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Information has been incorporated by reference in this short form prospectus from documents filed with securities commissions or similar authorities in Canada. Copies of the documents incorporated herein by reference may be obtained on request without charge from the Chief Financial Officer of BTB Real Estate Investment Trust at 2155 Crescent Street, Suite 300, Montréal, Québec H3G 2C1, telephone (514) 286-0188 extension 230, and are also available electronically at www.sedar.com.

SHORT FORM PROSPECTUS

New Issue

July 5, 2011



BTB REAL ESTATE INVESTMENT TRUST

SERIES D 7.25% CONVERTIBLE UNSECURED SUBORDINATED DEBENTURES

\$20,000,000 Aggregate Principal Amount

This short form prospectus qualifies the distribution of \$20,000,000 aggregate principal amount of Series D 7.25% convertible, unsecured, subordinated debentures (the "Series D Debentures") of BTB Real Estate Investment Trust ("BTB" or the "REIT") due July 31, 2018 at a price of \$1,000 per Series D Debenture (the "Offering"). The Series D Debentures bear interest at an annual rate of 7.25% payable semi-annually in arrears on January 31 and July 31 in each year commencing on January 31, 2012. See "Description of the Series D Debentures".

Each Series D Debenture will be convertible into units of the REIT (the "Units") at the option of the holder at any time prior to 4:00 p.m. (Montreal time) on the earlier of July 31, 2018, and the last business day immediately preceding the date specified by the REIT for redemption of the Series D Debentures, at a conversion price of \$1.22 per Unit (the "Conversion Price"), being a conversion rate of 819.672 Units per \$1,000 principal amount of Series D Debentures, subject to adjustment in certain events in accordance with the provisions of the Indenture (as defined herein). Holders converting their Series D Debentures will receive accrued and unpaid interest on such Series D Debentures for the period from the last interest payment date thereon (or the date of issue of their Series D Debentures if no interest has yet been paid by the REIT) to and including the last record date prior to such conversion declared by the REIT for determining Unitholders (as defined herein) entitled to receive distributions on the Units. Further particulars concerning the conversion privilege, including provisions for the adjustment of the Conversion Price in certain events, are set out under "Description of the Series D Debentures - Conversion Rights". **A holder of Series D Debentures (a "Series D Debentureholder") will not be entitled to deferred tax treatment on the conversion, redemption or repayment at maturity of such Series D Debentures. See "Canadian Federal Income Tax Considerations".**

The Series D Debentures will not be redeemable prior to July 31, 2014, except in the event of a Change of Control (as defined herein) (see "Description of the Series D Debentures - Put Right upon a Change of Control"). On or after July 31, 2014 and prior to July 31, 2016, the Series D Debentures may be redeemed by the REIT, in whole or in part, on not more than 60 days' and on not less than 30 days' prior notice, at a redemption price equal to the principal amount thereof plus accrued and unpaid interest, provided that the volume-weighted average trading price of the Units on the TSX Venture Exchange (the "TSX-V") for the 20 consecutive trading days ending on the fifth trading day preceding the date on which notice of redemption is given (the "Current Market Price") is at least 125% of the Conversion Price. On or after July 31, 2016, and prior to July 31, 2018, on not more than 60 days' nor less than 30 days' prior notice, the Series D Debentures will be redeemable at the option of the REIT, in whole or in part and from time to time, at a redemption price equal to the principal amount thereof plus accrued and unpaid interest.

The REIT may, at its option, and subject to applicable regulatory approval, elect to satisfy its obligation to pay the principal amount of the Series D Debentures that are to be redeemed or that have matured by issuing to a Series D Debentureholder the number of Freely Tradeable Units (as defined herein) obtained by dividing the principal amount of Series D Debentures by 95% of the Current Market Price on the date of redemption or maturity, as applicable to Series D Debentureholders.

There is currently no market through which the Series D Debentures may be sold and purchasers may not be able to resell the Series D Debentures. This may affect the pricing of the Series D Debentures in the secondary market, the transparency and availability of trading prices, the liquidity of the Series D Debentures and the extent of issuer regulation. See "Risk Factors". The TSX-V has conditionally approved the listing of the Series D Debentures (including those issuable upon the exercise of the Over-Allotment Option as defined herein) and the Units issuable upon conversion, redemption or maturity of the Series D Debentures, subject to compliance with all the requirements of the TSX-V, on or before September 22, 2011. The outstanding Units are listed on the TSX-V under the symbol BTB.UN. On June 17, 2011, the last trading day prior to the announcement of the Offering, the closing price per Unit on the TSX-V was \$0.94 and on July 4, 2011, the closing price per Unit on the TSX-V was \$0.92.

The REIT is an unincorporated open-ended real estate investment trust governed by the laws of the Province of Québec. BTB focuses on acquiring and managing income-producing, mid-market office, industrial and retail properties. The head office of the REIT is located at 2155 Crescent Street, Suite 300, Montréal, Québec H3G 2C1.

Although the REIT intends to make distributions of its available cash to Unitholders, these cash distributions are not assured. A return on an investment in the REIT is not comparable to the return on an investment in a fixed-income security. The ability of the REIT to make cash distributions and the actual amount distributed will be dependent upon, among other things, the financial performance of the REIT, its debt covenants and obligations, its working capital requirements and its future capital requirements. The market value of the Series D Debentures may deteriorate if the REIT is unable to maintain current levels of cash distributions in the future, and that deterioration may be material. An investment in the Series D Debentures is subject to a number of risks and investment considerations that should be considered by a prospective purchaser. See "Risk Factors".

The *pro forma* earnings coverage ratio in respect of the REIT's indebtedness for the twelve-month periods ended December 31, 2010 and March 31, 2011, after giving effect to the issuance of the Series D Debentures, is 142% and 132%, respectively. See "Earnings Coverage Ratios".

The after-tax return for any Units acquired under the terms of a Series D Debenture by holders which are subject to Canadian income tax and are Canadian Residents (as defined herein) will depend, in part, on the composition for tax purposes of distributions paid by the REIT (portions of which may be fully or partially taxable or may constitute non-taxable returns of capital). The adjusted cost base of Units held by a Unitholder generally will be reduced by the non-taxable portion of distributions made to the Unitholder other than the portion thereof attributable to the non-taxable portion of certain capital gains. The composition for tax purposes of those distributions may change over time, thus affecting the after-tax return to Unitholders.

Subject to the qualifications set forth under "Eligibility for Investment", in the opinion of counsel, the Series D Debentures will qualify as eligible investments for Deferred Income Plans (as defined herein).

	Price: \$1,000 per Series D Debenture		
	Price to the Public⁽¹⁾	Underwriters' Fee⁽²⁾	Net Proceeds to the REIT^{(3) (4)}
Per Series D Debenture	\$1,000	\$50	\$950
Offering	\$20,000,000	\$1,000,000	\$19,000,000

Notes:

- (1) The terms of the Offering have been determined by negotiation between BTB and the Underwriters (as defined herein).
- (2) Fees will be paid based on 5.0% of the gross proceeds of the Offering. See "Plan of Distribution".
- (3) Before deducting the expenses of this Offering, which are estimated to be approximately \$400,000 and will be paid from the proceeds of the Offering.
- (4) The REIT has granted to the Underwriters an option (the "Over-Allotment Option"), exercisable for a period of 30 days following the Closing, to purchase up to \$3,000,000 aggregate principal amount of additional Series D Debentures on the same terms and conditions as set forth above to cover over-allotments, if any, and for market stabilization purposes. If the Over-Allotment Option is exercised in full, the "Price to the Public", "Underwriters' Fee" and "Net Proceeds to the REIT" (before deducting the estimated expenses of this Offering) will be \$23,000,000, \$1,150,000 and \$21,850,000, respectively. This short form prospectus also qualifies the distribution of the Over-Allotment Option and the distribution of the additional Series D Debentures issuable upon the exercise of the Over-Allotment Option. See "Plan of Distribution". Unless otherwise indicated, the disclosure in this short form prospectus assumes that the Over-Allotment Option has not been exercised. A purchaser who acquires Series D Debentures forming part of the Underwriters' over-allocation position acquires those Series D Debentures under this short form prospectus, regardless of whether the over-allocation position is ultimately filled through the exercise of the Over-Allotment Option or secondary market purchases.

Underwriters' Position	Maximum size or number of securities available	Exercise Period	Exercise Price
Over-Allotment Option	Option to purchase up to an additional 3,000 Series D Debentures (being up to 15% of the number of the Series D Debentures sold)	Up to thirty (30) days following the Closing	\$1,000 per Series D Debenture

National Bank Financial Inc. (the "Lead Underwriter"), Canaccord Genuity Corp., Dundee Securities Ltd., GMP Securities L.P. and HSBC Securities (Canada) Inc. (collectively the "Underwriters"), conditionally offer the Series D Debentures for sale, subject to prior sale, if, as and when issued by the REIT and accepted by the Underwriters in accordance with the conditions contained in the Underwriting Agreement referred to under "Plan of Distribution", and subject to the approval of certain legal matters on behalf of the REIT by De Grandpré Chait LLP, and on behalf of the Underwriters by Cassels Brock & Blackwell LLP. In accordance with and subject to applicable laws, the Underwriters may effect transactions that stabilize or maintain the market price of the Series D Debentures. See "Plan of Distribution".

Subscriptions will be received subject to rejection or allotment in whole or in part, and the right is reserved to close the subscription books at any time without notice. Book-entry only certificates representing the Series D Debentures will be issued in registered form to the CDS Clearing and Depository Services Inc. ("CDS") or its nominee as registered global securities and will be deposited with CDS on the closing date, which is expected to occur on or about July 13, 2011 or such later date as the REIT and the Underwriters may agree, but in any event not later than July 29, 2011. Series D Debentureholders will not be entitled to receive physical certificates representing their ownership. See "Description of the Series D Debentures - Book-Entry, Delivery and Form".

The REIT is not a trust company and is not registered under applicable legislation governing trust companies as it does not carry on or intend to carry on the business of a trust company. Neither the Series D Debentures nor the Units issuable upon conversion of the Series D Debentures are "deposits" within the meaning of the *Canada Deposit Insurance Corporation Act* and are not insured under the provisions of that Act or any other legislation.

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GLOSSARY

The following terms used in this short form prospectus have the meanings set out below:

"1933 Act" means the United States *Securities Act of 1933*, as amended.

"2010 Annual Financial Statements" means the comparative audited consolidated financial statements of the REIT for the years ended December 31, 2010 and 2009, together with the notes thereto and the auditors' report thereon.

"2010 Annual MD&A" means the management's discussion and analysis of operating results and financial position of the REIT for the year ended December 31, 2010.

"Acquisition Credit Facility" means the two-year \$25 million acquisition loan facility commitment with Firm Capital Corporation entered into on March 23, 2010.

"affiliate" when used to indicate a relationship with a person, has the meaning that would be ascribed thereto in the *Securities Act* (Québec), as amended or replaced from time to time, if the word "company" were changed to "person" (as defined herein).

"AIF" means the annual information form of the REIT dated May 11, 2011.

"Allowed Indebtedness Threshold" means the authorized indebtedness threshold under subsection 6.2.5 of the Contract of Trust which states that the REIT 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 REIT would be more than 75% of the Gross Book Value. For the purposes of this definition, the term "indebtedness" means any obligation of the REIT for borrowed money (excluding any premium in respect of indebtedness assumed by the REIT for which the REIT 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 REIT 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 REIT shall reduce its indebtedness or issue additional Units, or take other action, in order to comply with such limit within 12 months from the date such limit was exceeded, subject to such reasonable extensions beyond such 12-month period from the date such limit was exceeded, subject to such reasonable extensions beyond such 12-month period as approved by the Trustees.

"Applicable Securities Legislation" means applicable securities laws in each of the provinces and territories (if applicable) of Canada.

"April 4, 2011 Acquisition" means the acquisition completed on April 4, 2011, pursuant to which BTB purchased 50% of the building known as Complexe Lebourgneuf – Phase 1, at 825 Lebourgneuf Boulevard in Quebec City. BTB already owned 50% of the building and acquired the remaining share portion from Urban Intensification Fund LP for the lump sum of \$19,350,000, including the mortgage financing already in place in the amount of approximately \$12,368,000.

"April 14, 2011 Over-Allotment" means the issuance of 2,848,000 Units at a purchase price of \$0.90 per Unit on April 14, 2011, to National Bank Financial Inc., Dundee Securities Corporation, Canaccord Genuity Corp. and

HSBC Securities (Canada) Inc. following the exercise of their over-allotment option, for total net proceeds to BTB of approximately \$2.4 million, after deducting their underwriters' fee.

"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 ten percent 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 trustee of such trust, a spouse of such person that is an individual or any immediate family member of such person.

"BTB" or the "REIT" means BTB Real Estate Investment Trust except as otherwise set forth herein.

"Cagim" means Cagim Real Estate Corporation.

"CBCA" means the *Canada Business Corporations Act*, as amended.

"CDS" means CDS Clearing and Depository Services Inc.

"Change of Control" has the meaning ascribed thereto under "Description of the Series D Debentures – Put Right Upon a Change of Control".

"Civil Code" means the *Civil Code of Québec*, as amended.

"Closing" means the closing date on or about July 13, 2011.

"Contract of Trust" means the contract of trust made as of July 12, 2006, as amended and restated as of August 1, 2006 and March 15, 2011 and from time to time governed by the laws of the Province of Québec, pursuant to which the REIT was established.

"Conversion Price" has the meaning ascribed thereto under "Description of the Series D Debentures – Conversion Rights".

"CRA" means the Canada Revenue Agency.

"Current Market Price" has the meaning ascribed thereto under "Description of the Series D Debentures – Redemption".

"Debenture" means a Series D Debenture, a Series C Debenture, a Series B Debenture or a Series A Debenture or any debenture of the REIT issued under the Indenture and **"Debentures"** means collectively the Series D Debentures, the Series C Debenture, the Series B Debentures, the Series A Debentures and all other debentures to be issued from time to time pursuant to the terms and conditions of the Indenture.

"Debentureholders" means the holders of Debentures, and **"Debentureholder"** means one of them.

"Debenture Trustee" means Computershare Trust Company of Canada.

"Deferred Income Plans" means collectively, trusts governed by registered retirement savings plans, registered retirement income funds, deferred profit sharing plans, registered education savings plans and registered disability savings plans, as well as tax-free savings accounts, each as defined in the Tax Act;

"Definitive Debentures" has the meaning ascribed thereto under "Description of the Series D Debentures – Book Entry, Delivery and Form".

"Depository" has the meaning ascribed thereto under "Description of the Series D Debentures – Book Entry, Delivery and Form".

"Distribution Date" means the fifteenth day of each calendar month in each calendar year.

"Distributable Income" means, for any period, the net income of the REIT, on a consolidated basis, as determined in accordance with GAAP, adjusted by:

- (a) adding back: depreciation of buildings and improvements and amortization of related intangibles (including amortization of the value of tenant rents on in-place lease agreements, amortization of the differential between original rent and above market rents, amortization of customer relationships and excluding amortization of tenant inducements, leasing commissions and deferred financing costs), future income tax expense, losses on dispositions of assets and amortization of any net discount on long-term debt assumed from vendors of properties at rates of interest less than fair value;
- (b) deducting: amortization of differential between original rents and below market rents, future income tax credits, gains on dispositions of assets and amortization of any net premium on long-term debt assumed from vendors of properties at rates of interest greater than fair value (except where such amortization is funded); and
- (c) adjusting for differences, if any, resulting from recognizing revenues on a straight-line basis as opposed to contractual rental amounts;

provided that,

- (i) other adjustments may be made as determined by a majority of the Trustees in their discretion; and
- (ii) where appropriate, estimates may be made of Distributable Income by a majority of the Trustees where the actual amount has not been finally determined, which estimates shall be adjusted as of the subsequent Distribution Date when the amount of Distributable Income has been determined.

"Event of Default" has the meaning ascribed thereto under "Description of the Series D Debentures - Events of Default".

"First Supplemental Indenture" has the meaning ascribed thereto under "Description of the Series D Debentures - General".

"Freely Tradeable" in respect of Units, means Units which (i) are issuable without the necessity of filing a prospectus or any other similar offering document (other than a prospectus or similar offering document that has been filed prior to the date hereof) under Applicable Securities Legislation and for which such issue does not constitute a distribution (other than a distribution already qualified by prospectus or similar offering document) under Applicable Securities Legislation; and (ii) can be traded by the holder hereof without any restriction under Applicable Securities Legislation, such as hold periods, except in the case of a distribution by a control person (as interpreted within the meaning of Applicable Securities Legislation).

