

BTB

REAL ESTATE INVESTMENT TRUST

Management INFORMATION Circular

April 28, 2008

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BTB

REAL ESTATE INVESTMENT TRUST

NOTICE OF ANNUAL MEETING OF THE UNITHOLDERS TO BE HELD ON MAY 30, 2008

NOTICE IS HEREBY GIVEN that an annual meeting (the "Meeting") of the unitholders (the "Unitholders") of BTB Real Estate Investment Trust (the "REIT") will be held at 1000 De La Gauchetière Street West, Mezzanine Level, Montreal, Québec, H3B 4W5, on Friday, May 30, 2008 at 9:30 a.m. (Montreal time) in the *Salle De La Gauchetière* of the VIP Centre for the following purposes:

- (a) To receive and consider the consolidated audited financial statements of the REIT for the fiscal year ended December 31, 2007 and the auditor's report thereon;
- (b) To elect the trustees of the REIT (the "Trustees");
- (c) To appoint the auditors of the REIT and authorize the Trustees to fix their compensation;
- (d) To transact such other business as may duly come before the Meeting or any adjournment thereof.

A form of proxy and the management information circular ("Circular") are attached to this notice.

The Board of Trustees has set the close of business on April 28, 2008 as the record date for determining which Unitholders shall be entitled to receive notice of, and to vote at, the Meeting or of any adjournment thereof.

Unitholders who are unable to attend the Meeting are asked to complete, date, sign and return the attached form of proxy in order to ensure as broad a representation as possible at the Meeting.

The Board of Trustees has set the close of business on the second to last business day prior to the date of the Meeting (excluding Saturdays, Sundays and holidays), or any adjournment or postponement thereof, as the time before which proxies to be used or acted upon at the Meeting or at any adjournment or postponement thereof are to be deposited with the transfer agent of the REIT.

DATED in Montreal, Québec, on April 28, 2008.

By order of the Board of Trustees

(s) Michel Léonard

President and Chief Executive Officer

BTB REAL ESTATE INVESTMENT TRUST

The REIT is an unincorporated open-ended real estate investment trust, established pursuant to the laws of the Province of Québec, in accordance with the provisions of the Contract of Trust, as amended and restated on August 1, 2006 (the "Contract of Trust").

The REIT owns TB Subsidiary Trust ("TB Trust"), a wholly-owned subsidiary, which purchases properties and manages a real estate portfolio on its behalf.

The REIT focuses on the holding and acquisition of commercial and industrial mid-market income-producing properties on the primary and secondary markets throughout Canada, its initial focus being on geographical markets located East of Ottawa in Ontario, with a view to building a portfolio of properties with a geographic and industry diversification enabling the generation of stable and increasing cash flows.

MANAGEMENT INFORMATION CIRCULAR

Solicitation of Proxies

This Circular is furnished in connection with the solicitation of proxies by and on behalf of the management of the REIT for use at the annual Meeting of the Unitholders of the REIT to be held on May 30, 2008 and at any adjournment thereof for the purposes set out in the notice of Meeting attached hereto (the "Notice").

It is expected that the solicitation of proxies will be primarily by mail; however, proxies may also be solicited personally or by telephone by the Trustees or staff members of the REIT. The cost of solicitation shall be borne by the REIT. Except where otherwise indicated, the information contained herein is given as of April 28, 2008. The Board of Trustees of the REIT has, by resolution, set the close of business on April 28, 2008 as the record date, namely the date in order to determine which registered securityholders shall be entitled to receive Notice of the Meeting and to vote thereat.

Appointment and Revocation of Proxies

A form of proxy is appended hereto and, if you do not intend to attend the Meeting in person, you are asked to complete and to return it in the envelope enclosed herewith. The proxy must be signed by the Unitholder of the REIT (the "Unitholder") or by his representative duly authorized in writing. The proxies to be used at the Meeting are to be delivered to our transfer agent, Computershare Investor Services Inc., Montreal, Québec, or Toronto, Ontario, or deposited with the President and Chief Executive Officer of the REIT, at his office located at 2155 Crescent Street, Suite 300, Montreal, Québec, H3G 2C1, no later than the second to last business day prior to the day of the Meeting or any adjournment thereof, or with the Chairman of the Meeting, on the day of the Meeting or any adjournment thereof, or in any other manner authorized by law.

The persons designated in the form of proxy attached hereto are Trustees or members of the senior management (the "Executive Officers") of the REIT. **Instead of the persons designated in the form of proxy, you may appoint a proxy (who need not be a Unitholder) to attend the Meeting and act thereat on your behalf, by inserting the name of this other proxy whom you wish to appoint in the space provided therefor on the form of proxy and by striking out the names printed thereon or otherwise using another appropriate form of proxy.**

If you grant a proxy in accordance with this solicitation, you may revoke it with respect to any matter which has not been voted upon in accordance with the authorization provided for therein by way of an instrument in writing bearing your signature or that of your authorized representative to be delivered to the office of the REIT, no later than the second to last business day prior to the day of the Meeting or any adjournment thereof at which the proxy is to be used, or to the Chairman of the Meeting, on the day of the Meeting or any adjournment thereof, or in any other manner authorized by law.

