BTB

REAL ESTATE INVESTMENT TRUST

MANAGEMENT DISCUSSION AND ANALYSIS

Fiscal Year ended December 31, 2008

April 22, 2009

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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 fiscal year ended December 31, 2008, as well as its financial position on that date. This management discussion, dated April 22, 2009, should be read together with the consolidated financial statements and accompanying notes for the period ended December 31, 2008, 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. **Unless otherwise indicated, all amounts are in thousands of Canadian dollars, except for per unit and per square foot amounts.** Per unit amounts are calculated using the weighted average number of Trust units outstanding for the periods and fiscal year ended December 31, 2008 and 2007. Additional information about the Trust, including the 2008 Annual Information Form dated April 22, 2009, are available on the Canadian Security Administrators ("CSA") website at www.sedar.com.

The audit committee and the Trust's board of trustees have approved the contents of this Management Discussion and Analysis.

FORWARD-LOOKING STATEMENTS – CAVEAT

Certain statements contained in this discussion, or in certain instances in verbal or written declarations, 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 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 or prospective 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 2008 Annual Information Form dated April 22, 2009. 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 FINANCIAL 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, as revised 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 FISCAL YEAR HIGHLIGHTS

- AN INCREASE OF THE RECURRING FFO (FROM OPERATING INCOME) FROM 6.8¢ PER UNIT TO 9.5¢ PER UNIT, BEING 33%, AND FROM 12.4¢ PER UNIT TO 16.0¢ PER UNIT, BEING 29% OF THE ADJUSTED FFO FOR THE FISCAL YEAR. DECREASE IN DISTRIBUTIONS IN MARCH 2009 TO 8¢ PER UNIT ON AN ANNUALIZED BASIS, ALLOWING CASH FLOWS TO EXCEED THE DISTRIBUTIONS.

- AN IMPORTANT PORTION OF REVENUES GENERATED FROM QUALITY TENANTS: 38.55% OF ANNUAL REVENUES BEING GENERATED FROM GOVERNMENTS AND PUBLIC COMPANIES.

- RENEWAL OF 76% OF THE LEASES EXPIRED DURING THE FISCAL YEAR WITH AN AVERAGE INCREASE OF 10.6% PER SQUARE FEET.

- 23 NEW TENANTS, FOR MORE THAN 41,200 SQUARE FEET OF LEASABLE AREA.

- 30 OF THE 43 PROPERTIES ARE NOW BEING MANAGED INTERNALLY, PERMITTING SUBSTANTIAL SAVINGS IN 2009.

- THE ACQUISITION OF 11 PROPERTIES, FOR A TOTAL COST OF $50 MILLION, REPRESENTING 406,000 SQUARE FEET OF LEASABLE AREA.

- A DECREASE OF THE AVERAGE WEIGHTED CONTRACTUAL RATE OF INTEREST ON MORTGAGE LOANS, BY 25 BASIS POINTS, TO 5.88%.

- A DECREASE OF 4.5% IN THE OCCUPANCY RATE, OF WHICH 1% IS ATTRIBUTABLE TO THE ACQUISITION OF PROPERTIES HAVING A LOWER OCCUPANCY RATE THAN THE PORTFOLIO AVERAGE OCCUPANCY RATE.

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. To date, BTB has acquired and owns 43 commercial and industrial properties in primary and secondary markets. BTB has now become an important real estate owner in geographical markets east of Ottawa.

Since the fourth quarter of 2008, management of the Trust’s properties is, in the majority of the cases, performed internally. As at December 31, 2008, 30 of the Trust’s 43 properties are entirely managed by the Trust’s employees. Management’s objective is to repatriate the management of all of the Trust’s properties internally, under the terms of agreements between the Trust and its external managers, and thus achieve substantial savings in management and operating fees with a centralised and improved management of the properties.

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 (Thousand of $)**
Q-4 2006	2	117,826	14,508
Q-1 2007	8	229,556	26,694
Q-2 2007	12	628,614	73,629
Q-3 2007	3	92,692	12,723
Q-4 2007(1)	7	797,962	56,053
Q-1 2008	6	248,859	26,660
Q-2 2008	-	---	---
Q-3 2008	5	153,900	22,083
Q-4 2008	-	---	---
Total as at December 31, 2008	**43**	**2,269,409**	**232,350**

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

OBJECTIVES AND BUSINESS STRATEGY

The objectives of BTB are as follows:

(i) Generate cash distributions that are fiscally beneficial to unitholders;

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

(iii) To optimize 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 future capital expenditures.

The recent financial crisis has led to restrictions in the availability of credit as well as in access to capital. Consequently, the Trust does not anticipate being able to maintain in 2009 the growth rate it has experienced since its inception.

HIGHLIGHTS AND 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. Since then, the Trust has acquired 43 properties generating, on an annualized basis, revenues of approximately $30 million.

The table below presents highlights and selected financial information for the quarter and fiscal year in 2007 and 2008.

Quarter and fiscal year ended December 31 (in thousand dollars, except the ratios and per unit)	**Quarter**		**Fiscal year**	
	2008	2007[1]	**2008**	2007
Financial Information				
Operating income	**7,732**	4,434	**27,906**	10,955
Net operating income	**4,155**	2,663	**15,241**	6,640
Loss before future income taxes and discontinued operations	**1,503**	920	**3,517**	996
Net loss	**1,508**	1,234	**2,737**	1,717
Recurring distributable income	**867**	949	**3,971**	2,341
Recurring funds from operations	**759**	716	**3,144**	1,750
Recurring adjusted funds from operations	**1,222**	1,361	**5,284**	3,183
Distributions	**1,330**	2,278	**6,256**	7,390
Debt ratio – excluding convertible debentures			**61.2 %**	58.2%
Additional borrowing capacity			**33,100**	32,600
Real estate assets			**223,974**	182,293
Total assets			**229,304**	191,008
Mortgage loans			**146,771**	103,943
Convertible debentures			**22,621**	10,789
Equity			**52,340**	60,086
Financial information per unit				
Recurring distributable income	**2.6 ¢**	2.9 ¢	**12.0 ¢**	9.1 ¢
Recurring FFO	**2.3 ¢**	2.2 ¢	**9.5 ¢**	6.8 ¢
Recurring Adjusted FFO	**3.7 ¢**	4.2 ¢	**16.0 ¢**	12.4 ¢
Distributions	**4.0 ¢**	7.0 ¢	**18.9¢**	28.0 ¢
Operational information				
Number of properties			**43**	**32**
Leasable area (thousand sq. ft)			**2,269**	**1,863**
Occupancy rate			**92.2**	**96.7**
Average capitalization rate at time of purchase			**8.84**	**8.85**

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

REAL ESTATE PORTFOLIO

Since its initial public offering on October 3, 2006, BTB has acquired 43 properties, at a total cost of approximately $235 million and representing a total leasable area of over 2.2 million square feet. A description of the properties purchased prior to January 1, 2008 can be found in BTB's 2008 Annual Information Form dated April 22, 2009 available at www.sedar.com.

