

Risk Factors

Public Market Risk

It is not possible to predict the price at which Units will trade and there can be no assurance that an active trading market for the Units will be sustained. The Units will not necessarily trade at values determined solely by reference to the value of the Properties of BTB. Accordingly, the Units may trade at a premium or a discount to the value implied by the value of the properties of BTB. The market price for the Units may be affected by changes in general market conditions, fluctuations in the markets for equity securities and numerous other factors beyond the control of BTB.

General Risks Associated with Immovable Property Ownership

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

The value of real property and any improvements thereto may also depend on the credit and financial stability of the tenants and the economic environment in which they operate. BTB's financial performance would be adversely affected if its tenants were to become unable to meet their obligations under their leases or if a significant amount of available space in the properties in which the Trust will have an interest is not able to be leased on economically favourable terms.. Upon the expiry of any lease, there can be no assurance that the lease will be renewed or the tenant replaced. The terms of any subsequent lease may be less favourable to BTB than the existing lease. In the event of default by a tenant, delays or limitations in enforcing rights as lessor may be experienced and costs incurred in protecting BTB's investment may be incurred. Furthermore, at any time, a tenant of any of BTB's properties may seek the protection of bankruptcy, insolvency or similar laws that could result in the rejection and termination of such tenant's lease and thereby adversely affect the financial performance of BTB.

Certain significant expenditures, including property taxes, maintenance costs, hypothecary payments, insurance costs and related charges must be made throughout the period of ownership of real property regardless of whether the real property is producing any income. If the Trust is unable to meet hypothecary payments on any property, loss could be sustained as a result of the hypothecary creditor's exercise of its hypothecary recourses.

Future Property Acquisitions

BTB's business strategy involves expansion through acquisitions. BTB will have to identify acquisition or investment opportunities that meet its criteria and are compatible with its growth strategy. BTB may not be successful in identifying properties that meet its investment criteria or in completing acquisitions on satisfactory terms. Failure to identify or complete acquisitions or to purchase future properties, including announced but not yet closed acquisitions, will slow BTB's growth. BTB could also face significant competition for acquisitions opportunities. This competition may reduce the number of suitable acquisition opportunities available to BTB, may increase acquisition costs and may reduce demand in the areas where BTB's facilities are located and, as a result, may adversely affect BTB's operating results.

In addition, even if BTB is successful in identifying suitable acquisitions, newly acquired properties may fail to perform as expected and management of BTB may underestimate the costs associated with the integration of the acquired properties. In addition, any expansions BTB undertakes in the future are subject to a number of risks, including, but not limited to, financing risks, the difficulty to meet anticipated occupancy or rent levels, difficulty to receive required zoning, land use and other governmental permits and authorizations and changes in applicable zoning and land use laws. If any of these problems occur, expansion costs will increase, and there may be significant costs incurred for properties that are not ultimately acquired. To evaluate the acquisition or expansion of a property, BTB will make certain assumptions regarding the expected future performance of that property. If BTB's acquisition or expansion of properties fail to perform as expected or incur significant increases in projected costs, the BTB's rental revenues could be lower, and its operating expenses higher, than expected.

International Financial Reporting Standards (IFRS)

The Accounting Standards Board of the Canadian Institute of Chartered Accountants has announced that as of January 1, 2011 publicly accountable Canadian enterprises will be required to implement the International Financial Reporting Standards (the IFRS) published by the International Accounting Standards Board. The IFRS will require presentation of more detailed and enhanced information in financial statements than presently required under GAAP. BTB has reviewed the differences between GAAP and IFRS accounting conventions and BTB has amended and updated its Contract of Trust to facilitate the transition to IFRS. It continues to examine the impact of the transition to IFRS on the financial information that it is required to disclose. BTB is examining the possibility of eliminating from its contractual obligations the requirement that it distributes all of its taxable income. On the other hand, it is its intention to take the necessary steps to eliminate any Canadian income tax that will be taxed in its hands. This topic is more fully discussed in Management's Discussion and Analysis of BTB for fiscal year ended December 31, 2010, which is available on SEDAR. There is no guarantee that the transition to IFRS will not have a significant negative impact on BTB. BTB intends to ask its Unitholders to approve proposed necessary amendments to the Contract of Trust at its next meeting of Unitholders. The objective of implementing the amendments is that BTB will be able to continue classifying its issued and outstanding units and distributions paid in Unitholder equity, without being required to reclassify the units as liabilities in accordance with the IFRS. There is no guarantee that the Unitholders will approve these amendments.

