

Governance

Introduction

The Board of Trustees of Boardwalk (the “**Board**”) believes that sound governance practices are essential to achieve the best long-term interests of Boardwalk and the enhancement of value for all security holders. The Board further believes that an important element of sound governance is the alignment of interests between the Trustees and Unitholders of Boardwalk. This is achieved, in part, by encouraging investment in Boardwalk by the Trustees through the Deferred Unit Plan (see “*Equity Compensation Plan*” and “*Deferred Unit Plan*”) of this Management Information Circular. In addition, the majority of the Trustees beneficially own a significant number of Units (see “*Information Respecting Boardwalk Real Estate Investment Trust – Trustees of Boardwalk*”, above). Effective February 13, 2008, the Board adopted a minimum Unit ownership policy for Trustees (for more information on this policy, see “*Executive Compensation – Trust Unit Ownership Guidelines*” below.)

The Canadian Securities Administrators (the “**CSA**”) have issued National Policy 58-201 – Corporate Governance Guidelines (“**NP 58-201**”). The CSA have also adopted National Instrument 58-101 – Disclosure of Corporate Governance Practices (“**NI 58-101**”) which requires Canadian reporting issuers to annually disclose their corporate governance practices. Regulatory changes to governance that have occurred, or will occur, are continually monitored by the Board and the Board has taken, or will take, appropriate action as regulatory changes occur.

The Board of Trustees has established a compensation, governance and nominations committee which regularly reviews exiting Board policies and current pronouncements on recommended “**best practices**” for corporate governance. The Trust recognizes that proper and effective corporate governance is a significant concern and priority for investors and other stakeholders and, accordingly, the Board of Trustees has instituted a number of procedures and policies in an effort to always improve the overall governance of the Trust.

Below is a discussion on the current composition of the Board. The Trust’s systems of corporate governance, as well as its key governance policies and practices, are set out below in Schedule “**A**” to this Circular (“**Governance Guidelines**”). Boardwalk is of the opinion that the nominees for the Board consist of a diverse and well-qualified mix of individuals. All of the proposed Trustees have extensive financial, capital markets and real estate experience, and Messrs. Mawani and Havener also have extensive experience in the income trust and real estate investment trust sectors.

Board of Trustees

Composition

As at March 31, 2009, the Board is composed of six (6) individuals (each referred to herein as a “**Trustee**”). Such Trustees are Arthur L. Havener, Jr., Al W. Mawani, David V. Richards (who will not be standing for re-election to the Board at the Meeting), Ernest W. Kapitza, James R. Dewald and Sam Kalias.

Independence

The principal factor underlying the determination of Trustee “**independence**” is whether or not a particular Trustee has a “**material relationship**” with Boardwalk, which is defined as a relationship which could be reasonably expected to interfere with the exercise of the Trustee’s independent judgment. Notwithstanding the foregoing under NI 58-101, certain relationships are deemed to be “**material relationships**”. The following analysis has been based upon the definition of “**material relationship**” as set out in NI 58-101.

Five (5) Proposed Trustees qualify as independent under NI 58-101, because they do not have “**material relationships**” with Boardwalk: they are James R. Dewald, Gary Goodman, Arthur L. Havener, Ernest W. Kapitza and Al W. Mawani.

One (1) Proposed Trustee does not qualify as independent under NI 58-101: Sam Koliass. Sam Koliass is the Chairman and Chief Executive Officer of Boardwalk.

Throughout the year, the positions of Lead Trustee, Chairman of the Board and Chief Executive Officer were carried out by two different individuals wholly unrelated to each other. Sam Koliass, a member of management and, accordingly, not an independent Trustee, served as the Chairman of the Board. Dr. James R. Dewald, an independent Trustee, served as Lead Trustee in accordance with the recommended practices under NP 58-201. Sam Koliass also served as Chief Executive Officer of the Trust and, prior to the Acquisition and Arrangement, the Corporation, a position he has held since 1993. Other than Mr. Koliass, who is also a Trustee, the Board is composed entirely of Trustees who are independent of Management. The Trust also has two committees to assist the Board in effectively carrying out its responsibilities: the Audit and Risk Management Committee and the Compensation, Governance and Nominations Committee.

Other Boards

The following table sets forth the names of each other reporting issuer, and the exchange upon which the securities of that reporting issuer are listed, for which each of the current Trustees of Boardwalk and of each of the individuals to be nominated for election as a Trustee of Boardwalk at the Meeting serve as a trustee or director as at March 31, 2009.