"GAAP" means the generally accepted accounting principles described and promulgated by the Canadian Institute of Chartered Accountants which are applicable as at the date on which any calculation or financial statement presentation using GAAP is made, and which for financial years beginning on or after January 1, 2011 is IFRS.

"GLA" means gross leasable area.

"Global Debentures" has the meaning ascribed thereto under "Description of the Series D Debentures – Book Entry, Delivery and Form".

"Gross Book Value" means, at any time, the book value of the properties and assets of the REIT and its consolidated Subsidiaries, as shown on its then most recent consolidated balance sheet, plus accumulated depreciation and amortization in respect of the REIT's properties (and related intangible assets) shown thereon or in the notes thereto, less (i) the amount of any receivable reflecting interest rate subsidies on any debt assumed by the REIT and (ii) the amount of future income tax liability arising out of the fair value adjustment in respect of the indirect acquisitions of certain properties; provided however, if approved by a majority of the Independent Trustees, the appraised value of the properties and assets of the REIT and its consolidated Subsidiaries may be used instead of book value.

"Holder" has the meaning ascribed thereto under "Canadian Federal Income Tax Considerations".

"Indenture" has the meaning ascribed thereto under "Description of the Series D Debentures - General".

"IFRS" means the generally accepted accounting principles determined with reference to International Financial Reporting Standards as defined by the International Accounting Standards Board, and which has been prescribed as being Canadian GAAP for publicly accountable enterprises by the Accounting Standards Board of the Canadian Institute of Chartered Accountants for financial years beginning on or after January 1, 2011, as amended from time to time.

"Independent Trustee" means a Trustee who, in relation to the REIT or any of its Related Parties is "independent" within the meaning of Multilateral Instrument 52-110 - *Audit Committees* and is not "related" within the meaning of the Tax Act, as amended or replaced from time to time.

"Independent Trustee Matters" means those decisions which require the approval of the majority of the Independent Trustees only, as set out in "Contract of Trust and Description of Units - Independent Trustee Matters".

"Interest Obligation" has the meaning ascribed thereto under "Description of the Series D Debentures – Method of payment – Interest Payment Election".

"Interest Payment Date" has the meaning ascribed thereto under "Description of the Series D Debentures – Method of payment – Interest Payment Election".

"Interest Payment Election" has the meaning ascribed thereto under "Description of the Series D Debentures – Method of payment – Interest Payment Election".

"Investment Guidelines" has the meaning ascribed thereto under "Contract of Trust - Investments Guidelines".

"Lead Underwriter" means National Bank Financial Inc.

"March 2011 Interim Financial Statements" means the comparative unaudited consolidated interim financial statement of the REIT for the three-month period ended March 31, 2011 and 2010, together with the notes thereto.

"March 2011 Interim MD&A" means the management's discussion and analysis position of the REIT for the three-month period ended March 31, 2011.

"Non-Resident" means a person who is a non-resident for the purposes of the Tax Act, including a partnership that is not a Canadian partnership within the meaning of the Tax Act.

"Note Indenture" means the note indenture dated October 3, 2006 between TB Trust and Computershare Trust Company of Canada, as note indenture trustee which provides for the creation and issuance of the TB Notes (as defined therein), and any indenture supplemental thereto.

"Offering" means the public offering by the REIT of \$20,000,000 aggregate principal amount of Series D Debentures.

"Original Trust Indenture" has the meaning ascribed thereto under "Description of the Series D Debentures - General".

"Over-Allotment Option" means the option granted to the Underwriters pursuant to the Underwriting Agreement to purchase up to \$3,000,000 aggregate principal amount of Series D Debentures at a price of \$1,000 per Series D Debenture.

"Person" means and includes individuals, corporations, limited partnerships, general partnerships, joint stock companies, limited liability corporations, joint ventures, associations, companies, trusts, banks, trust companies, trustees, executors, administrators or other legal personal representatives, two or more persons who, together, constitute all the owners of a property, pension funds, land trusts, business trusts or other organizations, whether or not legal entities and regulatory bodies, governments and agencies and political subdivisions thereof and municipalities.

"Put Date" has the meaning ascribed thereto under "Description of the Series D Debentures - Put Right upon a Change of Control".

"Put Price" has the meaning ascribed thereto under "Description of the Series D Debentures - Put Right upon a Change of Control".

"Qualifying Jurisdictions" means the jurisdictions where the REIT is offering the Series D Debentures, being all the provinces of Canada.

"REIT Exception" has the meaning ascribed thereto under "Canadian Federal Income Tax Considerations - Status of the REIT - REIT Exception".

"Resident" means a person who is a resident of Canada for the purposes of the Tax Act.

"Securities" has the meaning ascribed thereto under "Canadian Federal Income Tax Considerations".

"Second Supplemental Indenture" has the meaning ascribed thereto under "Description of the Series D Debentures – General".

"Senior Indebtedness" has the meaning ascribed thereto under "Description of the Series D Debentures - Subordination".

"Series A Debentures" means the Series A Five Year 8% subordinated convertible debentures of the REIT.

"Series B Debentures" means the Series B 8.5% convertible unsecured subordinated debentures of the REIT.

"Series C Debentures" means the Series C 8% convertible unsecured subordinated debentures of the REIT.

"Series D Debentures" means the Series D 7.25% convertible unsecured subordinated debentures of the REIT offered pursuant to the Offering.

"Series D Debentureholders" means the holders of Series D Debentures and **"Series D Debentureholder"** means one of them.

"SIFT" means a "SIFT trust" or a "SIFT partnership" as defined in the Tax Act for purposes of the SIFT Regime.

"SIFT Regime" means the amendments to provisions of the Tax Act proclaimed in force on June 22, 2007, as amended, that implement the changes announced as part of the Tax Fairness Plan proposed by the Minister of Finance (Canada) on October 31, 2006 which modify the tax treatment of "specified investment flow-throughs", including publicly traded income trusts and limited partnerships, and the tax treatment of their unitholders in the manner described below under "Canadian Federal Income Tax Considerations – SIFT Regime".

"Special Resolution" when used either in the Contract of Trust or the TB Contract of Trust means a resolution passed as a special resolution at a meeting of Unitholders of the REIT (or unitholders of TB Trust) (including an adjourned meeting) duly convened for that purpose and held in accordance with the provisions of Section 8.15 of the

Contract of Trust (or of the TB Contract of Trust) at which two or more individuals present in person either holding personally or representing as proxies not less in aggregate than 5% of the total number of votes attached to Units (or the units of TB Trust) then outstanding and passed by the affirmative votes of the holders of not less than 66 2/3% of the Units (or the units of TB Trust) represented at the meeting and voted on a poll upon such resolution.

"Subsidiaries" includes, with respect to any person, corporation, partnership, limited partnership, trust or other entity controlled, directly or indirectly, by such person, corporation, partnership, limited partnership, trust or other entity and, without limiting the generality of the foregoing, includes TB Trust in respect of the REIT and "Subsidiary" means any one of them.

"Tax Act" means the *Income Tax Act* (Canada) as amended.

"Tax Proposals" means all specific proposals to amend the Tax Act and regulation thereunder announced by or on behalf of the Minister of Finance (Canada) prior to the date of this short form prospectus.

"TB Contract of Trust" means the contract of trust dated July 12, 2006 as amended and restated as of August 1, 2006 and March 15, 2011 and from time to time pursuant to which BTB Acquisition and Operating Trust was formed under the laws of the Province of Québec.

"TB Notes" has the meaning ascribed thereto in the Note Indenture.

"TB Trust" means BTB Acquisition and Operating Trust, a trust formed under the laws of the Province of Québec pursuant to the TB Contract of Trust.

"TB Units" means a unit of interest in TB Trust.

"Third Supplemental Indenture" has the meaning ascribed thereto under "Description of the Series D Debentures – General".

"Transfer Agent" means Computershare Investor Services Inc.

"Trustee" means a trustee of the REIT.

"TFSA" means a tax-free savings account.

"TSX-V" means the TSX Venture Exchange.

"Underwriting Agreement" means the agreement dated June 27, 2011 among the REIT and the Underwriters.

"Underwriters" means National Bank Financial Inc., Canaccord Genuity Corp., Dundee Securities Ltd., GMP Securities L.P. and HSBC (Securities) Canada Inc.

"Unit" means a unit of interest in the REIT.

"Unitholder" means a holder of Units.

ABOUT THIS PROSPECTUS

In this short form prospectus, unless otherwise specified, all references to "dollars" or "\$" are to Canadian dollars.

FORWARD-LOOKING STATEMENTS

Certain statements contained in this short form prospectus and the documents incorporated by reference herein are forward-looking. Forward-looking statements are statements, other than statements of historical fact, that address or discuss activities, events or developments that the REIT expects or anticipates will or may occur in the future, including the ability of the REIT to identify, pursue and consummate acquisition opportunities, the strength of the real estate markets, business strategies and measures to implement these strategies, competitive strengths, benefits that may be achieved in connection with the integration of the recent acquisitions, goals, expansion and growth of the REIT's businesses and operations, plans and references to future acquisitions and success. Such forward-looking statements can be identified by the use of words such as "seek", "anticipate", "plan", "continue", "estimate", "expect", "may", "will", "project", "predict", "potential", "targeting", "intend", "could", "might", "should", "believe" and similar expressions or the negatives thereof.

The forward-looking statements reflect the current views and beliefs of the management of the REIT and are based on certain assumptions, including assumptions as to future economic conditions and courses of action, as well as information currently available to management and other factors management believes are appropriate and reasonable in the circumstances. Such forward-looking statements are subject to risks and uncertainties and no assurance can be made that any of the events anticipated by such statements will prove to be accurate or occur or, if they do occur, what the effect on the REIT would be. A number of factors could cause actual results, performance or developments to differ materially from those expressed or implied by such forward-looking statements, including:

- the general economic conditions, local real estate markets, supply and demand for leased premises, competition from other available premises and various other factors;
- the credit and financial stability of the tenants of the REIT's properties and the economic environment in which they operate;
- the ability of the REIT to identify properties that meet its acquisition criteria or in completing acquisitions or investments on satisfactory terms;
- access of the REIT to capital and debt markets;
- the failure of the newly acquired properties to perform as expected by management and the underestimation of the costs associated with the integration of such acquired properties;
- the failure to maintain mutual fund trust status;
- the status of the REIT for tax purposes;
- the value at which the REIT's real estate portfolio will generate sufficient Distributable Income to exceed distributions; and
- other factors, many of which are beyond the control of the REIT, including those factors identified under the heading "Risk Factors".

These factors should be considered carefully and prospective investors should not place undue reliance on the forward-looking statements. Material assumptions that were applied in drawing a conclusion or making an estimate set out in the forward-looking statements include: the ability of the REIT to identify additional properties, the credit and financial stability of current and future tenants, the current hypothec and mortgage loan to value ratio and hypothec and mortgage interest rates remaining constant, equity and debt capital markets continuing to provide access to fund the

REIT's future growth on terms acceptable to the management of the REIT and the REIT being able to refinance its credit facilities, mortgage and hypothec loans on terms acceptable to the management of the REIT.

Certain statements included in this short form prospectus may be considered as a "financial outlook" for the purposes of applicable securities laws, and such financial outlook may not be appropriate for purposes other than this short form prospectus. The REIT's actual results, performance or achievements could differ materially from those expressed in, or implied by, these forward-looking statements and, accordingly, no assurance can be made that any of the events anticipated by the forward-looking statements will prove to be accurate or occur, or if any of them do so, what benefits, including the amount of proceeds, the REIT will derive therefrom. The REIT does not assume any obligation to update the aforementioned forward-looking statements, whether as a result of new information, future events or otherwise, except as may be required by law.

NON-GAAP FINANCIAL MEASURES

The REIT issues guidance and reports on certain non-GAAP measures, including "net operating income", "distributable income", "funds from operations" and "adjusted funds from operations", that it uses to evaluate its performance. Because non-GAAP measures do not have a standardized meaning and may differ from other issuers', securities regulations require that non-GAAP measures be clearly defined and qualified, reconciled with their nearest GAAP measure and given no more prominence than the closest GAAP measure. Such information is presented in the documents incorporated by reference herein.

DOCUMENTS INCORPORATED BY REFERENCE

Information has been incorporated by reference in this short form prospectus from documents filed with securities commissions or similar authorities in Canada. Copies of the documents incorporated herein by reference may be obtained on request without charge from the Chief Financial Officer of the REIT at 2155 Crescent Street, Suite 300, Montreal, Québec, H3G 2C1, telephone (514) 286-0188 ext. 230, and are also available electronically at www.sedar.com.

The following documents, filed with the various securities commissions or similar regulatory authorities in each of the provinces of Canada, are specifically incorporated by reference in and form an integral part of this short form prospectus:

- (a) the annual information form of the REIT dated May 11, 2011 (the "AIF");
- (b) the comparative audited consolidated financial statements of the REIT for the years ended December 31, 2010 and 2009, together with the notes thereto and the auditors' report thereon (the "2010 Annual Financial Statements");
- (c) management's discussion and analysis of operating results and financial position of the REIT for the year ended December 31, 2010 (the "2010 Annual MD&A");
- (d) the comparative unaudited interim consolidated financial statements of the REIT for the three-month periods ended March 31, 2011 and 2010, together with the notes thereto (the "March 2011 Interim Financial Statements");
- (e) management's discussion and analysis of operating results and financial position of the REIT for the three-month period ended March 31, 2011 (the "March 2011 Interim MD&A"); and
- (f) the management information circular of the REIT dated May 25, 2011 in connection with the annual and special meeting of the Unitholders held on June 22, 2011.

Any documents of the type referred to above and any material change reports (excluding confidential material change reports) filed by the REIT with the securities commissions or similar regulatory authorities in each of the

provinces of Canada subsequent to the date of this short form prospectus and prior to the termination of this distribution shall be deemed to be incorporated by reference into this short form prospectus.

Any statement contained in a document incorporated or deemed to be incorporated by reference herein shall be deemed to be modified or superseded, for purposes of this short form prospectus, to the extent that a statement contained herein or in any other subsequently filed document which also is or is deemed to be incorporated by reference herein modifies or replaces such statement. The modifying or superseding statement need not state that it has modified or superseded a prior statement or include any other information set forth in the document that it modifies or supersedes. The making of a modifying or superseding statement shall not be deemed an admission for any purposes that the modified or superseded statement, when made, constituted a misrepresentation, an untrue statement of a material fact or an omission to state a material fact that is required to be stated or that is necessary to make a statement not misleading in light of the circumstances in which it was made. Any statement so modified or superseded will not be deemed, except as so modified or superseded, to constitute part of this short form prospectus.

THE REIT

BTB is an unincorporated open-ended real estate investment trust governed under the laws of the Province of Québec pursuant to the Contract of Trust.

The objectives of the REIT are: (i) to generate stable and growing cash distributions on a tax efficient basis from investments in a diverse portfolio of income producing properties, with a primary focus in Québec; (ii) to expand the real estate asset base of the REIT and increase its income available for distribution through an accretive acquisition program; and (iii) to enhance the value of the REIT's assets and maximize long-term Unit value through the active management of its assets.

BTB believes that the income-producing, mid-market office, retail and industrial property segments represent a favourable risk/return investment environment with fewer national competitors than other segments of the market. By concentrating on both primary and secondary markets, BTB believes it will be afforded greater opportunities to make accretive acquisitions that will contribute to achieving attractive yields for Unitholders.

BTB has a strong executive team, including management and Trustees with a breadth of experience in all facets of office, retail and industrial real estate including acquisitions, asset management, development, property management, lease administration and asset level and corporate finance. In addition, management and the Trustees of the REIT have well established relationships with property owners in various sectors, particularly in geographical markets east of Ottawa, Ontario. These relationships have allowed, and are expected to continue to allow, the REIT to identify and complete acquisitions, in certain instances, through off-market transactions with little or no competition which may be completed at a favourable valuation for Unitholders. The current geographic focus in markets east of Ottawa will allow BTB to concentrate on sourcing new acquisitions in a well-defined and targeted geographical area. See "Risk Factors - Reliance on Key Personnel" in BTB's AIF incorporated by reference in this prospectus.

Management of BTB believes that there are a significant number of acquisition opportunities in the geographical markets east of Ottawa, Ontario, which management of the REIT believes can be purchased at attractive capitalization rates. Management regularly reviews the REIT's property portfolio and, based on experience and market knowledge, assesses ongoing opportunities.

As of the date of this short form prospectus, management of the REIT believes that the REIT meets, and has met at all times during the current taxation year, all the necessary conditions and qualifies for the REIT Exception. Management of the REIT intends to take all the necessary steps to continue to meet these conditions in the future.