Mutual Fund Trust Status

For the purposes of the Tax Act, BTB currently qualifies as a mutual fund trust. In order to keep this status, it must meet certain conditions as to its activities, its residence, the ownership and trading of its units. The units and the debentures of a mutual fund trust are qualified investments for certain deferred income plans.

If BTB ceases to qualify as a mutual fund trust for the purposes of the Tax Act, this would cause adverse consequences to its beneficiaries. In such cases, the Tax Act does not contain ratification measures.

The Tax Act imposes penalties for the acquisition or holding of non-qualified investments. Any TB Note distributed to a Unitholder on an in specie redemption of Units will not be a qualified investment for plans. As the Contract of Trust provides that BTB shall, subject to the Trustees resolving otherwise, distribute to Unitholders in each year an amount of net income and net realized capital gains in order to eliminate BTB's liability for tax under Part I of the Tax Act, where the amount of net income and net realized capital gains of BTB in a taxation year exceeds the cash available for distribution in the year, such excess net income and net realized capital gains may be distributed to Unitholders in the form of additional Units. Unitholders will generally be required to include an amount equal to the fair market value of those Units in their taxable income, notwithstanding that they do not directly receive a cash distribution. Although BTB is of the view that all expenses to be claimed by BTB and its Subsidiaries (which includes TB Trust) in the determination of their respective incomes under the Tax Act will be reasonable and deductible in accordance with the applicable provisions of the Tax Act, there can be no assurance that the Tax Act or the interpretation of the Tax Act will not change, or that CRA will agree with the expenses claimed.

SIFT Trust Taxation

For income tax purposes, the income from non-portfolio properties of a SIFT trust payable to its beneficiaries is not deductible in the computation of its income and is taxed at the trust level at a rate that approximates the general corporate tax rate. A SIFT trust is a trust which meets the following conditions at any time in a taxation year, except if it is a "real estate investment trust" (REIT) throughout the taxation year, it resides in Canada, the investments in the trust are listed or traded on a stock exchange or another public market and it holds "non-portfolio properties". Non-portfolio properties include certain securities, properties used in the course of carrying on a business in Canada, real, immovable or resource properties. The payable and non deductible amount other than capital distributions is treated as taxable dividends in the hands of the beneficiaries. For Canadian resident individuals, the dividend is an eligible dividend, benefiting from the enhanced tax credit.

A trust that meets the conditions of a REIT throughout a taxation year is not a SIFT trust for that year. If for a given taxation year, it does not meet the conditions of a REIT, it will be a REIT for another year, if it meets the said conditions throughout that other taxation year.

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

As at December 31, 2010, BTB satisfied the requisite conditions of a REIT. Consequently, the SIFT trust rules did not apply to it for the taxation year ending December 31, 2010. Management of BTB intends to take the necessary measures to satisfy the said criterion on a continuing basis in the future.

If, during a given taxation year, BTB was not a REIT, it could not deduct the amounts payable to its beneficiaries out of its income from non-portfolio properties. Also, such income from these properties would be subjected to income taxation in the hands of BTB, as further described above. This could cause adverse consequences to BTB cash flow and its capacity to make 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 BTB 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 BTB. In addition, the market value of the Units may decline if BTB is unable to provide a satisfactory return to Unitholders. BTB began operations on October 3, 2006. On that date, management of BTB had agreed to pay a cash distribution of \$0.28 per Unit on an annual basis even though BTB's operations and real estate portfolio were not yet of a sufficient magnitude to ensure that Distributable Income would cover monthly distributions. BTB used its excess cash flows and its cash flows from financing activities, to carry out these distributions. In particular, BTB negotiated a bank loan in the form of an unsecured \$1.25 million line of credit for the primary purpose of ensuring sufficient liquidity to pay the monthly distributions and to support its regular operations. As at December 31, 2010, this line of credit had not been used.

