BTB

REAL ESTATE INVESTMENT TRUST

MANAGEMENT DISCUSSION AND ANALYSIS

Quarter ended March 31, 2010

May 28, 2010

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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 quarter ended March 31, 2010, as well as its financial position on that date. The report also presents the Trust's business strategies and the risk exposure it faces. This management discussion, dated May 28, 2010, the date of the press release announcing the financial results of the Trust, should be read together with the unaudited consolidated financial statements and accompanying notes for the quarter ended March 31, 2010 and with the audited consolidated financial statements and accompanying notes for the fiscal year ended December 31, 2009 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 quarters ended March 31, 2010 and 2009. Additional information about the Trust, including the 2009 Annual Information Form dated April 30, 2010, 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 and the interim financial statements.

FORWARD-LOOKING STATEMENTS CAVEAT

Certain statements in this MD&A are "forward-looking statements" that reflect management's expectations regarding BTB's future growth, results of operations, performance and business prospects and opportunities. More specifically, certain statements in this MD&A, that contain words such as "could", "should", "can", anticipate", "expect", "believe", "will", "may" and similar expressions and statements relating to matters that are not historical facts, constitute "forward-looking statements". These forward-looking statements are presented for the purpose of assisting BTB's unitholders and financial analysts in understanding BTB's operating environment, and may not be appropriate for other purposes. Such forward-looking statements reflect management's current beliefs and are based on information currently available to management. However, such forward-looking statements involve significant risks and uncertainties, including those discussed under the heading "Risks and Uncertainties" and elsewhere in this MD&A. A number of factors could cause actual results to differ materially from the results discussed in the forward-looking statements. Although the forward-looking statements contained in this MD&A are based on what management believes to be reasonable assumptions, BTB cannot assure investors that actual results will be consistent with these forward-looking statements. The forward-looking statements contained herein are expressly qualified in their entirety by this cautionary statement. These forward-looking statements are made as at the date of this MD&A, and BTB assumes no obligation to update or revise them to reflect new events or circumstances unless otherwise required by applicable securities legislation.

Prior-period results have been reclassified to conform to the presentation adopted in the current period.

NON-GAAP FINANCIAL MEASURES

Funds from operations ("FFO"), adjusted funds from operations ("AFFO"), net operating income, property operating income from real estate assets, distributable income, earnings before tax and depreciation (EBTD) and earnings before interest, tax, depreciation and amortization (EBITDA) 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.

2010 FIRST QUARTER HIGHLIGHTS

- Slight increase in the occupancy rate compared to the first quarter of 2009 while the occupancy rate remained the same compared to the fourth quarter of 2009.
- Excluding the operations of the property under development, the revenues from the same property portfolio were maintained (+0.4%).
- Began the investments on the redevelopment of the property located at 3781 Des Sources Blvd. in order to accommodate during the second quarter of 2010 a Pharmaprix store of the Shoppers Drug Mart chain.
- Average increase of 5.0% of expired and renewed leases in the first quarter of 2010.
- Implementation of an acquisition line of credit in the amount of 25 million $ with Firm Capital Mortgage Fund Inc.
- Signature of an offer for the acquisition of Cagim Real Estate Corporation ("Cagim") by way of a take-over bid.

SUBSEQUENT EVENT

- Closing of the acquisition of Cagim at a price of $1.05 per share, adding thereby more than 600,000 square feet of leasable area. The acquisition cost of the properties was 47.8 million $ and the value of the assumed hypothecs was 27 million $. BTB's portfolio is now composed of 49 properties and 2,872,000 square feet of leasable area.

THE TRUST

BTB is an unincorporated open-ended real estate trust formed and governed under the laws of the Province of Quebec pursuant to a contract of trust. BTB began its real estate operations on October 3, 2006 and to date, it 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. According to an article published in the journal "*Les Affaires*" in the fall of 2009, BTB is considered as one of the 35 most important real estate property owners in the province of Québec. BTB's units, Series A and Series B convertible debentures are traded on the TSX Venture Exchange under the symbols "BTB.un", "BTB.DB" and "BTB.DB.B" respectively.

Since the fourth quarter of 2008, management of the Trust's properties is, in the majority of the cases, performed internally. As at March 31, 2010, 30 of the Trust's 43 properties are entirely managed by the Trust's employees. Management's objective is to repatriate, when favourable financial circumstances prevail, the management 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 centralized and improved management of the properties.

The following table provides the total acquisitions of the Trust since its inception:

	Number of properties	Leasable Area (sq. ft)	Assets Acquired (Thousand of $)
As at March 31, 2010	**43**	**2,269,409**	**232,844**

Subsequent Acquisitions

On May 10, 2010, the Trust acquired 19,863,601 common shares of Cagim Real Estate Corporation representing approximately 97% of its common shares and intends to acquire all remaining common shares by compulsory acquisition under the *Canada Business Corporation Act*. The table below is a summary of the acquired real estate portfolio.

	Number of properties	Leasable Area (sq. ft)	Assets Acquired (Thousand of $)
	6	**602,697**	**47,810**

Since April 2009, BTB's management is entirely internalized and no service agreement and no asset management agreement are in force between BTB and its officers. The Trust therefore ensures that the interests of management and of its employees are aligned with those of the unitholders.

OBJECTIVES AND BUSINESS STRATEGY

The objectives of BTB are as follows:

(i) Generate monthly 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.

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 more than $30 million.

The table below presents highlights and selected financial information for the quarters ended on March 31, 2010 and 2009.

Quarters ended March 31 (in thousand dollars, except the ratios and per unit)	**Reference**	**2010**	**2009**
FINANCIAL INFORMATION			
Operating income	Page 10	**7,400**	7,474
Net operating income	Page 12	**3,906**	4,117
EBTD	Page 16	**598**	736
EBITDA	Page 16	**3,545**	3,697
Net loss	Page 15	**(1,143)**	(835)
Distributable income	Page 18	**607**	815
Funds from operations (FFO)	Page 20	**587**	726
Adjusted funds from operations (AFFO)	Page 20	**812**	1,099
Distributions	Page 18	**677**	896
Real estate assets	Page 24	**214,638**	220,545
Total assets	Page 25	**222,702**	226,769
Mortgage loans	Page 29	**144,454**	146,408
Convertible debentures	Page 30	**23,781**	22,847
Debt ratio – excluding convertible debentures	Page 31	**60.8%**	61.6%
Additional borrowing capacity	Page 32	**34,600**	31,900
Equity	Page 32	**44,922**	50,655
FINANCIAL INFORMATION PER UNIT			
Distributable income	Page 18	**1.8¢**	2.4¢
Distributions	Page 18	**2.0¢**	4.7¢
FFO	Page 20	**1.7¢**	2.2¢
AFFO	Page 20	**2.4¢**	3.3¢
TAXATION OF DISTRIBUTIONS			
Income	Page 23	**0%**	0%
Deferred income	Page 23	**100%**	100%
OPERATIONAL INFORMATION			
Number of properties	Page 24	**42**	43
Leasable area (thousand sq. ft)	Page 25	**2,236**	2,269
Occupancy rate	Page 27	**91.4%**	91.0%
Average rate of increase of renewed leases	Page 26	**5.0%**	5.7%
DEVELOPMENT			
Property under development		**1**	---
Estimated leasable area		**30**	---

