



BIRD CONSTRUCTION INCOME FUND

NOTICE OF ANNUAL AND SPECIAL MEETING OF UNITHOLDERS

and

MANAGEMENT INFORMATION CIRCULAR

with respect to a

PLAN OF ARRANGEMENT

involving

**BIRD CONSTRUCTION INCOME FUND and its UNITHOLDERS
and BIRD CONSTRUCTION INC.**

March 24, 2010



March 24, 2010

Dear Unitholders,

You are invited to attend the annual and special meeting (the “**Meeting**”) of the unitholders of Bird Construction Income Fund (the “**Fund**”) to be held at The Fort Garry Hotel, 222 Broadway, Winnipeg, Manitoba on May 10, 2010 at 4:00 p.m. (Central time). The Meeting has been called to seek unitholder approval for, among other regular items of annual business, an amendment to the Fund’s Declaration of Trust and the Fund’s proposed conversion to a corporate structure by way of a plan of arrangement (the “**Arrangement**”) under the *Business Corporations Act* (Ontario) involving the Fund, its unitholders and Bird Construction Inc. (“**New Bird**”).

The Arrangement will result in the reorganization of the Fund’s income trust structure into a corporate structure under New Bird, which will own all of the units (the “**Units**”) of the Fund. Pursuant to the Arrangement, unitholders will receive, for each unit held, one common share (a “**Share**”) of New Bird. Provided the Arrangement is approved and all conditions in the arrangement agreement are satisfied or waived, the Fund anticipates filing the articles of arrangement that give effect to the Arrangement on or about January 1, 2011 (the “**Effective Date**”). Following the Effective Date, the Shares will be listed on the Toronto Stock Exchange and the board of directors and senior management of New Bird will be comprised of the members of the board of trustees (the “**Board of Trustees**”) elected at the Meeting and senior management of Bird Construction Company Limited.

The Fund is currently paying a monthly distribution at the rate of \$0.15 per Unit. If the Arrangement is approved and becomes effective on the Effective Date, New Bird plans to begin paying quarterly dividends of \$0.45 per Share in arrears, with the first quarterly dividend payable to holders of record on March 31, 2011. The amount of any dividends payable by New Bird will be at the discretion of the board of directors of New Bird and will be evaluated quarterly and may be revised subject to business circumstances and expected capital requirements depending on, among other things, New Bird’s earnings, capital required to support growth or changes in contract mix including anticipated requirements for working capital and equity to satisfy contract security and other conditions existing from time to time.

The resolution approving the arrangement must be approved by two-thirds of the votes cast by unitholders, voting in person or by proxy, at the Meeting. The Arrangement is also subject to the approval of the Ontario Superior Court of Justice.

The Board of Trustees, based on its own investigations, has unanimously concluded that the Arrangement is fair to the unitholders and is in the best interests of the Fund and its unitholders and recommends that unitholders vote in favour of the Arrangement.

The accompanying management information circular provides a detailed description of the Arrangement, including information regarding the Fund and New Bird, and the full text of the arrangement agreement. Please give this material your careful consideration and, if you require assistance, consult your financial, tax or other professional advisors. If you are unable to attend the Meeting in person, please complete and deliver the enclosed form of proxy in accordance with the instructions set out in the accompanying management information circular so that your Units can be voted at the Meeting.

On behalf of the Board of Trustees, I would like to thank you for your support of the Fund. We can assure you that the same high level of dedication demonstrated by the trustees, management and employees of the Fund in the past will continue in respect of New Bird should a favourable vote be obtained. We look forward to seeing you at the Meeting.

Yours very truly,

(signed) PAUL A. CHARETTE

Paul A. Charette
Chair of the Board of Trustees



BIRD CONSTRUCTION INCOME FUND

NOTICE OF ANNUAL AND SPECIAL MEETING OF UNITHOLDERS

to be held on May 10, 2010

NOTICE IS HEREBY GIVEN that an annual and special meeting (the “**Meeting**”) of the holders (“**Unitholders**”) of units (“**Units**”) of Bird Construction Income Fund (the “**Fund**”) will be held at The Fort Garry Hotel, 222 Broadway, Winnipeg, Manitoba on May 10, 2010 at 4:00 p.m. (Central time) for the following purposes:

- (a) to consider and, if deemed advisable, to pass, with or without variation, a special resolution, the full text of which is set forth in Appendix A to the accompanying management information circular, ratifying and approving amendments to the Fund’s Amended and Restated Declaration of Trust that provide greater clarity with respect to the ability of Unitholders to vote to approve certain merger, arrangement or reorganization transactions;
- (b) to receive the consolidated financial statements of the Fund for the year ended December 31, 2009 and the report of the auditors on those statements;
- (c) to elect eight Trustees of the Fund (the “**Trustees**”) for the ensuing year;
- (d) to consider the nominees of the Fund for election as directors of Bird Construction Company Limited (“**Bird**”) and to direct the Trustees to vote the common shares of Bird held by the Fund in favour of the election of directors accordingly;
- (e) to appoint auditors for the ensuing year and to authorize the Trustees to fix the remuneration to be paid to the auditors;
- (f) to consider, pursuant to an order of the Ontario Superior Court of Justice (Commercial List) dated March 19, 2010, and, if deemed advisable, to pass, with or without variation, a special resolution, the full text of which is set forth in Appendix B to the accompanying management information circular, approving a plan of arrangement (the “**Arrangement**”) under Section 182 of the *Business Corporations Act* (Ontario) involving the Fund, its unitholders and Bird Construction Inc., providing for the conversion of the Fund to a corporate structure; and
- (g) to transact such further or other business as may properly come before the Meeting or any adjournment(s) or postponement(s) thereof.