Overview of Property Portfolio

As of the date of this prospectus, BTB's property portfolio was comprised of the following 49 properties totaling approximately 2.9 million square feet of office, commercial and mixed use properties located in the provinces of Québec and Ontario.

Province	Income Producing Properties	GLA	Total Square Feet Occupied	% of GLA
Québec	45	2,432,110	90.5%	84.3%
Ontario	4	453,430	91.1%	15.7%
TOTAL	49	2,885,540	90.6%	100%

BTB owns the following diversified properties as at the date of this prospectus:

Property Address	Location	Property Type	GLA (Sq. feet)	Occupancy	Year Built/ Redeveloped
QUÉBEC					
2900 Jacques-Bureau St.	Laval	Commercial	101,194	100%	2004
2220 Lapinière Blvd.	Brossard	Mixed	16,632	77%	1988
1125 St-Martin Blvd. West	Laval	Commercial	9,723	69%	Around 1970
4890-4898 Taschereau Blvd.	Brossard	Mixed	38,503	92%	1986
7205-7235 St-Jacques St. West	Montreal	Commercial	25,392	100%	1995/2000
3627-3645 des Sources Blvd.	Dollard-des-Ormeaux	Mixed	35,887	86%	1977
3781 des Sources Blvd.	Dollard-des-Ormeaux	Commercial	28,000	82%	2010
12055-12085 Laurentian Blvd.	Montreal	Commercial	30,752	46%	1975
1863-1865 North Service Rd, Highway 40	Dorval	Industrial	42,310	100%	1967
2004-2016 René-Laennec Blvd.	Laval	Mixed	27,249	57%	1979/1989
1400-1440 Antonio-Barbeau St.	Montreal	Mixed	110,758	86%	1978
4105 Sartelon St.	St-Laurent	Industrial	44,480	100%	1999/2004/2007
100 Montarville Blvd.	Boucherville	Office	24,308	83%	1974
32 St-Charles West	Longueuil	Office	14,130	100%	1810/1854/1987
50 St-Charles West,	Longueuil	Office	20,437	87%	1982
85, St-Charles West	Longueuil	Office	31,820	93%	1968
2865-2885 De Portland Blvd.	Sherbrooke	Office	16,720	100%	1994
2059 René Patenaude St.	Magog	Industrial	29,271	100%	2005
1635 and 1645 King East	Sherbrooke	Commercial	75,946	89%	1981
Halles St-Jean 145 St-Joseph	St-Jean-sur-Richelieu	Mixed	108,972	99%	1940/1960/1989
Complexe de Léry	Trois-Rivières	Office	155,485	92%	1990
5810-5818 Sherbrooke St. East	Montreal	Office	37,673	100%	1967/1987
7001-7035 St-Laurent Blvd.	Montreal	Office	24,530	100%	1939/1991

Property Address	Location	Property Type	GLA (Sq. feet)	Occupancy	Year Built/ Redeveloped
QUÉBEC					
2212-2226 Dollard	Lasalle	Mixed	29,967	100%	1975
2340 Lapinière	Brossard	Commercial	19,082	100%	1982/1986
1001 Sherbrooke East	Montreal	Office	127,770	93%	1989/1990
81-83 Turgeon	Ste-Thérèse	Office	22,137	81%	1980
Place d'Affaires Lebourgneuf, Phase I, 6655 Pierre-Bertrand Blvd.	Québec City	Mixed	186,054	99%	2006
2155 Crescent	Montréal	Mixed	8,195	100%	1900s/2008
Place Jacques Cartier, 1640-1650-1645 King West	Sherbrooke	Office	62,407	81%	1960
560 Henri-Bourassa	Montréal	Office	40,135	76%	1975
3036-3094 Chambly	Longueuil	Mixed	41,724	92%	1992
204 de Montarville	Boucherville	Office	29,882	84%	1988
3885 Harvey	Chicoutimi	Office	68,020	89%	1987
665-669, Thibeau	Trois-Rivières	Commercial	13,471	100%	1988/1999
1100-1136 St-Joseph	Drummondville	Commercial	25,273	84%	1979/2003
747-805 King East	Sherbrooke	Commercial	33,483	88%	1989/1999
30-66 Jacques-Cartier Nord	Sherbrooke	Commercial	31,260	100%	1992
1400 Marie-Victorin	St-Bruno	Office	50,258	63%	1990
Complexe Lebourgneuf 825, Lebourgneuf Blvd.	Québec City	Office	231,862	91%	2009
Place d'affaires Le Bourgneuf - Phase II, 6700 Pierre-Bertrand	Québec City	Office	109,607	98%	2007
Promenades St-Noël 1st Street West	Thetford Mines	Retail	56,015	78%	1956
Édifice Brinks 191 Amsterdam	St-Augustin-de- Desmaures	Industrial	7,747	100%	2009
Édifice Lombard 909-915 Pierre-Bertrand	Québec City	Retail	86,564	100%	1991
Centre d'affaires Le Mesnil 1170 Lebourgneuf	Québec City	Office	102,935	87%	1990

Property Address	Location	Property Type	GLA (Sq. feet)	Occupancy	Year Built/ Redeveloped
ONTARIO					
705 Boundary	Cornwall	Industrial	144,000	98%	1969/1975/ 1979
725 Boundary	Cornwall	Industrial	170,800	96%	1969/1975/ 1979
805 Boundary	Cornwall	Industrial	106,990	71%	Around 1970
2901 and 2905 Marleau	Cornwall	Industrial	31,640	100%	1984/1989/ 2002

RECENT DEVELOPMENTS

The following is a summary of significant developments in the operations and affairs of the REIT which have occurred since March 31, 2011.

- (a) At the annual and special meeting of the Unitholders held on June 22, 2011, the Unitholders approved the Unitholders' right plan described in the management information circular of the REIT dated May 25, 2011.
- (b) On April 14, 2011, National Bank Financial Inc., Dundee Securities Corporation, Canaccord Genuity Corp. and HSBC Securities (Canada) Inc. exercised their option with respect to the April 14, 2011 Over-Allotment resulting in total net proceeds to BTB of approximately \$2.4 million, after deducting their underwriters' fee.
- (c) On April 4, 2011, BTB completed the April 4, 2011 Acquisition pursuant to which it purchased 50% of the building known as Complexe Lebourgneuf – Phase 1, at 825 Lebourgneuf Boulevard in Quebec City. BTB already owned 50% of the building and acquired the remaining share portion from Urban Intensification Fund LP for the lump sum of \$19,350,000, including the mortgage financing already in place in the amount of approximately \$12,368,000.

DEBT STRATEGY

BTB finances a portion of the purchase price of its properties by way of mortgage and hypothecary loans from third party lenders. The Contract of Trust provides that BTB may not incur or assume any indebtedness if, after incurring or assuming such indebtedness, the total consolidated indebtedness of BTB would be more than 75% of its Gross Book Value pursuant to the Allowed Indebtedness Threshold. Five and ten year fixed rate amortizing debt will primarily be used, with interest only, and short term floating rate loans will be used in appropriate circumstances. BTB's long-term strategy includes using the current favourable debt and interest rate environment to prudently manage its overall financial leverage within a range of 65% to 70% of its Gross Book Value in order to maximize its return on equity while mitigating financial risk to BTB and maintaining stable cash flows.

After giving effect to this Offering, the April 4, 2011 Acquisition, the April 14, 2011 Over-Allotment and the proposed use of the net proceeds from this Offering and the April 14, 2011 Over-Allotment, the indebtedness of the REIT, expressed as a percentage of the *pro forma* Gross Book Value as at March 31, 2011, will be 75.8%, including the Series B Debentures, Series C Debentures and Series D Debentures. Excluding the Series A Debentures, Series B Debentures, Series C Debentures and Series D Debentures for the computation of indebtedness, such indebtedness would represent 58.7% of the *pro forma* Gross Book Value as at March 31, 2011, being a percentage that is below the Allowed Indebtedness Threshold.

CONSOLIDATED CAPITALIZATION

The changes in consolidated capitalization of the REIT since March 31, 2011 to the date of this short form prospectus are as follows:

- (a) indebtedness increased mainly as a result of the assumption of a mortgage in the amount of \$12,368,000 following the April 4, 2011 Acquisition; and
- (b) Unitholders' equity increased mainly due to the exercise of the April 14, 2011 Over-Allotment in the amount of \$2,400,000.

The following table sets out BTB's capitalization as at March 31, 2011 and the *pro forma* capitalization of the REIT as at March 31, 2011 after giving effect of this Offering, the April 4, 2011 Acquisition and the April 14, 2011 Over-Allotment. This table should be read in conjunction with the financial statements and notes thereto incorporated by reference in this prospectus.

Description	Outstanding at March 31, 2011	Outstanding at March 31, 2011 after giving effect to the April 4, 2011 Acquisition and the April 14, 2011 Over-Allotment but before giving effect to this Offering (unaudited)	Outstanding at March 31, 2011 after giving effect to the April 4, 2011 Acquisition and the April 14, 2011 Over-Allotment and this Offering (unaudited)
Debt:			
Mortgage loans payable	\$180,610,000	\$192,978,000 ⁽¹⁾	\$192,978,000
Convertible Debentures	44,847,000	44,847,000	47,723,000 ⁽³⁾⁽⁴⁾
Derivative financial instruments	2,463,000	2,463,000	5,304,000 ⁽³⁾⁽⁵⁾
Unitholders Equity (Units Authorized: unlimited) (73,989,725 Units)	70,260,000	72,660,000 ⁽²⁾	72,660,000
Total Capitalization	298,180,000	312,948,000	318,665,000

- (1) Includes the assumption of a \$12,368,000 mortgage following the April 4, 2011 Acquisition.
- (2) Includes the April 14, 2011 Over-Allotment.
- (3) According to IFRS, the Debentures are characterized as a financial liability. The conversion option of the Debentures is treated as a derivative instrument with changes in fair value recognized in earnings. The conversion option of the Series D Debentures (the "Conversion Option") has been calculated with the Unit price as at June 20, 2011. The Conversion Option as at June 20, 2011 has been estimated at \$2,841,000. Changes in the Unit price may change the value of the Conversion Option.
- (4) Assumes the repayment of Series A Debentures in the amount of \$12,883,000.
- (5) Assumes that there is no change to the fair value of the conversion feature of the Series B, C and D Debentures which would otherwise affect the value of such derivative financial instruments.

Since March 31, 2011, the only changes to the loan capital of the REIT resulted from the repayment of indebtedness and the assumption of a mortgage loan following the April 4, 2011 Acquisition.

USE OF PROCEEDS

The estimated net proceeds to be received by the REIT pursuant to the Offering will be approximately \$18,600,000 (or \$21,450,000 if the Over-Allotment Option is exercised in full), after deducting the Underwriters' fee and the Offering expenses estimated at \$400,000. Approximately \$12,883,000 of the net proceeds from the sale of the Series D Debentures will be used to repay all of the Series A Debentures due October 2011 and the balance will be used to fund future property acquisitions by Subsidiaries of the REIT or will be added to the working capital of the REIT. There is no assurance that any acquisition will be completed.

CONTRACT OF TRUST AND DESCRIPTION OF THE UNITS

General

The REIT is an unincorporated open-ended investment trust created pursuant to the Contract of Trust and governed by the laws of the Province of Québec. The Contract of Trust is available for inspection during regular business hours at the head office of the REIT, 2155 Crescent Street, Suite 300, Montreal, Québec H3G 2C1, without charge, during the distribution of the Series D Debentures being offered under this short form prospectus, and is also available electronically at www.sedar.com.

The following is a summary of certain provisions of the Contract of Trust and material attributes and characteristics of the Units. The summary below does not purport to be complete and, for full particulars, reference should be made to the Contract of Trust. A more detailed summary can be found in BTB's AIF incorporated herein by reference.

Nature of the REIT

The REIT, its Trustees and its properties shall be governed by the general rules set forth in the Civil Code, except as such general law of trusts has been or is from time to time modified, altered or abridged for investment trusts or for the REIT by:

- (a) applicable laws, regulations or other requirements imposed by applicable securities or other regulatory authorities; and
- (b) the terms, conditions and trusts set forth in the Contract of Trust.

The beneficial interests and rights generally of a Unitholder in the REIT shall be limited to the right to participate *pro rata* in distributions when and as declared by the Trustees as contemplated in the Contract of Trust and in distributions upon the termination of the REIT as contemplated in the Contract of Trust. The REIT is not, and is not intended to be, shall not be deemed to be, and shall not be treated as, a general partnership, limited partnership, syndicate, association, joint venture, company, corporation or joint stock company nor shall the Trustees or any individual Trustee or the Unitholders or any of them or any officers or other employees of the REIT or any one of them for any purpose be, or be deemed to be, treated in any way whatsoever to be, liable or responsible hereunder as partners or joint venturers. Neither the Trustees nor any officer or other employee of the REIT shall be, or be deemed to be, an agent of the Unitholders. The relationship of the Unitholders to the Trustees, to the REIT and to the property of the REIT shall be solely that of beneficiaries of the REIT and their rights shall be limited to those conferred upon them by the Contract of Trust. In its first tax year, in filing a return of income for the REIT, the REIT shall elect, assuming that the requirements for such election are met, that the REIT shall be deemed to be a “mutual fund trust” for purposes of the Tax Act for the entire year.

Rights of Unitholders

The rights of each Unitholder to call for a distribution or division of assets, monies, funds, income and capital gains held, received or realized by the Trustees are limited to those contained in the Contract of Trust and, except as provided in the Contract of Trust, no Unitholder shall be entitled to call for any partition or division of the REIT's property or for a distribution of any particular asset forming part of the REIT's property or of any particular monies or funds received by the Trustees. The legal ownership of the property of the REIT and the right to conduct the activities of the REIT are vested exclusively in the Trustees, and no Unitholder has or is deemed to have any right of ownership in any of the property of the REIT, except as specifically provided in the Contract of Trust. Except as specifically provided in the Contract of Trust, no Unitholder shall be entitled to interfere with or give any direction to the Trustees with respect to the affairs of the REIT or in connection with the exercise of any powers or authorities conferred upon the Trustees under the Contract of Trust. The Units shall be personal property and shall confer upon the holders thereof only the interest and rights specifically set forth in the Contract of Trust.

Units

The beneficial interests in the REIT shall constitute a single class of Units which shall be entitled to the rights and subject to the limitations, restrictions and conditions set out in the Contract of Trust. The number of Units which the REIT may issue is unlimited. Each Unit when issued shall vest indefeasibly in the holder thereof. The interest of each Unitholder shall be determined by the number of Units registered in the name of the Unitholder. The issued and outstanding Units may be subdivided or consolidated from time to time by the Trustees without Unitholder approval.

Ranking of Units

Each Unit shall represent an equal undivided interest in the REIT with all other outstanding Units. All Units outstanding from time to time shall participate *pro rata* in any distributions by the REIT and, in the event of termination or winding up of the REIT, in the net assets of the REIT remaining after satisfaction of all liabilities and no Unit shall have any preference or priority over any other. Units shall rank among themselves equally and rateably without discrimination, preference or priority.

Non-Resident Ownership Constraint

At no time may more than 49% of the Units outstanding be held or beneficially owned, directly or indirectly, for the benefit of Non-Residents. Furthermore, at no time shall Non-Residents hold or beneficially own, directly or indirectly, Units or any other rights or options, including convertible debentures (for the purpose of this paragraph, such other rights and options being known as “Options”) that may entitle them (conditionally or otherwise) to acquire Units that would result in more than 49% of the Units, at any time, being held or beneficially owned, directly or indirectly, by Non-Residents. The Trustees may require declarations as to the jurisdictions in which beneficial owners of Units are Resident. If the REIT becomes aware that 49% of the Units and/or Options then outstanding are held, or may be held, for the benefit of Non-Residents or that such a situation is imminent, the Trustees may make a public announcement to such effect and shall not accept any subscription for Units or Options from any Non-Resident, issue any Units or Options to any such person or register or otherwise recognize the transfer of any Units or Options to any Non-Resident. If, notwithstanding the foregoing, the Trustees determine that more than 49% of the Units and/or Options are held or may become held for the benefit of Non-Residents, the Trustees may send a notice to Non-Resident holders of Units or Options, as shall be chosen on the basis of inverse order to the order of acquisition or registration, by law or by such other method that is authorized by the Trustees’ determination, requiring them to sell their Units or Options or a portion thereof within a specified period of not more than 60 days. If the holders of Units or Options receiving such notice have not sold the specified number of Units or Options or provided the Trustees with satisfactory evidence that they are not Non-Residents of Canada and do not hold their Units or Options for the benefit of Non-Residents within such period, the Trustees may sell such Units or Options on behalf of such holders of Units or Options to a person or persons that are not Non-Residents of Canada and, in the interim, all rights attaching to such Units or Options (including any right to receive payments of interest) shall be immediately suspended and the rights of any such holders of Units or Options in respect of such Units or Options shall be limited to receiving the net proceeds of sale (net of any commission, tax or other cost of sale).