REAL ESTATE PORTFOLIO

BTB owns 43 properties, at a total acquisition cost of approximately $235 million and representing a total leasable area of over 2.2 million square feet. A description of the properties can be found in BTB's 2009 Annual Information Form dated April 30, 2010 available at www.sedar.com.

No property was acquired during the first quarter of 2010. During fiscal years 2007 and 2008, the Trust's real estate portfolio increased substantially, as a result of favourable market conditions that the Trust was able to identify. Similarly, revenues and profits proportionally increased in relation to the increase in the number of the Trust's properties.

Restricted access to capital limiting BTB's growth, management decided to focus on the internal development of its current portfolio by improving the quality of its tenants, the improvement of leases already in place and monitoring of operating expenses during 2009 and the beginning of 2010.

The Trust announced in March 2010 the conclusion of an acquisition line of credit in the amount of $25 million and the filing of a take-over bid to purchase all of the issued and outstanding shares of Cagim Real Estate Corporation (TSX-V: CIM). The closing of this transaction took place on May 10, 2010 and will add a value of approximately $50 million to BTB's portfolio and 600,000 square feet of leasable area.

PERFORMANCE INDICATORS

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

– Net operating income of a same-property portfolio: which provides an indication of the profitability of existing portfolio operations and BTB's ability to increase its revenues and reduce its operating costs;

– 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 quarters ended March 31, 2010 and 2009. The table must be read in conjunction with our consolidated financial statements and the notes thereto.

Quarters ended March 31 (in thousand dollars)	**Reference**	**2010**	**2009**
Operating Income	Page 10	**7,400**	7,474
Operating Expenses	Page 11	**3,494**	3,357
Net operating income [(1)]	Page 12	**3,906**	4,117
Interest income		**(1)**	(2)
Interest on loans and other carrying charges	Page 13	**2,948**	2,963
Amortization of revenue producing properties, intangible assets and fixed assets	Page 14	**1,617**	1,608
Amortization of capitalized leasing costs	Page 16	**118**	64
Operating results from real estate assets		**(736)**	516
Trust-related administrative and real estate management expenses	Page 15	**361**	430
Compensation expense related to option plan	Page 15	**6**	6
Loss before future income taxes		**1,143**	942
Future income taxes (credit)		**---**	(107)
Net loss	Page 15	**1,143**	835

(1) Net operating income and operating results 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 results 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 financial costs, amortization costs, Trust-related administrative expenses, charges related to option plan and future income taxes.

We define "operating result from real estate assets" as operating result before Trust-related administrative expenses, real estate management expenses, compensation expense related to option plan and future income taxes.

Same-property portfolio

The same-property portfolio includes all the properties owned by BTB as at December 31, 2008.

Operating Income

During the first quarter of 2010, BTB experienced a decrease of 1.4% of its revenues mainly due to the re-development of an important building in order to receive a prestigious tenant in June 2010. The increase in the vacancy rate in the last quarter of 2009 and the first quarter of 2010 has negated the internal income growth resulting from the expected increase in rents or achieved upon renewal of rents and from the increase in value of the re-billing of the operational expenses.

Revenues from same-property portfolio increased slightly during the first quarter ended on March 31, 2010 compared to the quarter ended on March 31, 2009. This internal growth results from scheduled rent increases or rent increases negotiated upon renewal of leases and the execution of new leases. This internal growth has been partly off set by the recent increase of the vacancy rate which negatively impacted income in the first quarter.

Quarters ended March 31 (in thousand dollars)	**2010**	**2009**	**Δ%**
Same-property portfolio	**7,400**	7,367	0.4
Buidling reclassified as building under development	**---**	107	n/a
	7,400	7,474	(1.0)

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.

Quarters ended March 31 (in thousand dollars)	**2010**	**2009**
Rental revenue on the basis of in-place leases	**7,532**	7,622
Deferred rental revenue as per straight-line method	**85**	81
Amortization of the value attributable to leases which are not at market terms and conditions	**(217)**	(228)
Rental revenue from income- producing properties	**7,400**	7,474

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. 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 operational expenses is mainly due to higher real estate taxes following the new assessment rolls that came into effect in 2010 in numerous municipalities in Québec. The Trust made a detailed analysis of such new assessment rolls and, when thought necessary, the Trust filed applications for review or for contesting. Due to the type of current leases, BTB is able to recoup from its tenants most of such tax increases.

Quarters ended March 31 (in thousand dollars)	**2010**	**2009**	**Δ%**
Same-property portfolio	**3,494**	3,357	4.1

The following table details the operating expenses for the quarters ended March 31, 2010 and 2009:

Quarters ended March 31 (in thousand dollars)	**2010**	2009
Operating Expenses		
- Operating costs	**1,343**	1,315
- Property taxes and utilities	**2,151**	2,042
	3,494	3,357
% of operating revenues	**47.2**	44.9

Net operating income

BTB's net operating income is 52.8% of operating revenues for the first quarter of 2010 compared to 55.1% for the first quarter ended March 31, 2009. The net profit decreased by 5.1% in absolute value for the first quarter of 2010 compared to the first quarter ended March 31, 2009 due to the increase in operating expenses that could not be compensated by an identical increase in revenues due to the vacant portion of the portfolio and to some gross leases that do not allow for the complete or partial rebilling of the operating expenses.

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 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 tenants and generating rent increases that exceed cost increases. BTB notices a decrease of 3.4% in absolute value for the same-property portfolio in its net operating income for the first quarter ended March 31, 2010 compared to the same period of 2009, as a result as previously explained from an increase of 4.1% in its operating expenses while its revenues slightly increased.

