

**BTB**

REAL ESTATE INVESTMENT TRUST

***MANAGEMENT INFORMATION CIRCULAR***

**June 1, 2010**

## TABLE OF CONTENTS

<b>BTB REAL ESTATE INVESTMENT TRUST .....</b>	<b>2</b>
<b>MANAGEMENT INFORMATION CIRCULAR.....</b>	<b>2</b>
<b>INTEREST OF CERTAIN PERSONS IN MATTERS TO BE ACTED UPON .....</b>	<b>4</b>
<b>VOTING SECURITIES AND PRINCIPAL HOLDERS THEREOF .....</b>	<b>4</b>
<b>STATEMENT OF EXECUTIVE COMPENSATION .....</b>	<b>4</b>
<b>COMPENSATION OF TRUSTEES .....</b>	<b>8</b>
<b>EQUITY COMPENSATION PLANS .....</b>	<b>10</b>
<b>INDEBTEDNESS OF TRUSTEES, EXECUTIVE OFFICERS AND EMPLOYEES .....</b>	<b>10</b>
<b>LIABILITY INSURANCE.....</b>	<b>10</b>
<b>INTERESTS OF INFORMED PERSONS IN MATERIAL TRANSACTIONS.....</b>	<b>10</b>
<b>STATEMENT OF CORPORATE GOVERNANCE PRACTICES .....</b>	<b>10</b>
<b>AUDIT COMMITTEE INFORMATION .....</b>	<b>14</b>
<b>PARTICULARS OF MATTERS TO BE ACTED UPON .....</b>	<b>15</b>
<b>ADDITIONAL INFORMATION.....</b>	<b>28</b>
<b>TRUSTEES' APPROVAL .....</b>	<b>28</b>
<b>SCHEDULE A.....</b>	<b>29</b>
<b>SCHEDULE B.....</b>	<b>31</b>
<b>SCHEDULE C.....</b>	<b>32</b>
<b>SCHEDULE D.....</b>	<b>33</b>
<b>SCHEDULE E .....</b>	<b>34</b>

**BTB**

**REAL ESTATE INVESTMENT TRUST**

**NOTICE OF ANNUAL AND SPECIAL MEETING OF THE UNITHOLDERS TO BE HELD ON  
JUNE 29, 2010**

**NOTICE IS HEREBY GIVEN** that an annual and special meeting (the “**Meeting**”) of the unitholders (the “**Unitholders**”) of BTB Real Estate Investment Trust (“**BTB**”) will be held at 1000 De La Gauchetière Street West, Montréal, Québec H3B 4W5, on Tuesday, June 29, 2010 at 10:00 a.m. (Montreal time) in the *De La Gauchetière Room* of the VIP Centre for the following purposes:

- (a) To receive and consider the consolidated audited financial statements of BTB for the fiscal year ended December 31, 2009 and the auditors’ report thereon;
- (b) To elect the trustees of BTB (the “**Trustees**”);
- (c) To appoint the auditors of BTB and authorize the Trustees to fix their compensation;
- (d) To consider and if deemed advisable, approve a resolution reconfirming the Unitholders' Right Plan;
- (e) To consider and, if deemed advisable, approve a resolution confirming the implementation of a Deferred Unit Plan;
- (f) To consider and, if deemed advisable, approve resolutions to amend the contract of trust of BTB to conform with the new International Financial Reporting Standards;
- (g) To consider and, if deemed advisable, approve a resolution authorizing a proposed reorganization of the structure of BTB;
- (h) To consider and, if deemed advisable, approve the issuance of units of BTB in partial payment of the remuneration of Mr. Michel Léonard as President and Chief Executive Officer of BTB;
- (i) To consider and, if deemed advisable, approve a resolution authorizing the implementation of the 2010 rolling unit option plan; and
- (j) 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 May 26, 2010 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 BTB.

**DATED** in Montreal, Québec, on June 1, 2010.

By order of the Board of Trustees

*(s) Michel Léonard*

President and Chief Executive Officer

## BTB REAL ESTATE INVESTMENT TRUST

BTB 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**”).

Prior to its reorganization as a real estate investment trust, BTB existed as a capital pool company known as “Capital ABTB Inc.”. Capital ABTB Inc. was incorporated under the *Canada Business Corporations Act* on September 8, 2005 and completed its initial public offering and became a publicly-listed company on the TSX Venture Exchange on January 26, 2006.

On October 3, 2006, Capital ABTB Inc. completed a qualifying transaction whereby, pursuant to a plan of arrangement (the “**Arrangement**”), Capital ABTB Inc. was reorganized into a real estate investment trust under the name “BTB Real Estate Investment Trust”. In accordance with the Arrangement, the common shares of Capital ABTB Inc. were exchanged for Units of BTB on a five for one basis.

BTB owns TB Subsidiary Trust (“**TB Trust**”), a wholly-owned subsidiary, which purchases properties and manages a real estate portfolio on its behalf.

BTB 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 BTB for use at the annual and special meeting of the Unitholders of BTB to be held on June 29, 2010 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 BTB. The cost of solicitation shall be borne by BTB. Except where otherwise indicated, the information contained herein is given as of May 28, 2010. The Board of Trustees of BTB has, by resolution, set the close of business on May 26, 2010 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 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 BTB, 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 BTB. **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 BTB, 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 BTB (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 BTB, as few of the Unitholders hold Units in their own name. Only Unitholders of record of BTB holding Units in their own name or persons they have appointed as proxies shall be authorized to vote at the Meeting. Most Unitholders of BTB are “non-registered” Unitholders (“**Non-Registered Unitholders**”) since the Units which they beneficially 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/broker” (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/broker 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/broker, including those with respect to the time and place of delivery of the form of proxy.

The majority of intermediaries/brokers however delegate responsibility for obtaining instructions from clients to Broadridge Investor Communications Solutions (“**Broadridge**”). Broadridge typically prepares a special voting instruction form, mails those forms to the Non-Registered Unitholders and asks for and provides appropriate instructions respecting the voting of Units to be represented at the Meeting. Broadridge is required to forward the Meeting documents to the Non-Registered Unitholders unless a Non-Registered Unitholder shall have waived his entitlement to receive them. A Non-Registered Unitholder receiving a voting instruction form cannot use the form to vote Units directly at the Meeting. The voting instruction form must be returned to Broadridge well in advance of the Meeting in order to have the Units voted.

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 intermediary/broker or Broadridge, 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 Unitholder. Without specific instructions, the intermediaries or nominees are prohibited from voting the Units for their clients. If you are a Non-Registered Unitholder and wish to vote in person at the Meeting, please contact your intermediary/broker well in advance of the Meeting to determine how you can do so.

### INTEREST OF CERTAIN PERSONS IN MATTERS TO BE ACTED UPON

To the best of the knowledge of the Trustees and the Executive Officers of BTB, except as set out herein and except insofar as they may be Unitholders of BTB, no Trustee or Executive Officer of BTB, nor any proposed nominee for election to the office of Trustee of BTB, 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 BTB are divided into a single class of Units. Each Unit represents an equal undivided beneficial interest in any distribution from BTB and in any assets of BTB 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 May 31, 2010, 33,691,725 Units of BTB were issued and outstanding.

The Board of Trustees has set the record date of May 26, 2010 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 BTB 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 BTB carrying more than 10% of the voting rights attached to any class of voting securities of BTB, with the exception of:

Shareholder	Number of Units beneficially owned or over which control or direction is exercised	Percentage of outstanding Units
Bruce Mitchell <sup>1)</sup>	4,606,000	13.67%

1) On the basis of the SEDI reports filed as of May 28, 2010.

### STATEMENT OF EXECUTIVE COMPENSATION

#### Compensation Discussion and Analysis

##### Objectives

BTB'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 BTB's Executive Compensation Program are designed to play a role in the following objectives, notably:

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 BTB'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 BTB'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 BTB's executive compensation philosophy, which the management of BTB 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 BTB for a given period, a bonus or another form of compensation.

### **Long-Term Incentive Plan**

BTB 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 BTB's growth objectives.

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 BTB, provided that the number of Units reserved for issue shall not exceed 2,649,951 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 BTB. 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  $\frac{1}{4}$  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 BTB.

Options granted pursuant to the Unit Option Plan shall have a Unit exercise price not less than the last closing price of the Units before the date of the grant.

### **Compensation of the Chief Executive Officer and the Chief Financial 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 BTB, salaries and bonuses

paid to other chief executive officers in the industry and the Chief Executive Officer's impact on the achievement of BTB's objectives for the previous and current financial year.

In setting the Chief Financial Officer's salary and bonus, the Governance and Human Resources Committee reviews salaries and bonuses paid to other Executive Officers of BTB, salaries and bonuses paid to other chief financial officers in the industry and the Chief Financial Officer's impact on the achievement of BTB's objectives for the previous and current financial year. The Chief Financial Officer of BTB is compensated with a salary and periodic grants of options under the Unit Option Plan as well as incentives under BTB's short term incentive plan (beginning on January 1, 2009).

### **Management Service Agreement**

Since October 3, 2006, a management company (the "**Management Company**") had been providing the services: (i) of Mr. Michel Léonard, in his capacity as President and Chief Executive Officer of BTB; and (ii) of Mr. Peter Polatos, in his capacity as Vice President, Acquisition and Assistant Secretary of BTB, pursuant to a Management Service Agreement. Mr. Michel Léonard controlled the Management Company. Messrs Léonard and Polatos also acted as Trustees of BTB. The Management Service Agreement provided that no compensation shall be paid to the Management Company. The Management Service Agreement was terminated effective March 31, 2009 as part of operational cost saving measures.

### **Asset Management Agreement**

The Management Company also provided on an exclusive basis to TB Trust, asset management services as well as administrative and other services pursuant to an Asset Management Agreement, which, in exchange, provided for, up to March 31, 2009, an annual advisory fee payable monthly, equal to 0.3% of the Adjusted Cost Base (the "ACB") of the assets of TB Trust and its subsidiaries, prorated to take into account any acquisitions or dispositions during any monthly period. These fees were payable 80% in Units and 20% cash.

In February 2009, the Trust and the Management Company decided to terminate the Asset Management Agreement effective March 31, 2009 as part of operational cost saving measures.

Pursuant to the terms of the Asset Management Agreement, the Management Company earned, for its services in the financial year ended December 31, 2009, annual advisory fees and acquisition fees for a total amount of \$169,834, of which \$135,868 was paid in Units.

BTB reimbursed the asset manager in respect of all expenses connected with the operation of TB Trust, including, without limitation, expenses of a third party, which were reasonably incurred by the asset manager on behalf of TB Trust.

### **Summary Compensation Table**

Under applicable securities legislation, BTB 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, 2009 regarding compensation paid to, or earned by, the Chief Executive Officer, the Chief Financial Officer and the most highly compensated Executive Officers of BTB other than the Chief Executive Officer and Chief Financial Officer whose total salary and bonus exceeded \$150,000 on December 31, 2009 (the "Named Executive Officers"). No other Executive Officer of BTB earned total salary and bonuses in excess of \$150,000 for the financial year ended December 31, 2009.

Name and principal position	Year <sup>(1)</sup>	Salary (\$)	Unit-based awards (\$)	Option-based awards (\$) <sup>(5)</sup>	Non-equity incentive plan compensation (\$)		Pension value (\$)	All other compensation (\$)	Total Compensation (\$)
					Annual incentive plans	Long-Term incentive plans			
Michel Léonard President and Chief Executive Officer	2009	324,000 <sup>(6)</sup>	N/A	0	50,198 <sup>(6)</sup>	N/A	N/A	96,805 <sup>(1)</sup>	471,003
	2008	0	N/A	3,000	N/A	N/A	N/A	477,773 <sup>(1)(2)</sup>	480,773
	2007	0	N/A	38,500	N/A	N/A	N/A	437,302 <sup>(1)(2)</sup>	475,802
Peter Polatos <sup>(3)</sup> Vice President, Acquisition and Assistant Secretary	2009	0	N/A	0	N/A	N/A	N/A	73,029 <sup>(1)</sup>	73,029
	2008	0	N/A	3,000	N/A	N/A	N/A	342,392 <sup>(1)(2)</sup>	345,392
	2007	0	N/A	23,100	N/A	N/A	N/A	278,567 <sup>(1)(2)</sup>	301,667
Benoit Cyr <sup>(4)</sup> Vice President and Chief Financial Officer	2009	160,000	N/A	0	N/A	N/A	N/A	6,400	166,400
	2008	145,000	N/A	1,500	N/A	N/A	N/A	0	146,500
	2007	105,000	N/A	13,200	N/A	N/A	N/A	0	118,200

Notes:

- (1) See the sections entitled "Management Services Agreement" and "Asset Management Agreement" as well as the section entitled "Compensation of Trustees". Messrs Michel Léonard and Peter Polatos received options as Trustees of BTB. The compensation for Mr. Michel Léonard was paid directly to Placements M.L. Léonard Inc. a corporation controlled by Mr. Michel Léonard. The compensation for Mr. Peter Polatos was paid partly to Mr. Peter Polatos directly and partly to Polatos Investments Corp., a corporation controlled by Mr. Peter Polatos.
- (2) Messrs Léonard and Polatos received remuneration from third parties while acting as intermediaries for BTB.
- (3) Mr. Peter Polatos resigned as Vice President, Acquisition and Assistant Secretary effective March 31, 2009.
- (4) Mr. Benoit Cyr was appointed Chief Financial Officer of BTB on April 2, 2007.
- (5) In determining the grant date fair value of these option awards, the Black-Scholes methodology was used.
- (6) Subject to Unitholder approval, 50% of this remuneration will be paid in Units.