On April 28, 2008, the Board of Trustee of BTB has initially announced its decision to reduce the amount of distributions to Unitholders to \$0.16 per Unit on an annualized basis. After then, taking into account the economic conjuncture and in order to preserve its liquidities, the Board of Trustee of BTB announced on February 18, 2009, its decision to reduce the amount of distributions to Unitholders to \$0.08 per Unit on an annualized basis, level estimated by the management of BTB to be the liquidity generated by the operation of BTB's properties in its current portfolio. Consequently, BTB will not employ the liquidity generated by its financing activities in order to pay its distributions.

Transition to IFRS

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Liquidity

Real property investments tend to be relatively illiquid, with the degree of liquidity generally fluctuating in relation to demand for and the perceived desirability of such investments. Such low liquidity may tend to limit BTB's ability to vary its portfolio promptly in response to changing economic or investment conditions. If BTB were to require TB Trust to liquidate a real property investment, the proceeds to TB Trust (and BTB) might be significantly less than the aggregate acquisition value of such property.

Debt Financing Risk

BTB and TB Trust may have outstanding indebtedness which will include any debentures. BTB and/or TB Trust intend to incur additional indebtedness in the future, including by way of mortgage loans and may include additional debentures and/or a revolving line of credit. A portion of the cash flow generated by properties owned by TB Trust will be devoted to servicing such debt, and there can be no assurance that TB Trust will continue to generate sufficient cash flow from operations to meet the required interest and principal payments on the debt of BTB and/or TB Trust.

The indebtedness represented by mortgage debt incurred in the future and a revolving line of credit will be senior to the indebtedness under the Debentures.

BTB will be subject to the risks associated with debt financing, including the risk that the hypothecary indebtedness and banking facilities secured by properties of TB Trust will not be able to be refinanced or that the terms of such refinancing will not be as favourable as the terms of existing indebtedness. In addition, if TB Trust were to fail to meet its obligations under its mortgage indebtedness or revolving line of credit, distributions to BTB may be affected, which would in turn may affect distribution to Unitholders or the repayment of indebtedness under the Debentures.

In order to minimize this risk, BTB will attempt to appropriately structure the timing of the renewal of significant tenant leases on the respective property in relation to the time at which hypothecary indebtedness on such property becomes due for refinancing.

Competition

The real estate business is extremely competitive. Numerous other developers, managers and owners of office, industrial and retail properties will compete with BTB in seeking properties. The existence of competing developers and owners could have an adverse effect on BTB's ability to acquire properties and on the rents charged or concessions granted. There can be no guarantee that additional properties will be available to BTB at fair prices or at all. Some of BTB's competitors have greater financial resources than BTB and, accordingly, have a greater ability to borrow funds to acquire properties. These competitors may also be willing and/or able to accept more risk than BTB can prudently manage, including risks with respect to the geographic concentration of investments and the payment of higher prices.

General Uninsured Losses

BTB will carry comprehensive general liability, fire, flood, extended coverage and rental loss insurance with policy specifications, limits and deductibles customarily carried for similar properties. There are, however, certain types of risks, generally of a catastrophic nature, such as wars or environmental contamination, which are either uninsurable or not insurable on an economically viable basis. Should an uninsured or under-insured loss occur, BTB could lose a property, and the profits and cash flows from that property, and BTB would continue to be obliged to repay the hypothecary indebtedness on such properties.

Interest Rate Fluctuations and Financing Risk

BTB's financing may include indebtedness with interest rates based on variable interest rates that result in fluctuations in BTB's cost of borrowing. BTB will be required to refinance its debt from time to time and, if new debt has less favourable terms or if such refinancing cannot be obtained, there is a potential negative impact on Distributable Income.

Environmental Matters

As an owner of real property BTB will be subject to various federal, provincial and municipal laws relating to environmental matters. Such laws provide that BTB could be liable for the costs of removal of certain hazardous substances and remediation of certain hazardous locations. The failure to remove or remediate such substances or locations, if any, could adversely affect BTB's ability to sell such real estate or to borrow using such real estate as collateral and could potentially also result in claims against BTB. Management of BTB is actually not aware of any material non-compliance with environmental laws with respect to the Properties. BTB is also not aware of any pending or threatened investigations or actions by environmental regulatory authorities in connection with its Properties.

Restrictions on Redemptions

It is anticipated that the redemption right will not be the primary mechanism for holders of Units to liquidate their investments. Series 2 Notes or Series 3 Notes which may be distributed in specie to holders of Units in connection with a redemption will not be listed on any stock exchange and no established market is expected to develop for such securities, and such securities may be subject to an indefinite "hold period" or other resale restriction under applicable securities laws. Series 2 Notes and Series 3 Notes so distributed may not be qualified investments for deferred income plans. Regulatory approvals will be required in connection with a distribution of a Series 2 Notes or Series 3 Notes in specie to holders of Units in connection with a redemption of Units.

