend rate on the Series 1 Shares will be, for each five-year period, a fixed rate that is determined by reference to the Government of Canada Yield on the 30th day prior to the first day of each such five-year period. In addition, holders may be prevented from converting their Series 1 Shares into Series 2 Shares, and vice versa, in certain circumstances. See "Details of the Offering — Description of the Series 1 Shares — Conversion of Series 1 Shares into Series 2 Shares", "Details of the Offering — Description of the Series 2 Shares — Conversion of Series 2 Shares into Series 1 Shares".

The declaration of dividends on the Series 1 Shares and Series 2 Shares is in the discretion of the Board of Directors.

Holders of Series 1 Shares and Series 2 Shares do not have a right to dividends on such shares unless declared by the Board of Directors of the Corporation. The declaration of dividends is in the discretion of the Board of Directors even if the Corporation has sufficient funds, net of its liabilities, to pay such dividends.

The Corporation may not declare or pay a dividend if there are reasonable grounds for believing that (i) the Corporation is, or would after the payment be, unable to pay its liabilities as they become due, or (ii) the realizable value of the Corporation's assets would thereby be less than the aggregate of its liabilities and stated capital of its outstanding shares. Liabilities of the Corporation will include those arising in the course of its business, indebtedness, including inter-company debt, and amounts, if any, that are owing by the Corporation under guarantees in respect of which a demand for payment has been made. See "Consolidated Capitalization of the Corporation".

The payment of dividends under the Guarantees are limited to certain circumstances.

Although the Series 1 Shares and Series 2 Shares carry cumulative dividends, the Corporation may not be in a position pursuant to law to declare and pay such dividends as contemplated in this short form prospectus. While the payment of such dividends has been guaranteed by the Fund, such Guarantees are only triggered when such dividends are declared by the Board of Directors of the Corporation or, upon the redemption of the Series 1 Shares or Series 2 Shares or upon the liquidation, dissolution or winding-up of the Corporation. The tax treatment of a payment under the Guarantees may differ from the tax treatment of the payment if it had been made by the Corporation.

Payment under the Guarantees will also depend, to a large extent, on the receipt by the Fund of sufficient funds from its indirect subsidiaries as the Fund does not have any significant assets of its own.

The Fund has agreed pursuant to the Guarantees that, as long as dividends on Series 1 Shares and Series 2 Shares are in arrears, the Fund will not make any distributions on the Trust Units or pay any dividends on equity securities of any Successor to the Fund. A failure by the Fund to pay such distributions or dividends may have an adverse effect on the Fund, the Corporation and the market values of the Trust Units, the Series 1 Shares and the Series 2 Shares.

Holder of the Series 1 Shares and Series 2 Shares do not have voting rights except under limited circumstances.

Holders of Series 1 Shares and Series 2 Shares will generally not have voting rights at meetings of the shareholders of the Corporation except under limited circumstances. Holders of Series 1 Shares and Series 2 Shares will have no right to elect the Board of Directors of the Corporation. See “Details of the Offering”.

A conversion by the Fund into a corporation may have an adverse effect on the price of the Trust Units which may also affect the price of the Series 1 Shares and Series 2 Shares.

On June 22, 2007, new rules under 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 were enacted (the “**SIFT Rules**”). Although the Fund has indicated its intention to convert into a corporation on or before January 1, 2011, the date on which the SIFT Rules are expected to take effect for the Fund, the Fund may decide to convert before January 1, 2011 and such conversion will have a material effect on the tax position of the Fund and may have material tax consequences to holders of Trust Units. In addition, the conversion will be subject to various conditions, some of which are outside the control of the Fund, including, obtaining the requisite approval of holders of Trust Units. There can be no assurance that these conditions will be satisfied or, if satisfied, when they will be satisfied. Failure to satisfy the conditions of the conversion on terms acceptable to the Fund would likely result in the decision being made not to proceed with the conversion. If any of the required approvals cannot be obtained on terms satisfactory to the Fund, or at all, the benefits available to holders of Trust Units resulting from the conversion may be reduced or the conversion may not proceed at all. If the Fund is not able to realize all of the benefits it expects to realize from the conversion, or if the conversion is not completed, the market price of the Trust Units may be adversely affected. The market value of Series 1 Shares and Series 2 Shares may depend on the market price of the Trust Units.