## Incentive Plan Awards

### *Outstanding Option-Based Awards and Unit-Based Awards*

The following table indicates for each of the Named Executive Officers all awards outstanding at the end of financial year ended December 31, 2009 pursuant to BTB's current Unit Option Plan and previous option-based awards. BTB does not have a plan entitling its members to benefit from the increase in value of the Units.

Name	Option-based Awards				Unit-based Awards	
	Number of securities underlying unexercised options	Option exercise price (\$)	Option expiration date	Value of unexercised in-the-money options (\$) <sup>(1)</sup>	Number of Units that have not vested	Market or payout value of unit-based awards that have not vested
Michel Léonard President and Chief Executive Officer	60,000	2.15	Oct. 3, 2011	0	N/A	N/A
	500,000	2.76	June 15, 2012	0	N/A	N/A
	50,000	1.11	Sept 8, 2013	0	N/A	N/A
Peter Polatos Vice President, Acquisition and Assistant Secretary	60,000	2.15	Oct. 3, 2011	0	N/A	N/A
	300,000	2.76	June 15, 2012	0	N/A	N/A
	50,000	1.11	Sept. 8, 2013	0	N/A	N/A
Benoit Cyr Vice President and Chief Financial Officer	100,000	2.65	April 2, 2012	0	N/A	N/A
	100,000	2.76	June 15, 2012	0	N/A	N/A
	25,000	1.11	Sept. 8, 2013	0	N/A	N/A

Notes:

- (1) The value of unexercised in-the-money options at financial year-end is the difference between the closing price of the Units on December 31, 2009 on the TSX Venture Exchange and the exercise price.

### Value Vested or Earned on Incentive Plan Awards During the Most Recent Completed Fiscal Year

The following table indicates for each of the Named Executive Officers, the value on vesting of all option awards during the 2009 financial year.

Name	Option-based awards Value vested during the year (\$) <sup>(1)</sup>	Unit-based awards Value vested during the year (\$)	Non-equity incentive plan compensation Value earned during the year (\$)
Michel Léonard President and Chief Executive Officer	0	N/A	N/A
Peter Polatos Vice President, Acquisition and Assistant Secretary	0	N/A	N/A
Benoit Cyr Vice President and Chief Financial Officer	0	N/A	N/A

Note:

(1) The value vested of the options was nil for the year ended December 31, 2009 since the exercise price exceeded the market price of the Units on the TSX Venture Exchange on the vesting date. The class of securities underlying all options is made up of Units of BTB. Messrs Léonard and Polatos received options in their capacity as Trustees of BTB.

No options were exercised by the Named Executive Officers during the financial year ended December 31, 2009.

### Termination and Change of Control Benefits Payable Under Named Executive Employment Contracts

The Asset Management Agreement contained provisions regarding termination and change of control and it was terminated effective March 31, 2009 without any termination or change of control benefits being paid.

### COMPENSATION OF TRUSTEES

The non executive Trustees of BTB were compensated as follows during the financial year ended December 31, 2009:

Name	Fees earned (\$)	Share- based awards (\$)	Option-based awards (\$)	Non-equity incentive plan compensation (\$)	Pension value (\$)	All other compensation (\$)	Total (\$)
Jocelyn Proteau <sup>(1)</sup>	0	N/A	N/A	N/A	N/A	0	0
Jean-Pierre Janson	0	N/A	N/A	N/A	N/A	0	0
Richard Lord	0	N/A	N/A	N/A	N/A	0	0
Luc Lachapelle	0	N/A	N/A	N/A	N/A	0	0
Normand Beauchamp	0	N/A	N/A	N/A	N/A	0	0
Claude Garcia <sup>(2)</sup>	23,333	N/A	N/A	N/A	N/A	0	23,333

Notes:

- (1) Mr. Jocelyn Proteau is the Chairman of the Board  
 (2) Mr. Claude Garcia is a Non-Participating Independent Trustee of BTB.

Except for Mr. Claude Garcia who received a cash compensation of \$23,333, the Trustees of BTB receive no cash compensation in respect of their participation in the various meetings of the Board of Trustees or its committees.

### Outstanding Option-Based Awards and Unit-Based Awards

The following table indicates for each of the non executive Trustees all awards outstanding at the end of financial year ended December 31, 2009 pursuant to BTB's current Unit Option Plan and previous option-based awards. BTB does not have a plan entitling its members to benefit from the increase in value of the Units. Mr. Claude Garcia is a Non-Participating Independent Trustee of BTB and as such does not receive any option-based awards.

Option-based Awards					Unit-based Awards	
Name	Number of securities underlying unexercised options	Option exercise price (\$)	Option expiration date	Value of unexercised in-the-money options (\$) <sup>(1)</sup>	Number of Units that have not vested	Market or payout value of unit-based awards that have not vested
Jocelyn Proteau	100,000	2.15	Oct. 3, 2011	0	N/A	N/A
	200,000	2.76	June 15, 2012	0	N/A	N/A
	150,000	1.11	Sept 8, 2013	0	N/A	N/A
Jean-Pierre Janson	60,000	2.15	Oct. 3, 2011	0	N/A	N/A
	100,000	2.76	June 15, 2012	0	N/A	N/A
	80,000	1.11	Sept 8, 2013	0	N/A	N/A
Richard Lord	60,000	2.15	Oct. 3, 2011	0	N/A	N/A
	100,000	2.76	June 15, 2012	0	N/A	N/A
	80,000	1.11	Sept 8, 2013	0	N/A	N/A
Luc Lachapelle	20,000	1.00	Jan. 26, 2011	0	N/A	N/A
	60,000	2.15	Oct. 3, 2011	0	N/A	N/A
	100,000	2.76	June 15, 2012	0	N/A	N/A
	80,000	1.11	Sept 8, 2013	0	N/A	N/A
Normand Beauchamp	60,000	2.15	Oct. 3, 2011	0	N/A	N/A
	100,000	2.76	June 15, 2012	0	N/A	N/A
	80,000	1.11	Sept 8, 2013	0	N/A	N/A

Notes:

- (1) The value of unexercised in-the-money options at financial year-end is the difference between the closing price of the Units on December 31, 2009 on the TSX Venture Exchange and the exercise price.

### Value Vested or Earned on Incentive Plan Awards During the Most Recent Completed Fiscal Year

The following table indicates for each of the non-executive Trustees, the value on vesting of all option awards during the 2009 financial year.

Name	Option-based awards Value vested during the year (\$) <sup>(1)</sup>	Unit-based awards Value vested during the year (\$)	Non-equity incentive plan compensation Value earned during the year (\$)
Jocelyn Proteau	0	N/A	N/A
Jean-Pierre Janson	0	N/A	N/A
Richard Lord	0	N/A	N/A
Luc Lachapelle	0	N/A	N/A
Normand Beauchamp	0	N/A	N/A

Notes:

- (1) The value vested of the options was nil for the year ended December 31, 2009 since the exercise price exceeded the market price of the Units on the TSX Exchange on the vesting date.

### EQUITY COMPENSATION PLANS

The following table provides details of compensation plans under which equity securities of BTB were authorized for issue in respect of the financial year ended December 31, 2009.

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 (Unit Option Plan)	2,785,000	\$2.26	0

### INDEBTEDNESS OF TRUSTEES, EXECUTIVE OFFICERS AND EMPLOYEES

As at May 28, 2010, no current or former Trustee, Executive Officer or employee of BTB or of any of its subsidiaries, as applicable, is indebted to BTB or any of its subsidiaries, nor has the indebtedness of any of them to another entity been the subject of a guarantee, support agreement, letter of credit or similar arrangement or undertaking provided by BTB or any of its subsidiaries.

### LIABILITY INSURANCE

BTB 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, 2009 to September 28, 2010, BTB paid an annual premium of \$34,500 plus taxes for this insurance. Under the policy, each entity which is an affiliate of BTB has reimbursement coverage to the extent that it has indemnified Trustees, directors or Executive Officers of such entity. As at May 28, 2010, 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 BTB. 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 BTB (or an affiliate of BTB). 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.

Other than in connection with the Arrangement and as set out herein, no informed person of BTB nor any proposed nominee for election as a Trustee of BTB 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 BTB's last financial year or in any transaction or proposed transaction which has materially affected or would materially affect BTB or any of its subsidiaries.

### STATEMENT OF CORPORATE GOVERNANCE PRACTICES

National Policy 58-201 *Corporate Governance Guidelines* and National Instrument 58-101 *Disclosure of Corporate Governance Practices* and Policy 3.1 of the TSX Venture Exchange, as applicable to BTB (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. BTB and the Board of Trustees recognize the importance of corporate governance to the effective management of BTB and to the protection of its employees and Unitholders, as a whole.

BTB's approach to significant issues of corporate governance is designed with a view to ensuring that the business and affairs of BTB 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 BTB's affairs and in light of opportunities or risks which BTB faces. The Trustees are kept informed of BTB's operations at these meetings as well as through reports and discussions with management on matters within their particular areas of expertise. BTB continues to monitor developments in Canada with a view to further revising its governance policies and practices, as appropriate.

As is the case with BTB, each reporting issuer must establish its governance practices annually and the following is a description of BTB'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 BTB 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 BTB 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 BTB without the presence of management. Messrs Michel Léonard and Peter Polatos (until his resignation as Vice-President, Acquisition and Assistant Secretary effective March 31, 2009) were not independent as they were Executive Officers of BTB.

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, 2009 to December 31, 2009, the Board of Trustees held 14 meetings.

The number of board and committee meetings the Trustees attended for the financial year ended December 31, 2009 is as follows:

Trustee	Board of Trustees	Audit Committee	Investment Committee <sup>(1)</sup>	Governance and Human Resources Committee
Michel Léonard	14 of 14	N/A	N/A	N/A
Peter Polatos	14 of 14	N/A	N/A	N/A
Jocelyn Proteau	14 of 14	N/A	N/A	1 of 1
Jean-Pierre Janson	13 of 14	4 of 4	0 of 0	N/A
Richard Lord	13 of 14	4 of 4	N/A	1 of 1
Luc Lachapelle	13 of 14	3 of 4	0 of 0	N/A
Normand Beauchamp	11 of 14	N/A	0 of 0	1 of 1
Claude Garcia	14 of 14	4 of 4	0 of 0	N/A

Notes:

(1) There were no new investment opportunities presented to the Trustees in 2009, therefore there was no need for the Investment Committee to meet.

The independent Trustees of the Board met, 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	Vice-Chairman of the Board and Director	July 2002	Present
	Standard Life plc	FTSE	Director	Aug. 2003	May 2009
	CO <sub>2</sub> Solution Inc.	TSX Venture Exchange	Director	April 2007	Present
Richard Lord	Richelieu Hardware Ltd	Toronto Stock Exchange	President & 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
Jean-Pierre Janson	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. 2000	Present
Claude Garcia	Cogeco Cable Inc.	Toronto Stock Exchange	Director	2004	Present
	Cogeco Inc.	Toronto Stock Exchange	Director	2003	Present
	Goodfellow Inc.	Toronto Stock Exchange	Director	Dec. 2005	Present

### Board of Trustees' Mandate

#### *The Board of Trustees*

The Board is responsible for supervising the management of BTB and monitoring management in order to foster the short- and long-term success of BTB and is accountable to BTB'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](http://www.sedar.com).

### **Code of Ethics**

The Board of Trustees intends to adopt a Code of Ethics (the "Code") for Trustees, Executive Officers and employees of BTB, 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 BTB 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 BTB. The process by which appropriate compensation is determined is through periodic and annual reports on BTB'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 "Statement of Executive Compensation" as included in BTB'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 BTB 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 and its committees. An evaluation of the Board of Trustees was conducted in December 2009 and completed in the beginning of 2010.

### **Governance and Human Resources Committee**

The Governance and Human Resources Committee of BTB is charged with negotiating, finalizing and otherwise handling all the compensation and assessment of any Trustee, Executive Officer or consultant of BTB. 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**

BTB empowered TB Trust with the responsibility of overseeing the Investment Committee, which is composed of three 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 BTB and its subsidiaries with regards to any financing, acquisition, take-over bid, merger or amalgamation.