Exercise of Discretion of Proxies

The persons named in the form of proxy attached hereto shall vote the units of the REIT (the "Units") in respect of which they have been appointed in accordance with the instructions of the Unitholders. **Unless contrary instructions shall be given, it is expected that the Units represented by the proxies received by management shall be voted, during any ballot, for (i) the election on an individual basis of each of the Trustees whose names appear in this Circular; and (ii) the renewal of the appointment of the auditors whose compensation shall be set by the Trustees.**

The form of proxy confers discretionary authority upon the persons named therein with respect to matters not set out in the Notice but which may be duly come before the Meeting or any adjournment thereof and with respect to amendments or variations of the items appearing in the Notice. At the date hereof, the Trustees are not aware of any amendment or variation, nor any other item of this nature which may come before the Meeting, except for those which are set out in the Notice and routine matters which are ancillary to the conduct of the Meeting. Should any other matter be duly brought before the Meeting, it is expected that the persons appointed as proxies will vote on these matters as they deem appropriate at the time.

Exercise of Voting Rights

The information set forth in this section is of significant importance to the public Unitholders of the REIT, as few of the Unitholders hold Units in their own name. Only Unitholders of record of the REIT holding Units in their own name or persons they have appointed as proxies shall be authorized to vote at the Meeting. Most Unitholders of the REIT are "non-registered" Unitholders ("Non-Registered Unitholders") since the Units which they own are not registered in their own name. Should your Units not be registered in your own name but be so registered in the name of an "intermediary" (such as, *inter alia*, a bank, a trust company, a securities dealer or broker, administrator or trustee of savings plan or a clearing agency such as CDS Clearing and Depository Services Inc. (or registration name CDS & Co.)), the intermediary shall seek your instructions with respect to the voting of the Units and you shall be required to follow the instructions provided by your intermediary, including those with respect to the time and place of delivery of the form of proxy. The intermediaries are required to forward the Meeting documents to the Non-Registered Unitholders unless a Non-Registered Unitholder shall have waived his entitlement to receive them.

Such procedures are intended to enable the Unitholders to provide instructions with respect to the voting of the Units. All Unitholders are required to carefully follow the instructions set out herein or those provided in the form of proxy or by their intermediaries, as the case may be, including those instructions with respect to the delivery of the form of proxy or of the voting instructions and with respect to the time and place of voting. Units held by intermediaries or nominees can be voted for or against resolutions only upon the instructions of the Non-Registered Shareholders. Without specific instructions, the intermediaries or nominees are prohibited from voting the Units for their clients. If a Non-Registered Unitholder wishes to vote in person at the Meeting, he must insert his own name in the space provided in the form of proxy and present himself at the Meeting.

INTEREST OF CERTAIN PERSONS IN MATTERS TO BE ACTED UPON

To the best of the knowledge of the Trustees and the Executive Officers of the REIT, except as set out herein and except insofar as they may be Unitholders of the REIT, no Trustee or Executive Officer of the REIT, nor any proposed nominee for election to the office of Trustee of the REIT, nor any associate or affiliate of the foregoing persons, has a material interest, directly or indirectly, by way of beneficial ownership or otherwise, in the matters to be acted on at the Meeting.

VOTING SECURITIES AND PRINCIPAL HOLDERS THEREOF

The beneficial interests in the REIT are divided into a single class of Units. Each Unit represents an equal undivided beneficial interest in any distribution from the REIT and in any assets of the REIT remaining in the event of termination or winding-up thereof. Each Unit entitles the holder thereof to one vote on all matters to be acted upon at the Meeting.

As at April 28, 2008, 32,809,047 Units of the REIT were issued and outstanding.

The Board of Trustees has set the record date of April 28, 2008 as the record date for the purposes of determining Unitholders entitled to receive Notice of, and to vote at, the Meeting. Only persons registered as Unitholders on the books and registers of the REIT at the close of business on the record date shall be entitled to receive Notice of, and vote at, the Meeting. Failure of any Unitholder to receive Notice of the Meeting shall not deprive the Unitholder of the right to vote at the Meeting.

To the knowledge of the Trustees and the Executive Officers, no person or company beneficially owns, directly or indirectly, or exercises control or direction over, voting securities of the REIT carrying more than 10% of the voting rights attached to any class of voting securities of the REIT, with the exception of:

Shareholder	Number of Units beneficially owned or over which control or direction is exercised	Percentage of outstanding Units
Natcan Investment Management Inc.	4,246,800	12.94%

EXECUTIVE COMPENSATION

Summary Compensation Table

Under applicable securities legislation, the REIT is required to disclose certain financial and other information relating to the compensation of its Executive Officers.

The following table provides information for the financial period ended December 31, 2007 regarding compensation paid to, or earned by, the Chief Executive Officer, the Chief Financial Officer and the most-highly compensated Executive Officers of the REIT other than the Chief Executive Officer and Chief Financial Officer whose total salary and bonus exceeded \$150,000 on December 31, 2007 (the "Named Executive Officers").

Name and Principal Position	Year ⁽¹⁾	Annual Compensation			Long-Term Compensation			All Other Compensation ⁽³⁾ (CDN\$)
		Salary (CDN\$)	Bonus (CDN\$)	Other Annual Compensation (CDN\$)	Awards		Pay-Outs	
					Securities Under Option/SARs Granted (#)	Restricted Securities or Restricted SARs (CDN\$)	Unit Option Plan Pay-Outs (CDN\$)	
Michel Léonard ⁽²⁾ President and Chief Executive Officer	2007	Nil	Nil	Nil	Nil	Nil	Nil	Nil
	2006	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Peter Polatos ⁽²⁾ Vice President, Real Estate Management and Secretary	2007	Nil	Nil	Nil	Nil	Nil	Nil	Nil
	2006	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Benoit Cyr ⁽⁴⁾ Vice President and Chief Financial Officer	2007	\$105,000	Nil	Nil	200,000	Nil	Nil	Nil
	2006	Nil	Nil	Nil	Nil	Nil	Nil	Nil

Notes:

- (1) The REIT was initially established by a Contract of Trust dated July 12, 2006, as amended and restated August 1, 2006.
- (2) See the paragraphs entitled "Management Service Agreement" and "Asset Management Agreement" and the section entitled "Compensation of Trustees". Messrs. Michel Léonard and Peter Polatos received options as Trustees of the REIT.
- (3) Messrs. Léonard and Polatos received remuneration from third parties while acting as intermediaries for the REIT. See the paragraph entitled "Asset Management Agreement".
- (4) Mr. Benoit Cyr was duly appointed Chief Financial Officer of the REIT on April 2, 2007.

