BTB

REAL ESTATE INVESTMENT TRUST

MANAGEMENT DISCUSSION AND ANALYSIS

Quarter ended March 31, 2008

May 23, 2008

TABLE OF CONTENTS

MANAGEMENT DISCUSSION AND ANALYSIS

INTRODUCTION

The purpose of this management discussion and analysis is to allow the reader to assess the operating results of BTB Real Estate Investment Trust (“BTB” or the “Trust”) for the quarter ended March 31, 2008, as well as its financial position on that date. This management discussion, dated May 23, 2008, should be read together with the unaudited consolidated financial statements and accompanying notes for the quarter ended March 31, 2008 and with the audited consolidated financial and accompanying notes for the fiscal year ended December 31, 2007, since they contain all the important information available at the time of this report. The Trust’s consolidated financial statements are prepared in accordance with generally accepted accounting principles (“GAAP”) in Canada and results are reported in Canadian dollars unless otherwise stated. The Trust’s fiscal year ends on December 31. Per unit amounts are calculated using the weighted average number of trust units outstanding for the quarters ended March 31, 2008 and 2007. All financial information presented in this discussion is derived from the Trust’s unaudited quarterly financial statements. These financial statements are available at www.sedar.com.

FORWARD-LOOKING STATEMENTS – CAVEAT

Certain statements contained in this discussion constitute forward-looking statements within the meaning of securities laws. Forward-looking statements may relate to the Trust’s future outlook and anticipated events, the Trust’s business and operations, its financial performance, its financial condition and its results. In some cases, they can be identified by terminology such as “consider”, “expect”, “will” (or other verbs in the future tense), “intend to”, “forecast”, “anticipate”, “estimate”, “continue”, or other similar expressions concerning matters that are not historical facts. In particular, statements regarding the Trust’s future operating results and financial performance and the Trust’s objectives and strategies to achieve those objectives are forward-looking statements. These statements are based on certain factors and assumptions including expected growth, results of operations, performance forecasts, and business prospects and opportunities. While management considers these assumptions to be reasonable based on currently available information, they may ultimately prove incorrect. Words like “may”, “could”, “should”, “prospects”, “believe”, “forecast”, “anticipate”, “estimate”, “expect”, as well as the use of conditional formulations or other similar expressions denote forward-looking statements. Forward-looking information is also subject to certain influences, risks, and uncertainties that could cause actual results to differ materially from what management currently expects. These factors, many of which are beyond the Trust’s control, include developments in markets and competition, changes to the political or regulatory environment, including tax law, general business conditions, fluctuations in interest rates, our capacity to successfully bring to term the announced acquisitions (and to finance them adequately), the financial situation of our tenants, and our ability to fill vacant space. Therefore, future events and results may deviate significantly from what management currently anticipates. For more exhaustive information on these risks and uncertainties, we refer you to the section entitled “Risks and Uncertainties” found in the prospectus dated March 13, 2008 and in the 2007 Annual Information Form dated April 28, 2008. Forward-looking statements contained in this MD&A are based on management’s current estimates, expectations, and projections, which management believes are reasonable as of the current date. You should not place undue importance on forward-looking information or rely on information past the current date. Except when compelled to by securities law, the Trust does not undertake to update or alter this information at any particular time.

NON-GAAP MEASURES

Funds from operations ("FFO"), adjusted funds from operations ("AFFO"), net operating income, property operating income, and distributable income are non-GAAP performance measures and do not have standardized meanings prescribed by GAAP. They are used by BTB to improve the investing public's understanding of operating results and the Trust's performance. "GAAP" denote the generally accepted accounting principles defined and issued by the Canadian Institute of Chartered Accountants, as in effect at the time a GAAP-compliant calculation is to be made.

Also, these measures may not be compared to similar measures used by other issuers. However, BTB presents its FFO in accordance with the Real Property Association of Canada (REALpac) White Paper on Funds from Operations dated November 30, 2004, with revisions on February 1, 2007.

Securities regulation require that these measures be clearly defined, that they be readily comparable to similar measures that comply with GAAP, and that they not be assigned greater weight than measures that are compatible with GAAP.

2008 FIRST QUARTER HIGHLIGHTS

• **Growth of Adjusted Funds from Operations ("AFFO"):**	An AFFO of $1.4 million for the first quarter, or $0.042 per unit. On an annualized basis, the estimated increasing AFFO derived from the existing portfolio, as at March 31, 2008, is more than $0.18 per unit.
• **Increased Cash generated from Portfolio Growth:**	BTB's portfolio has generated cash of $1.3 million and distributable income of more than $1.1 million for the first quarter of 2008 compared to $1.2 million and $1.0 million respectively for the fourth quarter in 2007.
• **Revenue Growth:**	Increase in rental income by more than 31% compared to the previous quarter and totaling more than $5.8 million of rental income for the first quarter. In accordance with current portfolio, annual income is estimated at $28.4 million.
• **Portfolio Growth:**	Acquisition of six properties, representing an increase of the value of its portfolio to $210.5 million, and representing over 2.1 million square feet of rental space.
• **Public Offering:**	On March 20, 2008, the Trust completed a public offering of more than $13 million of Series B 8.5% convertible debentures .

HIGHLIGHTS

• **Real Estate Assets**	$206 million
• **Indebtedness Rate (mortgages)**	57.5%
• **Equity**	$58 million
• **Occupancy Rate**	96.7%
• **Total Leasable Area**	2.1 million square feet
• **Quarterly Revenue**	$5.8 million
• **Adjusted Funds From Operations ("AFFO"):**	$1.4 million
• **Per Unit**	$0.042

SUBSEQUENT EVENTS

- **Reduction of Monthly Distributions:** On April 28, 2008, the Board of Trustees announced the reduction of distributions, from $0.28 per unit per year to $0.16 per unit per year. The Trustees wished to ensure that BTB's capital was not returned in the form of distributions but used to fulfill BTB's mission: the acquisition of good quality properties.

THE TRUST

BTB was established under a contract of trust for purposes of facilitating a qualifying transaction proposed by its predecessor company, Capital ABTB Inc. ("ABTB"). The qualifying transaction was effected by way of a plan of arrangement under section 192 of the *Canada Business Corporations Act* (CBCA) involving ABTB, BTB and TB Subsidiary Trust and the shareholders of ABTB, resulting in, among other things, all issued and outstanding shares being exchanged for units on the basis of the agreed exchange ratio. BTB began its real estate operations on October 3, 2006. BTB's units are traded on the TSX Venture Exchange under the symbol "BTB.un".

BTB is an unincorporated open-ended real estate trust formed and governed under the laws of the Province of Quebec pursuant to a contract of trust. BTB has acquired and owns commercial and industrial properties in primary and secondary markets and, for the time being, in geographical markets east of Ottawa.

OBJECTIVES AND BUSINESS STRATEGY

The objectives of BTB are as follows:

i) Generate cash distributions that are stable and increasing and fiscally beneficial to unitholders;

ii) To grow the Trust's assets to increase distributable income and therefore fund distributions.

iii) To increase the value of its assets through dynamic management of its properties in order to maximize the long-term value of its units.

Strategically, BTB seeks to purchase properties with low vacancy rates, good tenant quality, superior locations, low lease turnover potential, or properties that are well maintained and require a minimum of capital expenditures.

The following table provides a current summary of quarterly acquisitions since the inception of the Trust:

Acquisition period	Number of properties	Leasable Area (sq. ft)	Net Assets Acquired ($)
Q-4 2006	2	116,503	14,344,512
Q-1 2007	8	228,874	26,794,095
Q-2 2007	12	620,485	73,590,987
Q-3 2007	3	99,162	12,822,127
Q-4 2007[(1)]	7	798,178	55,895,084
Q-1 2008	6	247,804	27,099,138
Total as at March 31, 2008	**38**	**2,111,006**	**210,545,943**

(1) Net of the disposition of a property of 14,004 square feet.

SELECTED FINANCIAL INFORMATION

The Trust began its real estate operations on October 3, 2006 with its initial public offering and the conclusion of its qualifying transaction. Previously, the Trust's predecessor firm, Capital ABTB Inc. did not engage in real estate transactions as it was preparing to reorganize itself as a real estate investment trust. Since then, the Trust has acquired 38 properties generating, on an annualized basis, revenues of $28.4 million. Therefore, any analysis comparing the financial position of the Trust as at March 31, 2008 or operating results of the Trust for the quarter ending on that date, with those of the previous quarter ending March 31, 2007 are bound to be relatively uninformative owing to the limited compatibility of the corresponding numbers and the short duration of the Fund's real estate activities.