Specific details concerning the Arrangement and the other matters to be considered at the Meeting are set forth in the accompanying management information circular, which forms part of this Notice.

Only holders of record of Units at the close of business on April 9, 2010 will be entitled to vote at the Meeting, or any adjournment(s) or postponement(s) thereof.

Registered holders of Units who are unable to attend the Meeting in person are requested to complete, date and sign the enclosed form of proxy and return it, in the envelope provided, to the Fund’s transfer agent, Computershare Trust Company of Canada, by delivering the proxy to Proxy Department, Computershare Trust Company of Canada (i) by mail to 100 University Ave., 9th floor, Toronto, Ontario, M5J 2Y1; or (ii) by facsimile at 1-866-249-7775, so that it is received by 4:00 p.m. (Central time) on May 6, 2010 (or at least 48 hours prior to the commencement of any reconvened meeting in the event of any adjournment(s) or postponement(s) thereof).

If you are a non-registered holder of Units and received these materials through your broker or through another intermediary, please complete and return the form of proxy or voting instruction form, as the case may be, provided to you in accordance with the instructions provided by your broker or intermediary.

DATED at Toronto, Ontario, this 24th day of March, 2010.

**By Order of the Trustees
of Bird Construction Income Fund**

(signed) PAUL A. CHARETTE

Paul A. Charette
Chair of the Board of Trustees

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GLOSSARY OF TERMS

The following is a glossary of terms used in this Circular including the Summary.

“**Administration Agreement**” has the meaning set forth under “Administration Agreement”.

“**affiliate**” has the meaning ascribed thereto in the *Securities Act* (Ontario).

“**Amendments**” means the amendments to the Declaration of Trust effected by the Amendments Resolution.

“**Amendments Resolution**” means the Special Resolution in respect of the amendments to the Declaration of Trust in substantially the form attached as Appendix A to this Circular to be voted upon by Unitholders at the Meeting.

“**Annual Information Form**” means the annual information form of the Fund dated March 12, 2010 in respect of the Fund’s fiscal year ended December 31, 2009, incorporated by reference in this Circular.

“**Arrangement**” means the proposed arrangement under Section 182 of the OBCA on the terms and conditions set forth in the Plan of Arrangement.

“**Arrangement Agreement**” means the arrangement agreement dated March 12, 2010 between the Fund and New Bird pursuant to which the parties thereto have proposed to implement the Arrangement, a copy of which is attached as Appendix C to this Circular, including any amendments thereto.

“**Arrangement Resolution**” means the Special Resolution in respect of the Arrangement in substantially the form attached as Appendix B to this Circular to be voted upon by Unitholders at the Meeting.

“**Articles of Arrangement**” means the articles of arrangement in respect of the Arrangement required under Section 182 of the OBCA to be filed with the OBCA Director after the Final Order has been made giving effect to the Arrangement.

“**associate**” has the meaning given thereto in the *Securities Act* (Ontario).

“**Bird**” means Bird Construction Company Limited, a Saskatchewan company.

“**Bird Board of Directors**” means the board of directors of Bird.

“**Bird Directors**” means the directors of Bird from time to time.

“**Bird Shares**” means the common shares of Bird.

“**Board of Trustees**” means the board of trustees of the Fund.

“**Business Day**” means a day other than a Saturday, Sunday or statutory or civic holiday, when banks are generally open for the transaction of business in Toronto, Ontario.

“**CDS**” means CDS Clearing and Depository Services Inc.

“**Certificate**” means the certificate which may be issued by the OBCA Director pursuant to Section 183(2) of the OBCA or, if no certificate is to be issued, the proof of filing in respect of the Arrangement.

“**Circular**” means this management information circular.

“**Court**” means the Ontario Superior Court of Justice (Commercial List).

“**CRA**” has the meaning ascribed thereto under “Canadian Federal Income Tax Considerations”.

“**Declaration of Trust**” means the amended and restated declaration of trust dated February 16, 2006 governing the Fund, as the same may be amended from time to time.

“**Distribution**” means a distribution paid by the Fund in respect of the Units, expressed as an amount per Unit.

“**Effective Date**” means the date the Arrangement is effective under the OBCA upon filing with the OBCA Director the Articles of Arrangement and a copy of the Final Order, together with such other materials as may be required by the OBCA Director.

“**Excess Unit Value**” has the meaning ascribed thereto under “Canadian Federal Income Tax Considerations — Unitholders Resident in Canada — Exchange of Units for New Bird Shares”.

“**Excess Share Value**” has the meaning ascribed thereto under “Canadian Federal Income Tax Considerations — Unitholders Resident in Canada — Exchange of Units for New Bird Shares”.

“**Executive Officer**” has the meaning set forth under “Compensation of Executive Officers — Compensation Discussion & Analysis — Design of the Executive Compensation Program”.

“**Final Order**” means the order of the Court approving the Arrangement to be applied for following the Meeting and to be granted pursuant to the provisions of Section 182(5) of the OBCA, as such order may be affirmed, amended or modified by any court of competent jurisdiction.