CERTAIN CANADIAN FEDERAL INCOME TAX CONSIDERATIONS

In the opinion of Torys LLP, counsel to the Corporation and of Goodmans LLP, counsel to the Underwriters, the following is a summary of the principal Canadian federal income tax considerations generally applicable to a holder of Series 1 Shares acquired pursuant to this short form prospectus and Series 2 Shares acquired upon the conversion of Series 1 Shares so acquired (a “**Holder**”) who, for purposes of the Tax Act and at all relevant times, is or is deemed to be a resident of Canada, deals at arm’s length with and is not affiliated with the Corporation and will deal at arm’s length and will not be affiliated with any Successor and holds any Series 1 Shares or Series 2 Shares, and will hold any New Series 1 Shares or New Series 2 Shares, as the case may be, as capital property and is not exempt from tax under Part I of the Tax Act.

Generally, the Series 1 Shares and the Series 2 Shares will be capital property to a Holder provided the Holder does not hold such shares in the course of carrying on a business of trading or dealing in securities and does not acquire them as part of an adventure or concern in the nature of a trade. Certain Holders who might not otherwise be considered to hold Series 1 Shares or Series 2 Shares as capital property may, in certain circumstances, be entitled to have them and every other “Canadian security”, as defined in the Tax Act, owned by such Holder in the taxation year of the election or any subsequent taxation year, treated as capital property by making the irrevocable election permitted by subsection 39(4) of the Tax Act.

This summary is not applicable to a Holder that is a “financial institution” for the purposes of the “mark to market property” rules, to a Holder that is a “specified financial institution”, to a Holder an interest in which would be a “tax shelter investment” or to a Holder to whom the “functional currency” reporting rules apply, each as defined in the Tax Act. Such Holders should consult their own tax advisors. Furthermore, this summary is not applicable to a Holder that is a corporation, that receives or is deemed to receive, alone or together with persons with whom it does not deal at arm’s length, in the aggregate dividends in respect of more than 10% of the Series 1 Shares or the Series 2 Shares, as the case may be, outstanding at the time the dividend is received. This summary assumes that all issued and outstanding Series 1 Shares and Series 2 Shares are listed on a designated stock exchange (which includes the TSX) in Canada (as defined in the Tax Act) at such times as dividends (including deemed dividends) are paid or received on such shares. This summary also assumes that no payments to a Holder in respect of the Series 1 Shares or the Series 2 Shares are made by the Fund pursuant to the Guarantee.

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

This summary is based upon the current provisions of the Tax Act, the regulations thereunder (the “**Regulations**”), all specific proposals to amend the Tax Act and the Regulations publicly announced by the Minister of Finance prior to the date hereof (the “**Proposals**”) and counsel’s understanding of the current published administrative and assessing policies and practices of the Canada Revenue Agency (the “**CRA**”). This summary does not otherwise take into account or anticipate any change in law, whether by legislative, governmental or judicial action, nor does it take into account or consider any provincial, territorial or foreign income tax legislation or considerations. No assurances can be given that the Proposals will be enacted as proposed or at all.

Dividends

Dividends (including deemed dividends) received on the Series 1 Shares or the Series 2 Shares by an individual (other than certain trusts) will be included in the individual’s income and generally will be subject to the gross-up and dividend tax credit rules applicable to taxable dividends received by individuals from taxable Canadian corporations, including the enhanced dividend tax credit rules applicable to any dividends designated by the Corporation as “eligible dividends” in accordance with the Tax Act.

Dividends (including deemed dividends) received on the Series 1 Shares or the Series 2 Shares by a corporation will be included in computing the corporation’s income and will generally be deductible in computing the taxable income of the corporation.

The Series 1 Shares and the Series 2 Shares will be “taxable preferred shares” as defined in the Tax Act. The terms of the Series 1 Shares and the Series 2 Shares require the Corporation to make the necessary election under Part VI.1 of the Tax Act so that corporate Holders will not be subject to tax under Part IV.1 of the Tax Act on dividends received (or deemed to be received) on the Series 1 Shares and the Series 2 Shares.