Name	Name of Reporting Issuer	Exchange
Sam Koliass	N/A	N/A
James R. Dewald	N/A	N/A
Gary Goodman	Huntingdon Real Estate Investment Trust	Toronto Stock Exchange
Arthur L. Havener, Jr.	N/A	N/A
Ernest W. Kapitza	N/A	N/A
Al W. Mawani	Amica Mature Lifestyles Inc. Calloway Real Estate Investment Trust	Toronto Stock Exchange Toronto Stock Exchange
David V. Richards ⁽¹⁾	Parkbridge Lifestyle Communities Inc. Realex Properties Corp. First National AlarmCap Income Fund Oil Optimization Inc. Bonnett's Energy Services Trust	Toronto Stock Exchange TSX Venture Exchange Toronto Stock Exchange TSX Venture Exchange Toronto Stock Exchange

Independent Lead Trustee and In Camera Meetings

The Board appointed James R. Dewald, an independent Trustee, as Lead Trustee of the Board. The chair of each Board committee is an independent Trustee. Al Mawani is the Chair of the Audit and Risk Management Committee. Arthur Havener, Jr. is the Chair of the Compensation, Governance and Nominations Committee. In addition, Mr. Mawani is the primary contact under the Board's "**Whistleblower**" policy as discussed under "*Ethical Business Conduct*" of this Management Information Circular.

The independent Trustees hold scheduled meetings at least four (4) times annually, at which the non-independent Trustee and members of management are not present. During meetings, the Board and its committees may also conduct "**in camera**" sessions, at which no management Trustee or members of management are present. Further, on matters in which a particular Trustee may have a conflict of interest,

⁽¹⁾ Mr. Richards is not standing for re-election to the Board at the Meeting.

the Board and its committees may conduct “**in camera**” sessions at which the particular non-independent Trustee is not present.

Attendance of Trustees at Board and Committee Meetings

The following table sets forth the nominees for election as Trustee, and their record of attendance at meetings of the Board and its committees for the 12 months ended December 31, 2008. In that period, the Board held six (6) regularly scheduled meetings (**Regular**) and called two (2) special meetings (**Special**). Special meetings are typically called on shorter notice than regularly scheduled meetings, which are scheduled a year or more in advance. Also in the period, committees of the Board held eight (8) meetings, broken down as follows: Audit and Risk Management (**ARM**): six (6), and Compensation, Governance and Nominations (**CGC**): two (2). In addition to the attendance listed below, Trustees, from time to time, attend other committee meetings by invitation.

ATTENDANCE OF TRUSTEES AT BOARD AND COMMITTEE MEETINGS DURING THE MOST RECENTLY COMPLETED FISCAL YEAR

Name	Number of Board Meetings Attended			Number of Committee Meetings Attended		Total Rate of Attendance at Board Meetings	Total Rate of Attendance at Committee Meetings
	Regular	Independent	Special	ARM	CGC		
David V. Richards ⁽⁴⁾	6 of 6	4 of 4	2 of 2	4 of 4 ⁽¹⁾	1 of 1 ⁽³⁾	100%	100%
Al W. Mawani	6 of 6	4 of 4	2 of 2	6 of 6	-	100%	100%
James R. Dewald	6 of 6	4 of 4	1 of 2	4 of 4 ⁽²⁾	2 of 2	87.5%	100%
Sam Kolas	6 of 6	-	2 of 2	-	2 of 2	100%	100%
Ernest W. Kapitza	6 of 6	4 of 4	2 of 2	-	2 of 2	100%	100%
Arthur L. Havener	6 of 6	4 of 4	1 of 2	6 of 6	2 of 2	87.5%	100%

Notes:

- (1) Mr. Richards stepped down from the Audit and Risk Management Committee, effective May 13, 2008.
- (2) Dr. Dewald became a member of the Audit and Risk Management Committee, effective April 29, 2008.
- (3) Mr. Richards became a member of the Compensation Governance and Nominations Committee, effective May 13, 2008.
- (4) Mr. Richards is not standing for re-election to the Board at the Meeting.

Orientation and Continuing Education

The Board and management of Boardwalk have established an orientation and education program for new Trustees and new committee members regarding the role of the Board, its committees and the Trustees, as well as the nature and operation of Boardwalk’s business. Existing Trustees have historically provided orientation and education to new members in light of the particular needs of each new Trustee. Further, every Trustee has access to management and relevant business information and management makes regular presentations to the Board on the main areas of Boardwalk’s business. At least annually, the Board reviews the skills, knowledge and effectiveness of the Board, its committees and individual Trustees.

Boardwalk is a corporate member of The Institute of Corporate Directors (“**ICD**”) and pays for each Trustee to be a member of ICD.

Ethical Business Conduct

The Board has adopted a written code of conduct for the Trustees, directors, officers and employees of Boardwalk and its subsidiaries. The policy stipulates that such persons will treat each other, customers, suppliers, security holders and all other persons with goodwill, trust, and respect. The policy strives to create a culture in Boardwalk and its subsidiaries that values honesty, high ethical standards and

compliance with laws, rules and regulations. In addition, the Trust has approved a discrimination policy, a sexual harassment policy, a work place harassment policy and an insider trading policy.