Quarters ended March 31 (in thousand dollars)	**2010**	**2009**	**Δ%**
Same-property portfolio	**3,905**	4,010	(2.6)
Acquisitions	**---**	107	n/a
	3,905	4,117	
% of operating income	**52.8**	55.1	(5.1)

Interest on loans and other financial charges

Interests on loans and other financial charges are generated by the following loans and financings:

- Mortgage loans contracted or assumed totalling approximately $145.0 million, as at March 31, 2010 compared to $147.2 million as at March 31, 2009.
- 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 accretion of liability component of convertible debentures.
- Operating credit facility used as needed, for a total of $2.3 million as at March 31, 2010 compared to $0.7 million as at March 31, 2009.
- Amortization of deferred financing costs related to mortgage loans and convertible debentures, using the effective interest method throughout the term of the related debts.

Quarters ended March 31 (in thousand dollars)	**2010**	**2009**
Interest on mortgage loans	**2,076**	2,138
Interest on debentures	**534**	534
Interest of operating credit line	**10**	2
Amortization of deferred financing costs	**216**	188
Accretion of liability component of convertible debentures	**112**	101
	2,948	2,963
% of operating income (net of interest income)	**40.0**	39.6

The total interest payable on loans and other financial charges did not change significantly during the first quarter ended March 31, 2010 compared to the corresponding first quarter in 2009. Interest on loans and other financial charges represent 40.0% of operating revenues for the first quarter of 2010 compared to 39.6% for the same period in 2009.

The average weighted contractual rate of interest on mortgage loans was 5.84% as at March 31, 2010, 4 basis points lower in comparison to March 31, 2009.

Amortization of income-producing properties and intangibles

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 March 31, 2010 is approximately five years. The resulting amortization is thus accelerated relative to that of the buildings which, as previously mentioned, are amortized over 40 years.

Quarters ended March 31 (in thousand dollars)	**2010**	**2009**
Income-producing properties	**1,083**	1,086
Intangibles	**529**	518
Fixed assets	**5**	4
	1,617	1,608

Amortization of deferred rental costs

Rental costs consist of sales commissions payable and of incentives paid or granted when signing or renewing the leases. These costs are capitalized and amortized on the duration of the leases.

Trust-related administrative expenses

Trust-related administrative expenses include administrative expenses such as compensation and fees paid to management and administrative staff and legal and accounting services, expenses relating to public trading of the Trust, insurance and office expenses and bad debts. The charge in the first quarter of 2010 related to bad debts and legal fees pertaining thereto resulted in a credit of $4 after the recovery of previous provisions for bad debts. These charges for the first quarter ended March 31, 2009 were $54.

As more fully described in the section entitled "New Accounting Policies" on page 35 of the present document, the Trust will be obliged to adopt, beginning on January 1, 2011 and retroactively, the International Financial Reporting Standards (IFRS). The implementation of these new standards, which the Trust has already begun, has caused the Trust to incur substantial administrative fees. These fees are incurred by the Trust on a punctual basis, however an important portion are incurred on a recurring basis in particular as a result of the annual evaluation of the fair market value of the Trust's portfolio. For the reader's benefit, the Trust has distinguished these fees within the Trust's administration fees.

Trust-related administrative expenses include real estate management fees which are comprised of professional fees paid to a management company controlled by officers of the Trust under an exclusivity agreement. This agreement was terminated as of March 31, 2009. An expense of $34 for abandoned projects was also recorded during the first quarter of 2010.

Quarters ended March 31 (in thousand dollars)	**2010**	**2009**
Trust-related administrative expenses	**297**	250
Expenses related to IFRS transition	**30**	---
Expenses for abandoned projects	**34**	---
Real estate management fees	**---**	170
	361	420
In % of operating income	**4.9**	5.5

Compensation expense related to option plan

During the first quarter ended March 31, 2010, BTB recorded unit-based compensation totalling $6 for option 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 quarter ended March 31, 2010.

Net Loss

The net loss amounted to $1,143 for the quarter ended March 31, 2010 compared to $835 for the same period of 2009

Quarters ended March 31 (in thousand dollars except per unit)	**2010**	**2009**
Net loss	**1,143**	835
Basic and diluted loss per unit	**3.4¢**	2.5¢

EBTD and EBITDA

The Trust generated earnings before tax and depreciation (EBTD) of $0.6 million for the first quarter of 2010 a decrease of $0.1 million compared to the corresponding quarter of 2009. The Trust generated earnings before interest, tax, depreciation and amortization (EBITDA) of $3.5 million, a decrease of almost $0.2 million compared to the first quarter of 2009.

Quarters ended March 31 (in thousand dollars except per unit)	**2010**	**2009**
Net Loss	**(1,143)**	(835)
Future income tax credits	**---**	(107)
Compensation expense related to option plan	**6**	6
Amortization of capitalized leasing costs	**118**	64
Amortization of income-producing properties, intangible assets and other assets	**1,617**	1,608
EBTD	**598**	736
Interest on loans and other carrying charges – net of earned interest	**2,947**	2,961
EBITDA	**3,545**	3,697
Per unit data		
EBTD (basic and diluted)	**1.8¢**	2.2¢
EBITDA (basic and diluted)	**10.5¢**	11.0¢

SEGMENTED INFORMATION

The Trust's operations pertain to four categories of real estate, located in Quebec and in Ontario. The following tables present the contribution to revenues, to net operating income, and to amortization of each of these categories of real estate for the quarters ended march 31, 2010 and 2009.

Quarter ended March 31, 2010 (in thousand dollars)	**Office buildings**		**Commercial buildings**		**Industrial buildings**		**Mixed buildings**		**Total**
	$	**%**	**$**	**%**	**$**	**%**	**$**	**%**	**$**
Income from income-producing properties	3,080	41.6	1,308	17.7	790	10.7	2,222	30.0	7,400
Net operating income	1,410	31.1	903	23.1	533	13.6	1,060	27.2	3,906
Amortization of income-producing properties and intangible assets	680	42.1	300	18.6	185	11.4	452	27.9	1,617
Income producing properties (at amortized cost)	82,554	39.4	45,273	21.6	22,657	10.8	59,057	28.2	209,541

Quarter ended March 31, 2009 (in thousand dollars)	**Office buildings**		**Commercial buildings**		**Industrial buildings**		**Mixed buildings**		**Total**
	$	**%**	**$**	**%**	**$**	**%**	**$**	**%**	**$**
Income from income-producing properties	3,041	40.7	1,360	18.2	788	10.5	2,285	30.6	7,474
Net operating income	1,477	35.9	977	23.8	526	12.7	1,137	27.6	4,117
Amortization of income-producing properties and intangible assets	645	40.1	322	20.0	185	11.5	456	28.4	1,608
Income producing properties (at amortized cost)	85,574	38.8	50,683	23.0	23,544	10.7	60,744	27.5	220,545

DISTRIBUTABLE INCOME AND DISTRIBUTIONS

Distributable income does not constitute financial and accounting information as defined by GAAP. It is, however, an information frequently used by income trusts. The definition of distributable income is contained in the contract of trust governing BTB and in the 2009 Annual Information Form.