The entitlement of Unitholders to receive cash upon the redemption of their Units is subject to the following limitations: (i) the total amount payable by BTB in respect of such Units and all other Units tendered for redemption in the same calendar month shall not exceed \$50,000 (provided that such limitation may be waived at the discretion of the Trustees); (ii) at the time such Units are tendered for redemption, the outstanding Units shall be listed for trading on a stock exchange or traded or quoted on another market which the Trustees consider, in their sole discretion, provides fair market value prices for the Units; and (iii) the trading of the Units has not been suspended or halted on any stock exchange on which the Units are listed (or, if not listed on a stock exchange, on any market on which the Units are quoted for trading) on the redemption date for more than five trading days during the 10 day period commencing immediately after the redemption date. See "Summary of Contract of Trust – Redemption of Unit".

Lack of Availability of Growth Opportunities

BTB's business plan includes growth through identifying suitable acquisition opportunities and effectively operating and leasing such properties. If BTB and TB Trust are unable to manage their growth effectively, BTB's business, operating results, financial condition and distributions could be adversely affected.

There can be no assurance that either BTB or TB Trust will be able to acquire assets on an accretive basis or that distributions from BTB to Unitholders will be maintained or increased.

Reliance on Single or Anchor Tenants

Some Properties may have a single tenant and therefor the amount of Distributable Income may be largely dependant on income derived from rent paid by such tenant. In the event that a tenant defaults on or ceases to satisfy its payment obligations under its lease, the business, operating results, financial condition and distributions could be adversely affected.

Retail shopping centres have traditionally relied upon anchor tenants and therefor an investment in retail shopping centres is subject to the risk that such anchor tenants may move out of the property or default on their obligations under their leases.

Potential Unitholder Liability

The Contract of Trust provides that no Unitholder or annuitant under a plan of which a Unitholder acts as trustee or carrier (an “Annuitant”) will be held to have any personal liability as such, and that no resort shall be had to the private property of any Unitholder or Annuitant for satisfaction of any obligation or claim arising out of or in connection with any contract or obligation of BTB or of the trustees. Only assets of BTB are intended to be liable and subject to levy or execution.

The Contract of Trust further provides that certain written instruments signed by BTB (including all immovable hypothecs and mortgages and, to the extent the Trustees determine to be practicable and consistent with their obligation as Trustees to act in the best interests of the Unitholders, other written instruments creating a material obligation of BTB) shall contain a provision or be subject to an acknowledgement to the effect that such obligation will not be binding upon Unitholders personally or upon any Annuitant. Except in case of bad faith or gross negligence on their part, no personal liability will attach under the laws of the Province of Québec to Unitholder or Annuitants for contract claims under any written instrument disclaiming personal liability as aforesaid.

In addition, in conducting its affairs, BTB will be acquiring real property investments, subject to existing contractual obligations, including obligations under hypothecs or mortgages and leases. The Trustees will use all reasonable efforts to have any such obligations, other than leases, modified so as not to have obligations binding upon any of the Unitholders or Annuitants personally. However, BTB may not be able to obtain such modification in all cases. To the extent that claims are not satisfied by BTB, there is a risk that a Unitholder or Annuitant will be held personally liable for obligations of BTB where the liability is not disavowed as described above. The possibility of any personal liability attaching to Unitholders or Annuitants under the laws of the Province of Québec for contract claims where the liability is not so disavowed is remote.

BTB will use all reasonable efforts to obtain acknowledgements from the hypothecary creditors under assumed hypothecs that assumed hypothec obligations will not be binding personally upon the Trustees, the Unitholders or any Annuitant.

Claims against BTB may arise other than under contracts, including claims, claims for taxes and possibly certain other statutory liabilities. The possibility of any personal liability of Unitholders for such claims is considered remote under the laws of the Province of Québec and, as well, the nature of BTB’s activities will be such that most of its obligations will arise by contract, with non-contractual risks being largely insurable. In the event that payment of an obligation of BTB were to be made by a Unitholder, such Unitholder would be entitled to reimbursement from the available assets of BTB.