Messrs Claude Garcia, Luc Lachapelle 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**

BTB is required to disclose the following information in accordance with *Regulation 52-110 Respecting Audit Committees* ("**52-110**"). The Board of Trustees of BTB 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 BTB and of the documents related thereto;
- The compliance of BTB with the requirements of applicable laws and regulations with respect to financial disclosure; and
- The competence, independence and performance of the independent auditors of BTB.

Information required under 52-110 is available in BTB's Annual Information Form (the "**AIF**") for the financial year ended December 31, 2009. A copy of BTB's current AIF is available on SEDAR at [www.sedar.com](http://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, 2009, which are available on SEDAR at [www.sedar.com](http://www.sedar.com), shall be submitted to the Unitholders of BTB 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 BTB. 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 BTB 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 BTB	Principal Occupation	Number of Units Beneficially Owned, Controlled or Directed <sup>(1)</sup>	Trustee Since
Michel Léonard Westmount, Québec	President, Chief Executive Officer and Trustee	President and Chief Executive Officer of BTB	943,078	July 12, 2006
Peter Polatos Rosemère, Québec	Independent Trustee	President AMTB Management inc.	699,140	July 12, 2006
Jocelyn Proteau <sup>(3)</sup> Verdun, Québec	Chairman of the Board of Trustees and Independent Trustee	Corporate Director	187,500	July 12, 2006
Jean-Pierre Janson <sup>(2)(4)</sup> Outremont, Québec	Independent Trustee	Executive Vice President Richardson Financial Partners Limited	175,000	July 12, 2006
Richard Lord <sup>(2)(3)</sup> St-Laurent, Québec	Independent Trustee	President & Chief Executive Officer and director Richelieu Hardware Ltd	130,000	July 12, 2006
Luc Lachapelle <sup>(2)(4)</sup> St-Laurent, Québec	Independent Trustee	President and Chief Executive Officer Corlac Real Estate Inc.	110,000	July 12, 2006
Normand Beauchamp <sup>(3)</sup> Verdun, Québec	Independent Trustee	President and Chief Executive Officer Capital NDSL Inc.	308,386	July 12, 2006

Name and Province of Residence	Position With BTB	Principal Occupation	Number of Units Beneficially Owned, Controlled or Directed <sup>(1)</sup>	Trustee Since
Claude Garcia <sup>(2)(4)</sup> Outremont, Québec	Non-Participating and Independent Trustee	Corporate Director	Nil	October 16, 2006

Notes

- (1) 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 BTB, has been furnished by the proposed nominees.
- (2) Member of the Audit Committee. Mr. Richard Lord is the Chairman of the Audit Committee.
- (3) Member of the Governance and Human Resources Committee. Mr. Normand Beauchamp is the Chairman of the Governance and Human Resources Committee.
- (4) Member of the Investment Committee. Mr. Claude Garcia is the Chairman 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.

### 3. Appointment of the Auditors of BTB

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 BTB, 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 BTB 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 BTB.**

### 4. Reconfirmation of the Unitholders' Right Plan

At the Meeting, the Unitholders will be asked to consider and, if deemed advisable, to approve a resolution reconfirming the Rights Plan initially approved by the Unitholders at the annual and special meeting of Unitholders held May 31, 2007, for a term of three years. The Rights Plan must be reconfirmed at every third annual meeting of Unitholders of BTB. If the Rights Plan is not reconfirmed at such meetings of Unitholders, the Rights Plan and all outstanding Rights will terminate and be void and of no further force and effect.

In accordance with the rules of the TSX Venture Exchange, the resolution confirming the reconfirmation of the Rights Plan must be approved by a majority of the votes cast by the Unitholders. BTB is not aware that any Unitholder would not be eligible to vote with respect to the reconfirmation of the Rights Plan.

**The Board of Trustees has concluded that the reconfirmation of the Rights Plan is in the best interests of BTB and Unitholders and unanimously recommends that Unitholders vote IN FAVOUR OF this resolution.**

The Unitholders will be asked to consider the following resolution and, if deemed advisable, to adopt it:

**“BE IT RESOLVED THAT:**

- (a) The Rights Plan, entered into between BTB and Computershare Investor Services Inc. as of June 1, 2007, and the issue of the rights pursuant to said Rights Plan, are hereby reconfirmed and ratified.
- (b) Any Trustee of BTB is hereby authorized to execute and deliver all such documents, and to do all such other acts and things, as such Trustee may determine to be necessary or advisable in connection with the foregoing, and he is hereby directed to do so.”

**Unless otherwise directed, the persons named in the enclosed form of proxy intend to vote IN FAVOUR OF the above-mentioned resolution.**

**Objectives of the Rights Plan**

The fundamental objectives of the Rights Plan are to provide adequate time for BTB’s Trustees and Unitholders to assess an unsolicited take-over bid for BTB, to provide the Trustees with sufficient time to explore and develop alternatives for maximizing Unitholder value if a take-over bid is made, and to provide Unitholders with an equal opportunity to participate in a take-over bid. The Rights Plan encourages a potential acquirer who makes a take-over bid to proceed either by way of a “Permitted Bid” (described below), which generally requires a take-over bid to satisfy certain minimum standards designed to promote fairness, or with the concurrence of the Trustees of BTB. If a take-over bid fails to meet these minimum standards and the Rights Plan is not waived by the Trustees, the Rights Plan provides that the holders of Units, other than the acquirer, will be able to purchase additional Units at a significant discount to market, thus exposing the acquirer to substantial dilution of its holdings. Currently, the Trustees of BTB are not aware of any pending or threatened take-over bid for BTB and they are confident that no unsolicited take-over bid will be made with respect to the Units of BTB prior to the adoption of the Rights Plan.

In adopting the Rights Plan, the Trustees considered the existing legislative framework governing take-over bids in Canada. The Trustees believe such legislation currently does not provide sufficient time to permit Unitholders to consider a take-over bid and make a reasoned and unhurried decision with respect to a take-over bid or give the Trustees sufficient time to develop alternatives for maximizing Unitholder value. Unitholders may also feel compelled to tender to a take-over bid even if the Unitholder considers such bid to be inadequate out of a concern that failing to tender may result in a Unitholder being left with illiquid or minority-discounted Units in BTB. This is particularly so in the case of a partial bid for less than all of the Units of BTB where the bidder wishes to obtain a control position but does not wish to acquire all of the Units. Finally, while existing securities legislation has addressed many concerns related to unequal treatment of securityholders, there remains the possibility that control of an issuer may be acquired pursuant to private agreements in which a small group of securityholders disposes of securities at a premium to market price, which premium is not shared with the other securityholders. It is not the intention of the Trustees in recommending the confirmation and ratification of the Rights Plan to preclude a take-over bid for control of BTB.

The Rights Plan provides that Unitholders could tender to take-over bids as long as they meet the Permitted Bid criteria. Furthermore, even in the context of a take-over bid that does not meet the Permitted Bid criteria, the Trustees are always bound by their fiduciary duty to consider any take-over bid for BTB and consider whether or not they should waive the application of the Rights Plan in respect of such bid. In discharging such responsibility, the Trustees will be obligated to act honestly and in good faith and in the best interests of BTB and the Unitholders.

A number of recent decisions rendered by the Canadian securities regulators relating to rights plans have concluded that a board faced with an unsolicited take-over bid will not be permitted to maintain a rights plan indefinitely to prevent the successful completion of the bid, but only for so long as the board is

actively seeking alternatives to the bid and there is a reasonable possibility that, given additional time, a value-maximizing alternative will be developed. BTB's Rights Plan does not preclude any Unitholder from utilizing the proxy rules to promote a change in the management or direction of BTB, and will have no effect on the rights of holders of BTB's Units to requisition a meeting of Unitholders in accordance with applicable rules.

In recent years, unsolicited take-over bids have been made for a number of Canadian public companies, many of which had rights plans. The Trustees believe this demonstrates that the existence of rights plan does not prevent the making of an unsolicited bid. Further, in a number of these cases, a change of control ultimately occurred at a price in excess of the original bid price. There can be no assurance, however, that BTB's Rights Plan would serve to bring out a similar result. The Rights Plan is not expected to interfere with the day-to-day operations of BTB or its subsidiaries. The continuation of outstanding rights and the issue of additional rights in the future will not in any way alter the financial condition of BTB, impede its business plans, or alter its financial statements. In addition, the Rights Plan is initially not dilutive. However, if a "Flip-In Event" (described below) occurs and the rights separate from the Units as described below, reported earnings per Unit and reported cash flow per Unit on a fully-diluted or non-diluted basis may be affected. In addition, holder of rights not exercising their rights after a Flip-In Event may suffer substantial dilution.

### **Summary of the Rights Plan**

The following is a summary of the principal terms of the Rights Plan, which summary is qualified by, and is subject to, the full terms and conditions of the Rights Plan. Except as otherwise defined herein, capitalized terms used herein have the meanings ascribed thereto in the Rights Plan.

#### Issue of Rights

Effective as of the first business day following the adjournment of the Meeting, one right ("**Right**") shall be issued and attached to each outstanding Unit of BTB. One Right shall also be issued and attached to each Unit issued thereafter, subject to the limitations set forth in the Rights Plan. The initial price for the rights shall be \$100 (the "**Exercise Price**"), subject to the appropriate anti-dilution adjustments.

#### Acquiring Person

An Acquiring Person is a person that beneficially owns 20% or more of the outstanding Units. An Acquiring Person does not, however, include BTB or any subsidiary of BTB, or any person that becomes the beneficial owner of 20% or more of the Units as a result of certain exempt transactions. These exempt transactions include those whereby any person becomes the beneficial owner of 20% or more of the Units of BTB as a result of, among other things: (i) specified acquisitions of securities of BTB; (ii) acquisitions pursuant to a Permitted Bid or Competing Permitted Bid (as described below); (iii) specified distributions of securities of BTB; (iv) certain other specified exempt acquisitions (including for portfolio managers, mutual funds and other similar entities with no present intention to take control of BTB); and (v) transactions with respect to which the application of the Rights Plan has been waived by the Trustees. Also excluded from the definition of Acquiring Person is a person (a "**Grand-Fathered Person**") who is the beneficial owner of 20% or more of the outstanding Units on the date of implementation of the Rights Plan; provided further, however, that this exemption shall not be, and shall cease to be, applicable to a Grand-Fathered Person in the event that such Grand-Fathered Person shall, after the date of implementation of the Rights Plan, become the beneficial owner of more than 1% of the number of Units then outstanding in addition to those Units already held by such person, other than through: (i) specified acquisitions of securities of BTB; (ii) acquisitions pursuant to a Permitted Bid or Competing Permitted Bid (as described below); (iii) specified distributions of securities of BTB; (iv) certain other specified exempt acquisitions (including for portfolio managers, mutual funds and other similar entities with no present intention to take control of BTB); and (v) transactions in respect of which the application of the Rights Plan has been waived by the Trustees.

### Rights Exercise Privilege

The Rights will separate from the Units to which they are attached and will become exercisable at the close of business (the “**Separation Time**”) on the tenth business day after the earliest of (a) the first date of public announcement that a person and/or others associated, affiliated or otherwise connected to such person, or acting in concert with such person, have become an Acquiring Person; (b) the date of commencement of, or first public announcement of the intent of any person to commence, a take-over bid, other than a Permitted Bid or Competing Permitted Bid; and (c) the date upon which a Permitted Bid or a Competing Permitted Bid ceases to be such, or such later date as the Trustees may determine in good faith. Subject to adjustment as provided in the Rights Plan, each Right will entitle the holder to purchase one Unit for the Exercise Price. A transaction in which a person becomes an Acquiring Person is referred to as a “**Flip-In Event**”.

Any Rights held by an Acquiring Person on or after the earlier of the Separation Time or the first date of public announcement by BTB or an Acquiring Person that an Acquiring Person has become such, will become void upon the occurrence of a Flip-In Event. After the close of business on the tenth business day after the first public announcement of the occurrence of Flip-In Event, the Rights (other than those held by the Acquiring Person) will entitle the holder to purchase, for the Exercise Price, that number of Units having an aggregate market price (based on the prevailing market price at the time of the consummation or occurrence of the Flip-In Event) equal to twice the Exercise Price (a 50% discount).

### Impact Once Rights Plan is Triggered

Upon a Flip-In Event occurring and the Rights separating from the attached Units, reported earnings per Unit on a fully-diluted or non-diluted basis may be affected. Holders of Rights who do not exercise their Rights upon the occurrence of a Flip-In Event may suffer substantial dilution. By permitting holders of Rights other than an Acquiring Person to acquire Units at a discount to market value, the Rights may cause substantial dilution to a person or group that acquires 20% or more of the voting securities of BTB other than by way of a Permitted Bid or other than in circumstances where the Rights are redeemed or the Trustees waive the application of the Rights Plan.