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.

Quarters ended March 31 (in thousand dollars, except per unit)	**2010**	**2009**
Net loss (GAAP)	**(1,143)**	(835)
+ Amortization of income-producing properties and intangible assets	**1,612**	1,604
+ Amortization of adjustment of the leases which are not at market terms and conditions	**217**	228
+ Unit-based compensation expenses	**6**	6
+ Future income taxes credits	**---**	(107)
- Deferred rental income – straight-line basis accounting method	**(85)**	(81)
Distributable income	**607**	815
Distributions to unitholders	**677**	896
Per unit data:		
Distributable income (basic and diluted)	**1.8¢**	2.4¢
Distributions	**2.0¢**	2.7¢
Distribution ratio / the distributable income	**111.1%**	109.0%

In the first quarter of 2010, the distributions represented 111.1% of the distributable income.

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:

Quarters ended March 31 (in thousand dollars)	**2010**	**2009**
Cash flows from operating activities (GAAP)	**1,545**	1,070
- Amortization of deferred financing costs	**(216)**	(188)
- Amortization of capitalized leasing costs	**(118)**	(64)
- Amortization of fixed assets	**(5)**	(4)
- Accretion of liability component of convertible debentures	**(112)**	(101)
- Unit-based compensation (as per management agreements)	**---**	(136)
- Change in non-cash working capital items	**(487)**	238
Distributable income	**607**	815

Analysis of distributed cash

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

Quarters ended March 31 (in thousand dollars)		**2010**	2009
A.	Cash flows from operating activities	**1,545**	1,070
B.	Net loss	**1,143**	835
C.	Distributions to unitholders	**677**	896
D.	Surplus (deficit) of cash flows from operating activities to distributions (A – C)	**868**	174

When required, and temporarily, BTB finances 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 loss 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.

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

The following table is a reconciliation between the net loss established under GAAP and the FFO for the quarters ended March 31, 2010 and 2009:

Quarters ended March 31 (in thousand dollars)	**2010**	**2009**
Net loss (GAAP)	**(1,143)**	(835)
+ Amortization of income-producing properties and intangible assets	**1,612**	1,604
+ Amortization of capitalized leasing costs	**118**	64
+ Future income taxes	**---**	(107)
Funds from operations	**587**	726
Per unit data:		
Funds from operations per unit (basic and diluted)	**1.7¢**	2.2¢

For the first quarter ended March 31, 2010, the Trust posted FFO of $0.6 million covering at 87% the Trust's distributions, which totalled approximately $0.7 million for the same period.

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 basis method (deferred rental revenue), 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 property management expenses paid in units.

The Trust deducts 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 the basis of 1.3% of rental revenues. 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. The real non recoverable capital expenses disbursements amounted however to $878 for the first quarter of 2010 mostly due to the funds invested in the re-development of an important building that will welcome in June 2010 a tenant from the Shoppers Drug Mart group.

The Trust also deducts a provision for rental fees in the amount of approximately 20¢ per square foot on an annualized basis. Even though the monthly disbursements for rental fees vary significantly from one quarter to another, management estimates that a linear provision of 20¢ per square foot per year adequately represents, in the long term, the average disbursements that the Trust will undertake. The real disbursements in the first quarter of 2010 amounted to $428.

The following table provides a reconciliation of FFO and AFFO for the quarters ended March 31, 2010 and 2009:

Quarters ended March 31 (in thousand dollars except per unit)	**2010**	**2009**
Funds from operations	**587**	726
- Deferred rental revenue	**(85)**	(81)
+ Amortization of leases not at market terms and conditions	**217**	228
+ Amortization of deferred financing costs	**216**	188
+ Unit-based compensation expenses	**6**	6
+ Accretion of liability component of convertible debentures	**112**	101
+ Amortization of fixed assets	**5**	4
+ Unit-based remuneration under management agreements	**---**	136
- Provisions for non-recoverable capital expenses	**(96)**	(97)
- Provision for rental fees	**(150)**	(112)
Adjusted funds from operations	**812**	1,099
Per unit data:		
Adjusted funds from operations per unit (basic and diluted)	**2.4¢**	3.3¢

The decrease in the AFFO during the first quarter of 2010 compared to 2009 is mostly due to the increase of the net loss for the period, a change in the method of remuneration that was previously paid to certain officers mostly in units until March 2009 and the increase of the provision for rental expenses.

RELATED PARTY TRANSACTIONS

Services and Asset Management Agreements

Until March 31, 2009, an agreement between the Trust and a management company (the "Management Company") existed. Messrs. Michel Léonard and Peter Polatos were the two shareholders of the Management Company, a company which provided the services of Messrs. Léonard and Polatos as officers of the Trust. Both officers were trustees of the Trust and directors of the Management Company. As compensation for its services, the Management Company received an annual fee, payable monthly, based on the adjusted cost base ("ACB") of BTB's assets. These fees were paid almost entirely by means of Trust units. In February 2009, the Trust and the Management Company decided to terminate this agreement. Since then Mr. Peter Polatos resigned as officer of the Trust and Mr. Michel Léonard is now employed by BTB.

The following table provides the fees for the quarters ended March 31, 2010 and 2009:

Quarters ended March 31 (in thousand dollars)	**2010**	**2009**
Annual fees	---	170
Acquisition fees	---	---
	---	170

INCOME TAXES

The Trust is taxed as a mutual fund trust for Canadian income tax purposes. The Trust is required by its contract of trust to distribute all of its taxable income to its unitholders, which currently enables the Trust to deduct such distributions for income tax purposes. Accordingly, prior to June 12, 2007, no provision for income taxes was recorded in the consolidated financial statements.