Dividends received by an individual (including certain trusts) may give rise to a liability for alternative minimum tax.

A “private corporation”, as defined in the Tax Act, or any other corporation controlled by or for the benefit of an individual (other than a trust) or a related group of individuals (other than trusts), will generally be liable to pay refundable tax under Part IV of the Tax Act of 33 1/3% on dividends received (or deemed to be received) on the Series 1 Shares and the Series 2 Shares to the extent such dividends are deductible in computing its taxable income.

Dispositions

A Holder who disposes of or is deemed to dispose of Series 1 Shares or Series 2 Shares (on redemption for cash or otherwise, but not on conversion of Series 1 Shares for Series 2 Shares or of Series 2 Shares for Series 1 Shares as the case may be) will generally realize a capital gain (or sustain a capital loss) to the extent that the proceeds of disposition, net of any reasonable costs of disposition, exceed (or are less than) the adjusted cost base of such shares to such Holder. The amount of any deemed dividend arising on the redemption or purchase for cancellation by the Corporation of Series 1 Shares or Series 2 Shares will not generally be included in computing the proceeds of disposition to a Holder for purposes of computing the capital gain or capital loss arising on the disposition of such shares. If the Holder is a corporation, any such capital loss

arising may in certain circumstances be reduced by the amount of any dividends, including deemed dividends, which have been received on such shares to the extent and under the circumstances prescribed by the Tax Act. Analogous rules apply to a partnership or trust of which a corporation, trust or partnership is a member or beneficiary.

Generally, one-half of any capital gain will be included in computing the Holder's income as a taxable capital gain. One-half of any capital loss may be deducted from the Holder's taxable capital gains in accordance with the rules contained in the Tax Act. Capital gains realized by an individual (including certain trusts) may give rise to a liability for alternative minimum tax under the Tax Act. Taxable capital gains of a Canadian-controlled private corporation, as defined in the Tax Act, may be subject to an additional refundable tax of 6 2/3%.

Redemption

If the Corporation redeems or otherwise acquires Series 1 Shares or Series 2 Shares, other than by a purchase in the open market in the manner in which shares are normally purchased by a member of the public in the open market, the Holder will be deemed to have received a dividend equal to the amount, if any, paid by the Corporation in excess of the paid-up capital (as determined for purposes of the Tax Act) of such shares at such time. Generally, the difference between the amount paid by the Corporation and the amount of the deemed dividend will be treated as proceeds of disposition for the purposes of computing the capital gain or capital loss arising on the disposition of such shares. In the case of a corporate shareholder, it is possible that in certain circumstances all or part of the deemed dividend may be treated as proceeds of disposition and not a dividend.

Conversion and Exchange

The conversion of a Series 1 Share into a Series 2 Share and a Series 2 Share into a Series 1 Share will be deemed not to be a disposition of property and accordingly will not give rise to any capital gain or capital loss. The cost to a Holder of a Series 2 Share or Series 1 Share, as the case may be, received on the conversion will be deemed to be equal to the Holder's adjusted cost base of the converted Series 1 Share or Series 2 Share, as the case may be, immediately before the conversion. The adjusted cost base of all of the Series 1 Shares and Series 2 Shares held by the Holder will be determined in accordance with the cost averaging rules in the Tax Act.

The exchange of a Series 1 Share for a New Series 1 Share or of a Series 2 Share for a New Series 2 Share will constitute a disposition of the Series 1 Share or Series 2 Share, as the case may be. However, pursuant to the provisions of subsection 85.1(1) of the Tax Act, no gain or loss will be realized on the exchange except where (a) the Holder includes any portion of the gain or loss otherwise determined in its tax return for the taxation year in which the exchange occurs, (b) the Holder, persons who do not deal at arm's length with the Holder, or the Holder together with such persons, control the Successor or beneficially own shares of the capital stock of the Successor having a fair market value of more than 50% of the fair market value of all the outstanding shares of the capital stock of the Successor immediately after the exchange, or (c) the Successor and the Holder file an election under subsection 85(1) or (2) with respect to the exchange. It is not anticipated that the Successor would make an election under subsection 85(1) or (2) with a Holder in respect of the exchange. Where the provisions of subsection 85.1(1) apply to the exchange, the Holder will be deemed to have disposed of the Series 1 Shares or Series 2 Shares, as the case may be, for proceeds of disposition equal to the adjusted cost base to the Holder thereof. The cost to the Holder of a New Series 1 Share or a New Series 2 Share, as the case may be, will be deemed to be equal to the adjusted cost base of the Series 1 Share or Series 2 Share, as the case may be, immediately before the exchange. The adjusted cost base of all the New Series 1 Shares and New Series 2 Shares held by the Holder will be determined in accordance with the cost averaging rules in the Tax Act.