“**Fund**” means Bird Construction Income Fund, a trust established under the laws of the Province of Ontario pursuant to the Declaration of Trust.

“**GAAP**” means Canadian generally accepted accounting principles.

“**Holder**” means a registered holder of Units immediately prior to the Effective Date or any person who surrenders to the Transfer Agent certificates representing Units duly endorsed for transfer by such person.

“**Interim Order**” means the interim order of the Court dated March 19, 2010 under Section 182(5) of the OBCA containing declarations and directions with respect to the Arrangement and the Meeting and issued pursuant to the application of the Fund, the Unitholders and New Bird therefor, a copy of which is attached as Appendix D to this Circular, as such order may be affirmed, amended or modified by any court of competent jurisdiction.

“**Intermediary**” has the meaning set forth under “Introduction — Advice to Beneficial Holders of Units”.

“**Meeting**” means the annual and special meeting of Unitholders to be held on May 10, 2010 and any adjournment(s) or postponement(s) thereof, to consider and to vote on the matters described in the Notice of Meeting.

“**Meeting Materials**” has the meaning set forth under “Introduction — Advice to Beneficial Holders of Units”.

“**MTIP**” has the meaning set forth under “Compensation of Executive Officers — Compensation Discussion & Analysis — Elements of the Executive Compensation Program”.

“**New Bird**” means Bird Construction Inc., an Ontario company which is a wholly-owned subsidiary of the Fund.

“**New Bird Board of Directors**” means the board of directors of New Bird.

“**New Bird Directors**” means the directors of New Bird from time to time.

“**New Bird Shareholders**” means the holders of New Bird Shares.

“**New Bird Shares**” means the common shares of New Bird.

“**Non-Registered Holder**” has the meaning set forth under “Introduction — Advice to Beneficial Holders of Units”.

“**Non-Resident Unitholder**” has the meaning ascribed thereto under “Canadian Federal Income Tax Considerations — Unitholders not Resident in Canada”.

“**Notice of Meeting**” means the notice of annual and special meeting which accompanies this Circular.

“**Notice of Application**” means the notice of application by Bird to the Court for the Final Order which accompanies this Circular and is attached hereto as Appendix E.

“**OBCA**” means the *Business Corporations Act*, R.S.O. 1990, c. B-16, as amended, including the regulations promulgated thereunder.

“**OBCA Director**” means the director of corporations appointed under Section 278 of the OBCA.

“**Plan**” means a trust governed by a registered retirement savings plan, registered retirement income fund, deferred profit sharing plan, registered education savings plan, registered disability savings plan or TFSA, as such terms are defined in the Tax Act.

“**Plan of Arrangement**” means the plan of arrangement attached as Exhibit 1 to Appendix C to this Circular, as amended or supplemented from time to time in accordance with the terms thereof.

“**PPP**” means a Public Private Partnership.

“**Profit Sharing Plan**” has the meaning set forth under “Compensation of Executive Officers — Compensation Discussion & Analysis — Elements of the Executive Compensation Program”.

“**Record Date**” means the close of business on April 9, 2010.

“**Resident Unitholder**” has the meaning ascribed thereto under “Canadian Federal Income Tax Considerations — Unitholders Resident in Canada”.

“**SIFTs**” means specified investment flow-through trusts.

“**SIFT Rules**” has the meaning set forth under “Background to and Reasons for the Arrangement — The SIFT Rules”.

“**Special Resolution**” means a resolution proposed to be passed as a special resolution at a meeting of Unitholders (including an adjourned or postponed meeting) duly convened for the purpose and held in accordance with the provisions of the Declaration of Trust at which two or more holders of at least 25% of the number of Units then outstanding are present in person or by proxy and passed by the affirmative vote of the holders of not less than two-thirds of the Units represented at the meeting and voted on a poll upon such resolution.

“**Subsidiary**” means, in relation to any person, any body corporate, partnership, association or other entity to which more than 50% of the total voting power of shares or units of ownership or beneficial interest entitled to vote in the election of directors (or members of a comparable governing body) is owned or controlled, directly or indirectly, by such person.

“**Tax Act**” means the *Income Tax Act* (Canada), as amended, including the regulations promulgated thereunder.

“**Tax Fairness Plan**” has the meaning set forth under “Background to and Reasons for the Arrangement — The SIFT Rules”.

“**Tax Proposals**” has the meaning ascribed thereto under “Canadian Federal Income Tax Considerations”.

“**TFSA**” means tax free savings account, as such term is defined in the Tax Act.

“**Transfer Agent**” means Computershare Trust Company of Canada, at its principal offices in Calgary, Alberta.

“**Trustees**” means the trustees of the Fund from time to time.

“**TSX**” means the Toronto Stock Exchange.

“**Unit**” means a unit of the Fund.

“**Unitholders**” means the holders of Units from time to time.

“**Voting Instruction Form**” has the meaning set forth under “Introduction — Advice to Beneficial Holders of Units”.

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

“**1934 Act**” means the United States *Securities Exchange Act of 1934*, as amended.

BUSINESS OF THE MEETING AND SUMMARY INFORMATION

The following is a summary of certain information contained elsewhere in this Circular. It is not, and is not intended to be, complete in itself. This is a summary only and is qualified in its entirety by the more detailed information and financial data and statements appearing elsewhere in this Circular. Unitholders are urged to review this Circular, including the Appendices, in its entirety. Certain capitalized terms used in this summary are defined in the Glossary of Terms. In this Circular, all dollar amounts are stated in Canadian dollars, unless otherwise indicated.