The Declaration of Trust contains “**conflict of interest**” provisions that serve to protect Unitholders without creating undue limitations on Boardwalk. Given that the Trustees are engaged in a wide range of real estate and other business activities, the Declaration of Trust contains provisions, similar to those contained in the *Canada Business Corporations Act*, that require each Trustee to disclose to Boardwalk any interest in a material contract or transaction or proposed material contract or transaction with Boardwalk (including a contract or transaction involving the making or disposition of any investment in real property or a joint venture arrangement) or the fact that such person is a director or officer of or otherwise has a material interest in any person who is a party to a material contract or transaction or proposed material contract or transaction with Boardwalk. Such disclosure is required to be made at the first meeting at which a proposed contract or transaction is considered. In the event that a material contract or transaction or proposed material contract or transaction is one that in the ordinary course would not require approval by the Trustees, a Trustee is required to disclose in writing to Boardwalk or request to have entered into the minutes of the meeting of the Trustees the nature and extent of his or her interest forthwith after the Trustee becomes aware of the contract or transaction or proposed contract or transaction. In any case, a Trustee who has made disclosure to the foregoing effect is not entitled to vote on any resolution to approve the contract or transaction unless the contract or transaction is one relating primarily to his or her remuneration as a Trustee, officer, employee or agent of Boardwalk or one for indemnity under the provisions of the Declaration of Trust or liability insurance.

The Board has advised each of the executive officers of Boardwalk and its subsidiaries that the terms of their employment require such executive officers to follow the same disclosure procedures and practices outlined above when such executive officers are in a situation that is, or may be considered to be, a “**conflict of interest**”.

The Audit and Risk Management Committee has also adopted a “**whistleblower**” policy that sets out procedures which allow officers and employees of Boardwalk and its subsidiaries to file reports on a confidential and, if necessary, anonymous basis regarding any concerns about accounting, internal accounting controls or financial irregularities.

Nomination of Trustees

The Board has appointed the Compensation, Governance and Nominations Committee which is responsible for, among other items: (i) reviewing the size and composition of the Board; (ii) recommending candidates for election to the Board; (iii) reviewing credentials of nominees for re-election; and (iv) recommending candidates for filling vacancies on the Board. The three (3) members of the Compensation, Governance and Nominations Committee are independent Trustees under NI 58-101.

The Board reviews its size and composition from time to time to determine their impact on its effectiveness. The Board believes that its current Trustees comprise an appropriate mix of individuals with real estate, accounting, financial, legal, capital markets, income trust and general business experience.

Compensation

The Board, through its Compensation, Governance and Nominations Committee, reviews the adequacy and form of compensation of Trustees and executive officers annually. The Compensation, Governance and Nominations Committee considers the time commitment, risks and responsibilities of Trustees and executive officers, and takes into account the types of compensation and the amounts paid to directors, trustees and executive officers of comparable publicly traded Canadian companies and income trusts. As stated earlier, of the three (3) members of the Compensation, Governance and Nominations Committee, all are independent Trustees under NI 58-101.

Term Limits and Retirement of Trustees

Boardwalk believes that the composition of the Board should reflect a balance between experience and learning on the one hand, and the need for renewal and fresh perspectives on the other. Accordingly, other than the Chief Executive Officer of the Trust, who should always be a member of the Board, Trustees are generally expected to serve from three (3) up to a maximum of nine (9) years, subject to favourable performance assessments every year, annual re-election by the Unitholders and the other requirements of the Trust's Governance Guidelines. For current Trustees and nominees to the Board, term limits started from the earlier of the implementation date of this policy on February 12, 2009 or their respective first election dates.

Boardwalk REIT is a firm supporter of corporate governance and transparency and, in consideration of that commitment, the Board wishes to ensure that there is a balance between continuity and renewal at the Trustee level. As well, the Board deems it consistent with its internal performance assessment priority to have regular consideration of retention or replacement for each individual Trustee. Accordingly, individual Trustees will have their performance assessed every year by the entire Board.

The performance based review of each Trustee will be undertaken annually prior to the November Board meeting, and administered by the Chair of the Compensation, Governance and Nominations Committee. Criteria for the survey will be recommended by the Chair of the Compensation, Governance and Nominations Committee, and set by the Board on or before the regularly scheduled August Board meeting. The performance review results will be provided to the applicable individual Trustee, Lead Trustee and Chair for further consideration, if any.

The results of the performance reviews for the Trustees will be shared with all of the Trustees as information relevant to whether the reviewed Trustees should be re-nominated to the Board for election by Unitholders at the next scheduled Annual Meeting.