Quarters ended March 31 (in dollars, except the ratios)	**Quarters**	
	2008	**2007[1]**
Operating income	**5,817,948**	842,148
Net operating income	**3,079,790**	580,349
Loss before future income taxes and discontinued operations	**(509,343)**	(344,604)
Net loss	**(209,343)**	(342,307)
Distributable income	**1,101,026**	(123,465)
Funds from operations	**821,659**	(178,996)
Adjusted funds from operations	**1,390,134**	(40,352)
Distributions	**2,290,535**	998,506
Loan to value ratio	**67.7%**	69.0%
Loan to value ratio (excluding convertible debentures)	**57.5%**	56.5%
Acquisition capacity (based on 70% leverage)	**72,000,000**	70,000,000
Real estate assets	**205,730,868**	40,776,386
Total assets	**210,717,841**	63,669,538
Mortgage loans	**118,004,673**	27,741,364
Convertible debentures	**21,997,718**	10,421,727
Equity	**58,280,236**	23,148,671
Per unit data:		
Distributable income	**0.034**	(0.009)
FFO	**0.025**	(0.013)
Adjusted FFO	**0.042**	(0.003)
Distributions	**0.070**	0.070

(1) The presentation of certain elements of the first quarter of 2007 has been changed to reflect the presentation used in the first quarter of 2008.

REAL ESTATE PORTFOLIO

Since its initial public offering on October 3, 2006, BTB has acquired 38 properties, at a total cost of approximately $206 million and representing a total leasable area of over 2.1 million square feet.

BTB's Acquisitions in 2006

Property	City	Date acquired	Type	Leasable area (sq. ft)	Acquisition cost[1] ($)	Capitalization rate (at time of purchase)
2900 Jacques-Bureau	Laval, QC	October 3, 2006	Commercial	101,194	11,750,000	8.7%
2220 Lapinière	Brossard, QC	November 6, 2006	Mixed	15,309	2,275,000	8.4%

BTB's Acquisitions in 2007

Property	City	Date acquired	Type	Leasable area (sq. ft)	Acquisition cost[1] ($)	Capitalization rate (at time of purchase)
1125 Saint-Martin	Laval, QC	February 1, 2007	Commercial	9,723	2,380,190	9.4% [2]
4890-4898 Taschereau	Longueuil, QC	February 1, 2007	Mixed	38,730	4,697,300	9.4% [2]
7205-7235 Saint-Jacques West	Montréal, QC	February 1, 2007	Commercial	25,392	3,096,470	9.4% [2]
3627–3645 des Sources	D.D.O., QC	February 1, 2007	Mixed	34,951	4,545,000	9.4% [2]
3781 des Sources	D.D.O., QC	February 1, 2007	Commercial	33,012	4,291,560	9.4% [2]
12055-12085 Laurentien	Montréal, QC	February 1, 2007	Commercial	30,752	1,419,000	9.4% [2]
1863-1865 Trans-Canada	Dorval, QC	February 1, 2007	Industrial	42,310	2,491,140	9.4% [2]
2004–2016 René-Laennec	Laval, (QC	April 4, 2007	Mixed	26,290	2,350,000	9.5%
1400-1440 Antonio-Barbeau	Montréal, QC	April 3, 2007	Mixed	82,020	4,000,000	9.5%
4105 Sartelon	Saint-Laurent, QC	April 24, 2007	Industrial	44,480	4,050,000	8.0%
100 de Montarville	Boucherville, QC	May 9, 2007	Office	24,399	3,015,000	8.3%
32 Saint-Charles	Longueuil, QC	May 9, 2007	Office	13,724	1,900,000	8.7% [3]
50 Saint-Charles	Longueuil, QC	May 9, 2007	Office	20,882	2,500,000	8.7% [3]
85 Saint-Charles	Longueuil, QC	May 9, 2007	Office	32,135	4,800,000	8.7% [3]

BTB's Acquisitions in 2007 (continued)

Property name	City	Date acquired	Type	Leasable area (sq. ft)	Acquisition cost[1] ($)	Capitalization rate (at time of purchase)	
2865 Portland	Sherbrooke, QC	May 25, 2007	Office	16,720	2,700,000	8.1%	(4)
2059 René-Patenaude	Magog, QC	May 25, 2007	Industrial	19,292	2,315,000	8.1%	(4)
1635-1645 King East	Sherbrooke, QC	May 25, 2007	Commercial	75,946	8,500,000	8.1%	(4)
145 Saint-Joseph	Saint-Jean-sur-Richelieu,	June 13, 2007	Mixed	108,972	13,600,000	9.1%	
Complexe de Léry	Trois-Rivières, QC	June 14, 2007	Office	155,625	21,200,000	8.5%	
5810-5878 Sherbrooke East	Montréal, QC	July 11, 2007	Office	37,673	6,500,000	8.5%	
7001-7035 Saint-Laurent	Montréal, QC	September 20, 2007	Office	31,000	3,600,000	9.0%	
2212-2226 Dollard	Lasalle, QC	September 26, 2007	Mixed	30,489	2,250,000	8.5%	
2340 Lapinière	Brossard,QC	October 10, 2007	Commercial	19,082	3,500,000	8.5%	
1001 Sherbrooke East	Montréal, QC	November 8, 2007	Office	127,502	14,150,000	8.2%	
81-83 Turgeon	Sainte-Thérèse, QC	November 8, 2007	Office	26,114	3,225,000	8.2%	
705 Boundary	Cornwall, ON	November 15, 2007	Industrial	144,000	4,800,000	9.5%	(5)
725 Boundary	Cornwall, ON	November 15, 2007	Industrial	170,800	4,700,000	9.5%	(5)
805 Boundary	Cornwall, ON	November 15, 2007	Industrial	106,990	3,800,000	9.5%	(5)
2901-2905 Marleau	Cornwall, ON	November 15, 2007	Industrial	31,640	1,800,000	9.5%	(5)
6655 Pierre-Bertrand	Québec, QC	December 20, 2007	Mixed	186,054	21,325,000	8.1%	

BTB's Acquisitions in first quarter of 2008

Property	City	Date acquired	Type	Leasable area (sq. ft)	Acquisition cost[1] ($)	Capitalization rate (at time of purchase)
2155 Crescent	Montréal, QC	January 18, 2008	Mixed	8,200	1,815,000	n/a
1645 King West	Sherbrooke, QC	February 29, 2008	Office	60,631	6,300,000	9,1%
560 Henri-Bourassa West	Montréal, QC	March 26, 2008	Office	39,407	3,900,000	9,0%
3036-3094 Ch. Chambly	Longueuil, QC	March 26, 2008	Mixed	41,724	4,675,000	8,5%

BTB's Acquisitions in first quarter of 2008 (continued)

Property	City	Date acquired	Type	Leasable area (sq. ft)	Acquisition cost(1) ($)	Capitalization rate (at time of purchase)
204 De Montarville	Boucherville, QC	March 26, 2008	Office	29,882	4,250,000	8,4%
3685 Harvey	Chicoutimi, QC	March 26, 2008	Office	67,960	4,700,000	8.6%
Total				**2,111,006**	**203,165,660**	

(1) Excluding soft costs of acquisition
(2) These seven buildings were part of the same transaction at a purchase price of $25.8 million. One property has since been sold.
(3) These three buildings were part of the same transaction at a purchase price of $9.2 million.
(4) These three buildings were part of the same transaction at a purchase price of $13.5 million.
(5) These four buildings were part of the same transaction at a purchase price of $15.1 million.

DESCRIPTION OF PROPERTIES FORMING THE PORTFOLIO

2900 Jacques-Bureau, Laval, Québec

This two-storey free-standing retail store completed in 2004 is entirely leased to a single tenant, Germain Larivière Laval Inc., carrying on business as a furniture and electronic appliance retailer. Located in Laval, this building has a leasable area of 101,194 square feet. The size of the lot is approximately 200,000 square feet. The lease is for 15 years, expiring in November 2019. There are two renewal options for five years each.