On June 12, 2007, amendments to the Income Tax Act (Canada) were proposed, which modified the tax treatment of certain income trusts and limited partnerships that are specified investment flow-through trusts or partnerships ("SIFTs"). On February 6, 2009, the Minister of Finance of Canada introduced legislation including certain measures previously announced and modifying the tax treatment applicable to SIFTs, which came into force on March 12, 2009. Pursuant to these measures, beginning on January 1, 2011, certain distributions from a SIFTs that are related to the earnings arising from a business carried on in Canada by such SIFT will no longer be deductible from its income and will therefore be taxable in the hands of such SIFT at a rate generally similar to the combined provincial and federal tax rates applicable to the earnings of a corporate entity. The allocations or distributions of income and of capital gains subject to the SIFTs rules will be similar to the tax treatment of a taxable dividend from a taxable Canadian corporation in the hands of the beneficiaries or partners of the SIFT.

Certain real estate investment trusts that satisfy certain specified conditions (the "REIT Exception") are excluded from the SIFT definition and, therefore, will not be subject to the SIFT rules. In order to qualify for the REIT Exception in respect of a taxation year: (i) the REIT must, at no time in that taxation year, hold non-portfolio property other than "qualified REIT properties" (as defined in the Income Tax Act (Canada)); (ii) not less than 95% of the REIT's revenues for that taxation year must be derived from rent from real or immovable properties, interest, capital gains from dispositions of real or immovable properties, dividends and royalties; (iii) not less than 75% of the REIT's revenues for that taxation year must be derived from rent from, interest from mortgages or hypothecs on, and capital gains from the disposition of real or immovable properties; and (iv) the REIT must, throughout the taxation year, hold real or immovable properties, cash and certain government guaranteed debt with a total fair market value that is not less than 75% of the REIT's equity value.

As of March 31, 2010, BTB met all of these conditions and qualified as a REIT. As a result, the SIFT trust tax rules do not apply to BTB. BTB's management intends to take the necessary steps to meet these conditions on an on-going basis in the future.

TAXATION OF DISTRIBUTIONS

For Canadian unitholders, distributions for taxation purposes are qualified as follows:

Quarters ended March 31	2010	2009
Taxable as other income	---	---
Deferred income	100%	100%
Total	100%	100%

COMPARATIVE SUMMARY OF QUARTERLY RESULTS

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)	2010 Q-1	2009 Q-4	2009 Q-3	2009 Q-2	2009 Q-1	2008 Q-4	2008 Q-3	2008 Q-2
Rental revenue	7,400	7,498	7,632	7,721	7,474	7,733	7,199	7,156
Net operating income	3,906	4,283	4,610	4,499	4,117	4,364	4,268	4,119
Loss from real estate assets	736	376	87	153	516	380	230	86
Loss before future income taxes and continuing operations	1,143	865	549	532	942	1,502	783	723
Net loss	1,143	865	549	532	835	1,507	783	238
Loss per unit - basic and diluted	3.4¢	2.6¢	1.6¢	1.6¢	2.5¢	4.5¢	2.4¢	0.7¢
Funds from operations (FFO)	587	838	1,189	1,208	726	803	798	723
FFO per unit – basic and diluted	1.7¢	2.5¢	3.5¢	3.6¢	2.2¢	2.4¢	2.4¢	2.2¢
Adjusted Funds From Operations (AFFO)	812	977	1,310	1,308	1,099	1,262	1,395	1,311
FFO per unit – basic and diluted	2.4¢	2.9¢	3.9¢	3.9¢	3.3¢	3.8¢	4.2¢	4.0¢

Note: The presentation of certain elements of the previous quarters has been changed to reflect the presentation used in 2010.

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.

FINANCIAL SITUATION

The following table presents a summary of the assets, liabilities and unitholders' equity as at March 31, 2010 and 2009. It must be read together with the Trust's interim financial statements released with this management report and with the audited annual financial statements.

(in thousand dollars)	March 31, 2010	March 31, 2009
ASSETS		
Income-producing properties (at amortized cost)	**209,541**	220,545
Property under development	**5,097**	---
Other assets	**8,064**	6,224
Total	**222,702**	226,769
LIABILITIES		
Mortgage loans	**144,454**	146,408
Convertibles debentures	**23,781**	22,847
Other liabilities	**9,545**	6,859
Total	**177,780**	176,114
UNITHOLDERS' EQUITY	**44,922**	50,655
Total	**222,702**	226,769

The changes to the balance sheet as at March 31, 2010 from the balance sheet as at March 31, 2009 are not significant, as no acquisition or financing occurred during the period.

PROPERTY PORTFOLIO

The following table presents information about our property portfolio:

(in thousand dollars)	March 31, 2010	March 31, 2009
Income properties (at cost)	**228,331**	232,673
Property under development	**5,097**	---
Other assets	**8,064**	6,224
Trust's gross book value	**241,492**	238,897
Number of properties	**43**	**43**
Leasable area (in thousands of sq. ft.)	**2,269**	**2,269**

Summary by sector of activity as of March 31, 2010

	Number of properties	Leasable area (sq.ft.)	%
Office	15	728,214	32.1
Retail	10	365,588	16.1
Industrial	7	573,116	25.3
Mixed use	10	569,491	25.0
Sub-total	**42**	**2,236,409**	**98.5**
Property under development (commercial)	1	33,000	1.5
Total	**43**	**2,269,409**	**100%**

UNDER DEVELOPMENT

In December 2009, following the departure of the only tenant, BTB started the renovation of the building located at 3781 des Sources in Dollard-des-Ormeaux, in order to accomodate a new tenant, a store of the Pharmaprix chain, member of the Shoppers Drug Mart group. It is expected that Pharmaprix will begin its operations in June 2010. This building of originally 33,000 square feet will be renovated and will be comprised, when completed, approximately 30,000 square feet of leasable area. Pharmaprix signed a long-term lease for approximately 18,000 square feet and the Trust is in negotiation with a potential tenant for an additional area.

SUBSEQUENT ACQUISITIONS

On May 10, 2010, the Trust acquired by take-over bid Cagim Real Estate Corporation. The following properties are now part of BTB's portfolio.

Complexe Lebourgneuf

This five-story building, completed in the fall of 2009 and located in the Lebourgneuf suburb of Québec City, has retail stores on the ground floor and offices on the other floors. It has 232,300 square feet of leasable area. The main tenants are the Dessau engineering firm and the Government of Canada. This building has an occupancy rate of approximately 72%. The Trust expects achieving an occupancy rate of more than 85% at the end of fiscal year. BTB has a 50% interest in this building.