Due to his unique role as Chairman and Chief Executive Officer of the Trust, as well as the fact that he, along with Mr. Van Koliass, is the largest Unitholder and founder of Boardwalk, the Board has determined that the above noted policy concerning term limits and mandatory retirement should not apply to Mr. Sam Koliass as long as he is either Chairman or Chief Executive Officer of the Trust.

The above noted policy on Trustee terms requires certain amendments to the Deferred Unit Plan, all of which are more particularly described below under the heading "*Particulars of Matters to be Acted On – Approval of Proposed Amendments to the Deferred Unit Plan*".

Compensation of Trustees

For the year ended December 31, 2008, the independent Trustees earned an aggregate cash compensation of \$261,237 for their services, broken out individually as follows:

Trustee Name	Fees Earned (\$)	Value of Deferred Units Received ⁽¹⁾⁽²⁾⁽³⁾ (\$)	Total Compensation (\$)
Al W. Mawani	\$60,856	\$156,313 ⁽⁴⁾	\$156,313 ⁽⁴⁾
James R. Dewald	\$59,356	\$147,139 ⁽⁵⁾	\$147,139 ⁽⁵⁾
David V. Richards	\$43,449	\$113,609 ⁽⁶⁾	\$113,609 ⁽⁶⁾
Ernest W. Kapitza	\$40,449	\$104,962 ⁽⁷⁾	\$104,962 ⁽⁷⁾
Sam Koliass	Nil	Nil	Nil
Arthur Havener, Jr.	\$57,127	\$134,813 ⁽⁸⁾	\$134,813 ⁽⁸⁾
TOTALS:	\$261,237	\$656,835⁽⁹⁾	\$656,835 ⁽⁹⁾

Notes:

- (1) Includes distributions paid on deferred Units and automatically reinvested pursuant to the Deferred Unit Plan. See "*Deferred Unit Plan*" below for more information.

- (2) Issue dates of February 14, 2008, June 30, 2008 and December 31, 2008 at issue prices of \$38.82, \$39.17 and \$24.23, respectively. See below under “*Deferred Unit Plan*” for more information...
- (3) All Trustees have elected to receive their fees in the form of Deferred Units.
- (4) Worth \$116,025 on December 31, 2008, based on a closing price per Unit on that day of \$25.56.
- (5) Worth \$105,390 on December 31, 2008.
- (6) Worth \$83,319 on December 31, 2008.
- (7) Worth \$77,329 on December 31, 2008.
- (8) Worth \$102,375 on December 31, 2008.
- (9) Worth \$484,439 on December 31, 2008.

The Board of Trustees are entitled to compensation for their services as trustees of the Trust. In the year ended December 31, 2008, the initial compensation for the Board of Trustees, other than Trustees who are also employees of Boardwalk or any of its subsidiaries, was a retainer of \$20,000 per year plus a meeting fee of \$1,500 per day (\$750 if attending via video or teleconference) for each meeting of the Board of Trustees and reimbursement for their out-of-pocket expenses incurred in acting as Trustee. Any Trustee travelling in excess of four (4) hours to attend a Board or committee meeting is entitled to an additional \$1,000 per trip. The Lead Trustee of the Board of Trustees initially was to receive an annual fee of \$15,000 in the fiscal year ended December 31, 2008, in addition to the other fees he or she was entitled to for Board, Audit and Risk Management Committee or Compensation, Governance and Nominations Committee meetings attended. Each Trustee who was a member of one of Boardwalk's committees, other than the Chairmen of such committees, was initially compensated with an additional annual retainer of \$3,000 and the following, related meeting fees:

- (a) Audit and Risk Management Committee - \$1,500 per meeting attended (\$750 if attending via video or teleconference); and
- (b) Governance, Nominations and Compensation Committee - \$1,100 per meeting attended (\$750 if attending via video or teleconference).

In addition, the Chairmen of the Audit and Risk Management and Compensation Committees were initially paid annual retainers of \$10,000 and \$5,000, respectively in the period prior to Boardwalk's last Annual and Special meeting on May 13, 2008.

On February 13, 2008, the Board approved an increase to the above noted fees as follows:

- 1. Board Annual Retainer - \$25,000;
- 2. Lead Trustee Annual Retainer - \$20,000;
- 3. Audit & Risk Management Committee Chair Annual Retainer - \$15,000;
- 4. Compensation, Governance and Nominations Committee Chair Annual Retainer - \$8,000;
- 5. Committee Members Annual Retainer - \$5,000 each; and
- 6. Attendance at Board or Committee Meetings in person, or via Telephone or Video - \$1,500 per meeting.

The Board decided that the above noted changes would become effective following the annual meeting on May 13, 2008.