From January 1, 2008 to December 31, 2008, BTB acquired the following properties:

Property	**City**	**Date acquired**	**Type**	**Leasable area (sq. ft)**	**Acquisition cost[1] (thousand $)**	**Capitalization rate (at time of purchase)**
2155 Crescent	Montréal, QC	January 18, 2008	Mixed	7,800	1,815	n/a
1640-1650-1645 King West	Sherbrooke, QC	February 29, 2008	Office	62,407	6,300	9,1%
560 Henri-Bourassa West	Montréal, QC	March 26, 2008	Office	40,135	3,900	9,0%
3036-3094 Ch. Chambly	Longueuil, QC	March 26, 2008	Mixed	40,327	4,700	8,5%
204 De Montarville	Boucherville, QC	March 26, 2008	Office	29,882	4,250	8,4%
3885 Harvey	Chicoutimi, QC	March 26, 2008	Office	68,308	4,700	8.6%
665-669 Thibeau	Trois-Rivières, QC	August 13, 2008	Commercial	13,471	1,776	9.0%[2]
1100 & 1108-1136 St-Joseph Blvd.	Drummondville, QC	August 13, 2008	Commercial	25,273	3,254	9.0%[2]
747-805 King East	Sherbrooke, QC	August 13, 2008	Commercial	33,483	5,079	9.0%[2]
33-66 Jacques-Cartier North	Sherbrooke, QC	August 13, 2008	Commercial	31,260	5,799	9.0%[2]
1400 Marie-Victorin	St-Bruno, QC	Sept. 5, 2008	Office	50,413	5,490	8.7%
TOTAL				**402,759**	47,063	

(1) Excluding soft costs of acquisition

(2) These four properties were acquired as part of one same transaction

Over the past two years, the Trust's real estate portfolio increased substantially, as a result of favourable market conditions that management was able to identify. Similarly, revenues and profits proportionally increased in relation to the increase in the number of the Trust's properties.

The recent financial crisis has led to restrictions in the availability of credit and increased credit standards as well as to restrictions in access to capital. Consequently, the Trust does not anticipate being able to maintain a similar growth rate in 2009.

Although management is constantly looking for opportunities to raise capital at a reasonable cost, it will focus on the internal development of its current portfolio by improving the occupancy rate and the improvement of leases already in place.

DESCRIPTION OF PROPERTIES ACQUIRED IN 2008

2155 Crescent St., Montreal, Québec

This four-storey building of approximately 8,000 square feet of leasable area sits in close proximity to the financial core of downtown Montreal, on a highly coveted commercial street. Also in close proximity to the Concordia University and to the Montreal Museum of Fine Arts. This building houses BTB's head office.

Place Jacques-Cartier – 1640-1650-1645 King St. West, Sherbrooke, Québec

These two office buildings are facing each other. These buildings comprise approximately 62,400 square feet of leasable area, are currently leased at 85%. 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 40,135 square feet of office space. It is occupied by the Canada Post Corporation on the main floor and by various professional offices on the other floors.

3036-3094 Chemin de Chambly, Longueuil, Québec

This commercial building has 40,327 square feet of rental space. It houses a pharmacy, a 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 is occupied among others by an insurance company and offices of municipal economic development.

3885 Harvey Blvd., Ville de Saguenay, Québec

This building of 68,308 square feet of office space is occupied by tenants such as municipal and federal government offices and insurance companies.

665-669 Thibeau Boulevard, Trois-Rivières, Québec

Well-located on one of Trois-Rivières main arteries, this strip mall of 13,471 square feet is fully-leased and occupied by one of Canada's leading coffee/doughnut chains, as well as a prominent food store.

1100 & 1108-1136 St-Joseph Boulevard, Drummondville, Québec

This commercial strip mall of 25,273 square feet was built in 2003 and is a prominent fixture of this community. The property is occupied by a well-known financial institution, a prominent food store, a health and fitness center, a frozen food retailer, a bistro and a restaurant.

747-805 King Street East, Sherbrooke, Québec

This commercial building of 33,483 square feet is located on Sherbrooke's main artery and is occupied by among others two major financial institutions, a frozen food retailer, a restaurant, a major food chain and a wireless phone retailer.

33-66 Jacques-Cartier Boulevard North, Sherbrooke, Québec

Located in Sherbrooke's main shopping district, this strip mall of 31,260 square feet is close to amenities. It is occupied by a major fast-food chain, a travel agency, a cleaner, a liquor store, a prominent food store, a major video rental and sales store and a sushi restaurant.

1400 Marie-Victorin St., St-Bruno, Québec

This 50,413 square foot office building is strategically located at the intersection of Route 116 and Highway 30 on the South Shore of Montreal. The building sits in close proximity to the Promenades St-Bruno and St-Hubert Airport. The property currently generates a steady flow of income and is leased by a governmental public works agency, an office supply retailer, a well-known laboratory and a cosmetic company.

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

The table below summarizes financial results for the period ended December 31, 2008 and 2007. The table must be read in conjunction with our consolidated financial statements and the notes thereto.

Quarter and fiscal year ended December 31 (in thousand dollars)	**Quarter**		**Fiscal year**	
	2008	2007	**2008**	2007
Operating Revenues	**7,732**	4,434	**27,906**	10,955
Operating Expenses	**3,577**	1,771	**12,665**	4,315
Net operating income [(1)]	**4,155**	2,663	**15,241**	6,640
Interest income	**(7)**	(46)	**(60)**	(483)
Interest on loans and other carrying charges	**2,982**	1,646	**10,770**	4,246
Amortization of revenue producing properties and intangible assets	**1,711**	1,214	**6,043**	2,346
Operating benefit (loss) from real estate assets	**(531)**	(151)	**(1,512)**	531
Trust-related administrative expenses	**422**	515	**1,326**	1,247
Write-offs of pre-acquisition fees	**542**	-	**595**	-
Unit-based compensation	**8**	18	**84**	44
Unusual Items	**-**	236	**-**	236
Loss from continuing operations	**(1,503)**	(920)	**(3,517)**	(996)
Future income taxes credit	**5**	480	**(780)**	886
Net income from discontinued operations	**-**	166	**-**	165
Net loss	**(1,508)**	(1,234)	**(2,737)**	(1,717)

(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 yet unable to analyze the performance of its operating results on a same-property portfolio basis because during the last two years, BTB acquired 41 of the 43 properties that it currently holds, demonstrating the strong growth of its operations. The Trust expects being in a position to provide such an analysis upon release of its financial results for the first quarter of 2009.

Operating Revenues

BTB pursued its growth in operating revenues. This increase corresponds to $3,298 or 74% for the fourth quarter of 2008 in comparison with the corresponding quarter in 2007 and to $16,951 or 155% for fiscal 2008 in comparison with fiscal 2007. This increase is mainly a result of the contributions of the acquisitions completed in March 2008, but does not represent management's growth expectations. During the course of the third and fourth quarters of 2008, the Trust's vacancy rate increased from 5.0% to 7.8% resulting in a shortfall superior to that budgeted. This increase is mainly due to three factors: (i) the acquisition during the third quarter of properties with an average vacancy rate of 8.5%; (ii) a vacancy due the expulsion of an undesirable tenant; and (iii) the unexpected non renewal of certain leases at end of their term or the bankruptcy of certain tenants. Management estimates the shortfall in revenues attributable to the last two factors to be approximately $200 for the 2008 fourth quarter.

Operating revenues include amortization of an adjustment for purposes of recording contractual rent payments on a straight-line basis and for purposes of adjusting the value of the leases which are not at market terms and conditions, as more fully described in the table below.