2220 Lapinière Blvd., Brossard, Québec

The leasable area of this building is 16,208 square feet. Its main tenant, a major Canadian bank, has renewed its lease until 2014. The building is located across from a major shopping center on the south shore of Montreal, and serves the local community. The land area is approximately 25,000 square feet and the building has one level of underground parking.

1125 Blvd. Saint-Martin, Laval, Quebec

This is an approximately 9,700-square-foot building of leasable area that is occupied at 50% by a large Quebec-based eyewear outlet that has renewed its lease for 10 years. The building is strategically located on one of Laval's main commercial thoroughfares.

4890-4898 Taschereau Blvd., Longueuil, Quebec

This is a mixed-use building with approximately 39,000 square feet of leasable area. The main tenants are a major restaurant franchise and a well-known eyewear retailer, both of which have long-term leases. The second floor is leased as office space by five different tenants, the main tenant is a neurology clinic .

7205-7235 Saint-Jacques Street West, Montreal, Quebec

Two commercial buildings are built on this property of approximately 25,400 square feet. The main tenant is a restaurant franchise which represents good revenue. It is well located in a fast-growing retail sector promising long-term increase in cash flow. BTB will eventually be in a position to redevelop the site.

3627-3645 Des Sources Blvd., Dollard-des-Ormeaux, Quebec

This is a building of approximately 35,000 square feet of leasable area located on one of the main arteries in Montreal's West Island. The retail tenants benefit from good visibility. The second floor is leased as office space.

3781 Des Sources Blvd., Dollard-des-Ormeaux, Quebec

This building of approximately 33,000-square feet of leasable area, with a large parking lot, is fully leased to one tenant, a food retailer. The lease expires in 2013.

12055-12085 Laurentien Blvd., Montreal, Quebec

This small shopping centre, with approximately 30,750 square feet of leasable area, serves the local market and is strategically located close to a bridge that connects the islands of Montreal and Laval. This high-traffic site gives tenants commercial visibility.

1863-1865 Northern Service Road, Trans Canada Highway, Dorval, Quebec

This building, with high visibility on the Trans-Canada Highway, has an approximate area of 42,300 square feet of leasable area and is fully leased to two tenants. Both tenants have renewed their leases for five years, providing an increase in income of more than 10%.

2004-2016 René-Laennec Blvd., Laval, Quebec

This mixed-use commercial and office building has a leasable area of 26,290 square feet. It is the main commercial building in the area. Its main office tenant is the Cité de la Santé Hospital.

1400-1440 Antonio-Barbeau Street, Montreal, Quebec

Centrally located on the island of Montreal and only a stone's throw from Marché Central, this concrete industrial and office building has a leasable area of 84,020 square feet and is fully leased. Management believes that it can eventually increase the value of the property by transforming it into an office building. The main tenants are Private Expression and Cindy Ann inc.

4105 Sartelon Street, Montreal (Saint-Laurent borough), Quebec

This building of 44,480-square-feet of leasable area was built in 1999. It is the Canadian head office and distribution facility of an international company operating in the environmental field. This building is built on a parcel of land of approximately 102,000 square-feet. This building is very well located in the Saint-Laurent industrial park, only minutes from main thoroughfares. A sale-leaseback was negotiated with the vendor, now the tenant, and the lease term is 10 years.

100 de Montarville Blvd., Boucherville, Quebec

Strategically located on one of the main boulevards in Boucherville and easy to access from all of the main thoroughfares on the South Shore of Montreal, this two-storey office building has a leasable area of 28,919 square feet and is 97% occupied by a number of tenants, including dentists, doctors, opticians, a large international insurance company and an accounting firm.

32, 50 and 85 Saint-Charles Street, Longueuil, Quebec

The leasable area of these three office buildings located in Longueuil is 66,657 square feet. This acquisition represents a strategic concentration of office buildings in the heart of the area called "Old-Longueuil" which area is renowned for its business district where attorneys, bankers, and business leaders are officed. With 38 office tenants, these buildings provide a solid source of revenue to BTB.

2865-2885 De Portland Blvd., Sherbrooke, Quebec

This building, with a leasable area of 16,720 square feet and a 100% occupancy rate, is entirely leased to the Government of Quebec under a lease ending in 2014. The building yields a steady revenue stream and provides a stable return on investment along with the possibility of expansion.

2059 René-Patenaude Street, Magog, Quebec

Located in the industrial sector of Magog, near Sherbrooke, this building has a leasable area of 19,292 square feet and a 100% occupancy rate. It houses the head office and distribution centre of a regional grocery store chain. Since the building, erected in 2005, occupies only 12% of the site, it could be expanded. The lease expires in 2015.

1635 and 1645 King Street East, Sherbrooke, Quebec

A major building located in a well-populated suburb of Sherbrooke, this building has a leasable area of approximately 74,692 square feet and a 96% occupancy rate. It houses a number of large tenants, including a major automobile parts dealer, a large bank and a drugstore. All of these major tenants have signed long-term leases with renewal options.

145 Saint-Joseph Blvd. East, Saint-Jean-sur Richelieu, Quebec

Les Halles Saint-Jean is a popular shopping destination in the Saint-Jean-sur-Richelieu area (a suburb of Montreal). The building comprises 108,972 square feet of leasable area devoted to retail and office space. An indoor retail shopping mall occupies roughly 62,000 square feet on the ground floor and its three floors, representing approximately 47,000 square feet of leasable area, are dedicated to office space. The shopping centre, which attracts both local and regional clients, has high customer traffic. Forty-five percent of revenues are generated by a bank, by a drugstore and by government offices. The building could also be expanded, and this possibility is the subject of current analysis by management.

Complexe de Léry, Trois-Rivières, Quebec

Complexe de Léry inc. consists of two Class "A" office buildings located in downtown Trois-Rivières, with a total leasable area of 155,625 square feet. In this transaction, BTB acquired a 22,468-square foot lot (currently used for parking). These buildings benefit from excellent visibility and have easy access to Highway 40. The major tenants of the building include two large accounting firms, a well-known law firm, a governmental financial institution, the largest electricity distributor in North America, and a leading Quebec media company.

5810-5818 Sherbrooke Street East, Montreal, Quebec

Located on one of Montreal's key arteries, these two office buildings have a total leasable area of 36,400 square feet. The first one, an office building is entirely occupied by a single tenant, a CLSC (a medical clinic operated by the Government of Quebec). The lease maturity is more than five years. The second is a commercial building leased to the National Bank of Canada and to the headquarters of the Fédération indépendante des syndicats autonomes. The average lease maturity is seven years.

7001-7035 Saint-Laurent, Montreal, Québec

Located on one of Montreal's main retail streets, this fully-leased three-storey office building has a total leasable area of 31,000 square feet. It is fully-leased to Transcontinental Inc., a well-known printing company with a long-term lease.

2212-2226 Dollard Ave., Lasalle, Quebec

Located on a commercial street in Montreal's borough of Lasalle, this building has a leasable area of approximately 30,000 square feet and is fully leased. The main tenants are the Government of Quebec, an insurance company and an important call centre.

2340 Lapinière Blvd., Brossard, Quebec

This single-storey building includes a mezzanine and is located in Brossard on the South Shore of Montreal. This retail property has approximately 19,000 square feet of leasable area and is located on a lot of 79,573 square feet. It is occupied by several high-quality tenants, namely a popular restaurant and a food retailer.

1001Sherbrooke Street East, Montreal, Quebec

In the immediate proximity of Montreal's entertainment district, this building of 127,502 squarefeet of leasable area is located on one of Montreal's main streets. It has over 15 tenants, including the Université du Québec à Montréal (UQAM) and specialized educational institutions.

81-83 Turgeon Street, Sainte-Thérèse, Quebec

Only a few minutes from Highway 15, this building is a familiar landmark in the local community. With approximately 26,114 square feet of leasable area of office space, it is entirely leased. It is home to a CLSC (a medical clinic operated by the Government of Quebec) and a large Canadian bank.

705 Boundary Road, Cornwall, Ontario

This 144,000 square-foot distribution warehouse with multiple tenants features a loading dock equipped with a platform for loading trains.

725 Boundary Road, Cornwall, Ontario

This distribution warehouse with multiple tenants consists of 170,800 square feet of leasable space. This building houses prime tenants, such as Purolator and Cornwall Warehousiing.