Each Trustee may elect to receive between sixty percent (60%) and one hundred percent (100%) of the annual retainer paid by Boardwalk to that Trustee in a calendar year for service on the Board, together with committee fees, attendance fees, additional fees and retainers to committee chairs (the “**Elected Amount**”) in the form of deferred Units in lieu of cash, provided that Boardwalk shall match the Elected Amount for each participant such that the number of Deferred Units issued to each participant shall be equal in value to two (2) times the Elected Amount. As of March 31, 2009, each Trustee has elected to have their Elected Amount be 100% in the form of Deferred Units in lieu of cash. The Trust believes this is consistent with the Board's long term vision for the REIT and its commitment to act in the best interest of Unitholders. See “*Deferred Unit Plan*” below for more information.

Outstanding Unit Based Awards

Name	Unit-based Awards	
	Number of Units that have not Vested	Market or Payout Value of Unit-based Awards that have not Vested (\$)⁽¹⁾
Sam Kolas	Nil	Nil
James Dewald	10,887	278,272
Al Mawani	12,274	313,723
Arthur Havener	5,273	134,778
David Richards	9,914	253,402
Ernest Kapitza	8,218	210,052

Note:

(1) Based on a closing price of \$25.56 per Unit on December 31, 2008.

Incentive Plan Awards – Value Vested or Earned

Name	Unit-based Awards Value Vested During the Year (\$)	Non-equity Incentive Plan Compensation Value Earned During the Year (\$)
Sam Kolas	Nil	Nil
James Dewald	Nil	Nil
Al Mawani	Nil	Nil
Arthur Havener	Nil	Nil
David Richards	Nil	Nil
Ernest Kapitza	Nil	Nil

SCHEDULE "A"

STATEMENT OF CORPORATE GOVERNANCE PRACTICES

National Policy 58-201, National Instrument 52-110 and other applicable guidelines for improved corporate governance	Does the Trust align?	Governance procedures at Boardwalk Real Estate Investment Trust (the "Trust")
1. The Board should explicitly assume responsibility for stewardship of the Trust, and specifically for:	Yes	The Board of Trustees supervises the management of the Trust's business and affairs with the goal of enhancing long-term Unitholder value. It makes major policy decisions, delegates to management the authority and responsibility for day-to-day affairs and reviews management's performance and effectiveness.
(i) adoption of a strategic planning process and approval of a strategic plan which takes into account, among other things, the opportunities and risks of the business;	Yes	The Board approved the Trust's strategic plan in 2008, and will review same on an ongoing basis, which review will take into account, among other things, the opportunities and risks of the business. The Board devotes at least one (1) day-long meeting each year to strategic planning. The Board reviews and discusses, on a quarterly basis, the Trust's strategies and their implementation at Board meetings.
(ii) identification of the principal risks of the Trust's business and ensuring implementation of appropriate systems to manage those risks;	Yes	The Board, in conjunction with its Audit and Risk Management Committee and management, identifies the principal risks of the Trust's business and reviews risk management policies and processes.
(iii) succession planning, including appointing, training and monitoring senior management;	Yes	The Trust has a formal system of succession planning. The Compensation, Governance and Nominations Committee, composed entirely of independent directors, periodically reviews the performance of the Chief Executive Officer and other senior executives of the Trust.
(iv) communications policy;	Yes	<p>The Board, in conjunction with its Audit and Risk Management Committee, reviews and approves the contents of major disclosure documents of the Trust, including its Annual Report, the Annual Information Form, Management's Discussion and Analysis, and this Management Information Circular. Through its Compensation, Governance and Nominations Committee, the Board reviews policies and programs related to the image of the Trust and ensures that appropriate processes are in place for communicating with customers, employees, Unitholders, the investment community and the public. The Board reviews how the Trust communicates and interacts with analysts and the public to avoid selective disclosure.</p> <p>In this regard:</p> <ul style="list-style-type: none"> • procedures are in place to provide timely information to investors and potential investors and to respond to investor inquiries and concerns;