Operating Revenues

Quarter and fiscal year ended December 31	**Quarter**		**Fiscal year**	
(in thousand dollars)	**2008**	2007	**2008**	2007
Rental revenue on the basis of in-place leases	**7,848**	4,698	**28,688**	11,529
Deferred rental revenue as per straight-line method	**120**	81	**418**	198
Amortization of the value attributable to leases which are not at market terms and conditions	**(236)**	(345)	**(1,200)**	(772)
Rental revenue from income- producing properties	**7,732**	4,434	**27,906**	10,955

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. On October 1, 2008, the Trust began the internalization of its property management that will eventually reduce substantially its operating costs. The amount of operating expenses, property taxes and services that BTB can recover from its tenants depends on the occupancy rate and the nature of the existing leases containing clauses regarding the recovery of fixed expenses. BTB pays particular attention to the respect of the existing leases and to the recovery of operating expenses of its properties. The increase in the level of expenses related to rental revenue in 2008 compared to the same period in 2007 is mostly attributable to the decline in the relative amount of revenue generated by five properties where leases are in place whereby no operating expenses are assumed by the Trust. During the fourth quarter of 2007, revenues generated from these properties represented 44.8% of total revenues, compared to 7.4% of total revenues for the same period in 2008.

The following table details the operating expenses for the quarter and fiscal year ended on December 31, 2008 and 2007:

Quarter and fiscal year December 31	**Quarter**		**Fiscal year**	
(in thousand dollars)	**2008**	2007	**2008**	2007
Operating Expenses				
- Operating costs	**1,435**	645	**4,978**	1,800
- Property taxes and utilities	**1,954**	1,042	**7,045**	2,307
- Property management expenses	**188**	84	**642**	208
	3,577	1,771	**12,665**	4,315
% of operating revenues	**46.3%**	39.9%	**45.4%**	39.4%

Net operating income

BTB's net operating income is 53.7% of operating revenues for the fourth quarter of 2008 and 54.6% for the fiscal year period ended December 31, 2008. The profit increased $1,492 or 56% for the fourth quarter of 2008 in comparison to the fourth quarter of fiscal 2007 and $8,601 or 130% for fiscal 2008 in comparison with fiscal 2007.

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. As 41 of the Trust's 43 acquisitions were concluded during 2007 and 2008, it will not be possible to use this ratio in the context of a same-property portfolio before the first quarter 2009.

Interest on loans

Interests on loans are generated by the following loans:

- Mortgage loans contracted or assumed totalling approximately $148 million, as at December 31, 2008 compared to $105 million as at December 31, 2007.
- Series A and B convertible debentures issued in the total amount of $25.9 million, including the additional interest charges accrued to account for the increase in liability attributable to the convertible debentures compared to $12.9 million as at December 31, 2007.
- Operating and acquisition credit facility used as needed, for a total of $0.4 million as at December 31, 2008 compared to $9.2 million as at December 31, 2007.
- Amortization of deferred financing costs related to mortgage loans and convertible debentures, using the effective interest method throughout the term of the related debts.

Quarter and fiscal year ended December 31	Quarter		Fiscal year	
(in thousand dollars)	**2008**	2007	**2008**	2007
Interest on mortgage loans	**2,148**	1,162	**7,736**	2,565
Interest on debentures	**534**	258	**1,896**	1,031
Interest on bank loans	**5**	16	**57**	46
Amortization of deferred financing costs	**194**	145	**724**	358
Accretion of liability component of convertible debentures	**101**	65	**357**	246
	2,982	1,646	**10,770**	4,246
% of operating revenues (net of interest income)	**38.5%**	36.1 %	**38.4%**	34.3 %

The total interest payable on loans increased $6,524 or 154% for fiscal 2008 compared to fiscal 2007, mainly as a result of various financing arrangements concluded or assumed in order to permit the financing of the most recent acquisitions, as well as the issue of series B convertible debentures in March 2008. Interest on loans represent 38.4% of operating revenues of 2008 compared to 34.3% in 2007.

The average weighted contractual rate of interest on mortgage loans was 5.88% as at December 31, 2008, 25 basis points lower in comparison to December 31, 2007.

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-operation contracts and the value of client relationships. Intangible assets are amortized according to the term of the affected leases on a straight-line basis. The average term of the leases in place as at December 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.

Quarter and fiscal year ended December 31	Quarter		Fiscal year	
(in thousand dollars)	**2008**	2007	**2008**	2007
Income-producing properties	**1,185**	608	**4,074**	1,572
Intangibles	**519**	605	**1,953**	772
Fixed assets	**7**	1	**16**	2
	1,711	1,214	**6,043**	2,346

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 and bad debts. A charge in the fourth quarter of 2008 related to bad debts and legal fees pertaining thereto were respectively $213 and $431 for fiscal 2008.

Quarter and fiscal year ended December 31	Quarter		Fiscal year	
(in thousand dollars)	**2008**	2007	**2008**	2007
Trust-related administrative expenses	**422**	515	**1,326**	1,247
In % of operating revenues	**5.5%**	11.6%	**4.8%**	11.4%

As for the fourth quarter and fiscal year ended December 31, 207, the administrative expenses include charges related to bad debts and the legal fees pertaining thereto as well as charges related to properties not acquired for a total amount of $248 and $369 respectively.

Unit-based compensation

During fiscal years ended December 31, 2008 and 2007, BTB recorded unit-based compensation totalling $84 and $44 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 9c to the financial statements for the fiscal year ended December 31, 2008.

Write-offs related to properties not acquired

The Trust decided to apply (by anticipation) the recommendations of the new Section 3064 – *Goodwill and Intangible Assets*, as well as the Realpac recommendations pertaining thereto, which specify that intangible assets are to be recognized as assets only if they meet the definition of an intangible asset and the asset recognition criteria.

During the last quarters, the Trust had accounted for, as deferred charges, the pre-acquisition fees in the order of $595 which fees would have been added to the purchase cost of the properties at closing.

In light of the current economic climate, the Trust does not have actually the sufficient financial resources in order to acquire the properties for which it has incurred the pre-acquisition fees.

The Trust has therefore decided to apply the new norms of Section 3064, as well as the Realpac recommendations pertaining thereto, to consequently write-off in the fiscal year ended December 31, 2008, the pre-acquisition fees in the amount of $595 previously accounted for as deferred charges.

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.

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. 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. 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 December 31, 2008, the Trust was in line with the provisions regarding normal growth.

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

The draft of the technical amendments of December 20, 2007 obtained royal assent in the House of Commons on March 4, 2009. Assuming that the Trust will continue to meet the REIT eligibility conditions, the Trust qualifies as a REIT. In the future, the Trust's management intends to ensure that these conditions are met on an ongoing basis.

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 December 31, 2008, under these rules, the Trust recorded a future income tax liability of nil in the consolidated balance sheet. A charge of $5 for future income tax benefits for the fourth quarter and a product of $780 for future income tax benefits for the fiscal year have been included in the results. These amounts will be reversed during the first quarter of 2009,

Net Loss

The net loss amounted to $1,503 for the quarter and to $2,732 for fiscal year ended December 31, 2008 compared to a net loss of $1,234 and $1,717 for the same period of 2007. These losses are primarily attributable to the significant increase in the allocation of amortization expense of income-producing properties, in particular the proportion of intangible assets increased greater than in proportion to operating income.

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 fluctuates according to real estate market conditions.