The following table provides details regarding options granted to the Named Executive Officers during the financial year ended December 31, 2007.

Option Grants During the Financial Year Ended December 31, 2007

Name	Securities Under Options Granted (#) ⁽¹⁾	Percent of Total Options Granted to Employees in Financial Year ⁽²⁾	Exercise of Base Price (CDN\$/Security)	Market Value of Securities Underlying Options on the Date of Grant (CDN\$/Security) ⁽³⁾	Expiry Date
Michel Léonard ⁽⁴⁾ President and Chief Executive Officer	N/A	N/A	N/A	N/A	N/A
Peter Polatos ⁽⁴⁾ Vice President, Real Estate Management and Secretary	N/A	N/A	N/A	N/A	N/A
Benoit Cyr Vice President and Chief Financial Officer	100,000 100,000	1.2% ⁽⁵⁾	\$2.65 \$2.76	\$2.65 \$2.76	April 2, 2012 June 15, 2012

Notes:

- (1) The class of securities underlying all options is made up of Units of the REIT.
- (2) Based on the total number of options granted to Trustees, Executive Officers, directors, employees and consultants pursuant to the Unit Option Plan during the financial year ended December 31, 2007, namely 1,660,000.
- (3) The exercise price of options is determined based on the closing price of the Units of the REIT on the TSX Venture Exchange on the effective date of the grant in accordance with the terms of the Unit Option Plan.
- (4) Messrs. Léonard and Polatos received options in their capacity as Trustees of the REIT. See "Compensation of the Trustees of the REIT".
- (5) 200,000 options granted divided by the total of 1,660,000 options issued in 2007.

No options were exercised by the Named Executive Officers during the financial year ended December 31, 2007.

Unit Option Plan

The Trustees may, from time to time, in their discretion, and in accordance with the requirements of the TSX Venture Exchange, grant non-transferable Unit Options to the Trustees, Executive Officers, employees, investor relations consultants and technical consultants of the REIT, provided that the number of Units reserved for issue shall not exceed 10% (2,649,951 as of June 14, 2007 pursuant to the TSX Venture Exchange approval) of the issued and outstanding Units exercisable for a period of up to five years from the date the option is granted. The number of Units reserved for issue to a Trustee, Executive Officer or technical consultant shall not exceed five percent of the aggregate of Units issued and outstanding, and the number of Units reserved for issue to all investor relations consultants and all technical consultants shall not exceed two percent of the aggregate of issued and outstanding Units. The options may only be exercised within 90 days following the termination of employment of the holder thereof with the REIT. Should the termination of employment, or the term of the Trustee or of the technical consultant's contract occur by reason of death, the option shall be exercised within one year following said death, and, in any event, prior to the expiry date of said option.

The Unit Option Plan stipulates that the number of options granted to an investor relations consultant over a 12-month period shall not exceed 2% of the number of outstanding Units at the time of the grant, and in respect of which no more than ¼ shall vest in each quarter. Options granted to investor relations consultants shall expire 30 days following the date upon which the person shall cease to manage the investor relations activities of the REIT.

Options granted pursuant to the Unit Option Plan shall have a Unit exercise price greater than, or equal to, the discounted market price (as defined in the policies of the TSX Venture Exchange) of the Units at the time of the grant.

Management Service Agreement

Since October 3, 2006, AMTB Management Inc. has been providing the services: (i) of Mr. Michel Léonard, in his capacity as President and Chief Executive Officer of the REIT; and (ii) of Mr. Peter Polatos, in his capacity as Vice President, Real Estate Management and Secretary of the REIT, pursuant to a Management Service Agreement. Mr. Michel Léonard controls AMTB Management Inc. Messrs. Léonard and Polatos also act as Trustees of the REIT. The Management Service Agreement provides that no compensation shall be paid to AMTB Management Inc. The Management Service Agreement is for a term of five years.

The Management Service Agreement may be terminated at any time by the REIT upon the occurrence of certain events, such as a material breach by AMTB Management Inc. of its duties and obligations pursuant to the Management Service Agreement, in the event of the gross negligence or deliberate wrongdoing in respect of the applicable legislation by AMTB Management Inc. or in the event of its dissolution, winding-up, bankruptcy, insolvency or termination. The Management Service Agreement may also be terminated at any time by the REIT following written notice of 12 months provided to AMTB Management Inc. (or written notice of 3 months where the adjusted cost base, as defined in the Asset Management Agreement, shall exceed \$100,000,000).

The REIT shall reimburse to the manager all expenses connected with the operations of the REIT (including, without limitation, costs incurred by a third party), which are reasonably incurred by the manager on behalf of the REIT. AMTB Management Inc. shall be entitled and empowered to act on behalf of, and to bind, the REIT or its credit.