National Policy 58-201, National Instrument 52-110 and other applicable guidelines for improved corporate governance	Does the Trust align?	Governance procedures at Boardwalk Real Estate Investment Trust (the "Trust")
<p>(v) integrity of internal control and management information systems.</p> <p>2. A majority of trustees should be "independent" (independent of management and free from any business or other relationship which could, or could reasonably be perceived to, materially interfere with the trustee's ability to act with a view to the best interests of the Trust and its unitholders.)</p> <p>3. The Board has responsibility for applying the definition of "independent trustee" to each individual trustee and for disclosing annually the analysis of the application</p>	<p>Yes</p> <p>Yes</p> <p>Yes</p>	<ul style="list-style-type: none"> • procedures are in place to maintain communications with the investing public in accordance with the Trust's policies and procedures and legal disclosure requirements; • procedures are in place to ensure that every Unitholder inquiry receives a prompt response from an appropriate officer; • the Chief Executive Officer ("CEO"), President, the Chief Financial Officer ("CFO") and other senior executives meet periodically with financial analysts and institutional investors; • the Trust has adopted a corporate disclosure policy which can be found on Boardwalk's investor website at www.BoardwalkREIT.com; • investor relations staff are also available to Unitholders by telephone and fax and the Trust maintains information relevant to investors on its Web site at www.bwalk.com; and • quarterly earnings conference calls are broadcast live over the Internet and are accessible on a live and recorded basis via telephone. Presentations at investor conferences are promptly made available on the Internet or via telephone. <p>The Board's Audit and Risk Management Committee requires management to implement and maintain appropriate systems of internal control, and meets with management and the Trust's external auditors to assess the adequacy and effectiveness of these systems of internal control. See also item 13 below.</p> <p>As required by N.I 52-109, the CEO and CFO have provided certificates relating to the contents of the annual and quarterly financial reports and have evaluated and reported on the effectiveness of the Trust's internal controls and procedures.</p> <p>Currently, five (5) of the six (6) persons proposed for election to the Board in this Management Information Circular are "independent" from the Trust as determined pursuant to the N.P. 58-201. As CEO of the Trust, Mr. Sam Koliass is the only "related" Trustee;</p> <p>In applying the principles underlying the definition of "independent" under N.P. 58-201, the Board of Trustees has determined that five (5) of the six (6) persons proposed for election to the Board in this Management Information Circular</p>

National Policy 58-201, National Instrument 52-110 and other applicable guidelines for improved corporate governance	Does the Trust align?	Governance procedures at Boardwalk Real Estate Investment Trust (the "Trust")
<p>of the principles supporting this definition and whether the Board has a majority of unrelated trustees.</p>		<p>are "independent" from the Trust.</p>
<p>Under N.P. 58-201, certain relationships serve as bars to independence. In addition, no trustee qualifies as "independent" unless the board of trustees affirmatively determines that the trustee has no material relationship with the listed issuer (directly or as a partner, unitholder or officer of an organization that has a relationship with issuer). Disclosure must be made of the basis for each determination.</p>	<p>Yes</p>	<p>See item 2, above.</p> <p>The Board has affirmatively assessed and determined that five (5) of the six (6) persons proposed for election to the Board in this Management Information Circular qualify as "independent" in accordance with the "affiliated" and "related" standards.</p> <p>See item 2 above</p>
<p>4. The Board should appoint a committee of trustees composed exclusively of outside trustees, a majority of whom are independent trustees, with responsibility for proposing new nominees to the board and for assessing trustees on an ongoing basis.</p>	<p>Yes</p>	<p>The Compensation, Governance and Nominations Committee identifies, evaluates and recommends nominees for the Board of Trustees, in consultation with the Chairman & CEO of the Trust. The Committee determines what competencies, skills and personal qualities it should seek in new Board members to add value to the Trust. In certain circumstances, the committee may retain outside consultants to conduct searches for appropriate nominees.</p>
<p>N.P. 58-201 requires a nominating committee to be composed solely of "independent" trustees.</p>	<p>Yes</p>	<p>The Compensation, Governance and Nominations Committee is composed of three (3) independent and unrelated Trustees.</p> <p>The Committee is composed solely of "independent" Trustees.</p>
	<p>Yes</p>	<p>The functions of a nominating committee are performed by the Trust's Compensation, Governance and Nominations Committee. The Committee is composed solely of "independent" Trustees.</p>
<p>5. The Board should implement a process, to be carried out by an appropriate committee, for assessing the effectiveness of the Board, its committees and the contribution of individual trustees.</p>	<p>Yes</p>	<p>The Board, through its Compensation, Governance and Nominations Committee, annually oversees the evaluation of the Board, including assessment by each Trustee of the Board, Committees, Chair, Lead Trustee, Committee Chairs and individual Trustees. This process allows the Board to assess Board effectiveness, Committee effectiveness and the effectiveness of individual Trustees.</p>
<p>6. The Trust should provide an orientation and education program for new directors.</p>	<p>Yes</p>	<p>Each proposed new member of the Board of Trustees is asked to review Board and Committee minutes for the prior twelve-(12) month period, together with the Trust's press releases, the Annual Report and the Annual Information Form ("AIF"). New Trustees also meet with senior management for an orientation session, which includes a site tour, a review of head office operations and discussions with senior</p>