Quarter and fiscal year ended December 31	**Quarter**		**Fiscal year**	
(in thousand dollars except per unit)	**2008**	2007	**2008**	2007
Net profit (Net loss)	**(1,508)**	(1,234)	**(2,737)**	(1,717)
Basic loss per unit	**(4.5)¢**	(3.8)¢	**(8.3)¢**	(6.7)¢
Diluted loss per unit	**(4.5)¢**	(3.8)¢	**(8.3)¢**	(6.6)¢

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 fiscal year ended December 31, 2008 and 2007.

Quarter ended December 31, 2008 (in thousand dollars)	**Office buildings**		**Commercial buildings**		**Industrial buildings**		**Mixed buildings**		**Total**
	$	**%**	**$**	**%**	**$**	**%**	**$**	**%**	**$**
Income from income-producing properties	3,354	43	1,378	18	735	10	2,265	29	7,732
Net operating income	1,599	39	1,017	24	405	10	1,134	27	4,155
Amortization of income-producing properties and intangible assets	469	40	230	19	126	11	360	30	1,185

Quarter ended December 31, 2007 (in thousand dollars)	Office buildings		Commercial buildings		Industrial buildings		Mixed buildings		Total
	$	%	$	%	$	%	$	%	$
Income from income-producing properties	1,800	41	731	16	466	11	1,437	32	4,434
Net operating income	881	33	654	25	368	14	760	28	2,663
Amortization of income-producing properties and intangible assets	269	44	105	17	70	12	164	27	608

Fiscal year ended December 31, 2008 (in thousand dollars)	Office buildings		Commercial buildings		Industrial buildings		Mixed buildings		Total
	$	%	$	%	$	%	$	%	$
Income from income-producing properties	11,333	41	4,537	16	3,140	11	8,896	32	27,906
Net operating income	5,370	35	3,305	22	2,057	13	4,509	30	15,241
Amortization of income-producing properties and intangible assets	1,597	39	692	17	496	12	1,288	32	4,073
Income-producing properties	86,637	39	51,276	23	23,761	11	61,630	27	223,304

Fiscal year ended December 31, 2007 (in thousand dollars)	Office buildings		Commercial buildings		Industrial buildings		Mixed buildings		Total
	$	%	$	%	$	%	$	%	$
Income from income-producing properties	3,436	31	2,981	27	915	8	3,623	34	10,955
Net operating income	1,758	27	2,365	36	698	10	1,819	27	6,640
Amortization of income-producing properties and intangible assets	505	32	492	31	145	9	430	28	1,572
Income-producing properties	64,809	34	35,777	20	24,811	14	56,896	32	182,293

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. The Trustees have undertaken that at least 85% of annual distributable income must be distributed to unitholders.

Distributable income corresponds to net income as prescribed by GAAP, excluding amortization of real estate properties, amortization of adjustments to leases which are not at market terms and conditions, unit-based compensation expenses, amortization of deferred rental revenue subsequent to adjusting the leases using the straight-line method, the profits or losses on the disposition of properties and the provision for future income taxes.

Quarter and fiscal year ended December 31 (in thousand dollars, except the ratios and per unit)	Quarter 2008	Quarter 2007	Fiscal year 2008	Fiscal year 2007
Net loss (GAAP)	**(1,508)**	(1,234)	**(2,737)**	(1,717)
+ Amortization of income-producing properties and intangible assets	**1,704**	1,213	**6,027**	2,346
+ Amortization of adjustment of the leases which are not at market terms and conditions	**236**	345	**1,200**	773
+ Unit-based compensation expenses	**8**	18	**84**	44
+ Write-offs of pre-acquisition fees	**542**	-	**595**	-
+ Future income taxes credits	**5**	480	**(780)**	886
- Deferred rental income accounted for using the straight-line method	**(120)**	(81)	**(418)**	(198)
- Gains on the disposal of property	**-**	(29)	**-**	(29)
Distributable income	**867**	712	**3,971**	2,105
+ Unusual Items	**-**	236	**-**	236
Recurring distributable income	**867**	948	**3,971**	2,341
Distributions to unitholders	**1,330**	2,278	**6,256**	7,390
Per unit data:				
- Distributable income	**2.6¢**	2.2¢	**12.0¢**	8.2¢
- Diluted distributable income	**2.6¢**	2.2¢	**12.0¢**	8.1¢
- Recurring distributable income	**2.6¢**	2.9¢	**12.0¢**	9.1¢
- Recurring diluted distributable income	**2.6¢**	2.9¢	**12.0¢**	9.0¢
- Distributions	**4.0¢**	7.0¢	**18.9¢**	28.0¢
Coverage of distributions to distributable income ratio	**65.2 %**	31.3 %	**63.5 %**	28.5 %
Coverage of distributions to recurring distributable income ratio	**65.2 %**	41.6 %	**63.5 %**	31.7 %

In the fourth quarter of 2008, 65.2% of distributions were covered by distributable income. For fiscal year 2008, 63.5% of distributions were covered by distributable income.

In February 2009, the Board of Trustees announced the reduction of the amount of distributions, from 16¢ per unit per year to 8¢ per unit per year. By doing so, the Trustees ensured that the distributions are covered by distributable income and that liquidity remains available for improvements to its real estate portfolio and the development thereof.

In accordance with “Amended National Policy 41-201”, promulgated by Canadian Securities Administrators (“CSA”), 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:

Quarter and fiscal year ended December 31	Quarter		Fiscal year	
(in thousand dollars)	**2008**	2007	**2008**	2007
Cash flows from operating activities (GAAP)	**3,325**	1,942	**5,961**	4,257
Future income taxes	**-**	-	**-**	303
Amortization of deferred financing costs	**(194)**	(145)	**(724)**	(358)
Amortization of fixed assets	**(7)**	(1)	**(16)**	(2)
Accretion of liability component of convertible debentures	**(101)**	(65)	**(357)**	(246)
Unit-based compensation (as per management agreements)	**(150)**	(302)	**(529)**	(713)
Change in non-cash working capital items	**(2,006)**	(717)	**(364)**	(1,136)
Distributable income	**867**	712	**3,971**	2,105

Analysis of distributed cash

In accordance with instructions received from the CSA, the Trust also presents the following table:

Quarter and fiscal year ended December 31		Quarter		Fiscal year	
(in thousand dollars)		**2008**	2007	**2008**	2007
A.	Cash flows from operating activities	**3,325**	1,942	**5,961**	4,257
B.	Net loss	**(1,508)**	(1,234)	**(2,737)**	(1,717)
C.	Distributions to unitholders	**1,330**	2,278	**6,256**	7,390
D.	Surplus (deficit) of cash flows from operating activities to distributions (A – C)	**1,995**	(335)	**(295)**	(3,133)

BTB is temporarily financing its distributions with its available credit facilities.

Due to the significance of non-cash items, as demonstrated in the table showing the reconciliation of net income and distributable income, BTB believes that the comparison of the distributions to the net loss is not indicative of its capacity to pay its distributions.

In addition, starting March 2009, distributions have been reduced by 50%, to 8¢ per unit on an annualized basis. This reduction will ensure that cash flows from operating activities in 2009 will be higher than the distributions.