Place d'affaires Lebourgneuf – Phase II

This three-story building, completed in 2008 and located in the Lebourgneuf suburb of Québec City, has retail stores on the ground floor and offices on the other floors. Total leasable area is 109,600 square feet and the occupancy rate is almost 97%. The main tenant is Canada Post. The Trust has a 50% interest in this building.

Promenades St-Noël

This commercial building is located in the city of Thetford Mines. It has 56,000 square feet of leasable area and an occupancy rate of 89%. The main tenant is a Super C store of the Métro group.

Edifice Brinks

This industrial building located in the municipality of St-Augustin-de-Desmaures in the greater Québec City area was completed in 2009. It has 7,800 square feet of leasable area and is entirely used by the Brinks Corporation under a 15-year lease.

Edifices Lombard

These two adjacent commercial buildings, located near the 40 Highway in Québec City, have a total of 86,500 square feet of leasable area. They collectively have a 94% occupancy rate. The main tenants are Sport L.G.L. and Lessard Bicycles. The Trust has a 50% interest in these buildings.

Centre d'affaires Le Mesnil

This five-story building located in the Lebourgneuf suburb of Québec City was completed in 1990 and has retail stores on the ground floor and offices on the other floors. It has 110,700 square feet of leasable area, of which 7,800 square feet resulted from a 2009 expansion. This building has an occupancy rate of approximately 85% and the main tenant is Société immobilière du Québec.

REAL ESTATE OPERATIONS

Leasing Activities

The table below summarizes the fluctuation in available leasable area during the first quarter of 2010:

	Square feet
Available leasable area at the beginning of the quarter	**194,000**
Leasable area of leases coming to term during the quarter	42,000
Leasable area of leases terminated before term	21,000
Leasable area of leases expired and renewed during the quarter	(26,000)
Leasable area of new leases executed during the quarter	(35,000)
Available leasable area at the end of the quarter	**196,000**

The leasing activities of the Trust have been productive during the quarter. In spite of a period of economic uncertainties caused by the recent financial crisis, 26,000 square feet, being the better part of the leasable area coming to term during the quarter, have been renewed at an average increase in rent of 5.0%.

Other leases have been terminated before term in 2009, either pursuant to provisions allowing such termination, or by mutual agreement with tenants or following involuntary interruption of business. New leases for 35,000 square feet have been executed, largely compensating for these newly available areas and allowing for the maintenance of the vacancy rate of December 31, 2009.

Finally, negotiations have started with most of the tenants whose leases come to term in 2010. Furthermore, new tenants have joined or will join the Trust's portfolio.

BTB would like to single out the following recent rental transactions:

3781 Des Sources, Dollard-des-Ormeaux

Following the departure of Fruiterie 440, BTB has concluded a long term lease with Pharmaprix (Shoppers Drug Mart) for a leasable are of about 18,000 square feet.

145 Saint-Joseph, Saint-Jean-sur-Richelieu

BTB has renewed the lease with the CSST (Government of Québec) for 10 years with an increase in rent.

Complexe de Léry, Trois-Rivières

BTB has renewed the lease with Hydro-Québec for 10 years for a leasable area of about 40,000 square feet. Furthermore, Deloitte has increase its leased area in this building by 10,000 square feet for a total leased area of about 30,000 square feet. We should also mention the renewal of the leases of Astral, the Canada Development Bank and Heenan Blaikie.

2122 Dollard Street, Lasalle

BTB has renewed the lease of the Government of Québec for a leasable area of about 12,000 square feet for 5 years.

2340 Lapinière, Brossard

Following the expulsion of a tenant of 6,000 square feet in 2008, the Trust has rented that space to a radiologic clinic, affiliated with Laboratoires Biron, a well-know group in Québec. This 10-year lease was concluded at higher net rent rates than those paid by the previous tenant.

1400 Antonio Barbeau

The Trust is considering the conversion of this industrial building into office lofts. On a preliminary basis, BTB anticipates a substantial increase in value of this building following such conversion. Furthermore, the Trust has recently signed a lease with a furniture manufacturer for almost 23,000 square feet of leasable area.

Occupancy Rate

The following table presents occupancy rates by sector of activity based on long term agreements at the reference dates:

Sector of activity	March 31, 2010	December 31, 2009	September 30, 2009	June 30, 2009	March 31, 2009
Office	90.7%	93.3%	92.4%	92.3 %	93.3 %
Retail	88.9%	88.9%	95.1 %	94.4 %	88.5 %
Industrial	93.3%	90.3%	93.3 %	93.3 %	93.3 %
Mixed use	91.4%	94.2%	87.5 %	88.5 %	88.7 %
Total portfolio	91.4%	91.5%	92.0 %	92.0 %	91.0 %

Lease Maturity

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

	2011	2012	2013	2014	2015
Office					
Leasable area (sq.ft.)	111,389	62,068	135,708	47,567	60,051
Lease rate/square foot ($)	10.55	10.00	10.37	12.25	11.50
% of office portfolio	15.35	8.56	18.71	6.56	8.28
Retail					
Leasable area (sq.ft.)	5,143	4,041	19,798	32,936	11,946
Lease rate/square foot ($)	19.10	17.27	12.28	12.03	10.75
% of retail portfolio	1.29	1.01	4.97	8.26	3.00
Industrial					
Leasable area (sq.ft.)	5,250	115,873	30,279	123,899	---
Lease rate/square foot ($)	7.73	4.05	5.83	3.53	---
% of industrial portfolio	0.92	20.35	5.32	21.76	---
Mixed-use					
Leasable area (sq.ft.)	150,070	64,062	37,219	63,641	57,753
Lease rate/square foot ($)	8.44	11.72	11.09	13.58	7.61
% of mixed-use portfolio	26.35	11.25	6.54	11.18	10.14
Portfolio total					
Leasable area (sq.ft.)	271,852	246,044	223,004	268,043	129,750
Lease rate/square foot ($)	9.49	7.76	10.05	8.51	9.70
% of portfolio	11.99	10.85	9.83	11.82	5.72

Top 10 Tenants

As at March 31, 2010, BTB manages about 480 different leases representing an average of approximately 4,700 square feet of space. The three most important tenants are Hydro-Québec, Annie Fruit and the "Végétarien" stores and Germain Larivière, accounting respectively for approximately 6.0%, 4.5% and 3.6% 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 35.0% 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	6.0	81,175
Annie Fruit and « Le Végétarien » stores	4.5	89,308
Germain Larivière	3.6	101,194
Société immobilière du Québec	3.4	75,583
Cornwall Warehousing	3.4	196,179
C.S.S.T (Government of Québec)	3.4	46,664
Groupe Aro	3.0	48,000
Canadian Tire	2.1	53,000
C.L.S.C (Government of Québec)	2.0	26,900
Deloitte Touche	1.9	28,824

CAPITAL RESSOURCES

Long-term debt

The following table presents BTB's debt balances as at March 31, 2010, 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 (%)
2010	---	9,055	5.18
2011	12,883	13,536	6.82
2012	---	48,178	6.17
2013	13,020	17,553	6.89
2014	---	38,777	5.86
2015	---	5,251	5.56
2016	---	---	---
2017	---	12,686	5.63
Total	**25,903**	**145,036**	**6.21**

As at March 31, 2010, the weighted average contractual interest rate of the long-term debt stood at 6.21%, being 5.84% for mortgages payable and 8.25% for convertible debentures.