Asset Management Agreement

AMTB Management Inc. also provides on an exclusive basis to TB Trust, asset management services as well as administrative and other services pursuant to an Asset Management Agreement, as amended on January 10, 2007 which, in exchange, provides the following compensation scheme:

- (a) Annual consulting fees and expenses equal to 0.225% of the adjusted cost base (the "ACB") of the assets of TB Subsidiary Trust, payable monthly in Units of the REIT;
- (b) Once the ACB of the assets of TB Trust shall exceed \$50,000,000 and until the ACB of the assets shall exceed \$200,000,000, acquisition expenses equal to 0.375% of the cost of such property, payable in Units of the REIT; and
- (c) where the ACB of the assets of TB Trust shall exceed \$200,000,000, acquisition expenses of 0.375% of the cost of said property, payable 50% in cash and 50% in Units of the REIT.

During the financial year ended December 31, 2007, Mr. Michel Léonard received, directly or indirectly from third parties, a total of \$782,631 sale commissions with respect to real estate acquisitions by the REIT. During that same period, Mr. Peter Polatos received, directly or indirectly, a total of \$782,631 sale commissions with respect to real estate acquisitions by the REIT. Pursuant to the terms of the Asset Management Agreement, AMTB Management Inc. was paid, for its services in the financial year ended December 31, 2007, an amount of \$713,233, which amount was paid in Units.

In addition, Messrs Léonard and Polatos, in connection with their capacity as independent contractors, have also received remuneration from third parties in connection with services rendered that are unrelated to the REIT.

The REIT shall reimburse the asset manager in respect of all expenses connected with the operation of TB Subsidiary Trust, including, without limitation, expenses of a third party, which are reasonably incurred by the asset manager on behalf of TB Subsidiary Trust.

The Asset Management Agreement has a term of five years. The Asset Management Agreement may be terminated at any time by TB Trust upon the occurrence of certain events, such as a material breach by AMTB Management Inc. of its duties and obligations pursuant to the Asset Management Agreement, in the event of gross negligence or deliberate wrongdoing in respect of the applicable legislation by AMTB Management Inc. or in the event of its dissolution, winding-up, bankruptcy, insolvency or termination. The Asset Management Agreement may also be terminated at any time by TB Trust (i) following written notice of 12 months provided to AMTB Management Inc. (or written notice of 3 months where the ACB, as defined in the Asset Management Agreement, shall exceed \$100,000,000), or (ii) upon written notice of 6 months in the event of the disability, for a period of more than 6 months, of both Michel Léonard and Peter Polatos.

AMTB Management Inc. shall be entitled, following written notice of at least 60 days, to terminate the Asset Management Agreement in the event that TB Trust shall be in material breach of its duties and obligations referred to in the Asset Management Agreement, or if the Asset Management Agreement entered into between the REIT and AMTB Management Inc. (or its successors or authorized assignees) shall be cancelled.

COMPENSATION OF TRUSTEES

The Trustees of the REIT were compensated as follows during the financial year ended December 31, 2007:

Name	Securities Under Options Granted (#) ⁽¹⁾	Date of Grant	Exercise or Base Price (CDN\$/Security)
Michel Léonard ⁽²⁾	500,000	June 15, 2007	\$2.76
Peter Polatos ⁽²⁾	300,000	June 15, 2007	\$2.76
Jocelyn Proteau ⁽³⁾	200,000	June 15, 2007	\$2.76
Jean-Pierre Janson	100,000	June 15, 2007	\$2.76
Richard Lord	100,000	June 15, 2007	\$2.76
Luc Lachapelle	100,000	June 15, 2007	\$2.76
Normand Beauchamp	100,000	June 15, 2007	\$2.76
Claude Garcia ⁽⁴⁾	Nil	N/A	N/A

Notes:

- (1) The class of securities underlying all options is made up of Units.
- (2) Messrs. Michel Léonard and Peter Polatos have received no compensation from the REIT as Executive Officers of the REIT. See "Executive Compensation".
- (3) Mr. Proteau is the Chairman of the Board.
- (4) Mr. Claude Garcia is a Non-Participating Independent Trustee of the REIT.

Except for Mr. Claude Garcia who received a cash compensation of \$25,000, the Trustees of the REIT receive no cash compensation in respect of their participation in the various meetings of the Board of Trustees or its committees.

EQUITY COMPENSATION PLANS

The following table provides details of compensation plans under which equity securities of the REIT were authorized for issue in respect of the financial year ended December 31, 2007.

Plan Category	Number of Securities to be Issued Upon Exercise of Outstanding Options, Warrants and Rights	Weighted-Average Price of Outstanding Options, Warrants and Rights	Number of Securities Remaining Available for Future Issue Under Equity Compensation Plans
Equity compensation plans approved by securityholders	N/A	N/A	N/A
Equity compensation plans not approved by securityholders	2,157,500	\$2.58	1,089,951

INDEBTEDNESS OF TRUSTEES, EXECUTIVE OFFICERS AND EMPLOYEES

As at April 28, 2008, no current or former Trustee, Executive Officer or employee of the REIT or of any of its subsidiaries, as applicable, is indebted to the REIT or any of its subsidiaries, nor has the indebtedness of any of them to another entity been the subject of an guarantee, support agreement, letter of credit or similar arrangement or undertaking provided by the REIT or any of its subsidiaries.

LIABILITY INSURANCE

The REIT provides insurance for the benefit of the Trustees and Executive Officers against liability incurred by them in such capacities. The current annual policy limit is five million dollars. For the policy year from September 28, 2007 to September 28, 2008, the REIT paid an annual premium of \$33,300 plus taxes for this insurance. Under the policy, each entity which is an affiliate of the REIT has reimbursement coverage to the extent that it has indemnified Trustees, directors or Executive Officers of such entity. As at April 28, 2008, no claim has ever been presented and no amount has ever been paid under such policy.