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 quarter and fiscal year ended December 31, 2008 and 2007:

Quarter and fiscal year ended December 31	**Quarter**		**Fiscal year**	
(in thousand dollars except per unit)	**2008**	2007	**2008**	2007
Net loss (GAAP)	**(1,508)**	(1,234)	**(2,737)**	(1,717)
+ Amortization of income-producing properties and intangible assets	**1,704**	1,213	**6,027**	2,346
+ Amortization of deferred rental costs	**16**	21	**39**	28
+ Write-offs of pre-acquisition fees	**542**	-	**595**	-
- Gains on the disposition of property	**-**	-	-	(29)
+ Future income taxes	**5**	480	**(780)**	886
Funds from operations	**759**	480	**3,144**	1,514
+ Unusual items	**-**	236	**-**	236
Recurring funds from operations	**759**	716	**3,144**	1,750
Per unit data:				
- Funds from operations per unit	**2,3¢**	1,5¢	**9,5¢**	5,9¢
- Funds from operations per unit (diluted)	**2,3¢**	1,5¢	**9,5¢**	5,8¢
Funds from operations per unit	**2,3¢**	2,2¢	**9,5¢**	6,8¢
- Funds from operations per unit (diluted)	**2,3¢**	2,2¢	**9,5¢**	6,8¢

For the period ended December 31, 2008, the Trust posted positive FFO of $759, partially covering the Trust's distributions, which totalled $1,330 for the same period. The reader will note, as previously mentioned, that the Board of Trustees has reduced the distributions. As of March 2009, the annual distribution is 8¢ per unit.

Adjusted Funds From Operations (AFFO)

The notion of adjusted funds from operations ("AFFO") is widely 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 leases which are not at market terms and conditions, adjustments with regards to the liability component of convertible debentures, compensation expenses associated with purchase options, and unit-based property management expenses.

Since the first quarter of 2008, the Trust decided to deduct a reserve for unrecoverable capital expenses in order to calculate the AFFO. The Trust allocates significant amounts to the regular maintenance of its properties in an attempt to reduce capital expenses as much as possible. The allocation for unrecoverable capital expenses is calculated on an annualized basis of 20¢ per square foot. The management of BTB believes that this reserve adequately represents the unrecoverable and continuous investments that are necessary to the proper maintenance and to the improvement of its properties.

Management also decided to add to its funds from operations the portion of the remuneration paid to two officers of the Trust in order to calculate the AFFO. The remuneration, in accordance with the agreements presented in the following section, was partly paid to these officers in units in order to preserve the Trust's liquidity.

The AFFO for the previous periods were recalculated accordingly.

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

Quarter and fiscal year ended December 31	**Quarter**		**Fiscal year**	
(in thousand dollars except per unit)	**2008**	2007	**2008**	2007
Funds from operations	**759**	480	**3,144**	1,514
- Deferred rental revenue	**(120)**	(81)	**(417)**	(198)
+ Amortization of leases not at market terms and conditions	**236**	345	**1,200**	773
+ Amortization of deferred financing costs	**194**	145	**724**	358
+ Unit-based compensation expenses	**8**	18	**84**	44
+ Accretion of liability component of convertible debentures	**101**	65	**357**	246
+ Amortization of fixed assets	**7**	1	**16**	2
+ Unit-based remuneration under management agreements	**150**	152	**529**	208
- Provisions for non-recoverable capital expenses	**(113)**	-	**(353)**	-
Adjusted funds from operations	**1,222**	1,105	**5,284**	2,947
+ Unusual items	**-**	236	**-**	236
Recurring adjusted funds from operations	**1,222**	1,361	**5,284**	3,183
Per unit data:				
- Adjusted funds from operations per unit (basic)	**3.7¢**	3.4¢	**16.0¢**	11.4¢
- Adjusted funds from operations per unit (diluted)	**3.7¢**	3.4¢	**16.0¢**	11.4¢
- Recurring funds from operations per unit (basic)	**3.7¢**	4.2¢	**16.0¢**	12.4¢
- Recurring funds from operations per unit (diluted)	**3.7¢**	4.2¢	**16.0¢**	12.3¢

RELATED PARTY TRANSACTIONS

Services and Asset Management Agreements

In October 2006, the Trust entered into an exclusive agreement with AMTB Management Inc. ("AMTB"). Messrs. Michel Léonard and Peter Polatos are the two shareholders of AMTB, a corporation which provides the services of Messrs. Léonard and Polatos as officers of the Trust. Both officers are trustees of the Trust and directors of AMTB. Up to March 31, 2008, as compensation for its services, AMTB received 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 of the Trust, once BTB's portfolio reached a value of $50 million. These fees were paid entirely by means of Trust units. When BTB's portfolio reached a value of $200 million, the acquisition fees would have been paid 50% in Trust units and 50% cash. In May 2008, the Trust and AMTB amended this agreement. Since April 1, 2008, no acquisition fee is payable for acquisitions approved by the Investment Committee after March 31, 2008. In return, the annual management fees were increased to 0.325% of the ACB on an annualized basis for the remainder of the 2008 financial year and to 0.30% for the 2009 financial year. These fees are payable 80% in Trust units and 20% cash. In February 2009, the Trust and AMTB decided to terminate this agreement. The terms of a new agreement have not yet been finalized but will result in a decrease of the management fees.

The following table provides the fees for the quarter and fiscal year ended December 31, 2008 and 2007:

Quarter and fiscal year ended December 31	**Quarter**		**Fiscal year**	
(in thousand dollars)	**2008**	2007	**2008**	2007
Annual fees	**188**	84	**642**	208
Acquisition fees	**-**	218	**178**	505
	188	302	**820**	713

AMTB is also the asset manager of TB Subsidiary Trust pursuant to an asset management agreement (the "Asset Management Agreement") between TB Subsidiary Trust and AMTB. Under this agreement, AMTB's responsibilities include, among other things, identifying and evaluating properties for potential acquisition by TB Subsidiary Trust and its subsidiaries. No fees are payable under this 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 thousand dollars except per unit)	2008 Q-4	2008 Q-3	2008 Q-2	2008 Q-1	2007 Q-4	2007 Q-3	2007 Q-2	2007 Q-1
Rental revenue	7,732	7,199	7,156	5,818	4,434	3,453	1,942	842
Net operating income	4,155	4,082	3,950	3,080	2,663	2,095	1,251	580
Operating income (loss) from real estate assets	(531)	(409)	(255)	(291)	(151)	372	292	21
Income (loss) before future income taxes and continuing operations	(1,503)	(783)	(723)	(509)	(920)	142	25	(345)
Net income (loss) from discontinued operations	---	---	---	---	166	44	54	2
Net earnings (net loss)	(1,508)	(783)	(238)	(209)	(1,234)	36	(176)	(342)
Basic earnings (loss) per unit	(4.5)¢	(2.5)¢	(0.7)¢	(0.6)¢	(3.8)¢	0.1¢	(0.7)¢	(2.3)¢
Diluted income (loss) per unit	(4.5)¢	(2.5)¢	(0.7)¢	(0.6)¢	(3.84)¢	0.1¢	(0.6)¢	(2.4)¢
Recurring Funds from operations (FFO)	759	830	734	822	716	831	388	(185)
FFO per unit – basic	2.3¢	2.5¢	2.2¢	2.5¢	2.2¢	2.6¢	1.7¢	(1.3¢)
FFO per unit – diluted	2.3¢	2.5¢	2.2¢	2.5¢	2.2¢	2.5¢	1.6¢	(1.2¢)
Adjusted Funds From Operations (AFFO)	1,222	1,427	1,305	1,330	1,361	1,281	605	(40)
FFO per unit – basic	3.7¢	4.4¢	4.0¢	4.1¢	4.2¢	4.0¢	2.7¢	(0.1¢)
FFO per unit – diluted	3.7¢	4.5¢	4.1¢	4.2¢	4.2¢	4.0¢	2.7¢	(0.1¢)

Note: The presentation of certain elements of the previous quarters has been changed to reflect the presentation used in 2008.