805 Boundary Road, Cornwall, Ontario

This building consists of a distribution warehouse with multiple tenants. Its leasable area is 106,990 square feet, and an adjoining lot provides opportunities for development. The building is rented to top-tier tenants such as Cornwall Warehousing and Canada Post.

2901 and 2905 Marleau Ave., Cornwall, Ontario

These two buildings are each leased to a single tenant (one building is used as office space and the other as industrial space) and consist of a total of 31,640 square feet of leasable area as well as additional space that currently serves as parking. The well-established tenants are SigmaPoint Technologies and a company affiliated with Westburne.

Place d'affaires Lebourgneuf, Phase I, 6655, Pierre-Bertrand Blvd., Québec City, Quebec

Located in the heart of the Lebourgneuf suburb of Quebec City, this two-storey building has retail tenants on the ground floor and some warehouse space and offices on the second floor. The building has approximately 186,000 square feet of leasable area, as well as over 470 parking spaces. There are more than 40 tenants, including the Government of Quebec, a mobile phone company, a company specialized in residential carpet cleaning, a financial institution, a company selling tools and compressors, a travel agency, and the office of a minister of the federal government.

2155 Crescent St., Montreal, Québec

This renovated four-storey building sits in close proximity to the financial core of downtown Montreal, on a highly coveted commercial street. The building is a few streets away from Concordia University and is also in close proximity to the Montreal Museum of Fine Arts. BTB's head office is now located in this building.

Place Jacques-Cartier – 1645 King St. West, Sherbrooke, Québec

These two office buildings are facing each other. These buildings comprise 60,631 square feet of leasable area, are currently leased at 95%. The buildings are occupied by tenants including the Québec Government, professional firms such as notaries, attorneys and financial consultants.

560 Henri-Bourassa Blvd. West, Montreal, Québec

This building has 39,407 square feet of office space. It is occupied by a Crown Corporation on the main floor and by various office users on the other floors.

3036-3094 Chemin de Chambly, Longueuil, Québec

This medical and retail building of 41,724 square feet houses such tenants as a pharmacy, financial institution and a franchise restaurant.

204 de Montarville, Boucherville, Québec

This 29,882 square feet office building is fully-leased. Located on Boucherville's main boulevard this property harbours tenants such as an insurance company and offices of municipal economic development.

3885 Harvey Blvd., Ville de Saguenay, Québec

This building of 67,960 square feet of office space is occupied by tenants such as municipal and federal government offices and insurance companies.

Potential Agreements to Acquire Properties

BTB has entered into various conditional agreements to purchase additional commercial properties, all located in the province of Quebec. These conditional offers are for 22 buildings, representing the potential of an additional 1,000,000 square feet and an approximate total transaction value of $108 million before soft costs.

If BTB were to conclude these transactions, BTB would bring the total value of its properties to approximately $315 million since its initial public offering on October 3, 2006. However, there is no guarantee that BTB will complete any or all of these potential acquisitions.

PERFORMANCE INDICATORS

The following indicators are used to measure the financial performance of BTB:

- Net operating income: which provides an indication of the profitability of portfolio operations;
- Net operating profit margin: which provides an indication of the profitability of the Trust's operations;
- Distributable income per unit which provides an indication of how the Trust will be able to fund its distributions;
- Funds from operations ("FFO") per unit: which provide an indication of BTB's ability to generate cash flow;
- Adjusted funds from operations ("AFFO") per unit, which takes into account rental fees and capital expenditures and which may vary substantially from one entity to the next;
- The debt-equity ratio: which is used to assess the financial balance of the Trust and its capacity for additional acquisitions.

More detailed definitions of each of these indicators are provided in the appropriate sections.

OPERATING RESULTS

Statement of Earnings

Summarized financial results for the quarters ended March 31, 2008 and 2007 are as follows:

Quarters ended March 31 (in dollars)	**Quarters**	
	2008	**2007**
Operating Revenues	**5,817,948**	842,148
Operating Expenses	**2,738,158**	261,799
Net operating income [1]	**3,079,790**	580,349
Interest income	**(20,784)**	(237,048)
Interest on loans and other carrying charges	**2,089,388**	646,134
Amortization of revenue producing properties and intangible assets	**1,302,612**	150,495
Operating loss from real estate assets	**(291,426)**	(20,768)
Trust-related administrative expenses	**199,786**	363,308
Unit-based compensation	**18,131**	2,064
Net loss from continuing operations	**(509,343)**	(344,604)
Future income taxes credit	**840,000**	-
Net income from discontinued operations	**-**	2,297
Net loss	**(209,343)**	**(342,307)**

[1] Net operating income and operating income from real estate assets consist of non-GAAP information and may not be comparable to similar measures used by other issuers. Net operating income and operating income from real estate assets should not be construed as alternatives to net income or cash flows from operating activities, which are calculated in accordance with GAAP.

They are, however, frequently used in the real estate industry to measure operational performance. We define “net operating income” as operating income before interest on loans, amortization of properties, deferred leasing costs, financing costs and other assets, other income, professional fees and Trust-related administrative expenses, unit-based compensation and future income taxes.

We define “operating income from real estate assets” as operating income before Trust-related administrative expenses, unit-based compensation and future income taxes.

Same-property portfolio

The Trust is unable to analyze the performance of its operating results on a same-property portfolio basis because its initial acquisitions of income-producing properties occurred during the last quarter of fiscal 2006. During most part of the first quarter of 2007, BTB owned only two properties. Consequently, any comparisons of operating results between the first quarter of 2008 and the results of the first quarter of 2007 are essentially meaningless.

Operating Revenues

The Trust posted very satisfying operating results during the first quarter of 2008. Its dynamic acquisition program maintained throughout the quarter, as well as the excellent performance of its existing portfolio, yielded continued growth in operating revenues.

BTB acquired six properties during the quarter ended March 31, 2008, for a net total of 38 properties acquired to date. Operating revenues include amortization of an adjustment for purposes of recording contractual rent payments on a straight-line basis and for purposes of allocating above-market or below-market rents, as demonstrated in the following table.

Operating Revenues

Quarters ended March 31 (in dollars)	**Quarters**	
	2008	**2007**
Rental revenue on the basis of in-place leases	**6,042,962**	907,362
Deferred rental revenue as per straight-line method	**102,010**	2,133
Amortization of the value attributable to above - or below- market leases	**(327,024)**	2,575
Less: products related to discontinued activities	**-**	(69,922)
Rental revenue from income- producing properties	**5,817,948**	**842,148**

On annualized basis and in accordance with the existing portfolio as at March 31, 2008, rental revenue from income-producing properties is estimated at $28.4 million.

Operating Expenses

Operating expenses are expenses directly related to real estate operations and are generally charged back to tenants as provided for by the leases. These expenses represented 47.1% of operating revenues for the first quarter of 2008 and 31.1% for the same quarter in 2007. BTB expects that its operating expenses for the first quarter of 2008 will be greater that for the remaining quarters of 2008 due to increased expenses incurred during the winter season. Particularly, the exceptional snowfall encountered during the winter of 2008 increased maintenance expenses that were not budgeted and therefore, had to be paid. BTB pays close attention to charging back operating expenses to tenants in accordance with the provisions of the leases. The increase in the level of expenses relative to rental revenue in the first quarter of 2008 compared to the same period in 2007 is also attributable to the decline in the relative amount of revenue generated by the property 2900 Jacques-Bureau where a lease is in place whereby no operating expenses are assumed by the Trust. During the first quarter of 2007, revenues generated from this property represented 31.3% of total revenues, compared to 4.3% of total revenues for the same period in 2008.

The following table details the operating expenses for the quarters and fiscal years ended on March 31, 2008 and 2007:

Quarters ended March 31 (in dollars)	**Quarters**	
	2008	**2007**
Operating Expenses		
- Operating costs	**1,065,664**	147,333
- Property taxes and utilities	**1,567,535**	152,252
- Property management expenses	**104,959**	16,938
Less: operating expenses for discontinued activities	**-**	(54,724)
	2,738,158	261,799
% of operating revenues	**47.1%**	**31.1%**

Net operating income

BTB's net operating income is 52.9% of operating revenues for the quarter ended March 31, 2008 compared to 68.9% for the corresponding quarter in 2007. The reader should read the previous paragraph on the analysis of operating expenses for more information regarding the results of the current quarter. The net operating income is not a recognized financial measure in GAAP, but it is nonetheless frequently used in the field of real estate to assess operational performance. BTB defines it as operating income before interest on loans and other financial expenses, amortization of income-producing properties, intangible assets and other assets, amortization of deferred financing costs, Trust-related administrative expenses, unusual items, and future income taxes. This definition may differ from those used by other issuers, and therefore BTB's net operating income may not necessarily be comparable with theirs.