INTERESTS OF INFORMED PERSONS IN MATERIAL TRANSACTIONS

The Contract of Trust contains provisions relating to conflicts of interest designed to protect the Unitholders without, however, placing undue restrictions on the REIT. Since the Trustees could carry on various real estate transactions and other activities, the Contract of Trust contains provisions requiring that each Trustee disclose any interest in a material contract or transaction with the REIT (or an affiliate of the REIT). Any Trustee who has so disclosed an interest may not vote on a resolution with a view to approving a contract or a transaction, except in restricted circumstances.

In connection with real estate transactions carried out by the REIT from time to time, such as acquisitions and divestitures, over and above what is provided for in the Asset Management Agreement, which governs the management services provided to the REIT by Messrs. Michel Léonard and Peter Polatos and the compensation payable to AMTB Management Inc., these individuals may receive additional compensation from a third-party when acting as an intermediary in connection with such transactions. The amount of such additional compensation was and will be within market terms and conditions applicable in similar circumstances. In such instances, Messrs. Léonard and Polatos have and will disclose their interest in such transactions and have and will refrain from voting on any resolution relating to the approval of any such transaction.

Other than in connection with the Arrangement and as set out herein, no informed person of the REIT nor any proposed nominee for election as a Trustee of the REIT nor any associate or affiliate of such persons, has had any material interest, direct or indirect, in any transaction or any proposed transaction since the commencement of the REIT's last financial year or in any transaction or proposed transaction which has materially affected or would materially affect the REIT or any of its subsidiaries.

Management

Since October 3, 2006, AMTB Management Inc. has been providing the services of individuals performing management services pursuant to the Management Service Agreement. Mr. Michel Léonard, who is currently a Trustee, as well as President and Chief Executive Officer of the REIT, controls AMTB Management Inc. The Management Service Agreement has an initial term of five years and provides that no compensation shall be paid to the manager.

AMTB Management Inc. also provides TB Trust with asset management services on an exclusive basis as well as administrative and other services pursuant to an Asset Management Agreement. The Asset Management Agreement was executed on an exclusive basis and has an initial term of five years.

TB Trust may retain the services of one or several external property managers in order to manage the properties acquired or to be acquired. The Trustees or Executive Officers of the REIT, AMTB Management Inc. and associates as well as affiliates thereof, and any other external property manager, may act as a property manager of properties owned by TB Subsidiary Trust.

REPORT ON EXECUTIVE COMPENSATION

The REIT's Executive Compensation Program is or will be made up of base salaries, short-term incentives in the form of cash bonus opportunities and perquisites, and long-term incentives in the form of participation in the Unit Option Plan. The various components of the REIT's Executive Compensation Program are designed to play a role in:

1. Providing a fair and competitive level of compensation on the market for comparable positions;
2. Retaining and motivating its executives who are critical to the REIT's short and long-term success;
3. Rewarding performance and contribution, both on an individual basis and with respect to the business in general; and
4. Reinforcing the relationship between the Unitholders' interests and the compensation and responsibility of the REIT's executives.

Base Salary

Individual executive salaries are normally set taking into account salaries paid in similar trusts or corporations of comparable size and with the intent of attracting and retaining individuals with the appropriate skill sets and experience.

Short-Term Incentive Plan

Pay for performance is an important underlying principle of the REIT's executive compensation philosophy, which the management of the REIT intends to develop. These short-term incentives, if applicable, would be paid shortly following the year in which they are earned. Members of the management team could receive, following an outstanding performance of the REIT for a given period, a bonus or another form of compensation.

Long-Term Incentive Plan

The REIT has adopted a Unit Option Plan. Awards are granted pursuant to this Plan at the discretion of the Board of Trustees upon recommendation by the Governance and Human Resources Committee. In addition, the Unit Option Plan is designed to encourage the achieving of the REIT's growth objectives. See "Unit Option Plan".

Compensation of the Chief Executive Officer

In setting the Chief Executive Officer's salary and bonus, the Governance and Human Resources Committee reviews salaries and bonuses paid to other Executive Officers of the REIT, salaries and bonuses paid to other chief executive officers in the industry and the Chief Executive Officer's impact on the achievement of the REIT's objectives for the previous and current financial year. The Chief Executive Officer of the REIT is presently compensated with periodic grants of options under the Unit Option Plan. See also "Management Service Agreement" and "Asset Management Agreement".

STATEMENT OF CORPORATE GOVERNANCE PRACTICES

National Policy 58-201 *Corporate Governance Guidelines* and National Instrument 58-101 *Disclosure of Corporate Governance Practices* (collectively, the "Governance Guidelines") deal with matters such as the constitution and independence of the boards of directors of corporations or other reporting issuers, their functions, the effectiveness and education of board members, and other items dealing with sound corporate governance practices. The Governance Guidelines require that, if management of an issuer solicits proxies from its securityholders for the purpose of electing directors, specified disclosure of its corporate governance practices must be included in its management information circular. The REIT and the Board of Trustees recognize the importance of corporate governance to the effective management of the REIT and to the protection of its employees and Unitholders, as a whole.

The REIT's approach to significant issues of corporate governance is designed with a view to ensuring that the business and affairs of the REIT are effectively managed so as to enhance Unitholder value. The Board of Trustees fulfils its mandate directly and through its committees at regularly scheduled meetings or as required. Frequency of meetings may be increased and the nature of the agenda items may be changed depending on the state of the REIT's affairs and in light of opportunities or risks which the REIT faces. The Trustees are kept informed of the REIT's operations at these meetings as well as through reports and discussions with management on matters within their particular areas of expertise. The REIT continues to monitor developments in Canada with a view to further revising its governance policies and practices, as appropriate.