BTB's operations, and its quarterly results, are not significantly 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 thousand dollars)	December 31, 2008	December 31, 2007
Real estate assets	**223,974**	182,293
Mortgage loans	**146,771**	103,943
Convertible debentures	**22,621**	10,789
Bank loans	**400**	9,245
Cash and cash equivalents	**357**	6,171
Unitholders' equity	**52,345**	60,086

The changes to the balance sheet as at December 31, 2008 from the balance sheet as at December 31, 2007 stem from the acquisition of 11 properties, from obtaining mortgage financing and bank loans related to these acquisitions, and the closing of a public placement, in March 2008, in the form of convertible debentures of over $13 million.

Long-term debt

The following table presents BTB's debt balances as at December 31, 2008, including mortgages payable and convertible debentures, by year of maturity and weighted average contractual interest rates:

Years of maturity	Balance of convertible debentures (in thousand $)	Balance of mortgage payable (in thousand $)	Weighted average contractual interest rate (%)
2009	---	8,169	5.67
2010	---	4,781	5.62
2011	12,883	14,732	6.77
2012	---	49,312	6.16
2013	13,020	17,522	6.86
2014	---	37,342	5.85
2015	---	4,989	5.57
2016	---	416	5.63
2017	---	10,275	5.63
Total	**25,903**	**147,538**	**6.23**

As at December 31, 2008, the weighted average contractual interest rate of the long-term debt stood at 6.23%, being 5.88% for mortgages payable and 8.25% for convertible debentures.

Mortgage loans

As at December 31, 2008, the Trust's mortgage loans amounted to $147.5 million compared to $104.7 million as at December 31, 2007, before deferred financing costs and valuation adjustments, an increase of $42.8 million. As at December 31, 2008, the weighted average interest rate of the mortgages was 5.88% compared to 6.13% for the mortgage loans as at December 31, 2007, a decrease of 25 basis points. 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.

In 2008, the Trust entered into or assumed mortgage loans totalling $46.5 carrying interest at a weighted average interest rate of 5.62%. It also renewed mortgage loans maturing during the course of fiscal 2008. These financing operations are detailed in the following table:

(in thousand dollars)	**$**
Balance as at December 31, 2007	**104,736**
Contracted mortgage loans or assumed	**46,471**
Balance reimbursed at expiration	**(2,522)**
Monthly principal repayments	**(1,147)**
Balance as at December 31, 2008	**147,538**

Note: Before unamortized financing costs.

The net book value of the mortgaged properties was approximately $221.7 million as at December 31, 2008. Unamortized loan financing costs totalled $1,0 million and are amortized under the effective interest method for the term of the loans.

The following table, as of December 31, 2008, shows the mortgage loan repayments for upcoming years:

Years ended December 31 (in dollars)				
Expiry	**Yearly Principal repayments**	**Balance at maturity**	**Total**	**Weighted average interest rate on repayments (%)**
2009	2,014	6,155	8,169	5.5
2010	1,926	2,855	4,781	3.2
2011	1,837	12,895	14,732	10.0
2012	2,031	47,281	49,312	33.4
2013	1,717	15,805	17,522	11.9
2014	819	36,523	37,342	25.3
2015	472	4,517	4,989	3.4
2016	416	-	416	0.3
2017	108	10,167	10,275	7.0
Total	**11,340**	**136,198**	**147,538**	**100.0**
Plus: Valuation adjustments on assumed loans			**235**	
Minus: unamortized financing costs			**(1,002)**	
Balance as of December 31, 2008			**146,771**	

Convertible Debentures

(a) Series A

In October 2006, the Trust issued Series A subordinated unsecured convertible debentures in the amount of $12,883. 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”). As at December 31, 2008, the closing market price for BTB’s units was $0.50.

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 liability component and a $1,502 equity component of BTB.

(b) Series B

In March 2008, the Trust issued Series B subordinated unsecured convertible debentures in the amount of $13,020. 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"). As at December 31, 2008, the closing market price for BTB's units was $0.50.

The debentures are also redeemable at the discretion of the Trust, subject to certain terms and conditions, on or 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 $12,339 liability component and a $681 equity component of BTB.

Bank loans

BTB has an operation and acquisition credit facility of $1.3 million with a Canadian chartered bank. This credit facility is guaranteed by a collateral mortgage on a property with a net book value of $2 million and bears interest at the bank's prime rate, plus 0.75%. As at December 31, 2008, an amount of $0.4 million was used.

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 in the calculation of total indebtedness.

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

(in thousand dollars, except the ratios)	December 31, 2008	December 31, 2007
Mortgage loans	**146,771**	103,943
Convertible Debentures	**22,621**	10,789
Bank loans	**400**	9,245
Total long-term debt	**169,792**	123,977
Gross book value of the Trust	**240,319**	194,408
Total Loan to value ratio	**70.6**	63.8%
Loan to value ratio (excluding convertible debentures)	**61.2**	58.2%
Additional permitted borrowing capacity	**33,100**	32,600

According to the table above, the loan to value ratio as at December 31, 2008 was 61.2%, compared to 58.2% 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 period.

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

(in thousand dollars, except for the ratios)	December 31, 2008	December 31, 2007
Recurring EBITDA[(1)]	**13,638**	5,393
Interest on loans	**9,689**	3,642
Interest cover ratio	**1.41**	1.48

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

Unitholders' Equity

Unitholders' equity consists of the following:

(in thousand dollars)	December 31, 2008	December 31, 2007
Trust units	**69,539**	69,049
Unit options	**143**	67
Equity component of convertible debentures	**2,183**	1,502
Cumulative loss	**(4,915)**	(2,178)
Cumulative distributions to unitholders	**(14,610)**	(8,354)
	52,340	**60,086**

Trust Units

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

Quarter and fiscal year ended December 31	**Quarter**		**Fiscal year**	
(in # of units)	**2008**	2007	**2008**	2007
Outstanding units, beginning of period	**33,107,462**	32,503,265	**32,691,941**	14,269,907
Units issued				
- Public/private placement	---	---	---	18,055,000
- Other issuances	**244,929**	88,176	**642,950**	246,534
Units issued upon exercise of options	---	100,500	**17,500**	120,500
Units outstanding, end of period	**33,352,391**	32,691,941	**33,352,391**	32,691,941
Weighted average number of units outstanding (basic)	**33,256,924**	32,587,965	**32,974,808**	25,766,472
Weighted average number of units outstanding (diluted)	**33,256,924**	32,630,488	**32,974,808**	25,911,591

The potential issuance of units under convertible debentures has an anti-dilutive effect on the calculation of the diluted net earnings per unit. The dilution resulting from the conversion of convertible debenture has not been considered.

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 period are as follows:

Period ended December 31, 2008	**Quarter**		**Fiscal year**	
	Unit Options	**Weighted Average Exercise Price ($)**	**Unit Options**	**Weighted Average Exercise Price ($)**
Outstanding, beginning of period	**2,735,000**	2.28	**2,157,500**	2.58
Granted	**50,000**	0.90	**645,000**	1.09
Exercised	**---**	---	**(17,500)**	1.00
Outstanding, end of period	**2,785,000**	2.26	**2,785,000**	2.26
Options vested as at December 31, 2008			**2,049,000**	2.08
Weighted average remaining term to expiry (years)				3.50

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)	December 31, 2008	December 31, 2007
Units outstanding	33,352,391	32,691,941
Unit options	2,785,000	2,157,500
Convertible debentures Series A	5,052,157	5,052,157
Convertible debentures Series B	5,660,870	---
	46,850,418	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.