The Meeting

The Fund has called the Meeting of its Unitholders as an annual and special meeting to consider and, if deemed advisable, to approve (i) the Amendments Resolution; (ii) the appointment of auditors of the Fund and authorization of the Trustees to fix the remuneration to be paid to the auditors; (iii) the election of Trustees; (iv) the designation of individuals to be elected as Bird Directors; (v) the Arrangement Resolution; and (vi) any other matters that may properly come before the Meeting. The Meeting will be held at The Fort Garry Hotel, 222 Broadway, Winnipeg, Manitoba on May 10 at 4:00 p.m. (Central time).

Receiving the Financial Statements

The Fund's audited, consolidated financial statements for the year ended December 31, 2009, together with the report of the auditor, will be placed before the Meeting.

Amendments to the Declaration of Trust

At the Meeting, the Unitholders are being asked to consider and, if thought advisable, to pass, with or without variation, the Amendments Resolution, the full text of which is set forth in Appendix A. If approved, the Amendments Resolution will ratify amendments to the Declaration of Trust that provide greater clarity with respect to the ability of Unitholders to vote to approve certain merger, arrangement or reorganization transactions, including the Arrangement. The intent of the Amendments is to provide Unitholders with greater control over binding the Fund with respect to a restructuring transaction. Provided that the Amendments Resolution is approved, the Declaration of Trust will be amended and restated effective as of March 12, 2010 in order to reflect the Amendments. The majority required to pass the Amendments Resolution shall be not less than two-thirds of the votes cast by Unitholders voting, in person or by proxy, at the Meeting. **In the absence of contrary instructions, the Bird Directors and/or Executive Officers named as proxyholders in the enclosed proxy intend to vote FOR the Amendments Resolution.**

See "Approval of Amendments to the Declaration of Trust".

Electing Trustees and Directors

There are currently seven Trustees on the Board of Trustees. The Declaration of Trust provides that the Fund will have a minimum of three and a maximum of ten Trustees, with the number of Trustees from time to time to be fixed by the Board of Trustees. The Board of Trustees has fixed the number of Trustees at eight and, at the Meeting, eight Trustees will be proposed for election. All Trustee nominees currently sit on the Board of Trustees with the exception of Mr. Tim Talbott. The eight nominees proposed for election as Trustees are also proposed for election as Bird Directors. All Trustees and Bird Directors will be elected for a term ending at the next annual meeting of the Fund or until their successors are elected or appointed.

The nominees of the Board of Trustees are also the current directors of New Bird, the corporation that will own 100% of the Fund and Bird after giving effect to the Arrangement. Following completion of the Arrangement, these individuals will remain as the New Bird Directors until the first annual meeting of New Bird to be held in 2011 or until their successors are elected or appointed. The Unitholders, therefore, are being asked at the Meeting to elect eight Trustees who will also be the directors of New Bird. See "Appendix F — Information Concerning New Bird".

The Board of Trustees does not expect that any of the proposed nominees will be unable to serve as a Trustee or as a Bird Director, but if that occurs for any reason prior to the Meeting, the persons named in the enclosed form of proxy will vote in their discretion for another nominee unless authority has been withheld on the form of proxy. **In the absence of contrary instructions, the Bird Directors and/or Executive Officers named as proxyholders in the enclosed proxy intend to vote FOR the election of the nominees named in the Circular for the ensuing year.**

Further information about the nominees for election as Trustees and Bird Directors is set forth under "Election of the Board of Trustees and Bird Board of Directors" in this Circular.

Appointing the Auditors

The Board of Trustees and management of Bird recommend that KPMG LLP be re-appointed as auditors of the Fund for the 2010 fiscal year at remuneration to be fixed by the Trustees. KPMG LLP has served as auditors of the Fund or one of its predecessors for over 40 years. **In the absence of contrary instructions, the Bird Directors and/or Executive Officers named as proxyholders in the enclosed proxy intend to vote FOR the appointment of KPMG LLP as auditors, to hold office for a one-year term at remuneration to be fixed by the Trustees.**

See “Appointment of Auditor”.

The Arrangement

At the Meeting, the Unitholders are being asked to consider and, if thought advisable, to pass, with or without variation, the Arrangement Resolution, the full text of which is set forth in Appendix B, approving the Arrangement. If approved, the Arrangement will result in the reorganization of the Fund’s income trust structure into a corporate structure under New Bird, which will own all of the Units of the Fund. New Bird will carry on the existing businesses of the Fund.

Pursuant to the Arrangement, Unitholders will receive, for each Unit held, one New Bird Share on the Effective Date of the Arrangement. Provided that the Arrangement Resolution is approved and all conditions in the Arrangement Agreement are satisfied or waived, the Fund anticipates filing the Articles of Arrangement that give effect to the Arrangement on or about January 1, 2011. Following the Effective Date, the New Bird Shares will be listed on the TSX, subject to New Bird fulfilling the requirements of the TSX. See “The Arrangement — Effect of Arrangement on Unitholders” and “The Arrangement — New Bird Share Certificates”.