The conversion of a New Series 1 Share into a New Series 2 Share or of a New Series 2 Share into a New Series 1 Share will be deemed not to be a disposition of property and accordingly will not give rise to any capital gain or capital loss. The cost to a Holder of a New Series 2 Share or a New Series 1 Share, as the case may be, received on the conversion will be deemed to be equal to the Holder's adjusted cost base of the converted New Series 1 Share or New Series 2 Share, as the case may be, immediately before the conversion. The adjusted cost base of all of the New Series 1 Shares and New Series 2 Shares held by the Holder will be determined in accordance with the cost averaging rules in the Tax Act.

ELIGIBILITY FOR INVESTMENT

In the opinion of Torys LLP, counsel to the Corporation and Goodmans LLP, counsel to the Underwriters, the Series 1 Shares and Series 2 Shares, provided they are listed on a designated stock exchange (which currently includes the TSX), if issued on the date of this short form prospectus, would be qualified investments under the Tax Act and the

Regulations thereunder for a trust governed by a registered retirement savings plan, a registered retirement income fund, a registered education savings plan, a deferred profit sharing plan, a registered disability savings plan and a tax-free savings account.

The Series 1 Shares and the Series 2 Shares will not be a “prohibited investment” for a trust governed by a tax-free savings account on such date provided the holder of the tax-free savings account deals at arm’s length with the Corporation for purposes of the Tax Act and does not have a significant interest (within the meaning of the Tax Act) in the Corporation or in any person or partnership with which the Corporation does not deal at arm’s length for purposes of the Tax Act.

EXPERTS

Certain legal matters relating to the Series 1 Shares offered by this short form prospectus will be passed upon at the Closing Date by Torys LLP with respect to matters on behalf of the Corporation and the Fund and by Goodmans LLP with respect to matters on behalf of the Underwriters.

As of March 3, 2010 (a) the partners and associates of Torys LLP beneficially owned, directly or indirectly, less than 1% of the outstanding securities of the Corporation and of the Fund or any of their associates or affiliates; and (b) the partners and associates of Goodmans LLP beneficially owned, directly or indirectly, less than 1% of the outstanding securities of the Corporation and of the Fund or any of their associates or affiliates.

PricewaterhouseCoopers LLP is named in the Special Meeting Circular incorporated by reference in this short form prospectus as having prepared the Formal Valuation and Fairness Opinion (each as defined in the Special Meeting Circular). PricewaterhouseCoopers LLP prepared the Formal Valuation and Fairness Opinion in connection with the Transaction (as defined in the Special Meeting Circular) as described in “Matter to be Acted on at the Meeting – Formal Valuation and Fairness Opinion”. To the Corporation and the Fund's knowledge, as of July 6, 2009, no registered or beneficial interest, direct or indirect, in any property of the Corporation, the Fund or of one of their associates or affiliates: (i) was held by PricewaterhouseCoopers LLP or a “designated professional” (as such term is defined in item 16.2 of Form 51-102F2 – Annual Information Form) of PricewaterhouseCoopers LLP when PricewaterhouseCoopers LLP prepared the Formal Valuation and Fairness Opinion; (ii) was received by PricewaterhouseCoopers LLP or a “designated professional” of PricewaterhouseCoopers LLP after PricewaterhouseCoopers LLP prepared the Formal Valuation and Fairness Opinion; or (iii) is to be received by PricewaterhouseCoopers LLP. To the knowledge of the Corporation and the Fund, as of July 6, 2009, the interest of PricewaterhouseCoopers LLP and each “designated professional” of PricewaterhouseCoopers LLP in securities of the Corporation and of the Fund or any of their associates or affiliates represents less than 1% of the outstanding securities of the Corporation and of the Fund.