### Certificates and Transferability

Before the Separation Time, certificates for Units will also evidence one Right for each Unit represented by the certificate. Certificates issued on or after the adoption of the Rights Plan will bear a legend to this effect. Rights are also attached to Units outstanding prior to the adoption of the Rights Plan, although certificates issued before such date will not bear such a legend. Prior to the Separation Time, Rights will not be transferable separately from the attached Units. From and after the Separation Time, the Rights will be evidenced by Rights certificates, which will be transferable and traded separately from the Units. Until such time as BTB otherwise determines, the Rights issued to Unitholders will be made through the book-entry system representing the number of Rights so issued. Holders of Units or associated Rights represented by the book-entry system will not be entitled to a certificate or other instrument from BTB, transfer agent or Rights Agent to evidence the ownerships thereof. New Units issued as a result of the exercise of any Right will also be represented through the book-entry system in all circumstances.

### Permitted Bids

The Rights Plan is not triggered if an offer to acquire Units would allow sufficient time for the Unitholders to consider and to react to the offer and would allow Unitholders to decide to tender or not tender without the concern that they will be left with illiquid Units should they not tender. A “Permitted Bid” is a take-over bid where the bid is made by way of a take-over bid circular and: (i) is made to all the holders of Units, other than the offeror, for all of the Units held by those holders; and (ii) the bid must not permit Units tendered pursuant to the bid to be taken up until not less than 60 days following the bid and only if, at such time, more than 50% of the Units held by Unitholders other than the offeror, its affiliate and persons acting jointly or in concert with the offeror (the “**Independent Unitholders**”) have been tendered pursuant to the take-over bid and not withdrawn. A Permitted Bid is not required to be approved by the Trustees

and such bids may be made directly to Unitholders. Acquisitions of Units made pursuant to a Permitted Bid or a Competing Permitted Bid do not give rise to a Flip-In Event.

#### Waiver and Redemption

The Trustees may, before the occurrence of a Flip-In Event, waive the application of the Rights Plan to a particular Flip-In Event that would occur as a result of a take-over bid made pursuant to a circular prepared in accordance with applicable securities laws to all holders of Units. In such event, the Trustees shall be deemed to have waived the application of the Rights Plan to any other Flip-In Event occurring as a result of any other take-over bid made pursuant to a circular prepared in accordance with applicable securities laws to all holders of Units prior to the expiry of any take-over bid for which the Rights Plan has been waived or deemed to have been waived. The Trustees may also waive the application of the Rights Plan to an inadvertent Flip-In Event, on the condition that the person who becomes an Acquiring Person in the Flip-In Event reduces its beneficial ownership of Units such that it is not an Acquiring Person within a delay determined by the Trustees (or any earlier or later time specified by the Trustees). In addition, the Trustees may waive the application of the Rights Plan to a Flip-In Event prior to the close of business on the tenth trading day following a Unit acquisition (or such later business day as they may from time to time determine), provided that the Acquiring Person has reduced its beneficial ownership of Units, or has entered into a contractual arrangement with BTB to do so within 10 days following the date on which such contractual arrangement is entered into, such that, at the time the waiver becomes effective, such person is no longer an Acquiring Person. In the event of such a waiver becoming effective prior to the Separation Time, such Flip-In Event shall be deemed not to have occurred. Until the occurrence of a Flip-In Event, the Trustees may, at any time before the Separation Time, elect to redeem all but not less than all of the then outstanding Rights at \$0.000001 per Right. In the event that a person acquires Units pursuant to a Permitted Bid, a Competing Permitted Bid or pursuant to a transaction in respect of which the Trustees have waived the application of the Rights Plan, the Trustees shall, immediately upon the consummation of such acquisition, without further formality, be deemed to have elected to redeem the Rights at the redemption price.

#### Supplement and Amendments

Before the confirmation of the Rights Plan by Unitholders, the Trustees of BTB may, without the approval of holders of Units or Rights, amend, supplement or restate the Rights Plan in order to make any changes, when acting in good faith, that they may deem necessary or desirable. Following Unitholder confirmation of the Rights Plan, the Trustees of BTB may, without the approval of the holders of Units or Rights, make amendments: (i) to correct clerical or typographical errors, (ii) to maintain the validity and effectiveness of the Rights Plan as a result of any change in applicable law, rule or regulatory requirement, and (iii) as otherwise specifically contemplated herein. Any amendment referred to in (ii) must, if made before the Separation Time, be submitted for approval to the holders of Units at the next meeting of Unitholders and, if made after the Separation Time, must be submitted to the holders of Rights for approval.

At any time before the Separation Time, the Trustees of BTB may, with prior consent of the Unitholders received at the special Meeting called and held for such purpose, amend, vary or rescind any of the provisions of the Rights Plan or the Rights, whether or not such action would materially adversely affect the interests of the Rights generally.

#### **Eligibility for Investment in Canada**

Provided that BTB qualifies and maintains its qualification as a “mutual fund trust” for the purposes of the *Income Tax Act* (Canada) (the “**ITA**”) and its Regulations (the “**Regulations**”) at any time, according to legislation currently in force, the Rights will be qualified investments under the ITA for registered retirement savings plans, registered retirement income funds, deferred profit sharing plans and registered education savings plans.

## **Tax Consequences**

The following is a summary description of the principal Canadian federal income tax consideration generally applicable to Unitholders who, for the purposes of the ITA, are resident in Canada, deal at arm's length with BTB and hold their Units as capital property. Provided that the Rights had no value at the time of their acquisition, the Unitholders should not be deemed to have received the Rights of BTB as a benefit and should not be required to include any amount in their income. BTB is of the opinion that, in light of the unlikely prospect that a Flip-in Event should occur pursuant to the terms of the Rights Plan, such that the Rights could be exercised, the Rights shall have no value at the time of their acquisition by a Unitholder. Should the Rights be ascribed a value at the time of their acquisition, the holder thereof would be required to include in the computation of his or her income for the year of acquisition the value of the benefit received from BTB during the year. Although a Rights holder may be required to report income if the Rights could be exercised or were to be exercised, BTB deems that it is very unlikely that such an event should occur. In the very unlikely event that the Rights would be disposed of separately for proceeds of disposition greater than a nil amount, the holder thereof could realize a capital gain.

### **5. Approval of a Deferred Unit Plan**

The Trustees of BTB intend to adopt a deferred unit plan (the "**Deferred Unit Plan**") subject to TSX Venture Exchange and Unitholder approval. If approved, the effective date of the Deferred Unit Plan will be July 1<sup>st</sup>, 2010. At the Meeting, the Unitholders will be asked to consider and, if deemed advisable, to approve a resolution confirming the adoption of the Deferred Unit Plan. In accordance with the rules of the TSX Venture Exchange, the resolution confirming the adoption of the Deferred Unit Plan must be approved by a majority of the votes cast by the Unitholders. The Trustees controlling collectively a total of 2,553,104 Units shall not be eligible to vote with respect to the adoption of the Deferred Unit Plan.

**The Board of Trustees has concluded that the adoption of the Deferred Unit plan is in the best interest of BTB and Unitholders and unanimously recommends that Unitholders vote IN FAVOUR OF this resolution.**

The Unitholders will be asked to consider the following resolution and, if deemed advisable, to approve:

#### **"BE IT RESOLVED THAT:**

- (a) The Deferred Unit Plan as substantially described in the Management Information Circular dated June 1<sup>st</sup>, 2010 is hereby approved and ratified.
- (b) Any Trustee of BTB is hereby authorized to execute and deliver all such documents, and to do all such other acts and things, as such Trustee may determine to be necessary or advisable in connection with the foregoing, and he is directed to do so.
- (c) The Trustees of BTB may, without any other approval from the Unitholders revoke this resolution prior to its implementation."

A copy of the Deferred Unit Plan will be available on SEDAR at [www.sedar.com](http://www.sedar.com) once the Deferred Unit Plan has been approved by the TSX Venture Exchange and has become effective.

**Unless otherwise directed, the persons named in the enclosed form of proxy intend to vote IN FAVOUR OF the resolution approving the Deferred Unit Plan.**

#### **Description of the Deferred Unit Plan**

The Deferred Unit Plan will be administered by the Governance and Human Resources Committee of the Board of Trustees. The purpose of the Deferred Unit Plan is to promote a greater alignment of interest between the Trustees ("**Eligible Participants**") and the Unitholders.

Each Eligible Participant will be given the right to elect to be a participant (a "**Participant**") of the Deferred Unit Plan. A Participant shall be paid between fifty percent (50%) and one hundred percent (100%) of the annual retainers paid by BTB to that Trustee in a calendar year for services on the Board of Trustees, together with committee fees, additional fees and retainers to committee chairs (collectively the "**Board Fees**") in the form of deferred units ("**Deferred Units**") in lieu of cash.

The number of Deferred Units (including fractional Deferred Units) granted at any particular time pursuant to this Deferred Unit Plan will be calculated by dividing (i) the dollar amount of Board Fees allocated to the Participant by (ii) the Market Value (as defined below) of a Unit on the award date. "Market Value" at any date in respect to the Units means the average closing price of the Units traded on the TSX Venture Exchange in a board lot for the five (5) trading days immediately preceding such date. In the event that there is no closing price for a board lot of Units on any day in the five (5) day period, then the average of the asked and bid prices for that day shall be substituted for the closing price.

Under no circumstances shall Deferred Units be considered Units nor entitle a Participant to any Unitholder rights, including, without limitation, voting rights, distribution entitlements (other than as set out below) or rights on liquidation. One (1) Deferred Unit is equivalent to one (1) Unit. Fractional Units are permitted under the Deferred Unit Plan.

Generally speaking, Deferred Units granted to Participants pursuant to the Deferred Unit Plan shall vest immediately. The Deferred Units credited to a Participant's Deferred Unit account may be redeemable in whole or in part for cash or in Units at the option of the Participant only when such Participant is no longer an Eligible Participant. The Deferred Units credited to a Participant's Deferred Unit account shall also be immediately redeemable by the Participant (or, where the Participant has died, his or her estate) upon the occurrence of one of the following events: (i) the acquisition at any time by any person of 20% or more of the outstanding Units; or (ii) the death of the Participant.

Upon payment in full of the value of a Deferred Unit, such Deferred Unit shall be cancelled.

Whenever cash distributions are paid on the Units, additional Deferred Units will be credited to the Participant's Deferred Unit account. The number of such additional Deferred Units shall be calculated by dividing (i) the amount determined by multiplying: (a) the number of Deferred Units in such Participant's Deferred Unit account on the record date for payment of such distribution; by (b) the distribution paid per Unit; by (ii) the Market Value of a Unit on the distribution payment date for such distribution, in each case, with fractions computed to four (4) decimal places. Such additional Deferred Units shall vest on the same date as the initial Deferred Units granted.

As of May 31, 2010, 33,691,725 Units of BTB were issued and outstanding. The aggregate number of Units authorized for issuance upon the redemption of Deferred Units granted under the Deferred Unit Plan together with the number of Units reserved for issuance to the Trustees and officers of BTB pursuant to any Unit purchase option plan shall not exceed ten percent (10%) of the then outstanding Units as calculated immediately prior to the coming in force of the Deferred Unit Plan. Assuming the approval of the proposed 2010 rolling unit option plan (as defined below) by a majority of the votes cast by the Unitholders, 144,172 Units will be authorized for issuance upon redemption of Deferred Units.

#### **6. Amendment to the contract of trust – transition to International Financial Reporting Standards (IFRS)**

##### **Amendments to sections 11.1 and 11.4 of Contract of Trust**

As described in the Management's Discussion and Analysis ("**MD&A**") of BTB for the year fiscal ended December 31, 2009 under the heading "New Accounting Policies", BTB has set up a plan to convert to international financial reporting standards ("**IFRS**"). IFRS will replace Canada's current generally accepted accounting principles ("**GAAP**") for publicly accountable enterprises, such as real estate investments trusts.

According to current IFRS, the trust units, according to the interpretation given by Canadian accounting professionals, could be treated as a “liability” rather than an “equity instrument” under IFRS (whereas they are treated as an equity instrument according to GAAP). Under IFRS, a liability is recorded when “financial instruments” include a “contractual obligation to give another entity cash or another financial asset”. A trust unit is considered a financial instrument under both GAAP and IFRS. Accordingly, the obligation to distribute all its taxable income (as section 11.1 of the Contract of Trust currently provides) could constitute a “contractual obligation to give another entity cash”, which would mean that trust units may be treated as liabilities for the purpose of IFRS. If this interpretation is correct and applies to BTB, the financial statements of BTB would be greatly affected by the adoption of IFRS.

As IFRS must be adopted not later than the fiscal year beginning on January 1, 2011, the purpose of implementing the proposed changes is to allow BTB to continue to classify its issued and outstanding Units as well as distributions made in Unitholders’ equity, without having to reclassify the Units as liabilities under IFRS and, accordingly, all future distributions as charges in its financial statements. Such a reclassification could have a material adverse effect on certain contractual commitments of BTB.