After duly considering the financial aspects and other considerations relating to the proposed Arrangement, including, without limitation, the terms of the proposed Arrangement and the Board of Trustees’ duties and responsibilities to Unitholders, the Board of Trustees unanimously approved the proposed Arrangement and concluded that the Arrangement was fair to Unitholders and was in the best interests of Unitholders and the Fund, and unanimously resolved to recommend that Unitholders vote their Units in favour of the Arrangement. **In the absence of contrary instructions, the Bird Directors and/or Executive Officers named as proxyholders in the enclosed proxy intend to vote FOR the Arrangement Resolution.**

See “The Arrangement — Effect of Arrangement on Unitholders”, “The Arrangement — Arrangement Steps”, “The Arrangement — Arrangement Agreement”, “Canadian Federal Income Tax Considerations” and “The Arrangement — Risks Relating to the Arrangement”.

Background to and Reasons for the Arrangement

With the introduction of the SIFT Rules on October 31, 2006, the Fund believes that there is diminishing value associated with the trust structure. The Board of Trustees and senior management of Bird believe that the best opportunity for creating value is to proceed forward as a corporate entity. The Arrangement allows the Fund to convert to a corporation while maintaining its focus on enhancing value for Unitholders. Furthermore, the Arrangement will enable the Fund to continue with an initial cash dividend rate equivalent, on an annual basis, to its existing Distribution rate and to pursue growth opportunities. The Fund believes that the benefits of the Arrangement include the following:

- the Arrangement provides for an effective and efficient method of converting the Fund from a mutual fund trust to a corporation without creating an adverse income tax obligation to the Fund;
- it is expected that Unitholders will be able to exchange Units for New Bird Shares on a tax-deferred basis for Canadian income tax purposes;
- the Fund anticipates that the reorganized structure of the Fund as a common share corporation will attract new investors, including Non-Resident investors, and provide, in the aggregate, a more active and attractive market for the New Bird Shares than currently exists for the Units;
- the Fund expects that a conversion to a corporation may result in a higher equity valuation, as its financial and operational performance may be more easily valued relative to other publicly-held companies in the Canadian and U.S. markets;
- the Fund believes that converting to a growth-oriented dividend paying corporation may better position New Bird to pursue growth opportunities while at the same time providing income-oriented investors with a cash yield;

- the Fund believes that conversion to a corporation will result in improved access to security bonds and financing arrangements in the PPP infrastructure business by eliminating the complications arising from the income trust structure; and
- New Bird will be managed by the same experienced team of professionals that have demonstrated their ability to deliver on development and acquisition opportunities as well as organic growth, with a commitment to managing growth and investing capital where it can achieve consistently strong returns.

See “Background to and Reasons for the Arrangement — Anticipated Benefits of the Arrangement”.

Approval and Recommendation of the Board of Trustees

The Board of Trustees has reviewed the terms of the Arrangement and has unanimously determined that the Arrangement is in the best interests of the Fund and Unitholders and is fair to Unitholders and has authorized the submission of the Arrangement to the Unitholders for approval. **Accordingly, the Board of Trustees unanimously recommends that Unitholders vote FOR the Arrangement Resolution.**

Approval of Unitholders Required for the Arrangement

Pursuant to the Interim Order, the majority required to pass the Arrangement Resolution shall be not less than two-thirds of the votes cast by Unitholders voting, in person or by proxy, at the Meeting. See “General Proxy Matters — Procedure and Votes Required”.

Court Approval

Implementation of the Arrangement requires the satisfaction of several conditions and the approval of the Court. See “The Arrangement — Procedure for the Arrangement Becoming Effective”. An application for the Final Order approving the Arrangement is expected to be made on May 14, 2010 at 10:00 a.m. in Toronto, Ontario. In deciding whether to grant the Final Order, the Court will consider, among other things, the fairness of the Arrangement. See “The Arrangement — Court Approval”.

TSX Substitutional Listing Approval

The TSX has conditionally approved the substitutional listing of the New Bird Shares issuable pursuant to the Arrangement, subject to New Bird fulfilling the requirements of the TSX. See “The Arrangement — Substitutional Listing Approval”.

Timing of Completion of the Arrangement

If the Meeting is held as scheduled and is not adjourned and the other necessary conditions are satisfied or waived, the Fund and New Bird will apply for the Final Order approving the Arrangement at a hearing scheduled for May 14, 2010. Pursuant to the Arrangement Resolution, the Board of Trustees will have the discretion to determine the Effective Date once the Final Order has been granted. The Fund intends to file the Articles of Arrangement with the OBCA Director and give effect to the Arrangement on or about January 1, 2011.

It is a condition precedent to the completion of the Arrangement that the Final Order is in form and substance satisfactory to the Fund and New Bird and all other conditions set forth in the Arrangement Agreement have been satisfied or waived. The Effective Date could be delayed for a number of reasons, including an objection before the Court at the hearing of the application for the Final Order.

New Bird Share Certificates

Upon the Arrangement becoming effective, certificates representing Units need not be tendered for certificates representing New Bird Shares. Pursuant to the Arrangement, the existing certificates for Units will represent New Bird Shares and the right to receive certificates representing an equivalent number of New Bird Shares on exchange of such Unit certificates for share certificates of New Bird. Such an exchange of Unit certificates can be made on request by a former holder of Units and will be made upon a transfer of New Bird Shares. In the event that a former Unitholder wishes to receive a physical certificate in their name representing the New Bird Shares held by them upon completion of the Arrangement, the certificates representing such holder’s Units should be mailed, with a letter requesting the certificates representing such holder’s New Bird Shares, to Computershare Investor Services Inc., 100 University Avenue, Toronto, Ontario, M5J 3Y1, Attention: Service Delivery 9th Floor, Phone: 1-800-564-6253.