This performance indicator is particularly useful when compared to the indicator for the same-property portfolio of previous years, since it provides for transferring operating costs to clients and generating rent increases that exceed cost increases. Since BTB made its first acquisitions during the last quarter of fiscal year 2006, it will not be possible to use this ratio in the context of a same-property portfolio before the end 2008.

On an annualized basis and in accordance with the existing portfolio as at March 31, 2008, net operating income is estimated at $17.3 million.

Other revenues

Other revenues represent interest income derived from interest on funds raised from unit and convertible debenture offerings before the use of those funds to acquire properties.

Quarters ended March 31 (in dollars)	**Quarters**	
	2008	**2007**
Interest income	**20,784**	**237,048**

Interest on loans

Interests on loans are generated by the following loans:

- Mortgage loans contracted or assumed over the course of the quarter totalling approximately $14 million, used to finance acquisitions.
- Series A convertible debentures issued in the amount of $12,833,000 in October 2006, including the additional interest charges accrued to account for the increase in liability attributable to the convertible debentures.
- Series B convertible debentures issued in the amount of $13,020,000 in March 2008, including the additional interest charges accrued to account for the increase in liability attributable to the convertible debentures.
- Operating and acquisitions credit facilities used as needed.
- Amortization of deferred financing costs related to mortgage loans and convertible debentures, using the effective interest method throughout the term of the related debts.

Quarters ended March 31 (in dollars)	**Quarters**	
	2008	**2007**
Interest on mortgage loans	**1,635,217**	264,209
Interest on debentures	**257,660**	257,660
Interest on loans	**21,575**	-
Amortization of deferred financing costs	**110,124**	66,090
Additional interest expense to account for the increase in liability attributable to the convertible debentures	**64,812**	58,175
	2,089,388	**646,134**

Amortization

All acquired properties are amortized on a straight-line basis over a period of 40 years.

GAAP requires that the cost of purchasing a building be divided into tangible assets, to wit the land and the building, and intangible assets, namely lease origination costs, the value of current leases and the value of client relationships. Intangible assets are amortized according to the term of the affected leases. The average term of the leases in place as at March 31, 2008 is approximately five years. The resulting amortization is thus accelerated relative to that of the buildings which, as previously mentioned, are amortized over 40 years.

Quarters ended March 31 (in dollars)	**Quarters**	
	2008	**2007**
Income-producing properties	**875,059**	137,701
Intangibles	**427,353**	25,610
Fixed assets	**200**	85
Minus: amortization related to discontinued operations	**-**	(12,901)
	1,302,612	**150,495**

Trust-related administrative expenses

Trust-related administrative expenses include compensation and fees paid to management and administrative staff, legal and accounting services, expenses relating to public trading of the Trust, insurance and office expenses.

Quarters ended March 31 (in dollars)	**Quarters**	
	2008	**2007**
Trust-related administrative expenses	**199,786**	**363,308**

Unit-based compensation

During the quarters ended March 31, 2008 and 2007, BTB recorded unit-based compensation totalling $18,131 and $2,064 respectively, for options granted to employees and trustees. The fair value of the options was calculated using the Black-Scholes option pricing model with the assumptions that are explained in Note 8 to the financial statements for the quarter ended March 31, 2008.

Future income taxes

For purposes of income taxes, the Trust qualifies as a “Mutual Fund Trust.” In keeping with the terms of the contract of trust, trustees intend to distribute or allocate all taxable income earned directly by the Trust to the unitholders and to deduct these distributions and allocations for income taxes.

a) New tax system

In the interest of tax fairness, the Canadian Department of Finance introduced measures into the tax act to provide for levying a tax on specified investment flow-through (“SIFT”) distributions in order to align the taxation of these entities more closely with that of companies. Bill C-52, which enacted these provisions, received royal assent on June 22, 2007. The new rules apply as of the 2007 taxation year, except in the case of SIFT Trusts that existed on October 31, 2006 and that comply with provisions governing normal growth for the transitional period ending in 2011. As at March 31, 2008, the Trust was in line with the provisions regarding normal growth.

b) REIT Exemption

The new tax system does not apply to SIFT Trusts that qualify as Real Estate Investment Trusts (“REIT”) for any given taxation year. Generally, a Trust based in Canada is a REIT if its activities consist of acquiring and managing real estate and if it complies with certain rules governing its assets and revenues.

On December 20, 2007, the Finance Minister proposed a draft of technical amendments designed to clarify the tax rules applicable to REITs. As at March 31, 2008, the Trust qualifies as a REIT, if the technical amendments of December 20, 2007 are considered.

In keeping with generally accepted accounting principles, the Trust has recognized future tax assets and liabilities with regard to temporary differences between the financial statement carrying amounts and the respective tax bases of its assets and liabilities. These differences are expected to be reversed in 2011 or thereafter. As at March 31, 2008, under these rules, the Trust had recorded a future tax liability of

$479,700 in the consolidated balance sheet and future income tax benefits of $300,000 in the quarterly consolidated statement of earnings.

This future income tax will be reversed when the draft of technical amendments of December 20, 2007 obtains royal assent in the House of Commons, provided that the Trust continues to meet the REIT eligibility conditions at that time. In the future the Fund's trustees intend to ensure that these conditions are met on an ongoing basis.

Net Loss

The net loss amounted to $330,657 and $342,307 for the quarters ended March 31, 2008 and 2007, respectively. These losses are primarily attributable to the significant increase in the amortization of income-producing buildings, in particular the proportion of intangible assets (which has grown faster than rental income) and to provisions for future income taxes which are very likely to be reversed in coming quarters.

The valuation of the amortization expense is based on the assumption that the value of buildings declines over the years. Reality tends to show, however, that their value trends upward over the years.

Quarters ended March 31 (in dollars)	**Quarters**	
	2008	**2007**
Net loss	**(209,343)**	**(342,307)**
Basic loss per unit	(0.006)	(0.024)
Diluted loss per unit	(0.006)	(0.024)

Segmented information

The Trust's operations pertain to four categories of real estate, located in Quebec and in Ontario. The following tables present the contribution to revenues, to net operating income, and to amortization of each of these categories of real estate for the quarters ended March 31, 2008 and 2007.

Quarter ended March 31, 2008 (in dollars)	**Office buildings**	**Commercial buildings**	**Industrial buildings**	**Mixed buildings**	**Total**
Income from income-producing properties	2,237,210	945,633	684,625	1,950,480	5,817,948
Net operating income	1,047,329	658,027	408,397	966,037	3,079,790
Amortization of income-producing properties and intangible assets	492,165	216,152	161,120	433,175	1,302,612

Quarter ended March 31, 2007 (in dollars)	**Office buildings**	**Commercial buildings**	**Industrial buildings**	**Mixed buildings**	**Total**
Income from income-producing properties	-	472,158	63,570	306,420	842,148
Net operating income	-	374,251	43,326	162,772	580,349
Amortization of income-producing properties and intangible assets	-	101,801	9,041	39,568	150,410

Distributable income and distributions

Distributable income does not constitute financial and accounting information as defined by GAAP. It is, however, an information frequently used by income trusts. The definition of distributable income is contained in the contract of trust governing BTB and provides that 85% to 90% of annual distributable income must be distributed to unitholders.

Distributable income generally corresponds to net income as prescribed by GAAP, excluding amortization of real estate properties, amortization of adjustments to above-market (below-market) rents on acquisition, unit-based compensation expenses, amortization of deferred rental revenue subsequent to adjusting the leases using the straight-line method, and the provision for future income taxes.