Redemption of Units

The Contract of Trust provides that the Units may be redeemed at the redemption price set forth therein. See “Summary of the Contract of Trust-Redemption of Units” in BTB’s AIF for a detailed description of the redemption of the Units.

Meeting of Unitholders

There shall be an annual meeting of the Unitholders at such time and place in Canada as the Trustees shall prescribe for the purpose of electing Trustees, appointing or removing the auditors of the REIT and transacting such other business as the Trustees may determine or as may properly be brought before the meeting. The annual meeting of Unitholders shall be held after delivery to the Unitholders of the annual report and, in any event, within 180 days after the end of each fiscal year of the REIT.

The Trustees shall have power at any time to call special meetings of the Unitholders at such time and place in Canada as the Trustees may determine. Unitholders holding in the aggregate of not less than 10% of the outstanding Units of the REIT may requisition the Trustees in writing to call a special meeting of the Unitholders for the purposes stated in the requisition.

Unitholders may attend and vote at all meetings of the Unitholders either in person or by proxy. Each Unit shall entitle the Unitholder to one vote at all meetings of the Unitholders. Any action to be taken by the Unitholders shall, except as otherwise required by the Contract of Trust or by law, be authorized when approved by a majority of the

votes cast at a meeting of the Unitholders. The chairman of any such meeting shall not have second or casting vote. Every question submitted to a meeting, other than a Special Resolution, shall, unless a poll vote is demanded, be decided by a show of hands, on which every person present and entitled to vote shall be entitled to one vote.

Matters on which Unitholders Shall Vote

None of the following shall occur unless the same has been duly approved by the Unitholders at a meeting duly called and held:

- (a) except as provided in the Contract of Trust, the appointment, election or removal of Trustees;
- (b) except as provided in the Contract of Trust, the appointment or removal of auditors;
- (c) any amendment to the Contract of Trust (except for amendments which may be made at the discretion of the Trustees);
- (d) the sale of or transfer of the properties or assets of the REIT as an entirety or substantially as an entirety (other than as a part of an internal reorganization of the assets of the REIT as approved by the Trustees);
- (e) an increase or decrease in the number of Trustees;
- (f) any distribution of the property of the REIT following an affirmative vote of the Unitholders by Special Resolution;
- (g) the termination of the REIT; or
- (h) any action upon any matter, which under applicable law (including policies of Canadian securities commissions or authorities) or applicable stock exchange rules or policies, would require approval of a majority of the votes cast by the holders of TB Units had TB Trust been a reporting issuer (or the equivalent) in the jurisdictions in which the REIT is a reporting issuer (or the equivalent) and had TB Units been listed on the stock exchanges where the Units are listed for trading, respectively.

Nothing in clauses (a) to (h) above, however, shall prevent the Trustees from submitting to a vote of Unitholders any matter which they deem appropriate.

Matters which must be approved by Special Resolution

None of the following shall occur unless the same has been duly approved by Special Resolution of Unitholders at a meeting of Unitholders duly called and held for that purpose:

- (a) any amendment to the provisions of the Contract of Trust dealing with amendments to the Contract of Trust;
- (b) any exchange, reclassification or cancellation of all or part of the Units;
- (c) any amendment to change a right with respect to any outstanding Units of the REIT or to reduce the amount payable thereon upon termination of the REIT or to diminish or eliminate any voting rights pertaining thereto;
- (d) any amendment to the duration or term of the REIT;

- (e) any amendment to increase the maximum number of Trustees (to more than 15) or to decrease the minimum number of Trustees (to less than five), any change by the Unitholders in the number of Trustees within the minimum and maximum number of Trustees;
- (f) except as provided in the Contract of Trust, any constraint on the issue, transfer or ownership of Units or the change or removal of such constraints;
- (g) any amendment relating to the powers, duties, obligations, liabilities or indemnification of the Trustees;
- (h) any sale or transfer of the properties or assets of the REIT as an entirety or substantially as an entirety other than as part of an internal reorganization of the REIT's property as approved by the Trustees;
- (i) any distribution of the REIT's property upon its termination;
- (j) the combination, merger, amalgamation or arrangement of the REIT, directly or indirectly, with any other person or entity;
- (k) any amendment to the Investment Guidelines and Operating Policies of the REIT, except as provided in the Contract of Trust; or
- (l) any matter required to be passed by a Special Resolution under the Contract of Trust of TB Trust, as may be amended and restated from time to time.

Independent Trustees

There shall be a majority of Independent Trustees on the board of Trustees and on any committee of the Trustees.

Reports to Unitholders

The REIT furnishes to Unitholders such financial statements (including interim and financial statements) and other reports as are from time to time required by applicable law, including prescribed forms needed for the completion of Unitholders' tax returns under the *Tax Act* or equivalent provincial legislation.

Prior to each annual and special meeting of Unitholders, the Trustees will provide to the Unitholders (along with notice of such meeting) information similar to that required to be provided to shareholders of a public corporation governed by the CBCA.

CHANGES IN UNITS OUTSTANDING

As at the date of this prospectus, there were 73,989,725 Units issued and outstanding.

DISTRIBUTION POLICY

The REIT may distribute to Unitholders monthly, on or about the fifteenth day in each calendar month, such percentage of the Distributable Income of the REIT for the preceding calendar month as the Trustees determine in their discretion.

The REIT's current intention is to distribute \$0.0067 per Unit per month to Unitholders. Monthly distributions will be based on the Trustees' estimate of yearly Distributable Income, subject to adjustment from time to time throughout the year. See the section entitled "Distribution Policy" in BTB's AIF incorporated herein by reference.

For the year 2010, the REIT made monthly distributions of \$0.0067 per Unit for each month from January to December. For the year 2011, the REIT made monthly distribution of \$0.0067 per unit for each month from January to May.

DESCRIPTION OF THE SERIES D DEBENTURES

The following is a summary of the material attributes and characteristics of the Series D Debentures. This summary does not purport to be complete and is subject to, and is qualified in its entirety by, reference to the terms of the Indenture.

General

The Series D Debentures will be created and issued under a supplemental indenture to be dated the date of the closing of the Offering (anticipated to be July 13, 2011) (the "Third Supplemental Indenture") to the trust indenture dated as of October 3, 2006 (the "Original Trust Indenture" and together with the First Supplemental Indenture dated March 20, 2008, the Second Supplemental Indenture dated January 11, 2011 and the Third Supplemental Indenture, the "Indenture") between the REIT and Computershare Trust Company of Canada (the "Debenture Trustee"), as trustee. The Indenture does not limit the aggregate principal amount of Debentures that may be outstanding from time to time.

The Series D Debentures to be issued will be for a minimum of \$20,000,000 and a maximum of \$23,000,000 aggregate principal amount. The REIT may, from time to time, without the consent of the Debentureholders, issue additional Debentures of the same series or of a different series under the Indenture, in addition to the Series D Debentures offered hereby.

The Series D Debentures will be dated as of the closing of the Offering and will mature on July 31, 2018. The Series D Debentures will be issuable only in denominations of \$1,000 and integral 1,000 multiples thereof and will bear interest from and including the date of issue at 7.25% per annum, which will be payable semi-annually in arrears on January 31 and July 31 in each year, commencing on January 31, 2012. The first interest payment will include interest accrued from the date of the closing of the Offering to January 31, 2012.

The principal amount of the Series D Debentures is payable in lawful money of Canada or, at the option of the REIT and subject to applicable regulatory approval, by delivery of fully paid, non-assessable and Freely Tradeable Units, as further described under "Description of Series D Debentures - Method of Payment - Payment of Principal on Redemption or at Maturity". The interest on the Series D Debentures is payable in lawful money of Canada, including, at the option of the REIT and subject to applicable regulatory approval, in accordance with Interest Payment Election, as described under "Description of Series D Debentures - Method of Payment - Interest Payment Election".

The Series D Debentures are direct obligations of the REIT and are not to be secured by any mortgage, pledge, hypothec or other charge and will be subordinated to other liabilities of the REIT as described under "Description of the Series D Debentures - Subordination".

Subordination

The Indenture provides that the Series D Debentures are subordinated in right of payment to all present and future Senior Indebtedness (as defined herein) of the REIT. No payment of principal (including redemption payments) or interest on the Series D Debentures may be made: (i) if any Senior Indebtedness is not paid when due and any applicable grace period with respect to such payment default on Senior Indebtedness has ended and such default has not been cured or waived or ceased to exist; or (ii) if the maturity of any Senior Indebtedness has been accelerated because of a default and either such acceleration has not been rescinded or such Senior Indebtedness has not been repaid. Upon any distribution of assets of the REIT to creditors upon any dissolution, winding-up, total liquidation or reorganization of the REIT, whether in bankruptcy, insolvency or receivership proceedings, upon an "assignment for the benefit of creditors", or otherwise, all principal, premium, if any, and interest due on all Senior Indebtedness of the REIT must be paid in full before the Debentureholders are entitled to receive or retain any payment.

Neither the Indenture nor the Series D Debentures will limit the ability of the REIT to incur additional indebtedness, including indebtedness that ranks senior to the Series D Debentures, or from mortgaging, pledging or charging its properties to secure any indebtedness.

The term "Senior Indebtedness" means the principal of, and the interest and premium (or any other amounts payable thereunder), if any, on:

- (a) all indebtedness, liabilities and obligations of the REIT (other than the Series D Debentures, the Series C Debentures, the Series B Debentures and the Series A Debentures), whether outstanding on the date of the Indenture or thereafter created, incurred, assumed or guaranteed in connection with the acquisition by the REIT of any businesses, properties or other assets or for monies borrowed or raised by whatever means (including, by means of commercial paper, bankers' acceptances, letters of credit, debt instruments, bank debt and financial leases, and any liability evidenced by bonds, debentures, notes or similar instruments) or in connection with the acquisition of any businesses, properties or other assets or for monies borrowed or raised by whatever means (including by means of commercial paper, bankers' acceptances, letters of credit, debt instruments, bank debt and financial leases, and any liability evidenced by bonds, debentures, notes or similar instruments) by others including any Subsidiary of the REIT for payment of which the REIT is responsible or liable, whether absolutely or contingently; and
- (b) renewals, extensions, restructurings, refinancings and refundings of any such indebtedness, liabilities or obligations;

unless in each case it is provided by the terms of the instrument creating or evidencing such indebtedness, liabilities or obligations that such indebtedness, liabilities or obligations are not superior in right of payment to Series D Debentures which by their terms are subordinated.

The Series D Debentures are direct unsecured obligations of the REIT. Each Debenture will rank *pari passu* with each other debenture of the same series or with other series of debentures that have been or that may be issued under the Indenture (regardless of their actual date or terms of issue) and, subject to statutory preferred exceptions, with all other present and future subordinated and unsecured indebtedness of the REIT except for sinking fund provisions (if any) applicable to different series of debentures or other similar types of obligations of the REIT.

Conversion Rights

Each Debenture is convertible into Units of the REIT, at the option of the Series D Debentureholder, at any time prior to 4:00 p.m. (Montreal time) on the earlier of July 31, 2018 and the last business day immediately preceding the date specified by the REIT for redemption of the Series D Debentures, at a conversion price of \$1.22 per Unit (the "Conversion Price"), being a conversion rate of 819.672 Units per \$1,000 principal amount of Series D Debentures, subject to adjustment upon the occurrence of certain events in accordance with the Indenture. If all conversion rights attaching to the Series D Debentures are exercised, the REIT will be required to issue a maximum of 18,852,459 (assuming the exercise in full of the Over-Allotment Option) additional fully paid, non-assessable and Freely Tradeable Units, subject to anti-dilution adjustments. No adjustment will be made for distributions on Units issuable upon conversion or for interest accrued on Series D Debentures surrendered for conversion; however, Series D Debentureholders converting their Series D Debentures will receive accrued and unpaid interest on such Series D Debentures for the period from the last interest payment date on their Series D Debentures (or the date of issue of their Series D Debentures if no interest has yet been paid by the REIT) to and including the last record date prior to such conversion declared by the REIT for determining the Unitholders entitled to receive distributions on the Units.

Subject to the provisions thereof, the Indenture provides for the adjustment of the Conversion Price in certain events including: (i) the subdivision or consolidation of the outstanding Units; (ii) the distribution of Units to Unitholders by way of distribution or otherwise other than an issue of securities to Unitholders who have elected to receive distributions in securities of the REIT in lieu of receiving cash distributions paid in the ordinary course; (iii) the issuance of options, rights or warrants to all or substantially all Unitholders entitling them to acquire Units or other securities convertible into Units at less than 95% of the then current market price (as defined in the Indenture to

mean the weighted average trading price of the Units on the TSX-V for the 20 consecutive trading days ending on the fifth trading day preceding the date of the applicable event) of the Units; and (iv) the distribution to all or substantially all the Unitholders of (a) units of any class other than Units and other than units distributed to Unitholders who have elected to receive dividends or distributions in the form of such units in lieu of dividends or distributions paid in the ordinary course, (b) rights, options or warrants (excluding rights, options or warrants entitling the holders thereof for a period of not more than 45 days to subscribe for or purchase Units or securities convertible into Units), (c) evidences of the REIT's indebtedness or (d) assets (excluding dividends or distributions paid in the ordinary course). There will be no adjustment of the Conversion Price in respect of any event described above if the Series D Debentureholders are allowed to participate as though they had converted their Series D Debentures prior to the applicable record date or effective date, as the case may be, of such event. The REIT will not be required to make adjustments in the Conversion Price unless the cumulative effect of such adjustments would change the Conversion Price by at least 1%.

In the case of any reclassification or capital reorganization (other than a change resulting from consolidation or subdivision) of the Units or in the case of any consolidation, amalgamation, reorganization or merger of the REIT with or into any other entity, or in the case of any sale or conveyance of the property and assets of the REIT as, or substantially as, an entirety to any other entity, or a liquidation, dissolution or winding-up of the REIT, the terms of the conversion privilege shall be adjusted so that each Series D Debentureholder shall, after such reclassification, capital reorganization, consolidation, amalgamation, reorganization, merger, sale, conveyance, liquidation, dissolution or winding-up, be entitled to receive and shall accept the number of Units or other securities or other property that, on the exercise of the conversion right, such Series D Debentureholder would be entitled to receive if, on the effective date thereof, it had been the holder of the number of Units into which the Debenture was convertible prior to the effective date of such reclassification, capital reorganization, amalgamation, reorganization, combination, merger, sale, conveyance, liquidation, dissolution or winding-up.

No fractional Units will be issued on any conversion but in lieu thereof, the REIT shall satisfy fractional interests by a cash payment equal to the current market price of the fractional interest.

Redemption

The Series D Debentures will not be redeemable prior to July 31, 2014, except in the event of the satisfaction of certain conditions after a Change of Control has occurred. On or after July 31, 2014, and prior July 31, 2016, the Series D Debentures will be redeemable at the option of the REIT, in whole or in part and from time to time, on not more than 60 days' nor less than 30 days' prior notice, at a redemption price equal to the principal amount thereof plus accrued and unpaid interest, provided that the volume-weighted average trading price of the Units on the TSX-V for the 20 consecutive trading days ending on the fifth trading day preceding the date on which the notice of redemption is given is at least 125% of the Conversion Price. On or after July 31, 2016, and prior to July 31, 2018, on not more than 60 days' nor less than 30 days' prior notice, the Series D Debentures will be redeemable at the option of the REIT, in whole or in part and from time to time, at a redemption price equal to the principal amount thereof plus accrued and unpaid interest.

In the case of redemption of less than all of the Series D Debentures, the Series D Debentures to be redeemed will be selected by the Debenture Trustee on a *pro rata* basis to the nearest multiple of \$1,000 or by lot in such manner as the Debenture Trustee deems equitable.

Put Right upon a Change of Control

Upon the occurrence of a change of control involving the acquisition, by any person or persons acting jointly or in concert, of voting control or direction over an aggregate of 66⅔% or more of the outstanding Units (a "Change of Control"), each Series D Debentureholder may require the REIT to purchase, on the date which is 30 days following the giving of notice of a Change of Control as set out below (the "Put Date"), all or any part of such holder's Series D Debentures at a price equal to 101% of the principal amount thereof (the "Put Price") plus accrued and unpaid interest up to but excluding the Put Date.