Fund Distributions until the Effective Date

Under the Arrangement, Unitholders will receive one New Bird Share for each Unit held on the Effective Date, which is expected to be on or about January 1, 2011. Subject to the discretion of the Trustees, the Fund intends to continue to pay a Distribution of \$0.15 per Unit to holders of record on the last business day of each month up to but excluding the month in which the Arrangement becomes effective. Provided that the Arrangement is completed as scheduled on January 1, 2011, the anticipated Distribution in respect of the month of December, 2010 would be the last Distribution paid to Unitholders by the Fund. After completion of the Arrangement, cash distributed to New Bird Shareholders will be paid as dividends. Any decision to pay dividends on the New Bird Shares will be made by the New Bird Board of Directors on the basis of New Bird earnings, capital required to support growth or changes in contract mix including anticipated requirements for working capital and equity to satisfy contract security and other conditions existing from time to time. See Appendix F — *Information Concerning New Bird* under “Dividend Record and Policy”.

New Bird Dividend Policy Following Arrangement

The New Bird Directors intend to adopt an initial dividend rate that is equivalent, on an annual basis, to the existing Distribution rate of the Fund. Dividends on the New Bird Shares are expected to be paid quarterly to New Bird Shareholders of record on the last business day of each quarter, with actual payments made to such shareholders on or about the 20th day of the following month, subject to any contractual restrictions on such dividends including any agreements entered into with lenders of New Bird or its affiliates. The first quarterly dividend is expected to be paid in April 2011 for the first quarter of 2011. However, the New Bird Board of Directors can modify the dividend policy from time to time in its discretion. See Appendix F — *Information Concerning New Bird* under “Dividend Record and Policy”.

Corporate Governance of New Bird

The Board of Trustees has determined that the New Bird Board of Directors should be comprised of eight individuals to ensure that they have the resources, breadth of experience and range of expertise to effectively carry out their responsibilities. The nominees to the Board of Trustees are also the current directors of New Bird, the corporation that will own 100% of the Fund and Bird after giving effect to the Arrangement. Following completion of the Arrangement, these individuals will remain as the New Bird Directors until the first annual meeting of New Bird to be held in 2011 or until their successors are elected or appointed. The Unitholders, therefore, are being asked at the Meeting to elect eight Trustees who will also be the directors of New Bird. See Appendix F — *Information Concerning New Bird* under “Directors and Executive Officers”.

Canadian Federal Income Tax Considerations

Generally, a Resident Fund Unitholder who disposes of his, her or its Units to New Bird in exchange for New Bird Shares pursuant to the Arrangement will not realize a capital gain or a capital loss on the disposition of his, her or its Units and the aggregate adjusted cost base of the New Bird Shares received by the Unitholder upon the Arrangement will be equal to the aggregate adjusted cost base of the Units held by the Unitholder immediately prior to the Arrangement.

The foregoing summary is of a general nature only and is qualified in its entirety by the summary of the principal Canadian federal income tax considerations contained in this Circular. See “Canadian Federal Income Tax Considerations”. **All Unitholders should consult their own tax advisers for advice with respect to their own particular circumstances.**

Other Tax Considerations

This Circular does not address any tax considerations of the Arrangement other than Canadian federal income tax considerations. Unitholders who are resident in jurisdictions other than Canada should consult their tax advisors with respect to the tax implications in such jurisdictions of acquiring and holding New Bird Shares after the Arrangement. All Unitholders should consult their own tax advisors regarding provincial, territorial or other tax considerations of the Arrangement or of holding New Bird Shares having regard to their circumstances.

Risk Factors

The following risk factors relating to the Arrangement and New Bird should be carefully considered before making a decision relating to the Arrangement: risks relating to a failure to obtain necessary approvals for completion of the Arrangement and risks in respect of the Fund’s business and the industry in which the Fund and its affiliates operate.

The details regarding the risk factors listed above are contained elsewhere in this Circular. See “The Arrangement — Risk Relating to the Arrangement” and Appendix F — *Information Concerning New Bird* under “Risk Factors”. In addition, for a description of the risk factors in respect of the Fund, see the section entitled “Risks Relating to the Business”, “Risks Relating to the Units” and “Income Tax Related Risks” in the Annual Information Form incorporated by reference herein. Unitholders should carefully consider all such risk factors.

Information Concerning the Fund and Bird

The Fund is an unincorporated open-ended investment trust governed by the laws of the Province of Ontario pursuant to the Declaration of Trust. The Fund was established for the purposes of investing in the securities of Subsidiaries of the Fund and generating monthly Distributions to Unitholders.

Bird is one of Canada’s leading general contractors with offices in Calgary, Edmonton, Halifax, Toronto, Saint John, Vancouver and Winnipeg. Bird services the industrial, commercial and institutional markets as well as the heavy civil market.

Information Concerning New Bird

New Bird was incorporated as a Subsidiary of the Fund on March 5, 2010 pursuant to the provisions of the OBCA for the sole purpose of participating in the Arrangement. New Bird has not carried on any business or conducted operations since its incorporation other than entering into the Arrangement Agreement. New Bird has no assets and no liabilities, other than the approximately \$10.00 in cash paid by the Fund to New Bird prior to the Effective Date as consideration for the issuance of one New Bird Share to the Fund. This financial information and financial information of New Bird appearing elsewhere in this Circular are based on the audited balance sheet of New Bird as at March 15, 2010.