The following is a description of the REIT's corporate governance practices, which has been suggested or developed, in accordance with the Governance Guidelines, by the Board of Trustees.

The Board of Trustees

The governance, investment guidelines and operating policies of the REIT are governed by a Contract of Trust and supervised by the Board of Trustees. The Board of Trustees may delegate some of its powers with respect to good governance to the Governance and Human Resources Committee. See "Governance and Human Resources Committee".

A majority of the Board of Trustees of the REIT are independent. Messrs. Jean-Pierre Janson, Richard Lord, Luc Lachapelle, Normand Beauchamp, Claude Garcia and Jocelyn Proteau, who is the Chairman of the Board, are independent within the meaning of the Contract of Trust and the Governance Guidelines and hold periodic meetings to review the business operations, governance and financial results of the REIT without the presence of management. Messrs. Michel Léonard and Peter Polatos are not independent as they are Executive Officers of the REIT.

To facilitate the functioning of the board independently of management, the following structures and processes are in place:

- a non-executive Chairman of the Board has been appointed;
- a majority of the Board of Trustees are non-management members;
- independent committees may be appointed from time to time, when appropriate.

Position Descriptions

Written position descriptions have been developed by the Board of Trustees for the Chief Executive Officer, the Chief Financial Officer, the Chairman of the Board, the Chairman of the Investment Committee, the Chairman of the Audit Committee and the Chairman of the Governance and Human Resources Committee.

The roles and responsibilities of the aforementioned positions are reviewed and approved by the Board of Trustees with the assistance of the Governance and Human Resources Committee.

Meetings of the Board of Trustees and Committees

From January 1, 2007 to December 31, 2007, the Board of Trustees held 21 meetings.

The number of board and committee meetings the Trustees attended for the financial year ended December 31, 2007 is as follows:

Trustee	Board of Trustees	Audit Committee	Investment Committee	Governance and Human Resources Committee
Michel Léonard	20 of 21	N/A	N/A	N/A
Peter Polatos	20 of 21	N/A	N/A	N/A
Jocelyn Proteau	20 of 21	N/A	N/A	3 of 3
Jean-Pierre Janson	15 of 21	3 of 5	12 of 17	N/A
Richard Lord	19 of 21	5 of 5	N/A	3 of 3
Luc Lachapelle	18 of 21	5 of 5	15 of 17	N/A
Normand Beauchamp	16 of 21	N/A	16 of 17	3 of 3
Claude Garcia	19 of 21	5 of 5	17 of 17	N/A

The independent Trustees of the Board meet, when necessary, without the presence of Messrs. Michel Léonard and Peter Polatos or other members of management.

Other Public Company Directorships/Committee Appointments

The following table provides details regarding directorships presently held by Trustees in other reporting issuers in Canada and in a foreign jurisdiction.

Name	Reporting Issuer	Name of Exchange or Market (as the case may be)	Position	From	To
Jocelyn Proteau	Richelieu Hardware Ltd	Toronto Stock Exchange	Director	April 2005	Present
	20-20 Technologies Inc.	Toronto Stock Exchange	Co-Chairman of the Board and Director	July 2002	Present
	Standard Life plc	FTSE	Director	March 2006	Present
	CO ₂ Solution Inc.	TSX Venture Exchange	Director	April 2007	Present
Richard Lord	Richelieu Hardware Ltd	Toronto Stock Exchange	Chairman of the Board, Chief Executive Officer and Director	July 1993	Present
	20-20 Technologies Inc.	Toronto Stock Exchange	Director	March 1996	Present
	Colabor Income Fund	Toronto Stock Exchange	Trustee	June 2005	Present

Name	Reporting Issuer	Name of Exchange or Market (as the case may be)	Position	From	To
Jean-Pierre Janson	OpenSky Capital Managed Protection Income Trust Fund	Toronto Stock Exchange	Trustee	Feb. 2005	Present
	Midland Exploration Inc.	TSX Venture Exchange	Chairman of the Board and Director	Jan. 2005	Present
	Tri Origin Exploration Ltd	TSX Venture Exchange	Director	May 2004	Present
Normand Beauchamp	Dundee Corporation	Toronto Stock Exchange	Director	1991	Present
	Astral Media Inc.	Toronto Stock Exchange	Director	Feb. 2002	Present
Claude Garcia	Cogeco Cable Inc.	Toronto Stock Exchange	Director	2004	Present
	Cogeco Inc.	Toronto Stock Exchange	Director	Dec. 2005	Present
	Goodfellow Inc.	Toronto Stock Exchange	Director	2003	Present

Board of Trustees' Mandate

The Board of Trustees

The Board is responsible for supervising the management of the REIT and monitoring management in order to foster the short- and long-term success of the REIT and is accountable to the REIT's Unitholders. The Board of Trustees realizes its responsibility both directly and by delegating to the Audit Committee, the Investment Committee and Governance and Human Resources Committee.

The Trustees' powers and duties are outlined in Section 4 of the Contract of Trust, a copy of which is available on SEDAR at www.sedar.com.

Code of Ethics

In the very near future, the Board intends to adopt a Code of Ethics (the "Code") for Trustees, Executive Officers and employees of the REIT, and its subsidiaries and affiliates.

The Board of Trustees, however, takes steps to ensure that the Trustees, Executive Officers and employees exercise independent judgment in considering transactions and agreements in respect of which a Trustee, Executive Officer or employee of the REIT has a material interest, which includes ensuring that the Trustees, Executive Officers and employees are thoroughly familiar with the rules concerning reporting conflicts of interest and obtaining direction from their supervisor or the Chief Executive Officer regarding any potential conflicts of interest.