Mortgage loans

As at March 31, 2010, the Trust's mortgage loans amounted to $145.0 million compared to $147.2 million as at March 31, 2009, before deferred financing costs and valuation adjustments, a decrease of $2.2 million. As at March 31, 2010, the weighted average interest rate of the mortgages was 5.84% compared to 5.88% for the mortgage loans as at March 31, 2009, a decrease of 4 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.

The following table present the evolution in mortgage loans since the beginning of fiscal 2009:

(in thousand dollars)	$
Balance as at December 31, 2009	**145,583**
Contracted mortgage loans or assumed	**---**
Balance reimbursed at expiration	**---**
Monthly principal repayments	**(547)**
Balance as at March 31, 2010	**145,036**

Note: Before unamortized financing costs.

The net book value of the mortgaged properties was approximately $215 million as at March 31, 2010. Unamortized loan financing costs totalled $764 and are amortized under the effective interest method for the term of the loans.

The following table, as of March 31, 2010, shows the future mortgage loan repayments for upcoming years:

Years ended December 31 (in dollars)					
Expiry		**Yearly Principal repayments**	**Balance at maturity**	**Total**	**(%) of Total**
2010	(9 months)	1,622	5,334	6,956	4.8
2011		1,836	16,395	18,731	12.9
2012		2,030	47,281	49,311	34.0
2013		1,717	15,805	17,522	12.0
2014		806	36,530	37,336	25.7
2015		472	4,517	4,989	3.9
2016		416	---	416	0.3
2017		108	10,167	10,275	7.0
Total		**9 007**	**136 029**	**145,036**	**100 %**
Plus: Valuation adjustments on assumed loans				**182**	
Minus: unamortized financing costs				**(764)**	
Balance as of March 31, 2010				**144,454**	

Convertible Debentures

(a) Series A

In October 2006, the Trust issued Series A subordinated unsecured convertible debentures in the amount of $12,883,000. Interest is at the rate of 8% and is payable semi-annually. The debentures mature in October 2011. Subject to certain terms and conditions, the debentures are convertible at the request of the holder after October 2008 at a conversion price per unit of $2.55 (the "Series A Conversion Price"). As at March 31, 2010, the closing market price for BTB's units was $0.74.

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 $11,381,000 liability component and a $1,502,000 equity component of BTB.

(b) Series B

In March 2008, the Trust issued Series B subordinated unsecured convertible debentures in the amount of $13,020,000. Interest is at the rate of 8.5% and is payable semi-annually. The debentures mature on March 31, 2013. Subject to certain terms and conditions, the debentures are convertible at the option of the holder at any time no later than March 31, 2013. The conversion price per unit of $2.30 (the "Series B Conversion Price"). As at March 31, 2010, the closing market price for BTB's units was $0.74.

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.

The Trust may, at its option and subject to certain conditions, elect to satisfy its obligation to pay the principal amount of the Series B debentures by issuing freely tradeable units to Series B debentureholders.

On the date of issue, the debentures were recorded in a $12,339,000 liability component and a $681,000 equity component of BTB.

Bank loans

BTB has an operation and acquisition credit facility of $2.45 million with a Canadian chartered bank. This credit facility is guaranteed by a collateral mortgage on two properties with a net book value of $4 million and bears interest at the bank's prime rate, plus 1%. As at March 31, 2010, an amount of $2.3 million was used.

Subsequent Financing

On March 23, 2010, the Trust announced that it had concluded a two-year commitment for a $25 million acquisition line of credit with Firm Capital Mortage Fund Inc. (the "lender"). The loan will be secured by mortgages on properties directly or indirectly held by the Trust. The loan will allow the Trust to acquire income producing properties. The management of the Trust intends to eventually refinance the loan with a more permanent source of capital.

The annual interest rate on the loan will be the lower of 10.5% or the prime rate periodically posted by TD Canada Trust plus 5%.

The lender will also receive a compensatory payout of warrants to acquire 2,500,000 Units of the Trust. Each subscription warrant will allow the bearer to acquire one Trust unit for $0.7644 until June 1, 2012. Contingent on the conditions of the loan being met, the Trust will have the option of renewing the line of credit for one year. If the Trust renews, the lender will be able to exercise the subscription warrants until May 31, 2013. A $22.8 million disbursement was made on May 7, 2010.

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 March 31, 2010 and December 31, 2009.

(in thousand dollars, except the ratios)	March 31, 2010	December 31, 2009
Mortgage loans	**144,454**	144,950
Convertible Debentures	**23,781**	23,544
Bank loans	**2,315**	720
Total long-term debt	**170,550**	169,214
Gross book value of the Trust	**241,492**	239,523
Total Loan to value ratio	**70.6%**	70.6%
Loan to value ratio (excluding convertible debentures)	**60.8%**	60.8%
Additional permitted borrowing capacity	**34,600**	34,600

According to the table above, the loan to value ratio as at March 31, 2010 was 70.6%, equal to the one of December 31, 2009.

The following table presents the Trust's interest ratios for the quarters ended March 31, 2010 and 2009.