Once the Arrangement has been completed, New Bird will hold all of the issued and outstanding Units and continue the business of the Fund and Bird as it is currently carried on. It is expected that, as soon as practicable following the Effective Date, the Fund will be wound up and all of the outstanding Bird Shares will be distributed to New Bird. The head and registered office of New Bird is located at 5403 Eglinton Avenue West, Toronto, Ontario M9C 5K6. See Appendix F — *Information Concerning New Bird*. and Appendix G — *Pro Forma Financial Information of New Bird*.

INTRODUCTION

This Circular is furnished in connection with the solicitation of proxies by and on behalf of the Board of Trustees of the Fund for use at the Meeting, and any adjournment(s) or postponement(s) thereof. No person has been authorized to give any information or make any representation in connection with the Arrangement or any other matters to be considered at the Meeting other than those contained in this Circular and, if given or made, any such information or representation must not be relied upon as having been authorized.

All summaries of, and references to, the Arrangement in this Circular are qualified in their entirety by reference to the complete text of the Plan of Arrangement, a copy of which is attached as Exhibit 1 to the Arrangement Agreement which is attached as Appendix C to this Circular. You are urged to carefully read the full text of the Plan of Arrangement.

All capitalized terms used in this Circular but not otherwise defined herein have the meaning set forth under “Glossary of Terms”. Information contained in this Circular is given as of March 24, 2010 unless otherwise specifically stated.

Forward-looking Statements

This Circular contains forward-looking statements. All statements other than statements of historical fact contained in this Circular are forward-looking statements, including, without limitation, statements regarding the future financial position, business strategy, proposed acquisitions, budgets, litigation, projected costs and plans and objectives of or involving the Fund, Bird or New Bird. Unitholders can identify many of these statements by looking for words such as “believe”, “expects”, “will”, “intends”, “projects”, “anticipates”, “estimates”, “continues” and similar words and the negative forms thereof. These forward-looking statements include statements with respect to: the amount and timing of the payment of the Distributions of the Fund; the timing of the Final Order and the Effective Date; the satisfaction of stock exchange listing conditions; the benefits of the Arrangement; the potential for payment of a dividend by New Bird; the business strategy of New Bird; and the liquidity of New Bird Shares. There can be no assurance that the plans, intentions or expectations upon which these forward-looking statements are based will occur. Forward-looking statements are subject to risks, uncertainties and assumptions, including those discussed elsewhere in this Circular. Although the Fund believes that the expectations represented in such forward-looking statements are reasonable, there can be no assurance that such expectations will prove to be correct. Some of the factors which could affect future results and could cause results to differ materially from those expressed in the forward-looking statements contained herein include: pending and proposed legislative or regulatory developments; competition from established competitors; interest rate fluctuations and general economic conditions; and fluctuations in operating results.

The information contained in this Circular, including the information set forth under “The Arrangement — Risks Relating to the Arrangement”, in Appendix F — *Information Concerning New Bird* under “Risk Factors” and in the Annual Information Form incorporated by reference herein under “Risks Relating to the Business”, “Risks Relating to the Units” and “Income Tax Related Risks”, identifies additional factors that could affect the operating results and performance of the Fund, Bird and New Bird.

Forward-looking information is based on various material factors or assumptions, which are based on information currently available to the Fund. Material factors or assumptions that were applied in drawing a conclusion or making an estimate set out in the forward-looking information may include, but are not limited to:

- the perceived benefits of the Arrangement are based upon the financial and operating attributes of the Fund as at the date hereof, anticipated operating and financial results from the date hereof to the Effective Date, the views of management and the Board of Trustees respecting the benefits associated with the Arrangement and current and anticipated market conditions. See “Background to and Reasons for the Arrangement — Anticipated Benefits of the Arrangement”;
- the attributes of New Bird following completion of the Arrangement are based upon the existing attributes of the Fund (including financial and operating attributes) and the opinions of Bird management and the Trustees concerning perceived benefits associated with the Arrangement. See Appendix F — *Information Concerning New Bird* and “Background to and Reasons for the Arrangement — Anticipated Benefits of the Arrangement”; and
- the structure and effect of the Arrangement are based upon the terms of the Arrangement Agreement and the transactions contemplated thereby, assumptions that all conditions in the Arrangement Agreement will be met and assumptions that the representations and warranties in the Arrangement Agreement will be true and correct at all applicable times. See “The Arrangement — Arrangement Agreement”.

The forward-looking statements contained herein are expressly qualified in their entirety by this cautionary statement. The forward-looking statements included in this Circular are made as of the date of this Circular and the Fund and New Bird undertake no obligation to publicly update such forward-looking statements to reflect new information, subsequent events or otherwise, except as required by applicable law.

Advice to Beneficial Holders of Units

These meeting materials are being sent to both registered and non-registered Unitholders. The information set forth in this section is of significant importance to Unitholders who do not hold units in their own name. Units that are owned but not held in the Unitholder's name are beneficially owned by that person (a **"Non-Registered Holder"**) and are registered either: (i) in the name of an intermediary (an **"Intermediary"**) with whom the Non-Registered Holder deals in respect of the Units (Intermediaries include, among others, banks, trust companies, securities dealers or brokers and trustees or administrators of self-administered RRSPs, RRIFs, RESPs and similar plans); or (ii) in the name of a clearing agency (such as CDS) of which the Intermediary is a participant. In accordance with the requirements of National Instrument 54-101, the Fund will have distributed copies of the Notice of Meeting, this Circular and the form of proxy (collectively, the **"Meeting Materials"**) to the clearing agencies and the Intermediaries for onward distribution to Non-Registered Holders.