Certain items, such as the acquisition of a building or an investment therein, are subject to the approval of the independent Trustees by way of a vote cast at a meeting of the Trustees.

The Board of Trustees encourages and promotes an overall culture of ethical business conduct by promoting compliance with applicable laws, rules and regulations; providing guidance to Trustees, Executive Officers and employees to help them recognize, and deal with, ethical issues; promoting a culture of open communication, honesty and accountability; and ensuring awareness of disciplinary action for violations of ethical business conduct.

Nomination of Trustees

The Governance and Human Resources Committee is charged with overseeing the recruitment and selection of candidates as Trustees for appointment to the Board. The process by which the Governance and Human Resources Committee identifies new candidates is by taking into account the following considerations: (a) the competencies and skills which the Board, as a whole, should possess; (b) the competencies and skills that each existing Trustee possesses; (c) the competencies and skills each new nominee will bring to the Board; and (d)

whether or not each new nominee can devote sufficient time and resources to his or her duties as a Board member.

Compensation

The Governance and Human Resources Committee determines appropriate compensation for the Trustees and Executive Officers of the REIT. The process by which appropriate compensation is determined is through periodic and annual reports on the REIT's overall compensation and benefits philosophies with such compensation realistically reflecting the responsibilities and risks of such positions.

The Governance and Human Resources Committee's responsibilities also include reviewing and making recommendations regarding any equity or other compensation plan and regarding the total compensation package of the Chief Executive Officer and the other executive officers, considering and approving the recommendations of the Chief Executive Officer regarding the total compensation and benefits philosophies and programs for senior management and employees and preparing and recommending to the Board of Trustees annually a "Report on Executive Compensation" to be included in the REIT's Management Information Circular.

Orientation and Continuing Education

The Governance and Human Resources Committee is responsible for ensuring that new Trustees are provided with an orientation and education program which will include written information about the duties and obligations of the Trustees; the business and operations of the REIT and its subsidiaries; documents from recent Board meetings; and opportunities for meetings and discussions with senior management and other Trustees.

The Board of Trustees recognizes the importance of ongoing Trustee education and the need for each Trustee to take personal responsibility for this process. To facilitate ongoing education of Trustees, the Board, through consultation with its committees, will encourage and facilitate presentations by outside experts to the Board or its committees on matters of particular importance or emerging significance.

Board Assessment

The Board of Trustees has made it its practice to make ongoing and formal assessments of the performance of the Board, its committees and individual Trustees.

Governance and Human Resources Committee

The Governance and Human Resources Committee of the REIT is charged with negotiating, finalizing and otherwise handling all the compensation and assessment of any Trustee, Executive Officer or consultant of the REIT. The Committee is also responsible for implementing governance procedures and guidelines and recommending nominees to the Board of Trustees.

The Governance and Human Resources Committee is made up of Messrs. Jocelyn Proteau, Normand Beauchamp and Richard Lord, all of whom are deemed to be independent within the meaning of the Governance Guidelines.

Investment Committee

The REIT empowered TB Trust with the responsibility of overseeing the Investment Committee, which is composed of four members, the majority of which are considered independent and duly nominated by the Board of Trustees. The Investment Committee must, amongst other things, ensure that the ownership, acquisition and operating activities do not surpass the restrictions of the Contract of Trust, evaluate and recommend projects to acquire income producing real estate and assist the Board of Trustees and Executive Officers in determining the needs of the REIT and its subsidiaries with regards to any financing, acquisition, take-over bid, merger or amalgamation.

Messrs. Normand Beauchamp, Luc Lachapelle, Claude Garcia and Jean-Pierre Janson are all members of the Investment Committee, all of whom are deemed to be independent within the meaning of the Governance Guidelines.

AUDIT COMMITTEE INFORMATION

The REIT is required to disclose the following information in accordance with *Multilateral Instrument 52-110 Audit Committees* ("MI 52-110"). The Board of Trustees of the REIT has established an Audit Committee responsible for, amongst other things, assisting in the supervision and assessment of the following items:

- The quality and integrity of the annual and interim financial statements of the REIT and of the documents related thereto;
- The compliance of the REIT with the requirements of applicable laws and regulations with respect to financial disclosure; and
- The competence, independence and performance of the independent auditors of the REIT.

Information required under MI 52-110 is available in the REIT's Annual Information Form (the "AIF") for the financial year ended December 31, 2007. A copy of the REIT's current AIF is available on SEDAR at www.sedar.com.

PARTICULARS OF MATTERS TO BE ACTED UPON

1. Presentation of Audited Annual Financial Statements

The management's discussion and analysis, the audited consolidated financial statements as well as the auditors' report relating thereto for the financial year ended December 31, 2007, which available on SEDAR at www.sedar.com, shall be submitted to the Unitholders of the REIT at the Meeting; **however, no vote will be held thereupon and no act will be taken in their regard.**

2. Election of Trustees

The Contract of Trust provides that there will be a minimum of five Trustees and a maximum of fifteen Trustees, with the number of Trustees within that range being fixed by resolution of the Trustees. There are currently eight Trustees. The eight Trustees are standing for election individually for the upcoming financial year.

Unless otherwise directed, the persons named in the enclosed form of proxy intend to vote in favour of the election, as Trustees, of the nominees whose names are set forth below. All of the nominees are currently Trustees of the REIT. Each Trustee will hold office for a term expiring at the close of the next annual meeting of Unitholders, unless his office is vacated earlier due to death, removal, resignation or ceasing to be duly qualified. The Trustees do not contemplate that any of the nominees will be unable to serve as a Trustee, but, should that circumstance arise for any reason prior to the Meeting, the persons named in the enclosed form of proxy reserve the right to vote for another nominee at their discretion. In order to be effective, the resolution electing the Trustees must be approved by a majority of the Units represented by the Unitholders present at the Meeting in person or by proxy.