Accordingly, and in connection with the transition by BTB to IFRS, the Board of Trustees has resolved, subject to Unitholders’ approval, to amend the Contract of Trust to take these issues into account. To implement the proposed changes, section 11.1 of the Contract of Trust must be amended and other corresponding changes made, including to section 11.4 of the Contract of Trust. If these changes are approved, they will be made to the Contract of Trust. The purpose of these changes is to ensure that BTB’s Units are eligible as Unitholders’ equity for the application of IFRS.

The wording of the special resolution, which sets out the proposed amendments, appears in Schedule “A” hereof. The special resolution must be passed by at least 66 2/3% of the votes cast at the Meeting.

**The Board of Trustees has concluded that the proposed amendments to the Contract of Trust mentioned above are in the best interests of BTB and Unitholders and unanimously recommends that Unitholders vote IN FAVOUR OF the special resolution set forth in Schedule “A” hereof.**

**The persons named in the attached form of proxy intend to vote at the meeting IN FAVOUR OF the special resolution, with or without amendment, unless the Unitholder has indicated on the form of proxy that the voting rights conferred by its Units should be cast against the special resolution.**

#### **Amendments to sections 1.1 and 13.1 of Contract of Trust**

As mentioned above, BTB is currently assessing the potential impacts of IFRS on the consolidated financial statements. This process will continue as the International Accounting Standards Board and Canada’s Accounting Standards Board will publish new standards and recommendations and they will be subject to interpretation by members of the accounting profession in Canada. The consolidated financial return and the financial position of BTB, as published in the current financial statements prepared according to GAAP, may be substantially different when they are presented in accordance with IFRS. Without the amendment in the Contract of Trust allowing the Trustees to make changes in view of the changes in accounting standards, ensure ongoing compliance with IFRS and ensure that the Units are eligible as equity for the purpose of the application of IFRS, BTB may be unable to make the necessary or desirable amendments to the Contract of Trust with respect to the accounting changes relating to IFRS from time to time.

To help BTB with its transition to IFRS, BTB has determined that it would be advisable if the Board of Trustees could make such amendments to the Contract of Trust without having to obtain Unitholder consent, in the same manner as subsection 13.1.5 of the Contract of Trust currently allows the Trustees to act with respect to changes in tax legislation. Accordingly, the Board of Trustees has resolved, subject to Unitholder approval, to amend sections 1.1 and 13.1 of the Contract of Trust to allow the Trustees to make the amendments resulting from the changes to the accounting standards and to ensure ongoing compliance with IFRS. If these amendments are approved, they will be made to the Contract of Trust.

It is expected that the foregoing amendments will not lead to material changes for Unitholders. They are proposed in order to allow BTB to implement the changes required for its transition to IFRS and ensure compliance therewith. The Board of Trustees will still be responsible for determining whether such a change is necessary or desirable under the circumstances and all the other matters which must currently be approved by Unitholders under the Contract of Trust remain unchanged.

The wording of the special resolution, which sets out the proposed amendments, appears in Schedule "B" hereof. The special resolution must be passed by at least 66 2/3% of the votes cast at the Meeting.

**The Board of Trustees has concluded that the proposed amendments to the Contract of Trust mentioned above are in the best interests of BTB and Unitholders and unanimously recommends that Unitholders vote IN FAVOUR OF the special resolution set forth in Schedule "B" hereof.**

**The persons named in the attached form of proxy intend to vote at the Meeting IN FAVOUR OF the special resolution, with or without amendment, unless the Unitholder has indicated on the form of proxy that the voting rights conferred by its Units should be cast against the special resolution.**

#### **Amendment to subsection 6.2.5 of Contract of Trust**

One of the major differences identified to date between IFRS and GAAP which could have an effect on the financial statements of BTB involves the valuation of investment property.

Investment property is immovable property held to earn rentals or for capital appreciation or both. All of BTB's income properties currently meet this definition. When IFRS are implemented, BTB will have to account for its investment properties on the balance sheet using either the cost method or the fair value method. The cost method is similar to GAAP. Under the fair value method, 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 method, investment property is not depreciated. The choice of the fair value method could result in significant variations in the financial statements of BTB, the effects and scope of which are beyond the control of BTB and are unforeseeable.

Also, in connection with major acquisitions, BTB may be required to incur or temporarily assume a large debt to facilitate such an acquisition. Under section 6.2.5 of the Contract of Trust, BTB cannot incur or assume any indebtedness if, after giving effect to the incurring or assumption of the indebtedness, the total indebtedness of BTB would be more than 75% of the gross book value. As a precautionary measure, the Board of Trustees would like to amend section 6.2.5 to allow BTB to rectify, over a 12-month period (or any other reasonable period), an exceeding of this limit attributable to a major acquisition or a significant variation in the gross book value. No such exceeding exists as of the date hereof.

The wording of the special resolution, which sets out the proposed amendments, appears in Schedule "C" hereof. The special resolution must be passed by at least 66 2/3% of the votes cast at the Meeting.

**The Board of Trustees has concluded that the proposed amendments to the Contract of Trust mentioned above are in the best interests of BTB and Unitholders and unanimously recommends that Unitholders vote IN FAVOUR OF the special resolution set forth in Schedule "C" hereof.**

**The persons named in the attached form of proxy intend to vote at the Meeting IN FAVOUR OF the special resolution, with or without amendment, unless the Unitholder has indicated on the form of proxy that the voting rights conferred by its Units should be cast against the special resolution.**

## 7. Proposed Reorganization of the Structure of BTB

As of 2011, the income from non-portfolio properties payable to the beneficiaries of a specified investment flow-through trust (“**SIFT trust**”) eligible for the transitory regime will not be deductible in the computation of its income and will be taxed at the trust level at a rate that approximates the general corporate tax rate. A SIFT trust is a trust which meets the following conditions at any time in a taxation year, except if it is a “real estate investment trust” (“**REIT**”) throughout the taxation year: it resides in Canada, the investments in the trust are listed or traded on a stock exchange or another public market and it holds “non-portfolio properties”. Non-portfolio properties include certain securities, properties used in the course of carrying on a business in Canada, real, immovable or resource properties.

A trust that meets the conditions of a REIT in the Tax Act throughout a taxation year is not subject to the taxation regime applicable to SIFT trusts for that year.

If, starting in 2011, BTB does not meet the conditions of a REIT throughout the taxation year, it would not be allowed to deduct the amounts payable to its beneficiaries out of its income from non-portfolio properties. Also, such income from these properties would be subjected to income taxation in the hands of BTB, as described above. This could cause adverse consequences to BTB cash flow and its capacity to make distributions.

A REIT is a trust resident in Canada that satisfies the following conditions: (i) its “non-portfolio properties” held during the year are “qualified REIT property”, (ii) at least 95% of its income for the taxation year is derived 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 derived from one or more of the following sources: rent from “real or immovable properties” to the extent that it is derived from properties situated in Canada; interest from mortgages or hypothecs on real or immovable properties situated in Canada and capital gains from the disposition of real or immovable properties situated in Canada and (iv) the total fair market value of all properties that it holds, each of which is a real or immovable property situated in Canada, cash or generally, a claim of the Government of Canada or of certain other government bodies, is not at any time in the year less than 75% of the equity value of the at that time.

The conditions to qualify as a REIT must be satisfied at the level of BTB, and not at the level of TB Trust. On December 20, 2007, the Minister of Finance announced proposed technical amendments to clarify the rules applicable to the conditions to qualify as a REIT, in particular by clarifying that rental income earned by TB Trust and paid to BTB in the year will generally be treated as “rent from real or immovable properties” for the purposes of the rules described above. Those amendments received royal assent on March 12, 2009. However, the amendments do not apply to other types of income including, for example, capital gains from the disposition of real or immovable properties.

Accordingly, while management believes that BTB currently qualifies as a REIT, it considers that the current corporate structure could, in certain circumstances, preclude BTB from qualifying as a REIT in the future.

Therefore, BTB considers that it would be preferable to reorganize its corporate structure to eliminate TB Trust, with the result that it will hold its real estate portfolio directly or indirectly through certain partnerships, instead of holding the portfolio through TB Trust.

### **Proposed Reorganization**

BTB anticipates that the process to accomplish this will likely be carried out by liquidating TB Trust into BTB pursuant to Article 15 of the contract of trust of TB Trust. As a result of the liquidation of TB Trust into BTB, all of the properties of TB Trust will be distributed to BTB and BTB will assume all of the debts of TB Trust. Prior to this transaction, BTB may transfer the beneficial ownership in its real estate portfolio to one or more limited partnerships.

The form of the proposed reorganization may, however, be modified to ensure that the reorganization can be carried out without adverse tax consequences for BTB, TB Trust and the Unitholders.

The reorganization will not have a noticeable impact on Unitholders. After the reorganization is completed, Unitholders will hold the same number, type and percentage of outstanding Units as they held immediately before the reorganization. There will be no change to the distribution policy of BTB in connection with the reorganization.

BTB intends to obtain an Advanced Income Tax Ruling from the Canada Revenue Agency with respect to the modifications to the contract of trust and the proposed reorganization. BTB does not intend to proceed with these transactions if it considers that they may result in adverse tax consequences for BTB, TB Trust or the Unitholders.

### **Revocation of redemption right**

In addition, the proposed reorganization requires amendments to the contract of trust of BTB to revoke the Unitholders' right of redemption with respect to their Units. The current redemption right allows a Unitholder to require BTB to redeem his or her Units. Upon such redemption, the Unitholder is entitled to receive a price per Unit as determined by a market price formula, subject to a monthly aggregate cash cap for all Units tendered in such month of \$50,000. The redemption price payable by BTB is to be satisfied by way of a cash payment or, in certain circumstances, including where such payment would cause the monthly cash cap to be exceeded, by way of an in specie distribution (that is, a distribution of series 2 notes and series 3 notes of TB Trust). Currently, the redemption right does not represent the principal mechanism for Unitholders to dispose of their Units. Trading on the TSX Venture Exchange is the principal mechanism for Unitholders to dispose of their Units. As a result of the revocation of the redemption right, trading on the TSX Venture Exchange will be the only mechanism for Unitholders to dispose of their Units.

The wording of the special resolution, which sets out the proposed reorganization transaction appears in Schedule "D" hereof. The special resolution must be passed by at least 66 2/3% of the votes cast at the Meeting.

**The Board of Trustees has concluded that the proposed amendments to the Contract of Trust mentioned above are in the best interests of BTB and Unitholders and unanimously recommends that Unitholders vote IN FAVOUR OF the special resolution set forth in Schedule "D" hereof.**

**The persons named in the attached form of proxy intend to vote at the Meeting IN FAVOUR OF the special resolution, with or without amendment, unless the Unitholder has indicated on the form of proxy that the voting rights conferred by its Units should be cast against the special resolution.**

### **8. Remuneration of Mr. Michel Léonard as President and Chief Executive Officer of BTB to be partially paid in Units**

Pursuant to the terms of his employment contract through a holding company controlled by Mr. Léonard, Mr. Léonard has accepted, subject to majority approval of the Unitholders and the TSX Venture Exchange, that half of his monthly base remuneration of \$36,000 be paid in Units of BTB to be issued within five (5) days after the last day of each month at the average closing daily price of the Units for that month. Half of his yearly bonus amounting to a maximum of \$216,000 may also be paid in Units, subject to majority approval of the Unitholders and the TSX Venture Exchange. Mr. Michel Léonard has not been paid as President and Chief Executive Officer of BTB since April 1, 2009. A total of \$554,198 (from April 1, 2009 to May 31, 2010) is due to Mr. Léonard, half of which (\$277,099) to be paid by the issuance of 415,623 Units.

Mr. Michel Léonard, controlling a total of 943,078 Units, shall not be eligible to vote with respect to the adoption of the resolution authorizing that half of his remuneration be paid in Units.

**The Board of Trustees has concluded that the issuance of Units of BTB in partial payment of the remuneration of Mr. Michel Léonard as President and Chief Executive Officer of BTB is in the best interest of BTB and Unitholders and unanimously recommends that Unitholders vote IN FAVOUR OF the resolution authorizing that half of the remuneration of Mr. Michel Léonard, President and Chief Executive Officer of BTB be paid in Units.**

The Unitholders will be asked to consider the following resolution and, if deemed advisable, to adopt it:

**“BE IT RESOLVED THAT:**

- (a) The issuance of Units of BTB as payment for half of the remuneration to be paid to Mr. Michel Léonard, as President and Chief Executive Officer of BTB through his holding company is hereby authorized and approved.
- (b) Any Trustee or officer of BTB is hereby authorized to execute and deliver all such documents, and to do all such other acts and things, as such Trustee or officer may determine to be necessary or advisable in connection with the foregoing, and he is hereby directed to do so."