Quarters ended March 31 (in dollars, except the ratios)	**Quarters**	
	2008	**2007**
Net loss (GAAP)	**(209,343)**	(342,307)
+ Amortization of income-producing properties and intangible assets	**1,302,412**	163,311
+ Amortization of adjustment of above-market (below-market) rents	**327,024**	(2,575)
+ Increase in the liabilities component of debentures	**64,812**	58,175
+ Unit-based compensation expenses	**18,131**	2,064
- Future income taxes	**(300,000)**	-
- Deferred rental income accounted for using the straight-line method	**(102,010)**	(2,133)
- Gains on the disposal of property	**-**	-
Distributable income	**1,101,026**	**(123,465)**
Distributions to unitholders	**2,290,535**	998,506
Per unit data:		
- Distributable income	**0.034**	(0.009)
- Diluted distributable income	**0.034**	(0.009)
- Distributions	**0.070**	0.070
Coverage of distributions to distributable income ratio	**48.1%**	n/a

Distributable income increased each quarter with the addition of accretive acquisitions. Thus, in the first quarter of 2008, over 48.1% of distributions were covered by distributable income.

On April 28, 2008, the Board of Trustees announced reduction of the amount of distributions, from $0.28 per unit per year to $0.16 per unit per year. By doing so, the Trustees ensured that the AFFO will match the distributions. Furthermore, BTB's capital and funds from financing will then be used to fulfill BTB's mission: the acquisition of good quality properties.

In accordance with "Amended National Policy 41-201", promulgated by Canadian Securities Administrators, the Trust is required to reconcile distributable income (a non-GAAP measure) with cash flows from operating activities as shown in the financial statements.

The following table shows this reconciliation:

Quarters ended March 31 (in dollars)	**Quarters**	
	2008	**2007**
Cash flows from operating activities (GAAP)	**1,230,328**	67,881
- Amortization of deferred financing costs	**(110,123)**	(66,090)
- Amortization of fixed assets	**(200)**	(85)
- Property management expenses	**(104,959)**	(16,938)
- Change in non-cash working capital items	**(85,980)**	108,233
Distributable income	**1,101,026**	**(123,465)**

Funds from operations (FFO)

The notion of funds from operations ("FFO") does not constitute financial and accounting information defined by GAAP. It is, however, a measurement that is frequently used by real estate companies and real estate investment trusts. The Real Property Association of Canada (REALpac) defines FFO as net income calculated in accordance with GAAP, excluding the amortization of income-producing property, and of deferred rental costs, gains or losses from the disposition of income-producing properties, and future income taxes. Our calculation method is consistent with the method recommended by REALpac, but may differ from measures used by other real estate investment trusts. Consequently, this method may not be comparable to methods used by other issuers.

FFO constitute a supplementary measurement of operational performance since it disregards the usual assumption that the value of real estate properties decreases over time in a foreseeable manner. Furthermore, it accounts for some elements included in net earnings, as determined by GAAP, which may not be best suited to evaluate a return, as an example, gains or losses from the disposal of income-producing properties.

The following table is a reconciliation between the net loss established under GAAP and the FFO for the quarters ended March 31, 2008 and 2007:

Quarters ended March 31 (in dollars)	**Quarters**	
	2008	**2007**
Net loss (GAAP)	**(209,343)**	(342,307)
+ Amortization of income-producing properties and intangible assets	**1,302,412**	163,311
+ Amortization of deferred rental costs	**28,590**	-
- Gains on the disposition of property	**-**	-
- Future income taxes	**(300,000)**	-
Funds from operations	**821,659**	**(178,996)**
Per unit data:		
- Funds from operations per unit	**0.025**	(0.013)
- Funds from operations per unit (diluted)	**0.025**	(0.012)

In the first quarter of fiscal year 2008, the Trust posted positive FFO of $821,659. It partially covered the Trust's distributions, which totalled $2,290,535 for the same period. The reader will note, as previously mentioned, that the Board of Trustees has decided to reduce the distributions. As of the second quarter of 2008, the annual distributions will be $0.16 per unit.

Adjusted Funds From Operations (AFFO)

The notion of adjusted funds from operations ("AFFO") is increasingly used by real estate companies and Real Estate Investment Trusts. It is an additional measure to assess the Trust's performance and its ability to maintain and increase distributions in the long term. However, AFFO do not have the meaning of a financial or accounting measure prescribed by GAAP. The method of computing may differ from those used by other companies or real estate investment trusts and may not be used for comparison purposes.

BTB defines its AFFO as FFO adjusted to account for adjustments to leases in accordance with the straight-line method (deferred rental revenue), unrecoverable capital expenditures, the amortization of deferred financing costs and other assets, the amortization of above-market (below-market) rents, adjustments with regards to the liability component of convertible debentures, compensation expenses associated with purchase options, and unit-based property management expenses.

The following table provides a reconciliation of FFO and AFFO for the quarters ended March 31, 2008 and 2007:

Quarters ended March 31 (in dollars)	**Quarters**	
	2008	**2007**
Funds from operations	**821,659**	(178,996)
- Deferred rental revenue	**(102,010)**	(2,133)
+ Amortization of above-market (below-market) rents	**327,024**	(2,575)
+ Amortization of deferred financing costs	**110,123**	66,090
+ Unit-based compensation expenses	**18,131**	2,064
+ Increase in the liabilities component of convertible debentures	**64,812**	58,175
+ Amortization of fixed assets	**200**	85
+ Unit-based remuneration under management agreements	**173,695**	16,938
- Non recoverable capital expenses	**(23,500)**	
Adjusted funds from operations	**1,390,134**	**(40,352)**
Per unit data:		
- Adjusted funds from operations per unit (basic)	**0.042**	(0.003)
- Adjusted funds from operations per unit (diluted)	**0.042**	(0.003)

RELATED PARTY TRANSACTIONS

Services and Asset Management Agreements

In October 2006, the Trust entered into two exclusive agreements with AMTB Management Inc. (“AMTB”), a corporation owned and controlled by Mr. Michel Léonard, which provides the services of Messrs. Michel Léonard and Peter Polatos as officers of the Trust. Both officers are trustees of the Trust and directors of AMTB. As compensation for their services, they receive an annual fee, payable monthly, equal to 0.225% of the adjusted cost base (“ACB”) of BTB’s assets and a fee equal to 0.375% of the ACB for each acquisition. These fees are payable on each acquisition by means of Trust units. The agreements have a term of five-years and may be terminated with two years’ notice. Under these agreements, property management expenses totalled $104,959 for the first quarter of 2008 and $16,938 for the same period in 2007. An amount of $68,736 was also incurred as acquisition costs for income-producing properties purchased during the first quarter of 2008 when no such amount was incurred in the first quarter of 2007.

AMTB is also the asset manager of TB Trust pursuant to an asset management agreement (the “Asset Management Agreement”) between TB Trust and AMTB. Under the terms of this agreement, AMTB is responsible for identifying and evaluating properties for potential acquisition by TB Trust and its subsidiaries, among other things. No fees are payable to AMTB under the Asset Management Agreement.

COMPARATIVE SUMMARY OF QUARTERLY RESULTS

BTB was created from a predecessor entity, ABTB. Following an initial public offering, BTB began its operations on October 3, 2006. BTB's comparative quarterly information reflects this situation, as follows:

(in dollars)	2008 Q-1	2007 Q-4	2007 Q-3	2007 Q-2	2007 Q-1	2006 Q-4
Rental revenue	5,817,948	4,434,066	3,560,196	2,048,948	842,148	302,896
Net operating income	3,079,790	2,662,667	2,158,900	1,231,578	580,349	207,510
Operating income (loss) from real estate assets	(291,426)	(151,892)	415,995	252,794	20,768	34,406
Income (loss) before future income taxes and continuing operations	(209,343)	(920,053)	186,062	79,907	(344,604)	(179,374)
Net income (loss) from discontinued operations	-	165,711	-	-	2,297	-
Net earnings (net loss)	(209,343)	(1,234,342)	36,062	(176,493)	(342,307)	(179,374)
Basic earnings (loss) per unit	(0.006)	(0.038)	0.001	(0.007)	(0.024)	(0.010)
Diluted income (loss) per unit	(0.006)	(0.033)	0.001	(0.007)	(0.024)	(0.010)
Funds from operations (FFO)	821,659	687,627	845,074	422,289	(178,996)	(124,539)
FFO per unit – basic	0.025	0.021	0.026	0.022	(0.013)	(0.010)
FFO per unit – diluted	0.025	0.021	0.026	0.022	(0.012)	(0.010)
Adjusted Funds From Operations (AFFO)	1,390,134	1,482,189	1,190,219	527,050	40,352	N/A
FFO per unit – basic	0.042	0.045	0.037	0.022	(0.003)	N/A
FFO per unit – diluted	0.042	0.045	0.032	0.018	(0.003)	N/A

BTB's operations, and its quarterly results, are generally not subject to seasonal influences, but they are affected by economic events and cycles of a local, national or international nature which may influence the demand for space and the level of interest rates. BTB's leases generally have provisions allowing rent increases to offset the effects of inflation on operating expenses.