If 90% or more in aggregate principal amount of the Series D Debentures outstanding on the date the REIT provides notice of a Change of Control to the Debenture Trustee have been tendered for purchase on the Put Date, the REIT

has the right to redeem all the remaining Series D Debentures on such date at the Put Price. Notice of such redemption must be given to the Debenture Trustee by the REIT prior to the Put Date and, as soon as possible thereafter, by the Debenture Trustee to the Series D Debentureholders whose Series D Debentures have not been tendered for purchase.

Method of Payment

Payment of Principal on Redemption or at Maturity

On redemption or at maturity, the REIT will repay the indebtedness represented by the Series D Debentures by paying to the Debenture Trustee in lawful money of Canada an amount required to repay the principal amount of the outstanding Series D Debentures, together with accrued and unpaid interest thereon. The REIT may, at its option, on not more than 60 days' and not less than 30 days' prior notice, subject to applicable regulatory approval and provided no Event of Default has occurred and is continuing, elect to satisfy its obligation to repay all or any portion of the principal amount of the Series D Debentures that are to be redeemed or that are to mature, by issuing and delivering Freely Tradeable Units to the Series D Debentureholders. The number of Freely Tradeable Units to be issued in respect of each Debenture will be determined by dividing the principal amount of the Series D Debentures that are to be redeemed or that are to mature, as the case may be, by 95% of the volume-weighted average trading price of the Units on the TSX-V for the 20 consecutive trading days ending on the fifth trading day preceding the date fixed for redemption or the maturity date, as the case may be. No fractional Units will be issued on redemption or at maturity but in lieu thereof, the REIT shall satisfy fractional interests by a cash payment equal to the market price, as determined above, of the fractional interest.

Interest Payment Election

Subject to receiving any required regulatory approvals, provided it is not in default under the Indenture, the REIT may elect, from time to time, to satisfy its obligation to pay interest on the Series D Debentures (the "Interest Obligation") on the date it is payable under the Indenture (an "Interest Payment Date"), by delivering a sufficient number of Units to the Debenture Trustee required to satisfy all or any part of the Interest Obligation in accordance with the Indenture (the "Interest Payment Election"). The Indenture provides that, upon such election, the Debenture Trustee shall: (i) accept delivery from the REIT of the Units; (ii) accept bids with respect to, and consummate sales of such Units, each as the REIT shall direct in its absolute discretion; (iii) invest the proceeds of such sales in Canadian government obligations (as defined in the Indenture) that mature prior to the applicable Interest Payment Date, and use the proceeds received from such government securities, together with any proceeds from the sale of Units not invested as aforesaid, to satisfy the Interest Obligation; and (iv) perform any other action necessarily incidental thereto.

The Indenture sets forth the procedures to be followed by the REIT and the Debenture Trustee in order to effect the Interest Payment Election. If an Interest Payment Election is made, the sole right of a Series D Debentureholder in respect of interest will be to receive cash from the Debenture Trustee out of the proceeds of the sale of Units (plus any amount received by the Debenture Trustee from the REIT attributable to fractional Units) in full satisfaction of the Interest Obligation, and the holder of such Series D Debentures will have no further recourse to the REIT in respect of the Interest Obligation.

Neither the REIT's making of the Interest Payment Election nor the consummation of sales of Units will (i) result in the Series D Debentureholders not being entitled to receive on the applicable Interest Payment Date cash in an aggregate amount equal to the Interest Obligation payable on such date or (ii) entitle such Series D Debentureholders to receive any Units in satisfaction of the Interest Obligation.

Events of Default

The Indenture provides that each of the following events constitutes, and is herein sometimes referred to as, an "Event of Default":

- (a) if the REIT defaults in payment of the principal on any Debenture when the same becomes due and payable under any provision of the Indenture or of the Debentures;

- (b) if the REIT defaults in payment of any interest due on any Debenture and such default continues for a period of 30 days;
- (c) if a decree or order of a court having jurisdiction in the premises is entered adjudging the REIT a bankrupt or insolvent under the *Bankruptcy and Insolvency Act* (Canada) or any other bankruptcy, insolvency or analogous laws, or issuing sequestration or process of execution against, or against all or any substantial part of the property of the REIT, or appointing a receiver or receiver-manager of or of any substantial part of the property of the REIT or ordering the winding-up or liquidation of its affairs;
- (d) if a resolution is passed for the winding-up or liquidation of the REIT except in the course of carrying out or pursuant to a transaction with respect to which the conditions of the Indenture with respect to successor entities are duly observed and performed, or the REIT institutes proceeds to be adjudicated a bankrupt or insolvent, or consents to the institution of bankruptcy or insolvency proceedings against it under the *Bankruptcy and Insolvency Act* (Canada) or any other bankruptcy, insolvency or analogous laws or consents to the filing of any such petition, or if a receiver or receiver-manager is appointed over all or any substantial part of the property of the REIT, or the REIT makes a general assignment for the benefit of creditors or admits in writing its inability to pay its debts generally as they become due or takes corporate action in furtherance of any of the aforesaid purposes;
- (e) if an event of default, as defined in any indenture or instrument under which the REIT has or will thereafter have outstanding any indebtedness (including for greater certainty, the Series A Debentures, the Series B Debentures and the Series C Debentures) for borrowed money which matures by its terms, or which is renewable at the option of the payor, to a date more than 18 months after the creation, assumption or guarantee thereof, will happen and be continuing and such indebtedness will have been accelerated so that an amount in excess of \$200,000 will be or become due and payable prior to the date on which the same would otherwise have become due and payable, and such acceleration will not be rescinded or annulled, or such event of default under such indenture or instrument will not be remedied or cured, whether by payment or otherwise, or waived by the holders of such indebtedness, within 10 days after such acceleration will have occurred; or
- (f) if the REIT neglects to observe or perform any other covenant or condition contained in the Indenture on its part to be observed or performed and, after a notice in writing has been given by the Debenture Trustee to the REIT specifying such default and requiring the REIT to rectify the same (which said notice may be given by the Debenture Trustee upon receipt of a request by holders of Debentures in accordance with the Indenture, the REIT fails to make good such default within a period of 30 days, unless the Debenture Trustee (having regard to the subject matter of the default) will have agreed to a longer period, and in such event, within the period agreed to by the Debenture Trustee.

Notice of Events of Default

The Indenture provides that if an Event of Default shall occur and be continuing, the Debenture Trustee shall, within 30 days after it receives written notice of the occurrence of such Event of Default, give notice of such Event of Default to the Debentureholders in the manner provided in Article 15 of the Original Trust Indenture, provided that notwithstanding the foregoing, unless the Debenture Trustee shall have been requested to do so by the holders of not less than 51% of the principal amount of the Debentures then outstanding, the Debenture Trustee shall not be required to give such notice if the Debenture Trustee in good faith shall have determined that the withholding of such notice is in the best interests of the Debentureholders and shall have so advised the REIT in writing.

Waiver of Default

The Indenture provides that upon the happening of any Event of Default:

- (a) the holders of the Debentures shall have the power (in addition to the powers exercisable by Extraordinary Resolution as defined below under the heading "Description of the Series D Debentures – Modification, Defeasance and Satisfaction") by requisition in writing by the holders of not less than 51% of the principal amount of Debentures then outstanding or by a resolution at a meeting held in accordance with Article 14 of the Original Trust Indenture passed by the favourable votes of the holders of more than 66⅔% of the principal amount of the outstanding Debentures to instruct the Debenture Trustee to waive any Event of Default and to cancel any declaration made by the Debenture Trustee pursuant to Section 9.1 of the Original Trust Indenture and the Debenture Trustee shall thereupon waive the Event of Default and cancel such declaration, or either, upon such terms and conditions as shall be prescribed in such requisition; provided that notwithstanding the foregoing if the Event of Default has occurred by reason of the non-observance or non-performance by the REIT of any covenant applicable only to one or more series of Debentures, then the holders of not less than 51% of the principal amount of the outstanding Debentures of that series shall be entitled to exercise the foregoing power and the Debenture Trustee shall so act and it shall not be necessary to obtain a waiver from the holders of any other series of Debentures; and
- (b) the Debenture Trustee, so long as it has not become bound to declare the principal of and interest on the Debentures then outstanding to be due and payable, or to obtain or enforce payment of the same, will have power to waive any Event of Default if, in the Debenture Trustee's opinion, the same will have been cured or adequate satisfaction made therefor, and in such event to cancel any such declaration theretofore made by the Debenture Trustee in the exercise of its discretion, upon such terms and conditions as the Debenture Trustee may deem advisable.

The Indenture also provides that no such act or omission either of the Debenture Trustee or of the Debentureholders shall extend to or be taken in any manner whatsoever to affect any subsequent Event of Default or the rights resulting therefrom.

Modification, Defeasance and Satisfaction

With certain exceptions, the Indenture and the rights of the holders of Debentures under the Indenture may be modified by the REIT with the consent of a majority of the holders of Debentures under the Indenture present and voting at a meeting at which not less than 25% of the principal amount of the Debentures then outstanding under the Indenture are present in person or by proxy, unless a poll is to be taken, in which case questions submitted shall be decided by the votes of the holders of a majority in principal amount of the Debentures represented at the meeting and voting (an "Ordinary Resolution").

The Indenture also provides that certain changes, including: (i) changes relating to the modification of the terms of the Debentures, or any reduction of the rate of interest or extension of the time of payment of any principal or interest due thereon; (ii) the modification, abrogation, alteration, compromise or arrangement of the rights of the Debentureholders or the Debenture Trustee against the REIT; (iii) defeasance; or (iv) the waiver of any default under the Indenture, may be made if authorized by Extraordinary Resolution. The term "Extraordinary Resolution" is defined in the Indenture to mean, in effect, a resolution passed by the affirmative votes of the holders of not less than 66⅔% of the aggregate principal amount of the Series D Debentures under the Indenture represented and voting at a duly constituted meeting of holders of Series D Debentures under the Indenture.

If the business to be transacted at any meeting by Extraordinary Resolution or otherwise, especially affects the rights of holders of Debentures under the Indenture of one or more series in a manner or to an extent differing in any material way from that in or to which the rights of holders of Debentures under the Indenture of any other series are affected, then the holders of that specially affected series shall be entitled to vote separately at a meeting at which not less than 25% of the principal amount of the Debentures of that series then outstanding are present in person or by proxy

and such matter must be passed by a resolution adopted by the affirmative vote of the holders of not less than 66⅔% of the aggregate principal amount of the Debentures of that series represented and voting at such meeting.

All actions which may be taken by holders of Debentures under the Indenture by Ordinary Resolution and Extraordinary Resolution and all actions requiring the approval of at least 66⅔% of a series of Debentures may also be taken and exercised by an instrument or instruments in writing signed by the holders of not less than 66⅔% in aggregate principal amount of the Debentures or series of Debentures then outstanding under the Indenture, as the case may be.

The REIT and the Debenture Trustee may, without the consent or concurrence of the holders of Debentures under the Indenture, by supplemental indenture or otherwise, make any changes or corrections in the Indenture which it shall have been advised by counsel are required for the purpose of curing or correcting any ambiguity or defective or inconsistent provisions or clerical omissions or mistakes or manifest errors contained therein or in any indenture supplemental thereto.

In addition to defeasance, the REIT may, without the consent or concurrence of the holders of Debentures under the Indenture, satisfy and discharge the Debentures subject to the fulfillment of the terms and conditions related thereto set out in the Indenture.

Limitation on Non-Resident Ownership

No Units may be issued pursuant to the conversion of all or part of the Debentures, no Debentures will be issued, no payment of interest or principal (whether upon maturity, redemption, or otherwise) will be made by the issuance of Units, and no Units will be issued in connection with the retraction of all or part of the Debentures upon a change of control, if any such issuance of Units or Debentures would result in persons who are Non-Residents of Canada for the purpose of the Tax Act holding or beneficially owning more than 49% of the Units (on either a basic or fully-diluted basis).

In addition, the Debenture Trustee may require declarations as to the jurisdictions in which holders or beneficial owners of Debentures are Resident. If the REIT becomes aware that 49% of the Units (on either a basic or fully-diluted basis) then outstanding are held, or may be held, for the benefit of Non-Residents or that such a situation is imminent, the REIT may make a public announcement thereof and will notify the Debenture Trustee in writing and the Debenture Trustee shall not accept a subscription for Debentures from or issue or register a transfer of Debentures to a person unless the person provides a declaration that the person is not a Non-Resident of Canada. If, notwithstanding the foregoing, the REIT determines that more than 49% of the Units (on either a basic or fully-diluted basis) are held for the benefit of Non-Residents, the REIT may send a notice to Non-Resident Debentureholders, chosen in inverse order to the order of acquisition or registration or in such manner as the REIT may consider equitable and practicable, requiring them to sell their Debentures or a portion thereof within a specified period of not more than 60 days. If the Debentureholders receiving such notice have not sold the specified number of Debentures or provided the REIT with satisfactory evidence that they are not Non-Residents of Canada and do not hold their Debentures for the benefit of Non-Residents of Canada within such period, the REIT may sell such Debentures on behalf of such Debentureholders to a person or persons that are not Non-Residents of Canada and, in the interim, all rights attaching to such Debentures (including any right to receive payments of interest) will be immediately suspended and the rights of any such Debentureholders in respect of such Debentures will be limited to receiving the net proceeds of sale (net of any withholding tax).

Book-Entry, Delivery and Form

Debentures will be issued in the form of one or more global Debentures (the "Global Debentures") held by, or on behalf of, CDS or its successor (the "Depository") as custodian for its participants.

All Debentures will be represented in the form of Global Debentures registered in the name of the Depository or its nominee. Purchasers of Debentures represented by Global Debentures will not receive Debentures in definitive form. Rather, the Debentures will be represented only in "book-entry only" form (unless the REIT, in its sole discretion, elects to prepare and deliver definitive Debentures in fully-registered form). Interests in the Global Debentures will be

represented through book-entry accounts of institutions (including the Underwriters) acting on behalf of holders of interests, as direct and indirect participants of the Depository (the "participants"). Each purchaser of a Debenture represented by a Global Debenture will receive a customer confirmation of purchase from the Agent or Underwriters from whom the Debenture is purchased in accordance with the practices and procedures of the selling Agent or Underwriters. The practices of the Underwriters may vary but generally, customer confirmations are issued promptly after execution of a customer order. The Depository will be responsible for establishing and maintaining book-entry accounts for its participants having interest in Global Debentures.

If the Depository notifies the REIT that it is unwilling or unable to continue as depository in connection with the Global Debentures, or if at any time the Depository ceases to be a clearing agency or otherwise ceases to be eligible to be a depository and the REIT and the Debenture Trustee are unable to locate a qualified successor, or if the REIT elects, in its sole discretion, to terminate the book-entry system, with the consent of the Debenture Trustee, beneficial owners of Debentures represented by Global Debentures at such time will receive Debentures in registered and definitive form (the "Definitive Debentures").

Transfer and Exchange of Debentures

Transfers of interests in Debentures represented by Global Debentures will be effected through records maintained by the Depository for such Global Debentures or its nominees (with respect to interests of participants) and on the records of participants (with respect to interests of persons other than participants). Unless the REIT elects, in its sole discretion, to prepare and deliver Definitive Debentures, beneficial owners who are not participants in the Depository's book-entry system, but who desire to purchase, sell or otherwise transfer ownership of or other interest in Global Debentures, may do so only through participants in the Depository's book-entry system.

The ability of a holder of an interest in a Debenture represented by a Global Debenture to pledge the Debenture or otherwise take action with respect to such owner's interest in a Debenture represented by a Global Debenture (other than through a participant) may be limited due to the lack of a physical certificate.

Registered holders of Definitive Debentures may transfer such Debentures upon payment of taxes or other charges incidental thereto, if any, by executing and delivering a form of transfer together with the Debentures to the registrar for the Debentures at its principal offices in Montreal, Québec, or such other city or cities as may from time to time be designated by the REIT whereupon new Debentures will be issued in authorized denominations in the same aggregate principal amount as the Debentures so transferred, registered in the names of the transferees. No transfer or exchange of a Debenture will be registered during the period from the date of any selection by the Debenture Trustee of any Debentures to be redeemed or during the 15 preceding days or thereafter until the close of business on the date upon which notice of redemption of such Debentures is given. In addition, no transfer or exchange of any Debentures which have been selected or called for redemption will be registered.