**Unless otherwise directed, the persons named in the enclosed form of proxy intend to vote IN FAVOUR OF the above-mentioned resolution.**

**9. Approval of the 2010 Rolling Unit Option Plan**

The Unit Option Plan authorized by the TSX Venture Exchange on June 14, 2007 (the "**2007 Unit Option Plan**") allowed for a maximum number of 2,649,951 Units to be reserved for issuance under that plan. Since, 575,049 options for the same number of Units have been issued above the maximum allowed in the 2007 Unit Option Plan. There are currently 33,691,725 Units issued and outstanding and a total of 3,225,000 options to purchase the same number of Units are currently outstanding. Subject to Unitholder approval by a majority of the votes cast at the Meeting, the policies of the TSX Venture Exchange allow for the implementation of a rolling unit option plan of up to 10% of the total number of outstanding Units (the "**2010 Plan**"). The approval of such rolling unit option plan would allow for the immediate increase of the maximum number of Units reserved under such plan to 3,369,172 and therefore ratify the issuance of the 575,049 options granted above the maximum number allowed under the 2007 Unit Option Plan.

The 2010 Plan authorizes for issuance such number of Units that is equal to 10% of the aggregate number of Units issued and outstanding from time to time. A copy of the proposed 2010 Plan is attached hereto as Schedule "E". As required by the policies of the TSX Venture Exchange, the 2010 Plan must be reapproved by the Unitholders on a yearly basis.

Options may be granted under the 2010 Plan only to trustees, officers, employees, consultants and other service providers subject to the rules and regulations of applicable regulatory authorities and any Canadian stock exchange upon which the Units may be listed or may trade from time to time.

The exercise price of options granted under the 2010 Plan may not be lower than the market price of the Shares at the time the option is granted, as calculated based upon the prior trading day closing price of the Shares on any stock exchange on which the Shares are listed where applicable. The options granted under the 2010 Plan will be non-assignable and may be granted for a term not exceeding five years from the date of grant.

The Unitholders are asked to ratify the issue of 575,049 Units presently issued above the maximum amount of 2,649,951 Units reserved under the 2007 Unit Option Plan, and to authorize the issue under the 2010 Plan of up to such number of Units that is equal to 10% of the aggregate number of Units issued and outstanding from time to time. The 2010 Plan resolution must be approved by a majority of the votes cast by the Unitholders.

**The Board of Trustees has concluded that the 2010 Plan is in the best interest of BTB and its Unitholders. Accordingly, the Board of Trustees unanimously recommends that Unitholders vote IN FAVOUR OF the 2010 Plan resolution.**

**“BE IT RESOLVED THAT:**

1. The rolling stock option plan (the “**2010 Plan**”) as substantially described in the Management Information Circular dated June 1, 2010 is hereby authorized and approved.
2. The number of Units of BTB issuable pursuant to the 2010 Plan be set at 10% of the aggregate number of Units of BTB issued and outstanding from time to time, subject to any limitations imposed by applicable regulations, laws, rules and policies.
3. The 575,049 Unit purchase options presently outstanding and granted above the maximum number of 2,649,951 Unit purchase options pursuant to the 2007 Unit Option Plan are hereby ratified and approved.
4. Any Trustee or officer of BTB is hereby authorized and directed, acting for, in the name of and on behalf of BTB, to execute or cause to be executed and to deliver or to cause to be delivered, all such other deeds, documents, instruments and to do or cause to be done all such other acts as in the opinion of such Trustee or officer of BTB may be necessary or desirable to carry out the terms of the foregoing resolutions.

**Unless otherwise directed, the persons named in the enclosed form of proxy intend to vote IN FAVOUR OF the above mentioned resolution.**

**ADDITIONAL INFORMATION**

Additional information relating to BTB can be found on SEDAR at [www.sedar.com](http://www.sedar.com). Financial information is provided in BTB's consolidated audited financial statements for the financial year ended December 31, 2009 and in the related Management's Discussion and Analysis which have been filed on SEDAR. Unitholders may also contact the Chief Financial Officer of BTB 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 BTB.

*(s) Michel Léonard*

President and Chief Executive Officer

Montreal, Québec  
June 1, 2010

## SCHEDULE A

### Special resolution respecting amendments to sections 11.1 and 11.4 of the Contract of Trust of BTB

The following text is the wording of the special resolution which Unitholders are being asked to approve at the Meeting.

IT IS RESOLVED, AS A SPECIAL RESOLUTION, THAT:

1. Section 11.1 of the Contract of Trust be deleted and replaced by the following:

#### « 11.1 Distributions by the Trust

The Trust may distribute to Unitholders on each Distribution Date such percentage of the Distributable Income of the Trust for the month immediately preceding the month in which the Distribution Date falls, as the Trustees determine in their discretion, and, in the case of a distribution made on December 31st, the Trust may distribute an amount at least equal to its taxable income calculated prior to such distributions, in accordance with the next succeeding paragraph hereof.

On the last day of each Taxation Year, an amount equal to the net income of the Trust for such Taxation Year, determined in accordance with the provisions of the Tax Act other than Paragraph 82(1)(b) and Subsection 104(6) thereof, including net realized capital gains (other than (a) income and taxable capital gains of the Trust arising on or in connection with an *in specie* redemption of Units which are paid or payable by the Trust to redeeming Unitholders, (b) capital gains the tax on which may be offset by capital losses carried forward from prior years or is recoverable by the Trust and (c) net income and net realized capital gains of the Trust for the Taxation Year otherwise distributed or made payable to the Unitholders during such Taxation Year) and the non-taxable portion of net realized capital gains of the Trust, may be payable to Unitholders of record at the close of business on such day (whether or not such day is a Business Day).

The Trustees may designate and make payable any income or capital gains realized by the Trust as a result of the redemption of Units (including any income or capital gains realized by the Trust on the redemption of Units *in specie*) pursuant to Section 7.15 to the redeeming Unitholders in accordance with subsection 7.15.7.

Distributions, if any, payable to Unitholders pursuant to this ARTICLE 11 shall be deemed to be distributions of income of the Trust (including dividends), net realized taxable capital gains of the Trust, Trust capital or other items in such amounts as the Trustees, in their absolute discretion determine and shall be allocated to the Unitholder in the same proportions as distributions received by the Unitholder, subject to the discretion of the Trustees to adopt an allocation method which the Trustees consider to be more reasonable in the circumstances, including in accordance with subsection 7.15.7. For greater certainty it is hereby declared that any distribution of net realized capital gains of the Trust shall include the non-taxable portion of the capital gains of the Trust which are included in such distribution.

Distributions, if any, may be made on a Distribution Date proportionately to persons who are Unitholders as of the close of business on the record date for such distribution which shall be the last Business Day of the month immediately preceding the month in which the Distribution Date falls or such other date, if any, as is fixed by the Trustees in accordance with Section 8.7. Each year the Trust may deduct such amounts as are paid or payable to Unitholders for the year as is necessary to ensure that the Trust is not liable for income tax under Part I of the Tax Act in the related Taxation Year.

Distributions, if any, may be adjusted for amounts paid in prior periods if the actual Distributable Income for the prior periods is greater than or less than the estimates for the prior periods.

For greater certainty, it is hereby expressly declared that a Unitholder shall have the legal right to enforce payment of any amount which is stated to be payable to a Unitholder hereunder at the time such amount is made payable »;

2. Section 11.4 of the Contract of Trust be deleted and replaced by the following:

**“11.4 Income Tax Matters.**

For greater certainty, in computing the net income of the Trust for income tax purposes for any year, the Trust may claim the maximum amount available to it as deductions under the relevant law, including but not limited to maximum capital cost allowance, unless the Trustees determine otherwise.”;

3. The amendments to the Contract of Trust in accordance herewith shall come into effect on the date they are approved by Unitholders of BTB;
4. The Contract of Trust is hereby re-amended to the extent necessary to reflect and apply the foregoing;
5. The amendments corresponding to the amendments herein are made to the Contract of Trust of BTB dated July 12, 2006, as amended and updated on August 1st, 2006, pursuant to which BTB was constituted under the Civil Code of Québec;
6. The trustees of BTB are hereby authorized and instructed to sign, or to cause to be signed, on behalf of BTB, an amended and updated Contract of Trust reflecting the revisions and amendments herein; and
7. Any trustee or officer of BTB is hereby authorized to sign, or to cause to be signed, on behalf of BTB, or to deliver, or to cause to be delivered, all documents, agreements and instruments and to take, or to cause to be taken, all other actions that such trustee or officer considers necessary or desirable to carry out the intent of this resolution as well as the matters authorized by it, and the signing and delivery of such a document, agreement or instrument, or the taking of such an action, shall constitute conclusive evidence of such decision.

## SCHEDULE B

### Special resolution respecting amendments to sections 1.1 and 13.1 of the Contract of Trust of BTB

The following text is the wording of the special resolution which Unitholders are being asked to approve at the Meeting.

IT IS RESOLVED, AS A SPECIAL RESOLUTION, THAT:

1. Section 1.1 of the Contract of Trust be amended by adding a new paragraph 1.1.41A immediately after paragraph 1.1.41 and before paragraph 1.1.42 of the Contract of Trust, to read as follows:

“1.1.41A **“International Financial Reporting Standards”** means the International Financial Reporting Standards issued by the International Accounting Standards Committee, and as adopted by the Canadian Institute of Chartered Accountants, as amended from time to time;”;

2. Section 13.1 of the Contract of Trust be amended by adding a new paragraph 13.1.5A immediately after paragraph 13.1.5 and before paragraph 13.1.6 of the Contract of Trust, to read as follows:

“13.1.5A which in the opinion of the Trustees, are necessary or desirable as a result of changes in accounting standards (including, without limitation, International Financial Reporting Standards) from time to time, which may affect the Trust or the Unitholders, including without limitation to ensure that the Units qualify as equity for purposes of International Financial Reporting Standards for January 1, 2010 and thereafter;”;

3. The amendments to the Contract of Trust in accordance herewith shall come into effect on the date they are approved by Unitholders of BTB;
4. The Contract of Trust is hereby re-amended to the extent necessary to reflect and apply the foregoing;
5. The amendments corresponding to the amendments herein are made to the Contract of Trust of BTB dated July 12, 2006, as amended and updated on August 1st, 2006, pursuant to which BTB was constituted under the Civil Code of Québec;
6. The trustees of BTB are hereby authorized and instructed to sign, or to cause to be signed, on behalf of BTB, an amended and updated Contract of Trust reflecting the revisions and amendments herein; and
7. Any trustee or officer of BTB is hereby authorized to sign, or to cause to be signed, on behalf of BTB, or to deliver, or to cause to be delivered, all documents, agreements and instruments and to take, or to cause to be taken, all other actions that such trustee or officer considers necessary or desirable to carry out the intent of this resolution as well as the matters authorized by it, and the signing and delivery of such a document, agreement or instrument, or the taking of such an action shall constitute conclusive evidence of such decision.

## SCHEDULE C

### Special resolution respecting the amendment of section 6.2.5 of the Contract of Trust of BTB

The following text is the wording of the special resolution which Unitholders are being asked to approve at the Meeting.

IT IS RESOLVED, AS A SPECIAL RESOLUTION, THAT:

1. Section 6.2.5 of the Contract of Trust be deleted and replaced by the following:

"6.2.5 The Trust shall not incur or assume any indebtedness if, after giving effect to the incurring or assumption of the indebtedness, the total consolidated indebtedness of the Trust would be more than 75% of the Gross Book Value. For the purposes of this paragraph, the term "indebtedness" means any obligation of the Trust for borrowed money (excluding any premium in respect of indebtedness assumed by the Trust for which the Trust has the benefit of an interest rate subsidy, but only to the extent an amount receivable has been excluded in the calculation of Gross Book Value with respect to such interest rate subsidy), provided that:

- (a) an obligation will constitute indebtedness only to the extent that it would appear as a liability on the consolidated balance sheet of the Trust in accordance with GAAP;
- (b) indebtedness excludes trade accounts payable, distributions payable to Unitholders, accrued liabilities arising in the ordinary course of business and short term acquisition credit facilities; and
- (c) subordinate debentures will not constitute indebtedness

If as a result of a material acquisition or if as a result of a material variation in Gross Book Value the 75% limit is exceeded, the Trust shall reduce its indebtedness or issue additional Units, or take other action, in order to comply with such limit within the twelve months from the date such limit was exceeded, subject to such reasonable extensions beyond such 12-month period as approved by the Trustees; »;

2. The foregoing amendment of the Contract of Trust shall come into effect on the date it is approved by Unitholders of BTB;
3. The Contract of Trust is hereby re-amended to the extent necessary to reflect and apply the foregoing;
4. The amendments corresponding to the amendments herein are made to the Contract of Trust of BTB dated July 12, 2006, as amended and updated on August 1st, 2006, pursuant to which BTB was constituted under the Civil Code of Québec;
5. The trustees of BTB are hereby authorized and instructed to sign, or to cause to be signed, on behalf of BTB, an amended and updated Contract of Trust reflecting the revision and amendment herein; and
6. Any trustee or officer of BTB is hereby authorized to sign, or to cause to be signed, on behalf of BTB, or to deliver, or to cause to be delivered, all documents, agreements and instruments and to take, or to cause to be taken, all other actions that such trustee or officer considers necessary or desirable to carry out the intent of this resolution as well as the matters authorized by it, and the signing and delivery of such a document, agreement or instrument, or the taking of such an action shall constitute conclusive evidence of such decision.