The following table and notes thereto set forth the names of the persons proposed to be nominated for election as Trustees, their principal occupations or employments, the periods during which they have served as Trustees of the REIT and the approximate number of Units beneficially owned, directly or indirectly, or over which control or direction is exercised, by each of them:

Name and Province of Residence	Position With the REIT	Principal Occupation ⁽¹⁾	Number of Units Beneficially Owned, Controlled or Directed ⁽²⁾	Trustee Since
Michel Léonard Westmount, Québec	President, Chief Executive Officer and Trustee	President and Chief Executive Officer of the REIT	359,959	July 12, 2006
Peter Polatos Rosemère, Québec	Vice President, Real Estate Management, Assistant Secretary and Trustee	Vice President, Real Estate Management and Assistant Secretary of the REIT	281,781	July 12, 2006
Jocelyn Proteau ⁽⁴⁾ Verdun, Québec	Chairman of the Board of Trustees and Independent Trustee	Corporate Director	150,000	July 12, 2006
Jean-Pierre Janson ⁽³⁾⁽⁵⁾ Outremont, Québec	Independent Trustee	National Sales Director Richardson Financial Partners Limited (Eastern Canada)	146,000	July 12, 2006
Richard Lord ⁽³⁾⁽⁴⁾ St-Laurent, Québec	Independent Trustee	President and Chief Executive Officer Richelieu Hardware Ltd	130,000	July 12, 2006
Luc Lachapelle ⁽³⁾⁽⁵⁾ Ste-Adèle, Québec	Independent Trustee	Vice President, Real Estate Services Bombardier Inc.	110,000	July 12, 2006
Normand Beauchamp ⁽⁴⁾⁽⁵⁾ Verdun, Québec	Independent Trustee	President and Chief Executive Officer Capital NDSL Inc.	130,000	July 12, 2006
Claude Garcia ⁽³⁾⁽⁵⁾ Outremont, Québec	Non-Participating and Independent Trustee	Corporate Director	Nil	October 16, 2006

Notes

- (1) Each of the foregoing individuals has been principally engaged in the occupation set out opposite his name for the preceding five years.
- (2) The information as to Units beneficially owned or over which control or direction is exercised, directly or indirectly, not being within the precise knowledge of the REIT, has been furnished by the proposed nominees.
- (3) Member of the Audit Committee. Mr. Richard Lord is the Chairman of the Audit Committee.
- (4) Member of the Governance and Human Resources Committee. Mr. Jocelyn Proteau is the Chairman of the Governance and Human Resources Committee.
- (5) Member of the Investment Committee.

With the exception of Mr. Michel Léonard, all the duly elected Trustees will also act in such capacity for TB Trust.

Mr. Beauchamp has sat on the Board of Directors of Corporation CINAR, a corporation which has been subject to a cease-trade order. Mr. Beauchamp became a member of the Board of Directors in his capacity as member of the arrangement group after the cease-trade order was handed down. His duties as Director ended upon the assignment of Corporation CINAR. Except for that which has been previously disclosed, no nominee to the position of Trustee is or has been during the ten years preceding the date hereof, a director or Executive Officer of a corporation which, while the person was holding this office: (i) was subject to a cease-trade order or to a similar order or was denied the right to rely on an exemption provided for pursuant to securities legislation for more than 30 consecutive days, (ii) following the end of the term in office of the director or Executive Officer, was subject to a cease-trade order or to a similar order or was denied the right to rely on any exemption provided for in securities legislation for more than 30 consecutive days due to an event which occurred while he held this office or (iii) while the director or Executive Officer was in office or during the year following the end of

his term in office, declared bankruptcy, made a proposal pursuant to bankruptcy or insolvency legislation, was sued by its creditors, entered into a settlement or compromise with them, commenced proceedings against them, made arrangements or took steps with a view to entering into a settlement or compromise with them, or had a receiver, a receiver-manager or a trustee in bankruptcy appointed in order to hold its assets.

3. Appointment of the Auditors of the REIT

It is proposed that the firm of KPMG LLP, chartered accountants, ("KPMG"), at their Montreal offices located at 600 De Maisonneuve Boulevard West, Suite 1500, Montreal, Québec, H3A 0A3, be appointed as auditors of the REIT, to hold office until the next annual general Meeting of the Unitholders or until their successor is appointed, and that the Trustees be authorized to fix the compensation of the auditors. The accountants of the firm of KPMG have been the auditors of the REIT since its inception on July 12, 2006. To be effective, the resolution approving the appointment of the auditors and the fixing of their compensation for the ensuing financial year must be approved by a majority of the Units represented by Unitholders present at the Meeting in person or by proxy.

Unless otherwise directed, the persons named in the enclosed form of proxy intend to vote in favour of the appointment of KPMG as auditors of the REIT.

ADDITIONAL INFORMATION

Additional information relating to the REIT can be found on SEDAR at www.sedar.com. Financial information is provided in the REIT's consolidated audited financial statements for the financial year ended December 31, 2007 and in the related Management's Discussion and Analysis which have been filed on SEDAR. Unitholders may also contact the Chief Financial Officer of the REIT by telephone at 514-286-0188, ext. 230 in order to request copies of these documents.

TRUSTEES' APPROVAL

The contents of this Management Information Circular and the sending thereof have been approved by the Trustees of the REIT.

(s) Michel Léonard

President and Chief Executive Officer

Montreal, Québec

April 28, 2008