Reports to Debentureholders

The REIT will file with the Debenture Trustee, within 15 days after the filing thereof with the applicable Canadian securities regulatory authorities, copies of the REIT's annual report and the information, documents and other reports that the REIT is required to file with the applicable Canadian securities regulatory authorities and deliver to its Unitholders. Notwithstanding that the REIT may not be required to remain subject to the reporting requirements of the Canadian securities regulatory authorities, the REIT shall provide to the Debenture Trustee (i) within 120 days after the end of each fiscal year, annual financial statements, and (ii) within 60 days, or any longer period provided by *National Instrument 51-102 – Continuous disclosure Obligations*, after the end of the first three fiscal quarters of each fiscal year, interim financial statements which shall, at a minimum, contain such information as is required to be provided in quarterly reports under the laws of Canada or any province thereof to security holders of an entity with securities listed on the TSX-V, whether or not the REIT has any of its securities so listed. Each of such reports will be prepared in accordance with applicable Canadian disclosure requirements and generally accepted accounting principles. The REIT will provide copies of such information, documents and reports to Debentureholders upon request.

Governing Law

The Indenture is governed by the laws of the Province of Québec and the laws of Canada applicable therein.

EARNINGS COVERAGE RATIOS

The following *pro forma* consolidated earnings coverage ratios have been calculated for the year ended December 31, 2010 and the twelve-month period ended March 31, 2011, and after giving effect to the Offering, the April 4, 2011 Acquisition, the April 14, 2011 Over-Allotment and use of the net proceeds to repay all of the Series A Debentures.

	Year ended December 31, 2010 (IFRS unaudited)	Twelve-month period ended March 31, 2011 (IFRS unaudited)
Pro forma interest expense ⁽¹⁾⁽⁵⁾	\$15,751,000	\$17,191,000
Pro forma earnings before interest ⁽²⁾	\$22,436,000	\$22,656,000
Pro forma earnings coverage ratio ⁽¹⁾⁽³⁾⁽⁴⁾⁽⁵⁾	142%	132%

- (1) The Debentures are convertible into Units. As BTB's Units are redeemable at the option of the holder and are therefore considered puttable instruments in accordance with IAS 32, the Debentures are considered a liability containing liability classified embedded derivatives. As a result, the liability portion of the Series D Debentures is accounted for at amortized cost which, on initial recognition, is equal to the face value of the Series D Debentures minus the embedded derivative and financing charges. Subsequently, the liability portion is accreted up to the face value of the Series D Debentures during the period they are outstanding, resulting in non-cash interest charges. The aforementioned ratios have been calculated including these non-cash interest charges.
- (2) Earnings before interest are equal to net income before interest expense on all debt and income taxes.
- (3) Earnings coverage ratio is equal to earnings before interest expense divided by interest expense on all debt.
- (4) Assumes that \$12,883,000 from the net proceeds of Offering used to repay all of the Series A Debentures – See "Use of Proceeds".
- (5) Assumes no change in fair value of the conversion feature of the Series D Debentures which would otherwise affect earnings.

The reader is cautioned that the earnings coverage ratios noted above are not directly comparable to the REIT's previously disclosed earnings coverage ratios as a result of the REIT's transition from Canadian GAAP to IFRS. Most notably, under Canadian GAAP, earnings coverage ratios were negatively impacted by the inclusion of depreciation and amortization of investment property and related intangible assets and liabilities in the calculation of the REIT's earnings. Under Canadian GAAP, investment property was recorded at cost and depreciated over its estimated life, whereas under IFRS, the REIT measures investment property at fair value and records changes in fair value in income during the period of change (with the REIT's earnings being adjusted for such changes in fair value for the purposes of calculating the above earnings coverage ratios).

PLAN OF DISTRIBUTION

Pursuant to the Underwriting Agreement, the REIT has agreed to sell and the Underwriters have agreed to purchase on or about July 13, 2011, or on such later date as the REIT and the Underwriters may agree, but in any event not later than July 29, 2011, \$20,000,000 aggregate principal amount of Series D Debentures, payable in cash to the REIT against delivery of such Series D Debentures. The obligations of the Underwriters under the Underwriting Agreement may be terminated upon the occurrence of certain stated events. The Underwriters are, however, obligated to take up and pay for all of the Series D Debentures if any of the Series D Debentures are purchased pursuant to the Underwriting Agreement. The obligations of the Underwriters to purchase the Series D Debentures are joint (and not solidarily or joint and several). Pursuant to the Underwriting Agreement, the REIT has agreed to indemnify and hold harmless the Underwriters and their respective officers, directors, employees and agents against certain liabilities, including civil liabilities under Canadian provincial securities legislation, or to contribute to any payments the Underwriters may be required to make in respect thereof. The terms of this Offering and the terms of the Series D Debentures have been determined by negotiation between the REIT and the Underwriters.

Pursuant to the Underwriting Agreement, the REIT (or a Subsidiary of the REIT) has agreed to pay the Underwriters a fee equal to 5.0% of the gross proceeds of the Offering for an aggregate fee payable by the REIT of \$1,000,000, in consideration for their services in connection with this Offering. The Underwriters' fee in respect of the Series D Debentures is payable upon Closing of this Offering.

The REIT has granted to the Underwriters the Over-Allotment Option on the same terms and conditions as this Offering, exercisable in whole or in part from time to time, no later than the 30th day following the Closing of this Offering for market stabilization purposes and to cover over-allotments, if any. This short form prospectus qualifies the distribution of the Series D Debentures issuable on the exercise of the Over-Allotment Option and their subsequent transfer.

The TSX-V has conditionally approved the listing of the Series D Debentures (including those issuable upon the exercise of the Over-Allotment Option as defined herein) and the Units issuable upon conversion, redemption or maturity of the Series D Debentures, subject to compliance with all the requirements of the TSX-V, on or before September 22, 2011.

If the Over-Allotment Option is exercised in full, the aggregate capital amount of Series D Debentures sold pursuant to the Offering will be \$23,000,000, the total Underwriters' fees will be \$1,150,000 and the net proceeds to the REIT, before deducting the estimated expenses of the Offering, will be \$21,850,000.

A purchaser who acquires Series D Debentures forming part of the Underwriters' over-allocation position acquires those Series D Debentures under this short form prospectus, regardless of whether the over-allocation position is ultimately filled through the exercise of the Over-Allotment Option or secondary market purchases.

At the Closing of this Offering, the Series D Debentures will be available for delivery in a book-entry only form through the facilities of CDS. A purchaser of Series D Debentures will receive only a customer confirmation from a registered dealer who is a CDS participant through which the Series D Debentures were purchased.

BTB has agreed not to issue or sell any Units, securities or financial instruments, whether or not convertible or exchangeable into Units of BTB, other than to satisfy existing instruments already issued as of the date hereof and to satisfy obligations under the REIT's distribution reinvestment plan or option plan, or under any rights plan at the market distribution plan adopted from time to time by the REIT, for a period of 90 days from the Closing, without the prior consent of the Lead Underwriter, such consent not to be unreasonably withheld or delayed. For greater certainty, only the prior consent of the Lead Underwriter shall be required.

Pursuant to policy statements of the Ontario Securities Commission and the *Autorité des marchés financiers*, the Underwriters may not, throughout the period of distribution, bid for or purchase Series D Debentures. The foregoing restriction is subject to certain exceptions, on the condition that the bid or purchase not be engaged in for the purpose of creating actual or apparent active trading in, or raising the price of the Series D Debentures. These exceptions include: (i) a bid or purchase permitted under the by-laws and rules of the TSX-V relating to market stabilization and passive market making activities; and (ii) a bid or purchase made for and on behalf of a customer where the order was not solicited during the period of the distribution. Such transactions, if commenced, may be discontinued at any time.

The Series D Debentures offered by this short form prospectus have not been and will not be registered under the 1933 Act, or the securities laws of any state, and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons, except in limited circumstances. The Underwriters have agreed that they will not offer or sell the Series D Debentures within the United States, its territories or possessions or other areas subject to its jurisdiction or to, or for the account or benefit of, a U.S. Person (as such term is defined under the 1933 Act), except in accordance with the Underwriting Agreement pursuant to an exemption from the registration requirements of the 1933 Act provided by Rule 144A thereunder and in compliance with applicable state securities laws. In addition, until 40 days after the commencement of the Offering, an offer or sale of securities within the United States by any dealer (whether or not participating in the Offering) may violate the registration requirements of the 1933 Act if such offer is made otherwise than in compliance with Rule 144A.

There are constraints imposed on the ownership of the Units to ensure that the REIT has a required level of Canadian ownership. See "Description of the Series D Debentures – Limitation of Non-Resident Ownership".

PRIOR SALES

There was no issuance of Units or other securities of BTB in the 12 months preceding the Offering except for 18,000,000 Units that were issued on November 19, 2010 at \$0.67 per Unit, the 19,450,000 Units that were issued on March 19, 2011 at \$0.90 per Unit and the 2,848,000 Units that were issued on April 14, 2011 at \$0.90 per Unit. Series C Debentures in the amount of \$23,000,000 were issued on January 11, 2011.

TRADING PRICE AND VOLUMES

Units

The Units are listed and posted on the TSX-V under the symbol "BTB.UN". The table below sets forth the market price range and trading volumes of the Units on the TSX-V for each month of the last 12-month period prior to the date of this short form prospectus.

2010

July	0.70	0.64	887,148
August	0.69	0.66	698,388
September	0.70	0.67	2,854,634
October	0.70	0.65	3,928,034
November	0.86	0.68	9,182,946
December	0.77	0.72	5,097,648

2011

January	0.99	0.76	5,150,753
February	0.98	0.90	2,229,277
March	0.99	0.86	3,998,326
April	0.92	0.87	2,903,078
May	0.97	0.89	4,223,616
June	0.96	0.90	1,917,925
July (through July 4, 2011)	0.94	0.92	32,500

Series A Debentures

The Series A Debentures are listed and posted for trading on the TSX-V under the symbols "BTB.DB". The following tables set forth the market price range and trading volumes of the Series A Debentures on the TSX-V for each month of last 12-month period prior to the date of this short form prospectus.

Period	High (\$)	Low (\$)	Volume
2010			
July	95.00	94.00	61,000
August	99.00	93.50	184,200
September	100.00	95.00	141,000
October	99.75	95.00	183,000
November	101.00	99.00	814,000
December	102.00	100.00	497,000
2011			
January	101.00	99.75	532,000
February	102.50	101.00	146,000
March	102.50	101.00	250,000
April	101.75	101.25	87,000
May	101.75	100.50	73,000
June	100.75	100.00	15,000
July (through July 4, 2011)	--	--	--

Series B Debentures

The Series B Debentures are listed and posted for trading on the TSX-V under the symbols “BTB.DB.B”. The following tables set forth the market price range and trading volumes of the Series B Debentures on the TSX-V for each month of last 12-month period prior to the date of this short form prospectus.

Period	High (\$)	Low (\$)	Volume
2010			
July	86.05	83.00	195,000
August	85.15	84.00	71,000
September	93.00	85.11	70,000
October	94.00	92.00	161,000
November	100.00	94.00	797,000
December	99.01	98.00	236,000
2011			
January	101.00	99.25	655,000
February	106.00	100.75	229,000
March	104.00	101.00	75,000
April	103.75	102.00	14,000
May	102.00	101.00	95,000
June	101.25	100.50	57,000
July (through July 4, 2011)	--	--	--

Series C Debentures

The Series C Debentures are listed and posted for trading on the TSX-V under the symbols “BTB.DB.C”. The following tables set forth the market price range and trading volumes of the Series C Debentures on the TSX-V since their listing on January 11, 2011.

Period	High (\$)	Low (\$)	Volume
2011			
January	104.00	99.50	1,605,000
February	109.50	106.00	180,000
March	108.00	104.50	517,000
April	106.00	104.00	318,000
May	107.00	104.00	191,000
June	105.00	101.00	341,000
July (through July 4, 2011)	102.50	102.50	12,000

ELIGIBILITY FOR INVESTMENT

In the opinion of De Grandpré Chait LLP, counsel to the REIT, and Cassels Brock & Blackwell LLP, counsel to the Underwriters, provided that at the date of closing the Series D Debentures and Units are listed on a designated stock exchange (as defined in the Tax Act), which includes tier 1 and tier 2 of the TSX-V or the REIT qualifies under the Tax Act as a “mutual fund trust”, and in the case of the Series D Debentures, the Units are listed on a designated stock exchange, then on that date the Series D Debentures and any Units acquired under the terms of the Series D Debentures will be qualified investments for Deferred Income Plans (other than a deferred profit sharing plan to which the REIT has contributed). Series D Debentures and any Units acquired under the terms of the Series D Debentures will not be a “prohibited investment” for a trust governed by a tax-free savings account (a “TFSA”) provided, for purposes of the Tax Act, the holder of the TFSA deals at arm’s length with the REIT and does not have a “significant interest” (within the meaning of the Tax Act) in the REIT or in any corporation, partnership or trust with which the REIT does not deal at arm’s length. If the Series D Debentures are a “prohibited investment” for the purposes of a TFSA, or if an “advantage” (as defined in the Tax Act for purposes of the TFSA rules) in relation to a TFSA is extended to the holder or a person who does not deal at arm’s length with the holder, the holder of such TFSA will be subject to penalty taxes as set out in the Tax Act and other tax consequences may result. Holders of trusts governed by the TFSA rules should consult their own tax advisors to ensure that the Series D Debentures would not be a prohibited investment in their particular circumstances.

In the 2011 federal budget released on June 6, 2011, the Minister of Finance (Canada) proposed amendments to the Tax Act (the "RRSP/RRIF Proposals") to extend the "prohibited investment" rules discussed above in respect of TFSAs to registered retirement savings plans ("RRSPs") and registered retirement income funds ("RRIFs") after March 22, 2011. No assurance can be given that the RRSP/RRIF Proposals will be enacted in their previously proposed form, or at all.

Prospective investors who intend to hold the Series D Debentures or the Units in their TFSA, RRSP or RRIF should consult their own tax advisors regarding their particular circumstances.

CANADIAN FEDERAL INCOME TAX CONSIDERATIONS

In the opinion of De Grandpré Chait LLP, counsel to the REIT, and Cassels Brock & Blackwell LLP, counsel to the Underwriters, the following is, as of the date hereof, a summary of the principal Canadian federal income tax considerations generally applicable under the Tax Act to the acquisition, holding and disposition of Series D Debentures by a holder who acquires Series D Debentures pursuant to this short form prospectus. This summary is applicable to a Series D Debentureholder who, for purposes of the Tax Act, is a Resident, deals at arm's length and is not affiliated with the REIT and holds Series D Debentures and any Units acquired under the terms of the Series D Debentures (collectively the "Securities") as capital property (a "Holder"). Generally, Securities will be considered to be capital property to a Holder provided that the Holder does not hold the Securities in the course of carrying on a business of trading or dealing in securities and has not acquired them in one or more transactions considered to be an adventure or concern in the nature of trade. Certain Holders who might not otherwise be considered to hold their Securities as capital property may, in certain circumstances, be entitled to have them treated as capital property by making the irrevocable election permitted by subsection 39(4) of the Tax Act. Such Holders should consult their own tax advisors regarding their particular circumstances.

This summary is not applicable to a Holder that is a "financial institution", as defined in the Tax Act for purposes of the mark-to-market rules, a "specified financial institution" or a Holder of an interest in which it is a "tax shelter investment" (all as defined in the Tax Act) or Holder that has elected to report the Holder's Canadian tax results in a currency other than Canadian currency. Such Holders should consult their own tax advisors to determine the tax consequences to them of the acquisition, holding and disposition of Securities. In addition, this summary does not address the deductibility of interest by an investor who has borrowed money to acquire the Debentures.

This summary is based upon the facts set out in this short form prospectus and in a certificate of an officer of the REIT, and assumes that the REIT meets and will continue to meet all necessary conditions and qualifies for the REIT Exception (as discussed below). This summary is also based on information provided by the REIT and takes into account the Tax Proposals, including proposals released on December 16, 2010 relating to "real estate investment trusts" (the "December 2010 Proposals"), the current provisions of the Tax Act and the regulations thereunder, and counsel's understanding, based on publicly available published materials, of the current administrative policies and assessing practices of the CRA, all in effect as of the date of this short form prospectus. This summary does not otherwise take into account or anticipate any changes in law, whether by legislative governmental or judicial decision or action, and does not take into account provincial, territorial or foreign tax legislation or considerations, which may differ significantly from those discussed herein. This summary assumes that the Tax Proposals will be enacted as proposed, but no assurances can be given that this will be the case. There can be no assurances that the CRA will not change its administrative policies and assessing practices. With respect to opinions and views based on representations and statements as to matters of fact, counsel has assumed the accuracy of such representations and statements in giving such opinions and views. This summary is also based on the assumption that the REIT will at all times comply with the Contract of Trust and the Indenture.