CAPITAL RESOURCES

Selected balance sheet information follows:

(in dollars)	March 31, 2008	December 31, 2007
Real estate assets	**205,730,868**	180,262,684
Mortgage loans	**118,004,673**	103,943,246
Convertible debentures	**21,997,718**	10,788,691
Bank loans	**5,925,000**	9,245,000
Cash and cash equivalents	**529,344**	6,170,554
Unitholders' equity	**58,280,236**	60,085,685

The changes to the balance sheet as at March 31, 2008 from the balance sheet as at December 31, 2007 stem from the acquisition of six properties, from obtaining mortgage financing and bank loans related to these acquisitions, and the closing of a public placement in the form of convertible debentures of over $13 million.

Mortgage loans

As at March 31, 2008, the Trust's mortgage loans amounted to $119.1 million compared to $104.7 million as at December 31, 2007, before differed financing costs. This increase is essentially attributable to the number of acquisitions throughout the first quarter of 2008. As at March 31, 2008, the weighted average interest rate of the mortgages was 6.08% compared to 6.13% for the mortgage loans as at December 31, 2007. All mortgage loans bear interest at fixed rates and for a fixed term.

BTB attempts to spread the terms of its mortgages over many years in order to mitigate the risk associated with renewing them.

The following table presents the changes in mortgages payable during the first quarter of 2008:

(in dollars)	$
Balance as at December 31, 2007	**104,735,692**
Contracted mortgage loans	**4,150,000**
Mortgage loans assumed with the acquisitions	**10,609,800**
Monthly principal repayments	**(499,913)**
Balance as at March 31, 2008	**118,995,579** (1)

(1) Before unamortized financing costs.

The net book value of the mortgaged properties was approximately $198 million as at March 31, 2008.

Unamortized loan financing costs totalled $990,906 and are amortized under the effective interest method for the term of the loans.

The following table, as of December 31, 2007, shows the mortgage loan repayments for upcoming years:

Years ended December 31 (in dollars)	**Yearly Principal repayments**	**Balance at maturity**	**Total**	**Weighted average interest rate on repayments (%)**
2008	1,246,453	-	1,246,453	6.53
2009	1,035,960	1,706,198	2,742,158	6.72
2010	884,959	-	884,959	6.13
2011	838,806	5,067,881	5,906,687	6.37
2012	1,841,022	47,280,678	49,121,700	6.38
2013	1,699,434	-	1,699,434	5.79
2014 and thereafter	2,766,947	40,367,354	43,134,301	5.78
Total			**104,735,692**	6.13
Minus: unamortized financing costs			792,446	
Financial statement balance as at December 31, 2007			**103,943,246**	

Convertible Debentures

a) Series A

In October 2006, the Trust issued Series A subordinated unsecured convertible debentures in the amount of $12,883,000. Interest is at the rate of 8% and is payable semi-annually. The debentures mature in October 2011. Subject to certain terms and conditions, the debentures are convertible at the request of the holder after October 2008 at a conversion price per unit of $2.55 (the “Series A Conversion Price”).

The debentures are redeemable at the discretion of the Trust, subject to certain terms and conditions, after October 2008 and prior to November 2010, at a price equal to the principal amount thereof plus accrued and unpaid interest provided that the current market price of the units is at least 150% of the Series A Conversion Price and after October 2010, at least 125% of the Series A convertible price.

On the date of issue, the debentures were recorded in a $11,381,441 liability component and a $1,501,559 equity component of BTB.

Management considers the convertible debentures to be good long-term sources of capital, which could be issued at a lower cost than its units. As at March 31, 2008, the Series A debentures had a $2.55 conversion price compared to the closing market price for BTB’s units of $1.75.

b) Series B

In March 2008, the Trust issued Series B subordinated unsecured convertible debentures in the amount of $13,020,000. Interest is at the rate of 8.5% and is payable semi-annually. The debentures mature on March 31, 2013. Subject to certain terms and conditions, the debentures are convertible at the option of the holder at any time no later than March 31, 2013. The conversion price per unit of $2.30 (the “Series B Conversion Price”).

The debentures are also redeemable at the discretion of the Trust, subject to certain terms and conditions, r after March 31, 2011 and prior to March 31, 2012, at a price equal to the principal amount thereof plus accrued and unpaid interest provided that the current market price of the units is at least 150% of the Series B Conversion Price and after March 31, 2012 and prior to March 31, 2013 at least 125% of the Series B convertible price.

On the date of issue, the debentures were recorded in a $12,338,897 liability component and a $681,103 equity component of BTB.

As at March 31, 2008, the Series B debentures had a $2.30 conversion price compared to the closing market price for BTB's units of $1.75.

Bank loans

During fiscal year 2007, BTB secured an acquisition facility of $50 million from a large finance company. This facility is renewable annually and bears interest at the Royal Bank of Canada's prime rate plus 0.5%. The Trust may use this facility to fund its acquisitions while permanent mortgage funding is negotiated. As at March 31, 2008, $5.9 million of this facility was used to purchase real estate properties with a net book value of $9.8 million.

As at January 1st, 2008, BTB also had an operation and acquisition credit facility of $4 million with a Canadian chartered bank. This credit facility, requiring no mortgage collateral and bearing interest at the bank's rate, matured on March 21, 2008 and was fully reimbursed. In April 2008, management renewed part of this facility for a period of one year and for an amount of $1,250,000.

Debt ratio

Under the terms of its contract of trust, the Trust mortgage loan to value ratio cannot exceed 75% of the gross book value of its properties and other assets. When establishing this calculation, the convertible debentures are not considered as debt. BTB intends to keep its loan to value ratio below 75% of its gross book value.

The following table presents the Trust's debt ratios as at March 31, 2008 and December 31, 2007.

(in dollars, except the ratios)	**March 31, 2008**	**December 31, 2007**
Mortgage loans	**118,004,673**	103,943,246
Convertible Debentures	**21,997,718**	10,788,691
Bank loans	**5,925,000**	5,925,000
Total long-term debt	**145,927,391**	**120,656,937**
Gross book value of the Trust	**215,532,916**	194,407,734
Loan to value ratio	**67.7 %**	62.1%
Loan to value ratio (excluding convertible debentures)	**57.5 %**	56.5%
Additional acquisition capacity (loan to value ratio at 70% of gross book value)	**72,000,000**	**22,000,000**

According to the table above, the loan to value ratio as at March 31, 2008 was 67.7%, compared to 62.1% as of December 31, 2007. This increase is attributable to mortgage loans concluded following property acquisitions, mortgage assumptions on acquired properties and the issue of Series B convertible debentures during the quarter.

As at March 31, 2008, if the Trust were to reach the loan to value ratio of 70% used by management, BTB could acquire over $72 million of properties, excluding convertible debentures. Nonetheless, the contract of trust allows a maximum level of the loan to value ratio of 75% in mortgage financing.

The following table presents the Trust's interest ratios as at March 31, 2008 and December 31, 2007.

(in dollars, except for the ratios)	March 31, 2008	December 31, 2007
EBITDA [1]	**2,880,004**	5,392,700
Interest charges	**2,089,388**	4,246,051
Interest cover ratio	**1.38**	**1.27**

(1) EBITDA is the earnings before depreciation, interest and taxes.