## SCHEDULE D

### **Special resolution respecting the proposed reorganization of the corporate structure of BTB and related amendments to the Contract of Trust of BTB**

The following text is the wording of the special resolution which Unitholders are being asked to approve at the Meeting.

IT IS RESOLVED, AS A SPECIAL RESOLUTION, THAT:

1. Although already authorized by Section 13.1.2 of the Contract of Trust of BTB dated July 12, 2006, as amended and updated on August 1st, 2006, the Trustees of BTB are hereby expressly authorized to carry out any reorganization they consider required, as the case may be, in order to allow BTB to qualify as a "real estate investment trust" pursuant to the *Income Tax Act* (Canada) and to make any required amendment to the Contract of Trust, including any amendment related to the possible wind-up of TB Subsidiary Trust, the transfer of the beneficial ownership of the assets of BTB to one or more partnerships and the revocation of the redemption right with respect to the units issued by BTB.
2. Notwithstanding that this resolution has been duly passed, the Trustees of BTB may, without further notice to or approval of the holders of Units of BTB, determine the timing and arrange for the implementation of the amendments to the Contract of Trust, decide not to proceed with the amendment to the Contract of Trust, modify the proposed amendments to the Contract of Trust provided that any modification will not be materially prejudicial to Unitholders, revoke this resolution at any time prior to the reorganization or the amendments to the Contract of Trust or decide not to execute the reorganization or the amendments to the Contract of Trust;
3. The trustees of BTB are hereby authorized and instructed to sign, or to cause to be signed, on behalf of BTB, an amended and updated Contract of Trust reflecting the revisions and amendments herein, as the case may be; and
4. Any trustee or officer of BTB is hereby authorized to sign, or to cause to be signed, on behalf of BTB, or to deliver, or to cause to be delivered, all documents, agreements and instruments and to take, or to cause to be taken, all other actions that such trustee or officer considers necessary or desirable to carry out the intent of this resolution as well as the matters authorized by it, and the signing and delivery of such a document, agreement or instrument, or the taking of such an action, shall constitute conclusive evidence of such decision.

## SCHEDULE E

### BTB REAL ESTATE INVESTMENT TRUST (the "REIT")

#### ROLLING UNIT OPTION PLAN 2010

##### 1. The Plan

A unit option plan (the "Plan") pursuant to which options (hereinafter, an "Option" or "Options") to purchase Units or such other securities as may be substituted therefor or may be acquired by a Participant (as defined in Section 3 hereof) upon the exercise of an Option of the REIT, is hereby established on the terms and conditions herein set forth.

##### 2. Purpose

The purpose of this Plan is to advance the interests of the REIT by encouraging the Trustees, Directors, Employees, Consultants, Consultant Companies and other individuals that render services on a regular basis to the REIT to acquire Units, thereby:

- (a) increasing the proprietary interests of such persons in the REIT;
- (b) aligning the interests of such persons with the interests of the REIT's Unitholders generally;
- (c) encouraging such persons to remain associated with the REIT; and
- (d) furnishing such persons with an additional incentive in their efforts on behalf of the REIT.

##### 3. Interpretation

"**Associate**" means, where used to indicate a relationship between a person and a corporation, a person who beneficially owns, directly or indirectly, voting securities carrying more than 10% of the voting rights attached to all voting securities of the corporation, a spouse of such person that is an individual or an immediate family member of such person and, where used to indicate a relationship between a person and a partnership, a partner of that partnership and, if such partner is an individual, a spouse of such person that is an individual or an immediate family member of such person, and where used to indicate a relationship between a person and a trust, a beneficiary or trustee of that trust and, if such person is a beneficiary or a trustee of such trust, a spouse of such person that is an individual or any immediate family member of such person;

"**Disinterested Unitholder Approval**" means all Unitholders with the exception of the REIT's Insiders and Associates.

"**Employee**" and "**Management Company Employee**" and "**Optionee**" have the meaning ascribed to in Policy 4.4 of the Exchange.

"**Exchange**" means the TSX Venture Exchange Inc.

"**Insider**" means :

- (i) a trustee or senior officer of the REIT; or
- (ii) a director or senior officer of a company that is an Insider or subsidiary of the REIT; or

- (iii) a person that beneficially owns or controls, directly or indirectly, securities carrying more than 10% of the voting rights attached to all outstanding securities of the REIT, or
- (iv) the REIT itself if it holds any of its own securities.

“**Investor Relations Activities**” has the meaning ascribed to in Policy 1.1 of the Exchange.

“**Market Price**” has the meaning ascribed to in Policy 1.1 of the Exchange.

“**Participant**” means :

- (i) a Trustee of the REIT or a director of any subsidiary of the REIT;
- (ii) a senior officer of the REIT or any subsidiary of the REIT;
- (iii) an Employee of the REIT or any subsidiary of the REIT;
- (iv) a Management Company Employee of the REIT or any subsidiary of the REIT;
- (v) a Consultant retained by the REIT or any subsidiary of the REIT;
- (vi) a Consultant retained to carry out Investor Relations Activities for the REIT

“**Trustee**” and “**Consultant**” have the meaning ascribed to “Employee”, “Management Company Employee” and “Optionee” herein.

“**Unitholder**” means the holder(s) of Units of the REIT

“**Unit**” means a unit of interest in the REIT.

#### **4. Unitholders Approval**

- (a) The Plan must be reconfirmed by Unitholders at each annual meeting of the Unitholders.
- (b) The REIT does not have to obtain Disinterested Unitholder Approval of the Plan if the number of Units reserved for issuance under Options does not exceed at all time 10% of the issued Units.

#### **5. Administration**

- (a) This Plan shall be administered by the trustees of the REIT (the “**Trustees**”).
- (b) Subject to the terms and conditions set forth herein, the Trustees are authorized to provide for the granting, exercise and method of exercise of Options, all on such terms as they shall determine in their sole discretion. In addition, the Trustees shall have the authority to:
  - (i) construe and interpret this Plan and all option agreements entered into hereunder;
  - (ii) prescribe, amend and rescind rules and regulations relating to this Plan; and
  - (iii) make all other determinations necessary or advisable for the administration of this Plan. All determinations and interpretations made by the Trustees shall be binding

on all Participants (as hereinafter defined) and on their legal, personal representatives and beneficiaries.

- (c) Notwithstanding the foregoing or any other provision contained herein, the Trustees shall have the right to delegate the administration and operation of this Plan, in whole or in part, to a committee of the Trustees or to any officer of the REIT. Whenever used herein, the term "Trustees" shall be deemed to include any committee or officer to which the Trustees have, fully or partially, delegated responsibilities and/or authority relating to the Plan or the administration and operation of the Plan pursuant to this Section 5.
- (d) Options to purchase the Units granted hereunder shall be evidenced by an agreement, signed on behalf of the REIT and by the person to whom an Option is granted, which agreement shall be in such form as the agreement attached hereto as Schedule "A", as amended from time to time by the Trustees.

#### **6. Units Subject to Plan**

Subject to Section 16 below, the securities that may be acquired by Participants under this Plan shall consist of authorized but unissued Units of the REIT.

#### **7. Maintenance of Sufficient Capital**

The REIT shall at all times during the term of this Plan ensure that the number of Units it is authorized to issue shall be sufficient to satisfy the requirements of this Plan.

#### **8. Eligibility and Participation**

- (a) The Trustees may from time to time, in their sole discretion, grant an Option to any Participant, upon such terms, conditions and limitations as the Trustees may determine, including the terms, conditions and limitations set forth herein and pursuant to the terms and conditions of an individual option agreement set forth as Schedule "A", provided that Options granted to any Participant or a reduction in the exercise price of a previously granted Option shall be approved by the applicable Unitholders of the REIT if the rules of the Exchange require such approval.
- (b) The Trustees may, in their discretion, select any of the following persons to participate in this Plan, provided that any such person, at the time of issuance, was an Employee, a Consultant or Management Company Employee. The granting of an Option to an Employee, Consultant or Management Company Employee constitutes a representation by the REIT that such Participant is a bona fide Employee, Consultant or Management Company Employee, as the case may be.

#### **9. Exercise Price**

The Trustees shall, at the time an Option is granted under this Plan, fix the exercise price ("Exercise Price") at which Units may be acquired upon the exercise of such Option provided that the minimum exercise price shall not be less than the last closing price of the Listed Units before the date of the stock option grant. A news release must be issued at the time an Option is granted.

Any reduction in the exercise price of an Option held by an Insider of the REIT at the time of the proposed amendment shall be subject to Disinterested Unitholder Approval.

## **10. Number of Optioned Units**

The number of Units that may be acquired under an Option granted to a Participant shall be determined by the Trustees as at the time the Option is granted, provided that:

- (a) This unit option plan will reserve a number of Units representing 10% of the issued units of the REIT from time to time, less any Unit reserved for issuance to the Deferred Unit Plan of the REIT;
- (b) The aggregate number of Listed Units that may be reserved for issuance pursuant to a stock option plan, or as incentive stock options must not exceed 5 % of the issued Units of the REIT (determined at the date the option was granted) to any one individual in a 12-month period;
- (c) Options that have been cancelled or that have expired without being exercised continue to be issuable under the Plan;
- (d) The number of Options granted to any one Consultant in a 12-month period must not exceed 2% of the issued Units of the REIT, calculated at the date the Option was granted to the Consultant;
- (e) The number of Options granted to persons employed to provide Investor Relations Activities in a 12-month period must not exceed 2% of the issued Units of the REIT, calculated at the date the option was granted and these options must vest in stages over 12 months with no more than  $\frac{1}{4}$  of the options vesting in any three-month period;
- (f) Pursuant to the Plan, no Options shall be granted that would result in Insiders receiving, within a 12-month period, Options exceeding 10% of the total number of issued and outstanding Units;
- (g) The number of Units issuable to insiders, at any time, under a stock option plan, together with all of the REIT's previously established and outstanding stock option plans or grant granted to Insiders, cannot exceed 10% of the issued Units; and
- (h) The number of Units issued to insiders, within any one year period, under a stock option plan, together with all of the REIT's previously established and outstanding stock option plans or grant granted to Insiders, shall not exceed 10% of the issued Units.

## **11. Term**

The period during which an Option may be exercised (the "Option Period") shall be determined by the Trustees at the time the Option is granted, subject to any vesting limitations which may be imposed by the Trustees in their sole unfettered discretion at the time such Option is granted, provided that:

- (a) no Option shall be exercisable for a period exceeding five (5) years from the date the Option is granted unless otherwise specifically provided by the Trustees and authorized by the Exchange, if applicable;
- (b) Options granted to an Optionee who is engaged in Investor Relations Activities must expire within 30 days after the Optionee ceases to be employed to provide Investor Relations Activities; and

- (c) Options granted to any Optionee who is a Trustee, Employee, Consultant or Management Company Employee must expire within 90 days after the Optionee ceases to be in at least one of those categories.

**12. Method of Exercise of Option**

- (a) Except as set forth in Section 11 and Section 13 below or as otherwise determined by the Trustees, no Option may be exercised unless the holder of such Option is, at the time the Option is exercised, a Participant.
- (b) Options may be exercised in whole or in part and may be exercised on a cumulative basis where a vesting limitation has been imposed at the time of grant.
- (c) Any Participant (or his legal, personal representative) wishing to exercise an Option shall deliver to the REIT, at its principal office in Montreal :
  - (i) a written notice expressing the intention of such Participant (or his or her legal, personal representative) to exercise his or her Option and specifying the number of Units in respect of which the Option is exercised; and
  - (ii) a cash payment, cheque or bank draft, representing the full purchase price of the Units in respect of which the Option is exercised.
- (d) Upon the exercise of an Option as aforesaid, the REIT shall use its reasonable efforts to forthwith deliver, or cause the registrar and transfer agent of the Units to deliver, to the relevant Participant (or his or her legal, personal representative) or to the order thereof, a certificate representing the aggregate number of fully paid and non-assessable Units as the Participant (or his or her legal, personal representative) shall have then paid for.

**13. Death, Permanent Disability or Normal Retirement of a Participant**

In the event of the death, permanent disability or normal retirement of a Participant, any Option previously granted to such Participant shall be exercisable until the end of the Option Period or until the expiration of 12 months or a period determined by the Trustees, after the date of death, permanent disability or normal retirement of such Participant, whichever is earlier, and then, in the event of death or permanent disability, only:

- (a) by the Participant or person or persons to whom the Participant's rights under the Option shall pass by the Participant's will or by applicable law; and
- (b) to the extent that the Participant was entitled to exercise the Option as at the date of his death or permanent disability.

**14. Rights of Participants**

No person entitled to exercise any Option granted under this Plan shall have any of the rights or privileges of a Unitholder of the REIT in respect of any Units issuable upon exercise of such Option until such Units have been paid for in full and issued to such person.