National Policy 58-201, National Instrument 52-110 and other applicable guidelines for improved corporate governance	Does the Trust align?	Governance procedures at Boardwalk Real Estate Investment Trust (the "Trust")
<p>7. The Board should establish a nominations committee charged with the duty of identifying and evaluating candidates for the office of trustee.</p> <p>8. The Board should examine its size and undertake, where appropriate, a program to establish a board size which facilitates effective decision-making.</p> <p>9. The Board of Trustees should review the adequacy and form of compensation of trustees in light of the risks and responsibilities involved in being a trustee.</p> <p>N.P. 58-201 and N.I. 52-110 require that the audit, compensation, and nominating committees be composed solely of "independent" directors.</p> <p>10. The Board should assume responsibility for, or assign to a committee of trustees responsibility for, developing the approach to corporate governance issues.</p>	<p>Yes</p> <p>Yes</p> <p>Yes</p> <p>Yes</p> <p>Yes</p>	<p>management regarding the Trust.</p> <p>The Trust also purchases and maintains memberships in the ICD for each member of the Board.</p> <p>The Compensation, Governance and Nominations Committee of the Board has been established and it has been charged by the Board, in its charter, with the responsibility of identifying and evaluating candidates for the Board to fill vacancies caused by resignations of current Trustees or by an increase in the size of the Board.</p> <p>The Board of Trustees feels the current board size has been adequate to provide the appropriate level of skill and advice to guide the Trust. As the Trust grows and matures, the addition of new Trustees will be considered.</p> <p>In this Circular, six (6) nominees are proposed for election as Trustees at the Annual and Special Meeting of holders of Trust Units to be held May 13, 2009.</p> <p>The Compensation, Governance and Nominations Committee periodically reviews the amount and the form of compensation to Trustees and sets Trust Unit ownership guidelines for the Trustees. In making recommendations to the Board for appropriate adjustments, the Committee considers the time commitment, risks and responsibilities of Trustees, as well as comparative data derived from a survey of board compensation at other issuers. In recommending the form of Trustees' compensation, the Committee seeks to align the interests of Trustees and Unitholders. This is accomplished through both internal and external review of Trustee compensation, as well as the establishment of Trust Unit ownership guidelines for the Trustees.</p> <p>The Compensation, Governance and Nominations Committee acts as the nominating and compensation committee of the Board. The audit committee is known as the "Audit and Risk Management Committee". For the year prior to and following this Annual and Special Meeting of Unitholders, all members of the Audit and Risk Management Committee and the Compensation, Governance and Nominations Committee have been and will be "independent" under applicable standards.</p> <p>Ensuring the effectiveness of the Board is an ongoing process. This responsibility has been assigned to the Compensation, Governance and Nominations Committee. The Committee advises and assists the Board in applying governance principles and practices, and tracks developments in corporate governance, adapting "best practices" to the needs and circumstances of the Trust. It also recommends suitable</p>

National Policy 58-201, National Instrument 52-110 and other applicable guidelines for improved corporate governance	Does the Trust align?	Governance procedures at Boardwalk Real Estate Investment Trust (the "Trust")
<p>This committee would, among other things, be responsible for the response to N.P. 58-201.</p>	Yes	<p>candidates for election to the Board.</p> <p>The Compensation, Governance and Nominations Committee and the Board of Trustees have reviewed the Trustee's response to N.P. 58-201.</p>
<p>11. The Board of Trustees, together with the CEO, should develop position descriptions for the Board and for the CEO, including the definition of the limits to management's responsibilities.</p>	Yes	<p>The Board of Trustees has adopted a charter for the Board and a position descriptions for the chair, chair of each committee, the Lead (independent) Trustee and the CEO (all of which can also be found on Boardwalk's investor website at www.BoardwalkREIT.com). The Board currently sets the Trust's annual objectives, which become the objectives against which the CEO's performance is measured.</p>
<p>The Board should approve or develop the corporate objectives which the CEO is responsible for meeting and assess the CEO against these objectives.</p>	Yes	<p>The Board approves the corporate objectives which the CEO is responsible for meeting and assesses the CEO against these objectives.</p>
<p>12. The Board should implement structures and procedures to ensure that it can function independently of management. An appropriate structure would be to (i) appoint a chair of the Board who is not a member of management with responsibility to ensure that the Board discharges its responsibilities, or (ii) assign this responsibility to an outside trustee, sometimes referred to as the "lead trustee".</p>	Yes	<p>Although the Chairman of the Board is a member of management, the Trust has a Lead (independent) Trustee who is not a member of management.</p>
<p>The chair or lead trustee should ensure that the Board carries out its responsibilities effectively which will involve the Board meeting on a regular basis without management present and may involve assigning responsibility for administering the Board's relationship to management to a committee of the Board.</p>	Yes	<p>Independent Trustees meet at least four (4) times a year without the attendance of management of the Trust, to discuss the affairs of the Trust. The Board of Trustees has not set up a specific committee to address the Board's relationship with management, but the trustees of the Trust often discuss their relationship with management at their regularly scheduled quarterly meetings.</p>
<p>13. The audit committee should be composed entirely of independent trustees.</p>	Yes	<p>The Audit and Risk Management Committee is composed entirely of independent Trustees.</p>
<p>All of the members of the audit committee should be financially literate and at least one member should have accounting or related financial expertise.</p>	Yes	<p>All members of the Audit and Risk Management Committee are financially literate and the chair of the committee is a chartered accountant and has significant accounting or related financial expertise.</p>