Unitholders' Equity

Unitholders' equity consists of the following:

(in dollars)	March 31, 2008	December 31, 2007
Trust Units	**69,092,392**	69,049,759
Unit Options	**77,320**	66,627
Equity component of convertible debentures	**2,182,662**	1,501,559
Cumulative loss	**(2,387,548)**	(2,178,205)
Cumulative distributions to Unitholders	**(10,644,590)**	(8,354,055)
	58,280,236	**60,085,685**

Trust Units

The following table summarizes units issued and the weighted number of units for the specified periods:

Quarters ended March 31 (in # of units)	Quarters 2008	Quarters 2007
Outstanding units, beginning of period	**32,691,941**	**14,269,907**
Units issued		
Public/private placement	**-**	**-**
Other issuances	**111,316**	10,258
Units issued upon exercise of options	**17,500**	20,000
Units outstanding, end of period	**32,820,757**	**14,300,165**
Weighted average number of units outstanding (basic)	**32,727,120**	**14,286,671**
Weighted average number of units outstanding (diluted)	**37,736,999**	**14,495,271**

The potential issuance of units under convertible debentures has an anti-dilutive effect on the calculation of the diluted net earnings per unit.

Under the services and asset management agreements entered into with AMTB, as previously described, for quarter ended March 31, 2008, BTB issued 111,316 units in payment of the fees for a value of $173,695.

Unit Options

The Trust may grant options to its trustees, senior officers, investor relations consultants and technical consultants. The maximum number of units reserved for issuance under the unit option plan may not exceed 10% of the total number of issued and outstanding units. The trustees have and will set the exercise price at the time that an option is granted under the plan, which exercise price shall not be less than the quoted market price of the units, as determined under a related agreement. The options have a maximum term of five years from the date of grant.

Details of unit options granted during the reporting periods are as follows:

Quarters March 31	Quarters			
	2008		2007	
	Unit Options	Weighted Average Exercise Price ($)	Unit Options	Weighted Average Exercise Price ($)
Outstanding, beginning of period	**2,157,000**	**2.58**	**878,000**	**1.94**
Granted	-	-	-	-
Exercised	(17,500)	1.00	(20,000)	1.00
Cancelled	-	-	(200,000)	2.15
Outstanding, end of period	**2,140,500**	**2.59**	**658,000**	**1.90**
Options vested as at March 31, 2008			658,000	1.90
Weighted average remaining term to expiry (years)				**4.35**

The purpose of granting unit options is to encourage the holder to acquire an ownership interest that increases over time and provides a financial incentive for the holder to consider the long-term interest of BTB and its unitholders. Options also serve as non-cash compensation, thus preserving the cash resources of BTB during its early years.

Diluted Capital Structure

The maximum number of units that would be outstanding if all convertible debentures were to be converted and all options were to be exercised is as follows:

(in # of units)	March 31, 2008	December 31, 2007
Units outstanding	**32,820,757**	32,691,941
Unit options	**2,140,000**	2,157,500
Convertible debentures Series A	**5,052,157**	5,052,157
Convertible debentures Series B	**5,660,870**	-
	45,673,784	**39,901,598**

The potential issuance of units under convertible debentures has an anti-dilutive effect on the calculation of the diluted net earnings per unit.

SUMMARY OF CRITICAL ACCOUNTING ESTIMATES

BTB's significant accounting policies are described in Note 2 to the March 31, 2008 unaudited financial statements. Management believes that the accounting policies most affected by estimates and by management's discretionary decisions during the preparation of financial statements are outlined below:

Income property acquisitions

Management is required to allocate the purchase price of income property acquisitions to land, the value of building and leasehold improvements, tenant inducements and intangible assets, such as lease origination costs and the value of client relationships. Management uses estimates and judgment to determine the following:

- The fair value of land as at the acquisition date;
- The value of the replacement cost of buildings and leasehold improvements as of the acquisition date based on prevailing construction costs for buildings of a similar class and age;
- The value of deferred rental costs, including improvements made by in-place lessees according to estimates of prevailing tenant inducements, while accounting for the condition of tenants' premises and the remaining lease term;
- The value of lease origination costs, including leasing commissions, foregone rent and operating expenses recovered during an estimated lease-up period, based on estimates of the costs that would be required for the existing leases to be put in place under the same terms and conditions;
- The value ascribed to above- and below-market rents based on the present value of the difference between the rents payable under the terms of the in-place leases and estimated market rents;
- The value of client relationships, based on the net costs averted if the tenants renew their leases at the end of the existing term, adjusted for the estimated probability that the tenants will renew; and
- The fair value of debt assumed on acquisition by reference to market interest rates.

Such estimates of fair values and market interest rates could vary and affect reported financial results.

Amortization of income properties

Buildings and leasehold improvements are amortized on a straight-line basis over their estimated useful lives, not to exceed 40 years. A significant portion of the acquisition cost of each property is allocated to the building. The allocation of the acquisition cost to the building and the determination of the useful life are based on management's estimates. If the allocation to the building is inappropriate or the estimated useful life of the building proves incorrect, the calculated amortization will not be appropriately reflected over future periods.

Impairment of income properties

Under Canadian GAAP, management is required to write down to fair value long-lived assets that are determined to have been impaired. If events or circumstances indicate that the carrying value of an income property may be impaired, a recoverability analysis is performed based on the estimated undiscounted cash flows to be generated from the income property. If the analysis indicates that the carrying value is not recoverable from future cash flows, the income property is written down to its estimated fair value and an impairment loss is recognized.

Fair value of debentures payable

Management determines the fair value of BTB's debentures, interest on which is payable on a semi-annual basis. To do this, management uses internally developed models that are based on current market conditions. The process involves discounting future contractual payments associated with mortgage loans or debentures using current market rates. Market rates are determined by adding a credit spread to the published rates of Canadian government bonds with similar maturity dates to BTB's mortgages and debentures. The credit spread is estimated based upon experience in obtaining similar financing, and is also affected by current market conditions.

Unit option plan

The Trust has a unit option plan for senior officers, employees, and trustees. The fair market value method is applied to all compensation based on units. Compensation costs associated with remuneration based on granted units are recorded during the vesting period. The fair market value of the unit options granted is estimated at the grant date by applying the Black-Scholes option pricing model. When unit options are exercised, the consideration received and the charges incurred on unit options are credited to the trust units. Option grants carried out under private placements or initial public offerings of units, are recorded as unit issuance costs.

CHANGES IN ACCOUNTING POLICIES

On January 1st, 2008, BTB adopted the recommendations contained in certain sections of the Canadian Institute of Chartered Accountants handbook (the "CICA Handbook"), namely Section 1535 – *Capital Disclosures*, Section 3862 – *Financial Instruments – Disclosures* and Section 3863 – *Financial Instruments – Presentation.* These new sections of the CICA Handbook apply to fiscal years beginning on or after October 1, 2007. These sections only deal with the information to be furnished and the presentation thereof and will not have any impact on the financial results of the Trust (see Notes 13 and 14 of the financial statements for the first quarter of 2008).

CONTROLS AND PROCEDURES

Our disclosure controls and procedures are designed to provide reasonable assurance that information required to be disclosed in reports is recorded, processed, summarized, and reported within the time periods specified under Canadian securities laws. The information is gathered and communicated to management to allow timely decisions regarding required disclosure.

Management is responsible for establishing and maintaining adequate internal control over financial reporting to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with GAAP.

A control system, no matter how well designed and operated, has inherent limitations and can only provide reasonable, not absolute, assurance that its objectives are met. Owing to inherent limitations in all control systems, and more specifically because of the size of BTB and its management team, it is impossible to provide absolute assurance that all situations needing to be subject to a control have been detected. These inherent limitations include (i) management assumptions and judgments that may later prove incorrect under other conditions or circumstances or (ii) the impact of isolated errors.

Management evaluated the effectiveness of the disclosure controls and procedures and the Trust's internal control over financial reporting as at March 31, 2008, pursuant to the requirements of Multilateral Instrument 52-109. During the quarter ended March 31, 2008, management continued to implement controls and procedures to remedy material weaknesses, inherent to its size, and will continue to improve the quality and reliability of its financial reporting.

RISKS AND UNCERTAINTIES

BTB and its properties are subject to the normal risks inherent in owning and managing real estate. Income properties are affected by general economic conditions, local real estate markets, supply and demand for leased premises, competition from other available premises, and various other factors. The main types of risks to which BTB is subjected in the course of its activities as well as the measures implemented in order to minimise their impact are presented in detail in the management's discussion and analysis for the year ended on December 31, 2007 and in the 2007 Annual Information Form dated April 28, 2008.