PROPERTY PORTFOLIO

The following table presents information about our property portfolio:

(in thousand dollars)	December 31, 2008
Income properties (at cost)	**234,989**
Other assets	**5,330**
Portfolio gross book value	**240,319**
Number of properties	**43**
Leasable area (in thousands of sq. ft.)	**2,269**

Summary by sector of activity

	Number of properties	Leasable area (sq.ft.)	%
Office	15	728,214	32.1
Retail	11	398,588	17.6
Industrial	7	573,116	25.3
Mixed use	10	569,491	25.0
Total	**43**	**2,269,409**	**100.0**

REAL ESTATE OPERATIONS

The following table presents our operational performance indicators as at December 31, 2008:

	December 31, 2008
Occupancy rate	**92.2 %**
Tenant retention rate[1]	**76.0 %**
Tenant non-renewal rate[2]	**24.0 %**
New leases concluded	**23**

[1] *Percentage of leases expiring in 2008 (in sq. ft) renewed to date*

[2] *Percentage of leases expiring in 2008 (in sq. ft) and not renewed by tenants*

Occupancy Rate

BTB continuously strives to maximize occupancy rates throughout its portfolio and has successfully maintained with its acquisitions an average occupancy between 94% and 97% since its inception. As at December 31, 2008, the occupancy rate was 92.2%.

The following table presents occupancy rates by sector of activity as at December 31, 2008:

Sector of activity	December 31, 2008
Office	93.1 %
Retail	88.5 %
Industrial	93.1 %
Mixed use	92.5 %
Total portfolio	**92.2 %**

Leasing Activity

The following table contains a summary of the Trust's leasing activity as at December 31, 2008:

	Office	Retail	Industrial	Mixed-use	Total
Expired leases/2008					
Number of tenants	41	6	3	21	71
Leasable area (sq.ft.)	95,362	23,393	49,616	84,838	254,973
Average net rent/sq.ft. ($)	$8.09	$10.67	$4.60	$7.60	$7.43
Renewed leases					
Number of tenants	29	4	2	15	50
Leasable area (sq.ft.)	79,365	19,122	26,616	68,567	193,670
Average net rent/sq.ft. ($)	$8.70	$12.90	$5.80	$7.29	$8.22
% renewal	83.2%	81.7%	53.6%	80.8%	76.0%
New leases					
Number of tenants	9	2	---	12	23
Leasable area (sq.ft.)	10,487	5,288	---	25,493	41,268
Average net rent/sq.ft. ($)	$11.79	$12.00	---	$12.23	$11.86

Of the 71 leases expired in 2008, 50, representing 76% of the leasable area, were renewed with an average increase of 10.6% per square foot. Only the sector of mixed-use buildings had a global reduction in the average rent. However, the leases that were renewed were done so with an average increase of 5% per square foot. 21 tenants, representing 61,303 square feet, decided against renewing theirs leases and left the premises at the expiry of their lease.

The Trust regrets the premature departure of eight tenants for reasons of bankruptcy or withdrawal from business. These situations resulted, during the fiscal year, in an increase of 1.6% of the vacancy rate.

Lease Maturity

The following table details our lease maturity profile for the next five years:

	2009	2010	2011	2012	2013
Office					
Leasable area (sq.ft.)	119,550	78,815	116,393	40,267	132,763
Lease rate/square foot ($)	$9.53	$11.46	$10.47	$10.36	$10.03
% of office portfolio	16.42%	10.82%	15.98%	5.53%	18.23%
Retail					
Leasable area (sq.ft.)	44,244	15,341	4,779	4,041	20,965
Lease rate/square foot ($)	$11.63	$11.04	$20.63	$18.84	$14.55
% of retail portfolio	11.10%	3.85%	1.20%	1.01%	5.26%
Industrial					
Leasable area (sq.ft.)	---	49,120	2,730	95,233	21,279
Lease rate/square foot ($)	---	$5.50	$6.00	$9.87	$6.25
% of industrial portfolio	---	8.63%	0.48%	16.72%	3.74%
Mixed-use					
Leasable area (sq.ft.)	70,515	48,060	139,027	57,652	30,894
Lease rate/square foot ($)	$13.09	$11.58	$11.19	$13.96	$11.59
% of mixed-use portfolio	12.30%	8.39%	24.26%	10.06%	5.39%
Portfolio total					
Leasable area (sq.ft.)	234,309	191,336	262,929	197,192	205,901
Lease rate/square foot ($)	$10.46	$11.17	$11.20	$12.71	$11.04
% of portfolio	10.32%	8.43%	11.59%	8.69%	9.07%

Top 10 Tenants

As at December 31, 2008, BTB manages 475 leases of an average of approximately 4,400 square feet of space. The three most important tenants are Hydro-Québec, the CSST (an agency of the Government of Québec) and Cornwall Warehousing, accounting respectively for approximately 6.4%, 4.9% and 4.1% of BTB's revenue, which is generated by several leases with maturity dates that are staggered over time. An important portion of the Trust's revenue is generated by leases entered into with government agencies (federal, provincial and municipal) and public companies, representing 38.5% of total revenues, therefore ensuring stability and quality of cash flows for operating activities of the Trust.

The table below presents the percentage contribution to revenue of the ten largest tenants:

Tenant	% of revenues	Leased space (sq.ft.)
Hydro-Québec	6.35	80,100
C.S.S.T (Government of Québec)	4.94	46,664
Cornwall Warehousing	4.07	294,884
Germain Larivière	3.89	101,194
Société immobilière du Québec	3.58	75,954
C.L.S.C (Government of Québec)	2.53	42,359
Groupe Aro	2.43	48,000
Annie Fruit and « Le Végétarien » stores	2.34	89,308
Canadian Tire	2.32	53,000
Mouvement Desjardins	1.77	33,369

SUMMARY OF CRITICAL ACCOUNTING ESTIMATES

BTB's significant accounting policies are described in Note 2 to the December 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.

NEW ACCOUNTING POLICIES

Adopted in 2008

At the beginning of 2008, BTB adopted the following new accounting standards issued by the Canadian Institute of Chartered Accountants ("CICA"):

Section 3862, Financial Instruments–Disclosures, modifies the disclosure requirements for financial instruments previously set out in Section 3861, Financial Instruments–Disclosure and Presentation. Under these new standards, an entity is required to provide disclosures in its financial statements that enable users to evaluate:

- the significance of financial instruments for the entity's financial position and performance;
- the nature and extent of risks arising from financial instruments to which the entity is exposed during the period and at the balance sheet date, and how the entity manages those risks.

The presentation requirements in Section 3863, Financial Instruments–Presentation, are unchanged from those in the former Section 3861, Financial Instruments–Disclosure and Presentation.

Disclosures are included in notes 15 and 16 and have no impact on the recognition or measurement of the Trust's financial instruments or results.

In February 2008, the CICA issued the new Section 3064, Goodwill and Intangible Assets, which confirms that upon their initial recognition, intangible assets should only be recognized as assets if they meet the definition of an intangible asset and the criteria for recognition of an asset. As for the subsequent measurement of intangible assets, goodwill and disclosures, the new Section 3064 closely adheres to the recommendations included in the previous Section 3062, *Goodwill and Other Intangible Assets*.