Article 1322 of the Civil Code effectively states that the beneficiary of a trust is liable towards third persons for the damage caused by the fault of the trustees of such trust in carrying out their duties only up to the amount of the benefit such beneficiary has derived from the act of such trustees and that such obligations are to be satisfied from the trust patrimony. Accordingly, although this provision remains to be interpreted by the courts, it should provide additional protection to Unitholders with respect to such obligations.

The Trustees will cause the activities of BTB to be conducted, with the advice of counsel, in such a way and in such jurisdictions as to avoid, to the extent they determine to be practicable and consistent with their duty to act in the best interest of the Unitholders, any material risk of liability on the Unitholders for claims against BTB. The Trustees will to the extent available on terms which they determine to be practicable, cause the insurance carried by BTB, to the extent applicable, to cover the Unitholders and Annuitants as additional insureds.

Potential Conflicts of Interest

The Contract of Trust contains “conflict of interest” provisions that serve to protect Unitholders without creating undue limitations on BTB. As the Trustees may be engaged in real estate activities, the Contract of Trust contains provisions, similar to those contained in the CBCA that require each Trustee to disclose to BTB any interest in a material contract or transaction or proposed material contract or transaction with BTB (or an affiliate of BTB). A Trustee who has made disclosure to the foregoing effect is not entitled to vote on any resolution to approve the contract or transaction except in limited circumstances such as where the contract or transaction is one for indemnity under the provisions of the Contract of Trust or liability insurance.

The Contract of Trust further provides that a property manager, the Trustees and officers of BTB (and their respective affiliates and associates) and the directors and officers thereof may, from time to time, be engaged, directly or indirectly, for their own account or on behalf of others (including without limitation as trustee, administrator, manager or property manager of other trusts or portfolios) in real estate investments and other activities identical or similar to and competitive with the activities of BTB and its Subsidiaries. The Contract of Trust further provides that neither a property manager, a Trustee or officer of BTB, nor any of their respective affiliates or associates (or their respective directors and officers) shall incur or be under any liability to BTB, any Unitholder or any annuitant by reason of, or as a result of any such engagement or competition or the manner in which such person may resolve any conflict of interest or duty arising therefrom.

Availability of Cash Flow

Distributable Income may exceed actual cash available to BTB from time to time because of items such as principal repayments, tenant allowances, leasing commissions and capital expenditures. BTB may be required to use part of its debt capacity or reduce distributions to Unitholders in order to accommodate such items.

Market Price of Units

One of the factors that may influence the market price of the Units is the annual yield thereon. Accordingly, an increase in market interest rates may lead purchasers of Units to expect a higher annual yield, which could adversely affect 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 market for equity securities, short-term supply and demand factors for real estate investment trusts and numerous other factors beyond the control of BTB.

Legal Rights Attaching to Units

As a holder of Units, a Unitholder will not have all of the statutory rights normally associated with the ownership of shares in a corporation including, for example, the right to bring “oppression” or “derivative” actions against BTB. The Units are not “deposits” within the meaning of the Canada Deposit Insurance Corporation Act and are not insured under the provisions of the act or any other legislation. Furthermore, BTB will not be a trust company and, accordingly, is not registered under any trust and loan company legislation as it does not carry on or intend to carry on the business of a trust company.

Failure to Obtain Additional Financing

BTB may require additional financing in order to grow and expand its operations. It is possible that such financing will not be available or, if it is available, will not be available on favourable terms. In addition, upon the expiry of the term of financing or refinancing of any particular property owned by BTB, refinancing may not be available in amounts required or may be available only on terms less favourable to BTB than existing financing. Future financing may take many forms, including debt or equity financing which could alter the debt-to-equity ratio or which could be dilutive to Unitholders.

Dilution

The number of Units that BTB is authorized to issue is unlimited. The Trustees have the discretion to issue additional Units which may have a dilutive effect on Unitholders.

Changes in Legislation

There can be no assurance that income tax laws will not be changed in a manner that will adversely affect BTB or its Unitholders.

Credit Risk

BTB may experience loss due to failure of a tenant to fulfill the obligation of required payments. Also, there is a risk that current tenants will be unable or unwilling to fulfill their lease term commitments. To mitigate this risk, BTB will endeavor to acquire additional properties in order to diversify its investments.