This summary assumes that the REIT does and will continue to qualify as a "mutual fund trust" under the Tax Act while the Securities remain outstanding. This assumption is based upon a certificate of an officer of the REIT as to certain factual matters. If the REIT does not qualify as a mutual fund trust, the income tax considerations described below would in some respects be materially different.

This summary is not exhaustive of all possible Canadian federal tax considerations applicable to an investment in Securities. Moreover, the income and other tax consequences of acquiring, holding or disposing

of Securities will vary depending on the Holder's particular circumstances. Accordingly, this summary is of a general nature only and is not intended to be legal or tax advice to any prospective purchaser of Securities. Consequently, a prospective Holder should consult the Holder's own tax advisor for advice with respect to the tax consequences of an investment in Securities based on the prospective Holder's particular circumstances.

This summary does not address any Canadian federal income tax considerations applicable to Non-Residents, and Non-Residents should consult their own tax advisors regarding the tax consequences of acquiring, holding and disposing of Securities. Distributions on Securities or amounts paid in respect thereof and all payments to Non-Residents of interest (or amounts deemed to be interest under the Tax Act) whether paid in cash or Series D Debentures, will be paid net of any applicable withholding tax.

Taxation of Holders

Interest on Series D Debentures

A Series D Debentureholder that is a corporation, partnership, unit trust or any trust of which a corporation or a partnership is a beneficiary will be required to include in computing its income for a taxation year any interest on the Series D Debentures that accrues (or is deemed to accrue) to it to the end of the particular taxation year (or if the Holder disposes of the Series D Debentures in the year, that accrues or is deemed to accrue to it until the time of disposition) or that has become receivable by or is received by the Holder before the end of that taxation year, including on a conversion, redemption or repayment on maturity, except to the extent that such interest was included in computing the Holder's income for a preceding taxation year.

Any other Holder will be required to include in computing income for a taxation year all interest on the Series D Debentures that is received or receivable by such Holder in that taxation year (depending upon the method regularly followed by the Holder in computing income), including on a conversion, redemption or repayment on maturity, except to the extent that the interest was included in the Holder's income for a preceding taxation year. Such a Holder may also be required to include in computing the Holder's income for a taxation year all interest (not otherwise required to be included in income) that accrues or is deemed to accrue on the Holder's Series D Debentures to the end of any "anniversary day" (as defined in the Tax Act) in that year where payments under those Series D Debentures are deferred as described under "Description of the Series D Debentures — Subordination". For this purpose, an anniversary day means the day that is one year after the day immediately preceding the date of issue of a Series D Debenture, the day that occurs at every successive one year interval from that day and the day on which the Series D Debenture is disposed of.

The premium paid by the REIT to a Holder on a Put Date will generally be deemed to be interest received at that time by such Holder to the extent that such premium can reasonably be considered to relate to, and does not exceed the value on the Put Date, of the interest that would have been paid or payable by the REIT on the Series D Debentures for taxation years of the REIT ending after the Put Date.

A Holder that is a "Canadian-controlled private corporation" (as defined in the Tax Act) may be liable to pay an additional refundable tax of 6 $\frac{2}{3}$ % on its "aggregate investment income" for the year which will include an amount in respect of interest.

Exercise of Conversion Privilege

A Holder who converts a Series D Debenture into Units pursuant to the conversion privilege will be considered to have disposed of the Series D Debenture for proceeds of disposition equal to the aggregate of the fair market value of the Units so acquired at the time of the exchange and the amount of any cash received in lieu of fractional Series D Debentures. The Holder will realize a capital gain or capital loss computed as described below under "Dispositions of Series D Debentures". The cost to the Holder of any Series D Debentures must be averaged with the adjusted cost base of other Series D Debentures held as capital property by the Holder for the purposes of calculating their adjusted cost base.

Redemption or Repayment of Series D Debentures

If the REIT redeems a Series D Debenture prior to maturity or repays a Series D Debenture upon maturity and the Holder of the Series D Debenture does not exercise the conversion privilege prior to such redemption or repayment, the Holder will be considered to have disposed of the Series D Debenture for proceeds of disposition equal to the amount received by the Holder (other than the amount received on account of interest) on such redemption or repayment. If the Holder receives Units on redemption or repayment, the Holder will be considered to have received proceeds of disposition equal to the aggregate of the fair market value of the Units so received and the amount of any cash received in lieu of fractional Units. The Holder may realize a capital gain or capital loss computed as described below under "Dispositions of Series D Debentures". The cost to the Holder of the Units so received will also be equal to their fair market value at the time of acquisition, and must be averaged with the adjusted cost base of all other Units held as capital property by the Holder for the purpose of calculating the adjusted cost base of such Units.

Dispositions of Series D Debentures

A disposition or deemed disposition of a Series D Debenture by a Holder will generally result in the Holder realizing a capital gain (or capital loss) equal to the amount by which the proceeds of disposition (adjusted as described below) are greater (or less) than the aggregate of the Holder's adjusted cost base thereof and any reasonable costs of disposition. Any such capital gain or capital loss will be treated, for tax purposes, in the same manner as capital gains and capital losses arising from a disposition of Units, which treatment is discussed below under "Taxation of Unitholders - Dispositions of Units".

Upon such a disposition or deemed disposition of a Series D Debenture, interest accrued thereon to the date of disposition and not yet due will be included in computing the Holder's income, except to the extent such amount was otherwise included in the Holder's income, and will be excluded in computing the Holder's proceeds of disposition of the Series D Debenture.

A capital gain realized by a Holder who is an individual (or certain trusts) may give rise to a liability for alternative minimum tax. A "Canadian-controlled private corporation" (as defined in the Tax Act) that disposes of Series D Debentures may be liable to pay an additional refundable tax of 6 $\frac{2}{3}$ % on its "aggregate investment income" for the year which will include an amount in respect of taxable capital gains.

Taxation of Holders of Units

Trust Distributions

Holder of Units will generally be required to include in income for a particular taxation year the portion of the net income of the REIT for a taxation year, including net realized taxable capital gains (determined for purposes of the Tax Act), that is paid or payable, or deemed to be paid or payable, to the Holders in the particular taxation year.

The non-taxable portion of any net realized capital gains of the REIT paid or payable to a Holder in a taxation year will not be included in computing the Holders' income for the year.

The Contract of Trust provides that the REIT may claim the maximum amount of capital cost allowance available to it in computing its income for tax purposes. Based on the distribution policy, the amount distributed to Holders of Units in a year may exceed the net income of the REIT for tax purposes for that year. Distributions in excess of the REIT's net income for tax purposes in a year will not generally be included in the Holder's income for the year. However, such amount (other than the non-taxable portion of the net realized capital gains of the REIT for the year, the taxable portion of which was designated by the REIT in respect of the Holder) will reduce the adjusted cost base of the Units held by the Holder, and the Holder will realize a capital gain in the year to the extent the adjusted cost base of the Units would otherwise be a negative amount.

The REIT will designate, to the extent permitted by the Tax Act, the portion of the taxable income distributed to Holders as may reasonably be considered to consist of net taxable capital gains of the REIT. Any such designated

amount will be deemed for tax purposes to be received by Holders in the year as a taxable capital gain and will be subject to the general rules relating to the taxation of capital gains described below. The REIT will also designate, to the extent permitted by the Tax Act, the portion of taxable dividends received by the REIT from any taxable Canadian corporation owned by the REIT as may reasonably be considered to be an amount included in the income of Holders. Any such designated amount will be deemed for purposes of the Tax Act, other than non-resident withholding tax purposes, to be received by the Holders as a taxable dividend and will be subject to the general rules regarding the taxation of taxable dividends paid by taxable Canadian corporations. Thus, to the extent that amounts are designated as taxable dividends from any taxable Canadian corporation owned by the REIT, they will be subject, *inter alia*, to the gross-up and dividend tax credit provisions in respect of Holders who are individuals, to the refundable tax under Part IV of the Tax Act in respect of Holders that are private corporations and certain other corporations controlled directly or indirectly by or for the benefit of an individual or related group of individuals, and to the deduction in computing taxable income in respect of Holders that are corporations.

A Holder which is a “Canadian-controlled private corporation” (as defined in the Tax Act) may also be liable to pay an additional refundable tax of 6²/₃% on certain investment income, including taxable capital gains. Holders should consult their own tax advisors for advice with respect to the potential application of these provisions.

For the purposes of determining the adjusted cost base to a Holder, when a Unit is acquired, the cost of the newly-acquired Unit will be averaged with the adjusted cost base of all of the Units owned by the Holder as capital property immediately before that time.

Certain taxable dividends received by individuals from a corporation which is a Resident will be eligible for an enhanced dividend tax credit to the extent certain conditions are met and designations are made. This treatment could apply to distributions made by the REIT that have as their sources eligible taxable dividends received from a corporation which is a Resident, to the extent the REIT makes the appropriate designation to have such eligible taxable dividend deemed received by the Holder and provided that the corporate dividend payer makes the required designation to treat such taxable dividend as an eligible dividend.

Net taxable capital gains and taxable dividends referred to above will also generally be taken into account in determining the liability, if any, of a Holder that is an individual (or certain trusts) for alternative minimum tax under the Tax Act. See “*Alternative Minimum Tax*” below.

Dispositions of Units

On the disposition or deemed disposition of a Unit, the Holder will realize a capital gain (or capital loss) equal to the amount by which the Holder’s proceeds of disposition exceed (or are less than) the aggregate of the Holder’s adjusted cost base of the Unit and any reasonable costs of disposition. Proceeds of disposition will not include an amount that is otherwise required to be included in the Holder’s income.

One-half of any capital gains realized by a Holder and the amount of any net taxable capital gains designated by the REIT in respect of a Holder will be included in the Holder’s income as a taxable capital gain. One-half of any capital loss realized by a Holder may generally be deducted only from taxable capital gains in accordance with the provisions of the Tax Act. Where a Holder that is a corporation or trust (other than a mutual fund trust) disposes of a Unit, the Holder’s capital loss from the disposition will generally be reduced by the amount of any dividends received by the REIT and previously designated by the REIT to the Holder, except to the extent that a loss on a previous disposition of a Unit has been reduced by those dividends. Analogous rules apply where a corporation or trust (other than a mutual fund trust) is a member of a partnership that disposes of Units.

A Holder that is a “Canadian-controlled private corporation” as defined in the Tax Act may be liable to pay an additional refundable tax of 6²/₃% on its “aggregate investment income” for the year, which will include an amount in respect of taxable capital gains.

Alternative Minimum Tax

In general terms, net income of the REIT paid or payable to a Holder of Units who is an individual or a certain type of trust, that is designated as taxable dividends or as net realized capital gains and capital gains realized on the disposition of Units may increase the Unitholder's liability for alternative minimum tax.

Status of the REIT

Qualification as a Mutual Fund Trust

The REIT elected to be a "mutual fund trust" from the date it was established, and all comments in "Canadian Federal Income Tax Considerations" assume that the REIT will continue to qualify as a "unit trust" and a "mutual fund trust" under the provisions of the Tax Act.

As a "mutual fund trust", the REIT must remain a "unit trust" and must, among other matters, restrict its undertaking to: (i) the investing of its funds in property (other than real property or an interest in real property); (ii) the acquiring, holding, maintaining, improving, leasing or managing of any real property (or interest in real property) that is capital property of the REIT; or (iii) any combination of the activities described in (i) and (ii). The REIT must also meet certain prescribed conditions, which currently are that the REIT must have at least 150 Unitholders holding not less than one block of Units (100 Units, if the fair market value of a Unit is less than \$25) of the REIT which are qualified for distribution to the public and each of such Unitholders must hold Units which have an aggregate fair market value of not less than \$500.

All comments in "Canadian Federal Income Tax Considerations" also assume that the REIT is not established or maintained primarily for the benefit of Non-Residents. Counsel is of the view that the foregoing assumptions are reasonable in light of the terms of the Contract of Trust and the restrictions on the ownership of Units by Non-Resident persons which are contained in the Contract of Trust.

If the REIT were not to qualify as a "mutual fund trust", the income tax considerations as described herein would, in some respects, be materially and adversely different. In particular, if the REIT ceases to qualify as a mutual fund trust, the REIT may be required to pay a tax under Part XII.2 of the Tax Act. The payment of Part XII.2 tax by the REIT may have adverse income tax consequences for certain Holders.

SIFT Regime

The SIFT Regime applies to SIFTs, including publicly-traded trusts, and their unitholders, and modifies the tax treatment of SIFTs and of their unitholders, as more particularly described below. The SIFT Regime excludes from the definition of SIFT trust a trust that satisfies the REIT Exception and an "excluded subsidiary entity", being an entity, none of the equity of which is listed or traded on a stock exchange or other public market and all of the equity of which is owned in the year by a SIFT, a real estate investment trust, a taxable Canadian corporation or another excluded entity.

If the REIT were to become subject to the SIFT Regime, it would no longer be able to deduct any part of the amounts payable to Unitholders in respect of its "non-portfolio earnings", which include (i) income from its "non-portfolio properties" (in excess of any losses for the taxation year from non-portfolio properties); and (ii) taxable capital gains from dispositions of non-portfolio properties (exceeding allowable capital losses from the disposition of such properties). For this purpose, "non-portfolio properties" include: (i) the Canadian real and immovable properties (or resource properties) of the REIT if their total fair market value is greater than 50% of the equity value of the REIT; (ii) a property that the REIT (or a person or partnership with which it does not deal at arm's length) uses in the course of carrying on a business in Canada; and (iii) securities of a "subject entity" if the REIT holds securities of the subject entity that have a total fair market value that is greater than 10% of the subject entity's equity value or if the REIT holds securities of the subject entity which, together with all securities held by it in entities affiliated with the subject entity, have a total fair market value that is greater than 50% of the REIT's equity value. A "subject entity" includes Resident corporations, Resident trusts, and "Canadian resident partnerships". "Securities" are broadly defined.

Income which the REIT is unable to deduct by virtue of the SIFT Regime would be taxed under the SIFT Regime at the federal general corporate tax rate plus the applicable provincial SIFT tax rate. The application of the SIFT Regime to the REIT would not change the treatment under the Tax Act of distributions in a year that are in excess of the REIT's net income for the year.

REIT Exception

The SIFT Regime is not applicable to REITs that meet certain specified criteria relating to the nature of their income and investments. In particular, to qualify for the exception under the SIFT Regime applicable to real estate investments trusts (the "REIT Exception") in a particular taxation year (i) the REIT must, at no time in the taxation year, hold "non-portfolio property" other than "qualified REIT properties" (as defined in the Tax Act), (ii) not less than 95% of the REIT's revenues for the taxation year must be derived from one or more of the following: rent from "real or immovable properties"; interest, capital gains from dispositions of real or immovable properties; dividends; and royalties, (iii) not less than 75% of the REIT's revenues for the taxation year must be derived from one or more of the following: rent from "real or immovable properties", to the extent that it is derived from real or immovable properties; interest from mortgages, or hypothecs, on real or immovable property; and capital gains from dispositions of real or immovable properties, and (iv) at no time in the taxation year may the total fair market value of all properties held by the REIT, each of which is a real or immovable property, money, deposits, debt of a Canadian corporation represented by a bankers' acceptance, a deposit with a credit union, or, generally, a debt obligation of a government in Canada or certain other public bodies, be less than 75% of the equity value of the REIT at that time. Under the December 2010 Proposals, the REIT Exception will be modified such that, under (i) above, a trust may hold some non-portfolio properties which are not qualified REIT properties, provided that at all times in the taxation year at least 90% of the total fair market value of all non-portfolio properties held by the trust are qualified REIT properties; under (ii) above, the test will be reduced from 95% to 90%, and gains from dispositions of certain non-capital property which is "eligible resale property" will be added as qualifying revenues for purposes of that test; under both (ii) and (iii) above, the revenues to be measured will be "gross REIT revenues", which will be defined as gross revenue and will include capital gains; and an additional requirement would be added as follows; (v) that investments in the trust are, at any time in the taxation year, listed or traded on a stock exchange or other public market.