The new section will apply, in particular, to financial statements relating to fiscal years beginning on or after October 1, 2008. Management has elected to adopt this new standard retroactively to the year ended December 31, 2008. The impact of this standard is explained in note 11.

Future adoption

The CICA's Accounting Standards Board ("AcSB") has announced its decision to require that all publicly accountable enterprises be required to prepare their financial statements in accordance with International Financial Reporting Standards ("IFRS") for fiscal years beginning on or after January 1, 2011. On that date, IFRS will replace the current Canadian Generally Accepted Accounting Principles ("GAAP"), which will have a significant impact on the financial reporting of publicly accountable enterprises. Management is currently evaluating the impact that the future adoption of IFRS will have on the Trust's financial statements.

CONTROLS AND PROCEDURES

Our disclosure controls and procedures (DC&P) 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 (ICFR) 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, 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 DC&P and the Trust's ICFR as at December 31, 2008, pursuant to the requirements of Multilateral Instrument 52-109. At the beginning of the fiscal year ended December 31, 2008, management implemented an integrated information system and continued during the year to implement controls and procedures 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 as follows:

General Business and Economic Conditions

Financial markets, interest rates, consumer spending, business investment, government spending, the level of capital market activity and volatility, and inflation impact the business and economic environments in which BTB operates and, ultimately, the level of business activity it conducts, the revenues it generates, and the cost and availability of its equity and debt.

Execution of BTB’s Stragegy

BTB’s ability to achieve its objectives and implement its strategy impacts its financial performance. If the Trust does not meet or elect to change its strategic objectives, BTB’s financial results could be adversely affected.

Acquisitions

Although BTB regularly explores opportunities for strategic acquisitions of real estate properties, there can be no assurance that BTB will be able to complete acquisitions on terms and conditions that meet its investment criteria. There can also be no assurance that BTB will achieve its financial or strategic objectives or that it will realize anticipated cost savings following acquisitions. The performance is contingent on the ability to retain clients and key employees of acquired properties, and there can be no assurance that BTB will always succeed in doing so.

Operation risks

All immovable property investments are subject to risk exposures. Such investments are affected by general economic conditions, local real estate markets, demand for leased premises, competition from other vacant premises and various other factors.

The value of immovable property and improvements thereto may also depend on the solvency and financial stability of the tenants and the economic environment in which they operate. The Trust's operating revenues and distributable income would be adversely affected if one or more major tenants or a significant number of tenants were unable to meet their lease obligations or if a significant portion of vacant space in our properties could not be leased under economically favourable lease terms.

However, this risk is controlled by the diversification of BTB's portfolio, which allows the Trust to maintain foreseeable cash flows. This risk is also mitigated by the fact that tenants occupy an average leasable area of about 4,400 square feet, and that there are 475 different tenants.

As a more and more fully integrated real estate investment trust, BTB can exercise tighter preventive control over its operations while developing a relationship of trust with its tenants and improving its operational and financial performance.

Debt and Refinancing

The Trust is exposed to debt financing risks, including the risk that existing mortgages payable secured by its properties cannot be refinanced or that the terms of such refinancing will not be as favourable as the terms of existing mortgages. The Trust's profitability may be impacted by tight and unfavourable credit markets and interest rate changes, as interest on borrowings represents a significant cost in real estate property ownership. BTB seeks to reduce interest rate risks by spreading out the maturities of its long-term debt and limiting the use of floating rate debt as much as possible.

Unitholder Liability

The Contract of Trust states that any written document identifying an immovable hypothec or, in the opinion of the trustees, a material obligation, must contain terms limiting liability to BTB's assets exclusively, and specify that no recourse may be taken against unitholders.

Competition

The Trust competes for suitable immovable property investments with third parties seeking immovable property investments similar to those of interest to the Trust. An increase in the availability of investment funds and heightened interest in immovable property investments could increase competition for immovable property investments, thereby increasing purchase prices and reducing their yield. in addition, numerous property developers, managers and owners compete with the Trust in seeking tenants. The existence of competing developers, managers and owners and competition for the Trust's tenants could have an adverse effect on the Trust's ability to lease space in its properties and on the rents charged, and could adversely affect the Trust's revenues.

Government Regulation

BTB and its properties are subject to various government statutes and regulations. Any change in such statutes or regulations adverse to the Trust and its properties could affect the Trust's financial results. By their very nature, BTB's assets and business are not exposed to high environmental risk. In accordance with the operating principles stipulated in its Contract of Trust, BTB conducts an environmental audit before acquiring any new properties. In its leases, BTB requires that tenants conduct their business in compliance with environmental legislation, and that they be held liable for any damages resulting from their use of the leased premises.

Income Taxes

BTB currently qualifies as a mutual fund trust for income tax purposes. BTB is required by its Contract of Trust to annually distribute all of its taxable income to unitholders and thus is generally not subject to tax on such income. In order to maintain its current mutual fund status, BTB is required to comply with specific restrictions regarding its activities and its investments. If BTB were to cease to qualify as a mutual fund trust, the consequences could be material and adverse.

New Tax System

In connection with its Tax Fairness Plan, the federal Department of Finance introduced legislation to implement new tax measures to levy a tax on distributions of specified investment flow-through ("SIFT") trusts to bring taxation of these entities closer into line with that of corporations. Bill C-52 implementing these measures received Royal Assent on June 22, 2007.

In short, a SIFT trust is a trust that resides in Canada, its investments are listed or traded on a stock exchange or other public market and it holds one or more non-portfolio properties.

REIT Exception

The new tax system does not apply to SIFT trusts that qualify as real estate investment trusts ("REIT") for a given taxation year. Generally, to qualify as a REIT, a trust must be resident in Canada and meet the following conditions: [i] the only "non-portfolio properties" it owns during the year are “qualified REIT properties”, [ii] at least 95% of its income for the taxation year is from one or more of the following sources: “rent from real or immovable properties"; interest; capital gains from the disposition of real or immovable properties; dividends and royalties, [iii] at least 75% of its income for the taxation year is from one or more of the following sources: "rent from real or immovable properties" to the extent that it is from such properties located In Canada; interest from mortgages on real or immovable properties located in Canada and capital gains from dispositions of real or immovable properties located in Canada; and [iv] no time in the taxation year is the total fair market value of all properties held by the trust, each of which is a real or immovable property located in Canada, an amount, or generally, a debt payable to the Government of Canada or to certain other public agencies, less than 75% of the equity value of the trust at that time.

On December 20, 2007, the Minister announced proposed technical amendments to further clarify the tax rules that apply to SIFTs. As at December 31, 2008, BTB met all of these conditions. As a result, the new SIFT trust tax rules would not apply to BTB. BTB's management intends to take the necessary steps to meet these conditions on a regular basis in the future.

Recruitment of Employees and Executives

Competition for qualified employees and executives is intense. If BTB is unable to attract and retain qualified employees and executives, its results of operations and financial condition, including the competitive position, may be materially adversely affected.

Capital Requirements

BTB accesses the capital markets from time to time through the issuance of debt, equity or equity-related securities. If BTB were unable to raise additional funds, then acquisition or development activities may be curtailed and property-specific financing renegotiated.

Other Risk Factors

For a more detailed list of the risk factors, please refer to the 2009 Annual Information Form of the Trust dated April 22, 2009 available on www.sedar.com.