**15. Proceeds from Exercise of Options**

The proceeds from any sale of Units issued upon the exercise of Options shall be added to the general funds of the REIT and shall thereafter be used from time to time for such purposes as the Trustees may determine and direct.

**16. Adjustments**

- (a) The number of Units subject to the Plan shall be increased or decreased proportionately in the event of the subdivision or consolidation of the outstanding Units of the REIT, and in any such event a corresponding adjustment shall be made changing the number of Units deliverable upon the exercise of any Option granted prior to such event without any change in the total price applicable to the unexercised portion of the Option, but with a corresponding adjustment in the price for each Unit covered by the Option. In case the REIT is reorganized, appropriate provisions shall be made for the continuance of the Options outstanding under this Plan and to prevent their dilution or enlargement.
- (b) Adjustments under this Section 16 shall be made by the Trustees, whose determination as to what adjustments shall be made, and the extent thereof, shall be final, binding and conclusive. No fractional Units shall be issued under this Plan on any such adjustment.

**17. Transferability**

All benefits, rights and Options accruing to any Participant in accordance with the terms and conditions of this Plan shall not be transferable or assignable except, where qualified, to a Registered Retirement or similar plan where the Participant is the annuitant thereof, or to a family trust controlled by the Participant. During the lifetime of a Participant, any Options granted hereunder may only be exercised at the direction of the Participant and in the event of the death or permanent disability of a Participant, by the person or persons to whom the Participants' rights under the Option pass by the Participant's Will or by applicable law. Any transfer of Options by a Participant is subject to the approval of the Exchange.

**18. Amendment and Termination of Plan**

At any time, the Trustees may make amendments to the Plan that, in their sole judgment are required without obtaining the approval of the Unitholders of the Trust, except for (i) amendments to the maximum number of Options that can be granted under the Plan to acquire Units, (ii) amendments to the exercise price of Options granted to insiders of the REIT, and (iii) amendments to extend the terms of outstanding Options granted pursuant to the Plan. Any amendments made pursuant to this Section 18 shall, if required, be subjected to the prior approval of, or acceptance by, the Exchange.

**19. Particulars**

- 19.1 No Options can be exercised in the first three (3) months following the date of the grant. The vesting plan will foresee that only one sixth (1/6) of the Options can be exercised three months following the date of the grant. After that, an additional one sixth (1/6) can be raised quarterly which will have the effect that after eighteen (18) months after the grant, the Options will no longer have any restrictions that were applicable during the exercise.
- 19.2 In accordance with Section 19.1, an Option can be exercised partially or completely by sending to the REIT, at its principal address, a written notice indicating the amount of Units purchased in accordance with the Option and accompanied of the full payment, by certified cheque or a cash payment, representing an amount equal to the Exercise Price of these Units multiply by the amount of Units.
- 19.3 In the occasion of a partial or complete exercise of an Option, the REIT must deliver to the Optionee a registered certificate in the name of the Optionee representing the amount of Units in the Notice.
- 19.4 The Units issued following the valid exercise of an Option will be entirely Issued as entirely paid and non assessable. Issue of these Units will not require any resolution or

additional approvals by the Trustees and will be considered to have taken place at the date where the Option was exercised.

- 19.5 The Units issued following the valid exercise of an Option within four months of the date of the grant of such Option must be attested by a certificate legended with a four month Exchange hold period commencing on the date the Option was granted.

**20. Necessary Approvals**

The obligation of the REIT to issue and deliver Units in accordance with this Plan is subject to applicable securities legislation and to the receipt of any approvals that may be required from any regulatory authority to stock exchange having jurisdiction over the securities of the REIT. If Units cannot be issued to a Participant upon the exercise of an Option (for any reason whatsoever) the obligation of the REIT to issue such Units shall terminate and any funds paid to the REIT in connection with the exercise of such Option will be returned to the relevant Participant as soon as practicable.

**21. Stock Exchange Rules**

This Plan and any option agreements entered into hereunder shall comply with the requirements from time to time of the Exchange.

**22. Right to Issue Other Units**

The REIT shall not by virtue of this Plan be in any way restricted from declaring and paying unit dividends, issuing further Units of the REIT, varying or amending its structure or conducting its business in any way whatsoever.

**23. Notice**

Any notice required to be given by this Plan shall be in writing and shall be given by registered mail, postage prepaid or delivered by courier or by facsimile transmission addressed, if to the REIT, at its principal address in Montreal, Attention: Chief Executive Officer; or if to a Participant, to such Participant at his or her address as it appears on the books of the REIT or in the event of the address of any such Participant not so appearing then to the last known address of such Participant; or if to any other person, to the last known address of such person.

**24. Gender**

Whenever used herein words importing the masculine gender shall include the feminine and neuter genders and vice versa.

**25. Interpretation**

This Plan will be governed by and construed in accordance with the laws of the Province of Québec.

DATED this ● day of June 2010.

**BTB REAL ESTATE INVESTMENT TRUST**

Per: \_\_\_\_\_  
Michel Léonard  
President and Chief Executive Officer

Per: \_\_\_\_\_  
Benoit Cyr  
Vice President and Chief Financial Officer

**Schedule "A"**

**OPTION AGREEMENT**

This Agreement dated as of the ● day of ●, ●,

BETWEEN:

**BTB REAL ESTATE INVESTMENT TRUST**  
a trust created under the laws of Quebec,  
(hereinafter called the "REIT"),

OF THE FIRST PART,

- and -

●  
of the ● of ●, in the ● of ●,  
(hereinafter called the "Participant"),

OF THE SECOND PART.

WHEREAS the REIT has established a unit option plan dated ●, 2007 as amended from time to time (the "Plan");

AND WHEREAS terms not otherwise defined herein shall have the meaning set forth in the Plan;

WHEREAS the Participant is a bona fide senior officer, trustee, director (as applicable), Employee, Management Company Employee or Consultant of the REIT or any subsidiary of the REIT;

AND WHEREAS the REIT desires to grant to the Participant an option to purchase Units of the REIT (the "Units") on the terms and conditions hereinafter set forth;

NOW THEREFORE THIS AGREEMENT WITNESSETH that the parties hereto agree as follows:

1. The REIT hereby grants to the Participant an irrevocable, non-assignable and non-transferable option (the "Option") to purchase all or any part of ● Units at a price of \$● per Unit subject to the terms and conditions set forth herein.
2. The Option expires and terminates at 5:00 p.m. (Montreal Time) on the day (the "Expiry Date") that is the earlier of (i) the fifth anniversary of the date hereof and (ii) the dates determined by Sections 6 and 7 below.
3. The Units optioned under this Agreement shall vest immediately as of the date of issuance.
4. Except as provided in Sections 6 and 7 below, the Option may only be exercised while the Participant is a trustee, director (as applicable), senior officer, Employee, Management Company Employee or Consultant of the REIT or any subsidiary of the REIT. The Participant (or his legal representative) may exercise the Option by delivering to the REIT, at its principal office in Montréal, Québec:
  - (a) a written notice expressing the intention to exercise the Option and specifying the number of Units in respect of which the Option is exercised;

- (b) a cash payment, cheque or bank draft, representing the full purchase price of the Units in respect of which the Option is exercised; and
  - (c) in the event the Option is exercised in accordance with this Agreement by person(s) other than the Participant, proof satisfactory to the REIT of the right of such person(s) to exercise the Option.
- 5. Upon the exercise of the Option as aforesaid, the REIT shall employ its reasonable efforts to forthwith deliver, or cause the registrar and transfer agent of the Units to deliver, to the Participant (or his legal representative) or to the order thereof, a certificate representing the aggregate number of fully paid and non-assessable Units as the Participant (or his legal representative) shall have then paid for.
- 6.
  - (a) Subject to Subsection 6(b) hereof, if the Participant shall cease to be a trustee, director (as applicable), senior officer, Employee, Management Company Employee or Consultant of the REIT or any subsidiary of the REIT for any reason other than death or permanent disability, the Option granted herein will terminate at 5:00 p.m. (Montréal Time) on the earlier of the (i) ninetieth (90th) day after the date the Participant ceases to be a trustee, director (as applicable), senior officer, Employee, Management Company Employee or Consultant of the REIT or any subsidiary of the REIT and (ii) the fifth anniversary of the date hereof.
  - (b) If the Participant is engaged in Investor Relations Activities on behalf of the REIT or any subsidiary of the REIT and ceases to be retained as a Consultant engaged in Investor Relations Activities for the REIT or any subsidiary of the REIT for any reason other than death or permanent disability, his Option will terminate at 5:00 p.m. (Montréal Time) on the earlier of the (i) thirtieth day after the date the Participant ceases to be a Consultant engaged in Investor Relations Activities on behalf of the REIT or any subsidiary of the REIT and (ii) the fifth anniversary of the date hereof.
- 7. In the event of the death or permanent disability of the participant, the Option shall be exercisable until 5:00 p.m. (Montréal time) on the day that is the earlier of (i) 12 months after the date of death or permanent disability of the Participant and (ii) the fifth anniversary of the date hereof, and then, in the event of death or permanent disability, only:
  - (a) by the person or persons to whom the Participant's rights under the Option shall pass by the Participant's will or applicable law; and
  - (b) to the extent that the Participant was entitled to exercise the Option as at the date of the Participant's death or permanent disability.
- 8. The Participant acknowledges and agrees that neither the selection of the Participant as a Participant under the Plan nor the granting of the Option hereunder shall confer upon the Participant any right to continue as a trustee, director (as applicable), senior officer, Employee, Management Company Employee or Consultant of the REIT or any subsidiary of the REIT, as the case may be. The Participant further acknowledges and agrees that this Agreement and the Option granted hereby shall in no way constitute the basis for a claim for damages by the Participant against the REIT or any subsidiary of the REIT in the event of the termination of the employment (or other contractual relationship) of the Participant with the REIT or any subsidiary of the REIT for any reason whatsoever, including the Participant's wrongful dismissal, and the Participant hereby releases and forever discharges the REIT or any subsidiary of the REIT from all claims and rights of action for damages whatsoever based upon or arising out of this Agreement and the Option.
- 9. The Participant shall not have any of the rights or privileges of a Unitholder of the REIT in respect of any Units issuable upon exercise of the Option until such Units have been paid for in full and issued to the Participant in accordance with the terms of this Agreement.

10. The number of Units deliverable upon the exercise of the Option shall be increased or decreased proportionately in the event of the subdivision or consolidation of the outstanding Units of the REIT prior to the Expiry Date, without any change in the total price applicable to the unexercised portion of the Option. In case the REIT is reorganized, appropriate provisions shall be made for the continuance of the Option and to prevent its dilution or enlargement. Adjustments under this Section 10 shall be made by the Trustees (or by such committee or persons as may be delegated such authority by the Trustees), whose determination as to what adjustments shall be made, and the extent thereof, shall be final, binding and conclusive. No fractional Units shall be issued on any such adjustment.
11. The Option and all benefits and rights accruing to the Participant hereunder shall not be transferable or assignable unless specifically provided herein. During the lifetime of the Participant the Option granted hereunder may only be exercised by the Participant as herein provided and in the event of death of the Participant, by the person or persons to whom the Participant's rights under the Option pass by the Participant's will or applicable law in accordance with Section 7 above.
12. The REIT shall at all times ensure that the number of Units it is authorized to issue shall be sufficient to satisfy the requirements of this Agreement.
13. The obligation of the REIT to issue and deliver Units on the exercise of the Option in accordance with the terms and conditions of this Agreement is subject to applicable securities legislation and to the receipt of any approvals that may be required from any regulatory authority including any stock exchange having jurisdiction over the securities of the REIT. If Units cannot be issued to the Participant upon the exercise of the Option for any reason whatsoever, the obligation of the REIT to issue such Units shall terminate and any funds paid to the REIT in connection with the exercise of the Option will be returned to the Participant as soon as practicable.
14. The Participant acknowledges that the Participant has read and understands this Agreement.
15. Time shall be of the essence of this Agreement.
16. Any notice required to be given by this Agreement shall be in writing and shall be given by registered mail, postage prepaid or delivered by courier or by facsimile transmission addressed, if to the REIT, at its principal address at 2155, Crescent Street, Suite 300, Montréal, Québec H3G 2C1 Attention: Chief Executive Officer; or if to the Participant at the last address of the Participant in the records of the REIT.
17. This Agreement shall be governed by and construed in accordance with the laws of the Province of Québec.
18. This Agreement may be executed in several parts in the same form and the parts as so executed shall together constitute one original agreement, and the parts, if more than one, shall be read together and construed as if all the signing parties hereto had executed one copy of this agreement.

IN WITNESS WHEREOF the parties hereto have executed this Agreement as of the date and year first above written.

Date: \_\_\_\_\_

**BTB REAL ESTATE INVESTMENT TRUST**

Per: \_\_\_\_\_  
Duly Authorized Person

Per: \_\_\_\_\_