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<p>The Board shall determine whether a member of the audit committee meets the definition and criteria for “financial literacy” and “accounting or related financial expertise”.</p>	<p>Yes</p>	<p>In considering criteria for determinations of financial literacy, the Board looks at the ability to read and understand a balance sheet, an income statement and a cash flow statement of a real estate company that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of the issues that can reasonably be expected to be raised by the Trust’s financial statements.</p>
<p>The Board should adopt a charter for the audit committee which sets out roles and responsibilities of the audit committee which should be specifically defined so as to provide appropriate guidance to audit committee members as to their duties.</p>	<p>Yes</p>	<p>The Board has reconsidered the definition of “accounting or related financial expertise” in light of N.I. 52-110, which requires each issuer to disclose the number and names of “financial experts” serving on the issuer’s audit committee and confirm that they are independent of management.</p> <p>The Audit and Risk Management Committee assists the Board in its oversight of the integrity of the Trust’s financial statements, the external auditors’ qualifications and independence, the performance of the Trust’s external auditors, the adequacy and effectiveness of internal controls and compliance with legal and regulatory matters.</p> <p>The Audit and Risk Management Committee has a charter, the entire text of which can be found in the Trust’s AIF, which information is incorporated herein by reference and which AIF can be found in its entirety on SEDAR at www.sedar.com.</p> <p>Subject to the powers of the Unitholders under the Trust’s declaration of trust to appoint and revoke the appointment of the external auditors, the Audit and Risk Management Committee has the authority and responsibility to recommend the appointment and revocation of appointment of the external auditors and to fix their remuneration.</p> <p>The Audit and Risk Management Committee is directly responsible for the oversight of the work of the external auditors, including resolution of disagreements between management and the external auditors regarding financial reporting.</p> <p>The Audit and Risk Management Committee has the sole authority to approve all audit engagement fees and terms as well as the provision of any legally permissible non-audit services provided by the external auditors of the Trust.</p> <p>The Audit and Risk Management Committee is responsible for reviewing the independence and objectivity of the external auditors, including reviewing relationships between the external auditors and the Trust which may impact on their independence and objectivity.</p> <p>The Audit and Risk Management Committee is also charged with reviewing with the external auditors any audit problems</p>

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<p>The audit committee should have direct communication channels with the internal and the external auditors to discuss and review specific issues as appropriate.</p>	Yes	<p>or difficulties and management’s response to such issues</p> <p>The Committee mandate (charter) also includes the establishment of procedures for the receipt and treatment of complaints to the Trust concerning accounting or auditing matters and procedures for the confidential submission by employees of concerns regarding accounting or auditing</p> <p>Among other things, the Audit and Risk Management Committee reviews:</p> <ul style="list-style-type: none"> • the Trust’s annual and quarterly financial statements, Annual Information Form and Management’s Discussion and Analysis; • investments and transactions that could adversely affect the well-being of the Trust; and • prospectuses relating to the issuance of securities by the Trust. <p>The Audit and Risk Management Committee, at least quarterly, meet separately with the external auditors and senior management to discuss and review specific issues as appropriate.</p>
<p>The audit committee duties should include oversight responsibility for management reporting on internal control. While it is management’s responsibility to design and implement an effective system of internal control, it is the responsibility of the audit committee to ensure that management has done so.</p>	Yes	<p>The Trust has adopted internal audit procedures for the review of its public disclosure of financial information extracted or derived from the Trust’s financial statements, and periodically assesses the adequacy of such procedures.</p> <p>The Audit and Risk Management Committee, which has oversight responsibility for management reporting on internal controls, requires that management implement and maintain appropriate internal control procedures. The committee meets with management to assess the adequacy and effectiveness of these systems of internal control.</p>
<p>N.I. 52-110 contains a higher independence standard for members of the audit committee, disallowing any compensation to such members other than board or committee fees received from the issuer.</p>	Yes	<p>None of the members of the Audit and Risk Management Committee receives, directly or indirectly, any compensation from the Trust other than Trustees’ and committee fees and, subject to receipt of the requisite Unitholder approval at the Meeting, participation in the Deferred Unit Plan in accordance with the Trust’s compensation plan for the Board.</p>
<p>14. The Board should implement a system to enable an individual trustee to engage an outside advisor, at the trustee’s expense in appropriate circumstances. The engagement of the</p>	Yes	<p>Individual Trustees may, with the approval of the Board, engage outside advisors at the expense of the Trust.</p>

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outside advisor should be subject to the approval of the Board or an appropriate committee of the Board.		