SNC-Lavalin Inc. and Garrad Hassan Canada Inc. are named in the Special Meeting Circular incorporated by reference in this short form prospectus as having prepared the independent engineer’s reports described in “Matter to be Acted on at the Meeting – Independent Engineering Assessments – SNC-Lavalin Independent Engineer’s Report” and “Matter to be Acted on at the Meeting – Independent Engineering Assessments – Garrad Hassan Independent Engineer’s Report”, respectively. SNC-Lavalin Inc. and Garrad Hassan Canada Inc. prepared their respective independent engineer’s reports in connection with the Transaction. To the Corporation and the Fund’s knowledge, no registered or beneficial interest, direct or indirect, in any property of the Corporation, the Fund or of one of their associates or affiliates: (i) was held by SNC-Lavalin Inc. or Garrad Hassan Canada Inc. or a “designated professional” (as such term is defined in item 16.2 of Form 51-102F2 – Annual Information Form) of SNC-Lavalin Inc. or Garrad Hassan Canada Inc. when SNC-Lavalin Inc. or Garrad Hassan Canada Inc. prepared their respective independent engineer’s reports; (ii) was received by SNC-Lavalin Inc. or Garrad Hassan Canada Inc. or a “designated professional” of SNC-Lavalin Inc. or Garrad Hassan Canada Inc. after SNC-Lavalin Inc. or Garrad Hassan Canada Inc. prepared their respective independent engineer’s reports; or (iii) is to be received by SNC-Lavalin Inc. or Garrad Hassan Canada Inc. To the knowledge of the Corporation and the Fund, the interest of SNC-Lavalin Inc. and Garrad Hassan Canada Inc. and each “designated professional” of SNC-Lavalin Inc. and Garrad Hassan Canada Inc. in securities of the Corporation and of the Fund or any of their associates or affiliates represents less than 1% of the outstanding securities of the Corporation and of the Fund.

AUDITORS, TRANSFER AGENT AND REGISTRAR

The auditors of the Fund are Deloitte & Touche LLP, Chartered Accountants, Ottawa, Ontario. To the knowledge of the Corporation, Deloitte & Touche LLP is independent in accordance with the rules of professional conduct of the Institute of Chartered Accountants of Ontario. The transfer agent and registrar for the Series 1 Shares and the Series 2 Shares will be CIBC Mellon Trust Company at its principal office in Montréal, Québec.

PURCHASER'S STATUTORY RIGHTS OF WITHDRAWAL AND RESCISSION

Securities legislation in certain of the provinces of Canada provides purchasers with the right to withdraw from an agreement to purchase securities. This right may be exercised within two business days after receipt or deemed receipt of a prospectus and any amendment. In several of the provinces, the securities legislation further provides a purchaser with remedies for rescission or, in some jurisdictions, revisions of the price or damages if the prospectus and any amendment contains a misrepresentation or is not delivered to the purchaser, provided that the remedies for rescission, revisions of the price or damages are exercised by the purchaser within the time limit prescribed by the securities legislation of the purchaser's province. The purchaser should refer to any applicable provisions of the securities legislation of the purchaser's province for the particulars of these rights or consult with a legal adviser.

AUDITORS' CONSENT

We have read the short form prospectus of Brookfield Renewable Power Preferred Equity Inc. (the "Company") dated March 3, 2010 qualifying the distribution of 10,000,000 Class A Preference Shares, Series 1 of the Company. We have complied with Canadian generally accepted standards for an auditor's involvement with offering documents.

We consent to the incorporation by reference in the above-mentioned prospectus of our report to the unitholders of Brookfield Renewable Power Fund (the "Fund") on the consolidated balance sheets of the Fund as at December 31, 2009 and 2008 and the consolidated statements of unitholders' equity, (loss) income, comprehensive (loss) income and cash flows for the years then ended. Our report is dated February 10, 2010.

We also consent to the incorporation by reference in the above-mentioned prospectus of our report to the Directors of Great Lakes Power Limited on the balance sheet of Great Lakes Power Limited Generation and Investment as at December 31, 2008 and the statements of deficit, (loss) income and comprehensive (loss) income and cash flows for the year then ended. Our report is dated September 30, 2009.