The definition of "qualified REIT property" includes (i) property held by the REIT that is: "real or immovable property; (ii) a security of a "subject entity" that derives all or substantially all of its revenues from maintaining, improving, leasing or managing real or immovable properties that are capital properties of the trust or of an entity of which the trust holds a share or an interest, including real or immovable properties that the trust, or an entity of which the trust holds a share or an interest, holds together with one or more other persons or partnerships; (iii) a security of a "subject entity" that holds no property other than legal title to real or immovable property of the trust (including real or immovable property that the trust holds together with one or more other persons or partnerships); and (iv) property that is ancillary to the earning by the REIT of (i) rent from "real or immovable property" or (ii) capital gains from the disposition of such properties. Under the December 2010 Proposals, the definition of "qualified REIT property" will be amended such that (i) above will apply only to real or immovable property that is a capital resale property"; and (iv) above will be amended to clarify that only tangible personal property can qualify as ancillary. In addition, "real or immovable property" includes a security of a trust that satisfies (or of any other corporation or partnership that would, if it were a trust, satisfy) the REIT Exception tests. This look-through rule allows a REIT to qualify for the REIT Exception where it holds Canadian real properties indirectly through an intermediate entity.

If the REIT does not qualify for the REIT Exception, the SIFT Regime will apply to the REIT. Application of the SIFT Regime may, depending on the nature of distributions from the REIT, including what portion of its distributions is income and what portion is a return of capital, have a material adverse effect on the after-tax returns of certain Unitholders. Management of the REIT believes that any impact of the SIFT Regime on Unitholders would be significantly mitigated in 2011 due to the large proportion of the distributions which are expected to be made by way of return of capital. Generally, distributions that are characterized as returns of capital are not taxable to Unitholders but serve to reduce the adjusted cost base of a Unitholder's Units. Since the REIT's formation, approximately 100% of the REIT's distributions have been characterized as returns of capital. There is no assurance that this return of capital component will be maintained in the future.

The REIT Exception is applied on an annual basis. Accordingly, if the REIT did not qualify for the REIT Exception in a particular taxation year, it may be possible to restructure the REIT such that it may qualify in a subsequent

taxation year. There can be no assurances, however, that the REIT will be able to restructure such that it will not be subject to the tax imposed by the SIFT Regime, or that any such restructuring, if implemented, would not result in material costs or other adverse consequences to the REIT and the Holders. Management of the REIT has informed counsel that the REIT intends to take such steps as are necessary to ensure that, to the extent possible, it qualifies for the REIT Exception and any negative effects of the SIFT Regime on the REIT and the Holders are minimized. The remainder of this summary assumes that the REIT qualifies for the REIT Exception currently, and that it will so qualify at all material times.

Taxation of the REIT

The taxation year of the REIT is the calendar year. In each taxation year, the REIT is subject to tax under the Tax Act on its income for the year, including net realized taxable capital gains, computed in accordance with the detailed provisions of the Tax Act, less the portion thereof that it deducts in respect of the amounts paid or payable or deemed to be paid or payable in the year to Unitholders. An amount will be considered to be payable to a Unitholder in a taxation year if it is paid to the Unitholder in the year by the REIT or if the Unitholder is entitled in that year to enforce payment of the amount.

The Contract of Trust generally provides that an amount equal to the net income and net realized capital gains of the REIT for a taxation year which has not been previously allocated or distributed to Unitholders during the year and which cannot be sheltered by losses from prior years may be payable to Unitholders of record as of the close of business on the last day of the calendar year and accordingly the REIT should not be subject to tax under Part I of the Tax Act in any year.

The income for purposes of the Tax Act of the REIT may include income realized from the rental of its rental properties; income payable to it by other trusts in which the REIT is beneficially interested, dividends received from corporations in which it holds shares; and any taxable capital gains or recapture of capital cost allowance arising from dispositions by it of properties.

In computing its income for purposes of the Tax Act, the REIT may deduct reasonable administrative costs, interest and other expenses incurred by it for the purpose of earning income. The REIT may also deduct from its income for the year a portion of any reasonable expenses incurred by the REIT to issue Units. The portion of such issue expenses deductible by the REIT in a taxation year is 20% of such issue expenses pro rated for a taxation year of the REIT that is less than 365 days.

Losses incurred by the REIT cannot be allocated to Unitholders but may be deducted by the REIT in future years in accordance with the Tax Act.

The Tax Act provides for a special tax, under Part XII.2 which applies to the designated income (including income from Canadian real property) of certain trusts which have designated beneficiaries (including Non-Resident persons and certain tax exempt persons). This special tax does not apply to a trust for a taxation year if the trust is a mutual fund trust throughout such year. Accordingly, provided the REIT qualifies as a mutual trust fund throughout a taxation year, it will not be subject to the Part XII.2 tax for such taxation year.

RISK FACTORS

There are certain risks inherent in an investment in the securities of the REIT, including without limitation Series D Debentures and in the activities of BTB which investors should carefully consider before investing, including: public market risk, general risks associated with immovable property ownership, future property acquisitions, IFRS, Mutual Fund Trust Status, SIFT trust taxation, fluctuations in cash distributions, transition to IFRS, liquidity, debt financing risk, competition, general uninsured losses, interest rate fluctuations and financing risk, environmental matters, restrictions on redemptions, lack of availability of growth opportunities, reliance on single or anchor tenants, potential Unitholder liability, risk related to the acquisition of Cagim, potential conflicts of interest, relationship with the management company, reliance on key personnel, availability of cash flow, market price of Units, legal rights attaching to Units, failure to obtain additional financing, dilution, credit risk and changes in legislation.

These risks are described under the heading entitled “Risk Factors” in BTB’s AIF and are incorporated by reference in this short form prospectus.

The activities of the REIT and an investment in its securities involves other risks and investment considerations. Investors should carefully consider, in light of their own financial circumstances, the factors set out below as well as other information contained or incorporated by reference in this prospectus.

Access to Capital and Debt

The real estate industry is highly capital intensive. The REIT will require access to capital to maintain its properties, as well as to fund its growth strategy and significant capital expenditures from time to time. There can be no assurances that the REIT will have access to sufficient capital (including debt financing) or access to capital (including debt financing) on terms favourable to the REIT for future property acquisitions and developments, financing or refinancing of properties, funding operating expenses or other purposes. In addition, the REIT may not be able to borrow funds under its credit facilities due to the limitations on the incurrence of debt by the REIT set forth in the Contract of Trust. Failure by the REIT to access required capital could adversely impact the REIT’s financial condition and results of operations and decrease the amount of cash available for distributions.

Fluctuations in Cash Distributions

A return on an investment in Units is not comparable to the return on an investment in a fixed-income security. The recovery of the initial investment in Units is at risk, and the return on an investment in Units is based on many performance assumptions. Although the REIT intends to distribute its Distributable Income, the actual amount of Distributable Income distributed in respect of Units will depend on numerous factors, including the amount of principal repayments, tenant allowances, leasing commissions, capital expenditures and other factors that may be beyond the control of the REIT. In addition, the market value of the Units may decline if the REIT is unable to provide a satisfactory return to Unitholders. Distributions exceeded Distributable Income by \$1,043,000 for the three-month period ended March 31, 2011. Distributions exceeded the operating cash flows by \$305,000 for the three-month period ended March 31, 2011.

Management of the REIT believes that at the current level of distribution there will be sufficient Distributable Income to meet the distributions actually made to Unitholders. This is based on certain assumptions by management: the current hypothec and mortgage loan to value ratio and hypothec and mortgage interest rates remaining constant, the capitalization rates of any new property acquisitions remaining stable as compared to the current property portfolio, and access to the public and/or private equity markets for equity financing at terms consistent with the current equity environment. There can be no assurance that any of the management of the REIT’s expectations will be met and any variation in such factors may significantly impact the value at which the REIT’s property portfolio will be able to generate sufficient Distributable Income to exceed its distributions.

Risk Factors Related to the Ownership of Series D Debentures

Market Price

There is currently no trading market for the Series D Debentures. The TSX-V has conditionally approved the listing of the Series D Debentures (including those issuable upon the exercise of the Over-Allotment Option as defined herein) and the Units issuable upon conversion, redemption or maturity of the Series D Debentures, subject to compliance with all the requirements of the TSX-V, including distribution of the Series D Debentures to a minimum of public holders, on or before September 22, 2011. No assurance can be given that an active or liquid trading market for the Series D Debentures will develop or be sustained. If an active or liquid market for the Series D Debentures fails to develop or be sustained, the prices at which the Series D Debentures trade may be adversely affected.

A publicly traded real estate investment trust will not necessarily trade at values determined solely by reference to the underlying value of its real estate assets. Accordingly, the Series D Debentures may trade at a premium or a

discount to values implied by the initial appraisal of the value of its properties or the value of such properties from time to time.

Whether or not the Series D Debentures will trade at lower prices depends on many factors, including liquidity of the Series D Debentures, prevailing interest rates and the markets for similar securities, the market price of the Units, general economic conditions and the REIT's financial condition, historic financial performance and future prospects.

Although the REIT intends to make distributions of its available cash to Unitholders, these cash distributions are not assured. The actual amount distributed will depend on numerous factors including, but not limited to, the REIT's financial performance, debt covenants and obligations, working capital requirements and future capital requirements. The market price of the Units may deteriorate if the REIT is unable to meet its cash distribution targets in the future.

The after-tax return from an investment in Units to Unitholders subject to Canadian income tax will depend, in part, on the composition for tax purposes of distributions paid by the REIT (portions of which may be fully or partially taxable or may constitute non-taxable returns of capital). The composition for tax purposes of those distributions may change over time, thus affecting the after-tax return to Unitholders.

One of the factors that may influence the market price of the Units is the annual yield on the Units. Accordingly, an increase in market interest rates may lead purchasers of Units to demand a higher annual yield which could adversely affect the market price of the Units. Unlike fixed-income securities, there is no obligation of the REIT to distribute to Unitholders any fixed amount and reductions in, or suspensions of, distributions may occur that would reduce yield based on the market price of the Units. In addition, the market price for the Units may be affected by changes in general market conditions, fluctuations in the markets for equity securities, changes in the economic environment and numerous other factors beyond the control of the REIT.

Structural Subordination of Units and Debentures

In the event of a bankruptcy, liquidation or reorganization of the REIT or any of its Subsidiaries, holders of certain of their indebtedness and certain trade creditors will generally be entitled to payment of their claims from the assets of the REIT and those Subsidiaries before any assets are made available for distribution to the Unitholders and Debentureholders. The Units and Debentures will be effectively subordinated to most of the other indebtedness and liabilities of the REIT and its Subsidiaries. Neither the REIT, nor any of its Subsidiaries will be limited in their ability to incur additional secured or unsecured indebtedness.

Credit Risk and Prior Ranking Indebtedness: Absence of Covenant Protection

The likelihood that Debentureholders will receive payments owing to them under the terms of the Debentures will depend on the financial health of the REIT and its creditworthiness. In addition, the Debentures are unsecured obligations of the REIT and are subordinate in right of payment to all the REIT's existing and future senior indebtedness (as defined in the Indenture). Therefore, if the REIT becomes bankrupt, liquidates its assets, reorganizes or enters into certain other transactions, the REIT's assets will be available to pay its obligations with respect to the Debentures only after it has paid all of its senior and secured indebtedness in full. There may be insufficient assets remaining following such payments to pay amounts due on any or all of the Debentures then outstanding. The Debentures are also effectively subordinate to claims of creditors of the REIT's Subsidiaries except to the extent the REIT is a creditor of such Subsidiaries ranking at least *pari passu* with such other creditors. The Indenture does not prohibit or limit the ability of the REIT or its Subsidiaries to incur additional debt or liabilities (including senior indebtedness) or to make distributions, except, in respect of distributions, where an Event of Default (as defined in the Indenture) has occurred and such default has not been cured or waived. The Indenture does not contain any provision specifically intended to protect Debentureholders in the event of a future leveraged transaction involving the REIT.

Conversion following Certain Transactions

In the case of certain transactions related to a Change of Control, each Series D Debentureholder will be entitled to exercise the Put Right (see "Description of the Series D Debentures – Put Right Upon a Change of Control"). In the event that a Series D Debentureholder does not exercise the Put Right, the Change of Control could substantially lessen or eliminate the value of the conversion privilege associated with the Series D Debentures in the future.

LEGAL MATTERS

Certain legal matters in connection with the issuance of the Series D Debentures offered hereby will be passed upon on behalf of the REIT by De Grandpré Chait LLP and on behalf of the Underwriters by Cassels Brock & Blackwell LLP. As of the date of this short form prospectus, partners and associate lawyers of De Grandpré Chait LLP, as a group, and partners and associate lawyers of Cassels Brock & Blackwell LLP as a group, each owned, beneficially or of record, less than 1% of the outstanding Units.

AUDITORS, TRANSFER AGENT AND REGISTRAR

The auditors of the REIT are KPMG LLP.

The registrar and transfer agent for the Units is Computershare Investor Services Inc., at its principal offices in Montreal and Toronto.

The Debenture Trustee is Computershare Trust Company of Canada, at its principal offices in Montreal and Toronto.

PURCHASERS' CONTRACTUAL RIGHTS

Original purchasers of Series D Debentures will have a contractual right of rescission against the REIT in respect of the conversion of such Series D Debentures. The contractual right of rescission will entitle such original purchasers to receive the amount paid upon conversion of the Series D Debentures, upon surrender of the Units in the event that this prospectus contains a misrepresentation, provided that both the conversion occurs, and the right of rescission is exercised, within 180 days of the date of the purchase of the Series D Debentures under this prospectus. Original purchasers are further advised that in certain provinces the statutory right of action for damages in connection with a prospectus misrepresentation is limited to the amount paid for the convertible security that was purchased under a prospectus, and therefore a further payment at the time of conversion may not be recoverable in a statutory action for damages. The purchaser should refer to any applicable provisions of the securities legislation of the purchaser's province for the particulars of these rights or consult with a legal advisor.

PURCHASERS' STATUTORY RIGHTS

Securities legislation in certain of the provinces of Canada provides purchasers with the right to withdraw from an agreement to purchase securities. This right may be exercised within two business days after receipt or deemed receipt of a prospectus and any amendment. In several of the provinces, the securities legislation further provides a purchaser with remedies for rescission, price revision or, in some jurisdictions, revisions of the price or damages if the prospectus and any amendment contains a misrepresentation or is not delivered to the purchaser, provided that the remedies for rescission, revisions of the price or damages are exercised by the purchaser within the time limit prescribed by the securities legislation of the purchaser's province. The purchaser should refer to any applicable provisions of the securities legislation of the purchaser's province for the particulars of these rights or consult with a legal advisor.



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AUDITORS' CONSENT

We have read the short form prospectus of BTB Real Estate Investment Trust (the "REIT"), dated July 5, 2011 relating to the sale and issue of Series D 7.25% convertible unsecured subordinate debentures of the REIT in the aggregate minimum proceeds of \$20,000,000 and aggregate maximum amount of \$23,000,000. We have complied with Canadian generally accepted standards for an auditor's involvement with offering documents.

We consent to the incorporation by reference in the above-mentioned short form prospectus of our report to the unitholders of the REIT on the consolidated balance sheets of the REIT as at December 31, 2010 and 2009 and the consolidated statements of income and comprehensive income, unitholders' equity and cash flows for the years then ended. Our report is dated April 27, 2011.

Chartered Accountants

Montréal, Canada

July 5, 2011

CERTIFICATE OF THE REIT

Dated: July 5, 2011

This short form prospectus, together with the documents incorporated by reference, constitutes full, true and plain disclosure of all material facts relating to the securities offered by this prospectus as required by the securities legislation of each of the provinces of Canada.

BTB REAL ESTATE INVESTMENT TRUST

(s) Michel Léonard

Michel Léonard
President and Chief Executive Officer

(s) Benoit Cyr

Benoit Cyr
Vice President and Chief Financial Officer

ON BEHALF OF THE TRUSTEES

(s) Jocelyn Proteau

Jocelyn Proteau
Trustee

(s) Richard Lord

Richard Lord
Trustee

CERTIFICATE OF THE UNDERWRITERS

Dated: July 5, 2011

To the best of our knowledge, information and belief, this short form prospectus, together with the documents incorporated in the prospectus by reference, constitutes full, true and plain disclosure of all material facts relating to the securities offered by this prospectus as required by the securities legislation of each of the provinces of Canada.

NATIONAL BANK FINANCIAL INC.

By: (s) Louis Gendron
Louis Gendron

CANACCORD GENUITY CORP.

By: (s) Justin Bosa
Justin Bosa

DUNDEE SECURITIES LTD.

By: (s) Onorio Lucchese
Onorio Lucchese

GMP SECURITIES L.P.

By: (s) Éric Desrosiers
Éric Desrosiers

HSBC SECURITIES (CANADA) INC.

By: (s) Luc Buisson
Luc Buisson