(in thousand dollars, except for the ratios)	March 31, 2010	March 31, 2009
EBITDA(1)	**3,545**	3,697
Interest on loans	**2,630**	2,674
Interest cover ratio	**1.35**	1.38

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

Unitholders' Equity

Unitholders' equity consists of the following:

(in thousand dollars)	March 31, 2010	December 31, 2009
Trust units	**69,620**	69,620
Unit options	**173**	167
Equity component of convertible debentures	**2,183**	2,183
Cumulative loss	**(8,839)**	(7,696)
Cumulative distributions to unitholders	**(18,215)**	(17,538)
	44,922	46,736

Trust Units

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

Quarters ended March 31 (in # of units)	**2010**	**2009**
Outstanding units, beginning of period	**33,691,725**	33,352,391
Units issued		
- Public/private placement	**---**	---
- Other issuances	**---**	260,581
Units issued upon exercise of options	**---**	---
Units outstanding, end of period	**33,691,725**	33,612,972
Weighted average number of units outstanding (basic)	**33,691,725**	33,482,040
Weighted average number of units outstanding (diluted)	**33,691,725**	33,482,040

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 debentures 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:

Quarter ended March 31	**2010**		**2009**	
	Unit Options	**Weighted Average Exercise Price ($)**	**Unit Options**	**Weighted Average Exercise Price ($)**
Outstanding, beginning of quarter	**2,785,000**	**2.26**	2,785,000	2.59
Granted	**---**	---	---	---
Exercised	**---**	---	---	---
Outstanding, end of quarter	**2,785,000**	**2.26**	2,785,000	2.26
Options vested as at March 31	**2,392,000**	**2.18**	2,049,000	2.08
Weighted average remaining term to expiry (years)		**2.25**		3.25

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

Diluted Capital Structure

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

(in # of units)	March 31, 2010	December 31, 2009
Units outstanding	**33,691,725**	33,691,725
Unit options	**2,785,000**	2,785,000
Convertible debentures Series A	**5,052,157**	5,052,157
Convertible debentures Series B	**5,660,870**	5,660,870
	47,189,752	47,189,752

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

SUMMARY OF CRITICAL ACCOUNTING ESTIMATES

BTB's significant accounting policies are described in Notes 1 and 2 to the December 31, 2009 audited financial statements and the reader is invited to refer to these 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

In February 2008, the CICA Accounting Standards Board ("AcSB") confirmed that it will require publicly accountable enterprises to adopt International Financial Reporting Standards ("IFRS"), as issued by the International Accounting Standards Board ("IASB"), for interim and annual financial statements relating to fiscal years beginning on January 1, 2011, with comparative figures presented on the same basis. The transition from Canadian GAAP to IFRS will be applicable for BTB starting January 1, 2011.

BTB has developed an IFRS changeover plan for the conversion of GAAP consolidated financial statements to IFRS. The first two phases of this plan, which consisted mainly of performing a diagnostic and setting up the changeover project, have been completed. Phase 3 "Development of accounting positions and identification and development of modifications required for IFRS disclosure" and Phase 4 "Solution implementation" are under way. The Board of Trustees monitors the work of the Audit Committee and takes the necessary measures to ensure that management fulfills its responsibilities and delivers a successful IFRS conversion within the established timeframe.

In-depth analysis of accounting standards is almost completed and BTB is currently assessing the impact of the future adoption of IFRS on the consolidated financial statements as well as the Contract of Trust and other agreements. Items to be modified, processes, systems or others are being identified and solutions are being developed.

To date, the significant differences between IFRS and GAAP that might impact BTB's financial statements are as follows:

IAS 40, Investment Property

Investment property is immovable property held to earn rental revenue or for capital appreciation, or both. When implementing IFRS, BTB must account for its investment properties using either the cost model or the fair value model. The cost model is similar to GAAP. Under the fair value model, any gain or loss arising from a change in the fair value of an investment property is recognized in the statement of income for the period in which it arises. Fair value is defined as the amount for which an asset could be exchanged between knowledgeable, willing parties in an arm's length transaction. With the fair value model, investment property is not depreciated.

The Board of Trustees has approved the use of the fair value model to measure investment properties when IFRS come into effect. This will lead to significant adjustments to the opening balance sheet, including the opening balances of income properties and unitholders' equity.

Business Combinations

Under both IFRS and current GAAP, business combinations are accounted for using the acquisition method. However, there are major differences between the two standards in other areas. The most important difference is that, under IFRS, transaction costs are expensed as incurred while GAAP requires these amounts to be included in the cost of the asset.

IAS 32, Financial Instruments – Presentation

According to this standard, Trust units may be treated as liabilities rather than as equity. For GAAP and IFRS purposes, a Trust unit is a financial instrument and must be disclosed as a liability if there is a contractual obligation to deliver cash or another financial asset to another entity. As a result of the commitment of BTB's trustees to pay unitholders all of its distributable income and as a result of BTB's obligation to redeem the financial instrument which is the unit for cash at the unitholders' request, Trust units will be deemed a liability for IFRS purposes. Should this interpretation be accurate and should it apply to BTB, the adoption of IFRS will have a significant impact on its financial statements. At its next unitholders' meeting, BTB will request unitholders to approve the desired amendments to its Contract of Trust. These amendments will remove *inter* *alia* the requirement to pay all of the distributable income and to redeem the financial instrument which is the units for cash at the unitholders' request. The purpose of these amendments is to allow BTB to continue including its issued and outstanding units as well as its distributions in unitholders’ equity without having to reclassify these units as liabilities and the distributions as an expense for the year when IFRS are adopted.

Standing Interpretations Committee (“SIC”) Interpretation SIC-15, Operating Leases - Incentives

Under GAAP, leasehold improvements and certain other leasing costs are capitalized and expensed to income as amortization over the lease term. Under IFRS, these incentives or a portion thereof may be viewed as incentives provided to the tenant which must be recognized as a reduction in rental income over the lease term. Application of this interpretation will affect only the presentation of financial data.

IAS 12, Income Taxes

BTB is a real estate investment trust that meets certain criteria set forth in the Income Tax Act (Canada) and enjoys special tax treatment whereby it can deduct the amounts it distributes to unitholders in order to avoid tax. Under EIC-107, Application of Section 3465 to Mutual Fund Trusts, Real Estate Investment Trusts, Royalty Trusts and Income Trusts, a REIT whose distributions exceed its taxable income is not required to report taxable income for the period and, if it meets certain criteria set forth in the standard, is not required to report future income taxes relating to temporary differences, primarily differences between the carrying amount of the trust’s real estate investments and the tax basis of the properties.

IFRS does not currently include any standard equivalent to EIC-107. Under the current IFRS on income taxes, it appears that REITs would be required to recognize future income taxes, even if the trust meets the criteria required to qualify for the REIT exemption. Future income taxes result from temporary differences between the carrying amounts of the trust’s assets and liabilities and their tax basis.

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 March 31, 2010, pursuant to the requirements of Multilateral Instrument 52-109.

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 tenants 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 4,700 square feet, and that there are 480 different leases.

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 March 31, 2010, 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 30, 2010 available on www.sedar.com.