We also consent to the incorporation by reference in the above-mentioned prospectus of our report to the Shareholder of Hydro-Pontiac Inc. on the consolidated balance sheet of Hydro-Pontiac Inc. as at December 31, 2008 and the consolidated statements of income (loss) and comprehensive income (loss), retained earnings and cash flows for the year then ended. Our report is dated February 25, 2009.

We also consent to the incorporation by reference in the above-mentioned prospectus of our report to the Partners of Valerie Falls Limited Partnership on the balance sheet of Valerie Falls Limited Partnership as at December 31, 2008 and the statements of partners' equity, income and comprehensive income, and cash flows for the year then ended. Our report is dated March 11, 2009.

We also consent to the incorporation by reference in the above-mentioned prospectus of our report to the Directors of Gosfield Wind on the combined balance sheet of Gosfield Wind as at December 31, 2008. Our report is dated June 10, 2009.

(Signed) DELOITTE & TOUCHE LLP
Chartered Accountants
Licensed Public Accountants
Ottawa, Canada

March 3, 2010

CERTIFICATE OF THE CORPORATION

Dated: March 3, 2010

This short form prospectus, together with the documents incorporated by reference, constitutes full, true and plain disclosure of all material facts relating to the securities offered by this short form prospectus as required by the securities legislation of each of the provinces of Canada.

BROOKFIELD RENEWABLE POWER PREFERRED EQUITY INC.

(Signed) RICHARD LEGAULT
President and Chief Executive
Officer

(Signed) DONALD TREMBLAY
Executive Vice-President, Chief
Financial Officer

On Behalf of the Board of Directors

(Signed) EDWARD C. KRESS
Director

(Signed) HARRY A. GOLDGUT
Director

CERTIFICATE OF THE FUND

Dated: March 3, 2010

This short form prospectus, together with the documents incorporated herein by reference, constitutes full, true and plain disclosure of all material facts relating to the securities offered by this short form prospectus as required by the securities legislation of each of the provinces of Canada.

BROOKFIELD RENEWABLE POWER FUND

By: Brookfield Energy Marketing Inc., as Administrator

(Signed) RICHARD LEGAULT
President and Chief Executive Officer

(Signed) DONALD TREMBLAY
Executive Vice-President
(being the Chief Financial Officer)

On behalf of the Board of Directors of Brookfield Energy Marketing Inc.

(Signed) EDWARD C. KRESS
Director

(Signed) HARRY A. GOLDGUT
Director

CERTIFICATE OF THE UNDERWRITERS

Date: March 3, 2010

To the best of our knowledge, information and belief, this short form prospectus, together with the documents incorporated herein by reference, constitutes full, true and plain disclosure of all material facts relating to the securities offered by this prospectus as required by the securities legislation of each of the provinces of Canada.

SCOTIA CAPITAL INC.

By: (Signed) THOMAS I.
KURFURST

**CIBC WORLD MARKETS
INC.**

By: (Signed) DAVID H.
WILLIAMS

**RBC DOMINION
SECURITIES INC.**

By: (Signed) STEWART C.
BURTON

TD SECURITIES INC.

By: (Signed) HAROLD R.
HOLLOWAY

BMO NESBITT BURNS INC.

By: (Signed) JAMES A. TOWER

NATIONAL BANK FINANCIAL INC. HSBC SECURITIES (CANADA) INC.

By: (Signed) PAUL PRENDERGAST

By: (Signed) NICOLE CATY

**MACQUARIE CAPITAL MARKETS
CANADA LTD.**

By: (Signed) PAUL J. BRADLEY

**FIRSTENERGY
CAPITAL CORP.**

By: (Signed) ERIK B.
BAKKE

**CANACCORD
FINANCIAL LTD.**

By: (Signed) STEPHEN J.
SWAFFIELD

**DESJARDINS
SECURITIES INC.**

By: (Signed) DUANE
LEE

**GENUITY CAPITAL
MARKETS**

By: (Signed) MICHAEL
LEVIN

**BROOKFIELD
FINANCIAL CORP.**

By: (Signed) MARK
MURSKI

Brookfield

Renewable Power Fund