Intermediaries are required to forward the Meeting Materials to Non-Registered Holders. Non-Registered Holders will generally be given, in substitution for the proxy otherwise contained in proxy-related materials, a request for voting instructions (the **"Voting Instruction Form"**) which, when properly completed and signed by the Non-Registered Holder and returned to the Intermediary, will constitute voting instructions which the Intermediary must follow. Less frequently, a Non-Registered Holder will receive, as part of the Meeting Materials, a form of proxy that has already been signed by the Intermediary which is restricted as to the number of Units beneficially owned by the Non-Registered Holder but which is otherwise uncompleted.

The purpose of this procedure is to permit Non-Registered Holders to direct the voting of the Units they beneficially own. Should a Non-Registered Holder who receives the Voting Instruction Form wish to vote at the Meeting in person (or have another person attend and vote on behalf of the Non-Registered Holder), the Non-Registered Holder should so indicate in the place provided for that purpose in the Voting Instruction Form and a form of legal proxy will be sent to the Non-Registered Holder. If a Non-Registered Holder that receives a signed form of proxy wishes to attend and vote at the Meeting in person (or have another person attend and vote on behalf of the Non-Registered Holder), the Non-Registered Holder must strike out the names of the persons named in the proxy and insert the Non-Registered Holder's (or such other person's) name in the blank space provided. In any event, Non-Registered Holders should carefully follow the instructions on the form they receive and contact their Intermediaries promptly if they need assistance.

Information for United States Shareholders

The New Bird Shares to be issued pursuant to the Arrangement have not been registered under the 1933 Act, and are being issued in reliance on the exemption from registration set forth in Section 3(a)(10) thereof. The solicitation of proxies for the Meeting is not subject to the requirements of Section 14(a) of the 1934 Act. The New Bird Shares will not be listed for trading on any United States stock exchange nor does the Fund or New Bird have any such plans for the future. Accordingly, this Circular has been prepared solely in accordance with the disclosure requirements applicable in Canada. Unitholders in the United States should be aware that such requirements are different from those applicable to registration statements under the 1933 Act and proxy statements under the 1934 Act. The unaudited *pro forma* financial statements of New Bird and the audited and unaudited historical financial statements of the Fund and New Bird included or incorporated by reference in this Circular have been prepared in accordance with Canadian GAAP and are subject to Canadian auditing and auditor independence standards, and thus are not comparable in all respects to financial statements prepared in accordance with United States GAAP. Likewise, information concerning the operations of Bird, New Bird and the Fund contained herein has been prepared in accordance with Canadian disclosure standards, which are not comparable in all respect to United States disclosure standards.

See "The Arrangement — Securities Law Matters" for additional information, including transfer restrictions under U.S. securities law.

Tax considerations applicable to United States Unitholders, other than certain Canadian federal income tax considerations, have not been included in this Circular. United States Unitholders are advised to consult their tax advisors to determine the particular tax consequences to them of the Arrangement.

The enforcement by investors of civil liabilities under the United States securities laws may be affected adversely by the fact that Bird, New Bird and the Fund are organized or settled, as applicable, under the laws of Saskatchewan and Ontario, Canada, as the case may be, that their officers and their directors and trustees, respectively, are residents of countries other than the United States, that the experts named in this Circular are residents of countries other than the United States, and that a substantial portion of the assets of Bird, New Bird, and the Fund and such persons are located outside of the United States.

THE NEW BIRD SHARES HAVE NOT BEEN APPROVED OR DISAPPROVED BY THE UNITED STATES SECURITIES AND EXCHANGE COMMISSION OR THE SECURITIES REGULATORY AUTHORITY IN ANY STATE OF THE UNITED STATES, NOR HAS THE UNITED STATES SECURITIES AND EXCHANGE COMMISSION OR SUCH AUTHORITY PASSED ON THE ADEQUACY OR ACCURACY OF THIS CIRCULAR. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENCE.

APPROVAL OF AMENDMENTS TO THE DECLARATION OF TRUST

Section 12.5 of the Declaration of Trust provides that the Unitholders shall be entitled to pass resolutions that will bind the Fund only with respect to certain enumerated matters. The Arrangement does not fall squarely within the ambit of these enumerated matters and, as such, the Trustees have passed a resolution amending the Declaration of Trust in order to give Unitholders the power to bind the Fund with respect to Unitholder approval of the Arrangement. The intent of the Amendments is to provide greater clarity with respect to the ability of Unitholders to vote to approve certain merger, arrangement or restructuring transactions, including the Arrangement.

Specifically, it is proposed that Unitholders ratify amendments to section 12.5 of the Declaration of Trust which provide Unitholders with the right to bind the Fund with respect to a merger, arrangement or reorganization involving the Fund or its Subsidiaries.

Section 11.1(b)(v) of the Declaration of Trust provides that the Trustees may, without the consent, approval or ratification of the Unitholders, make such amendments to the Declaration of Trust that, in the opinion of the Trustees, provide added benefits to the Unitholders. The Trustees believe that the Amendments do provide added benefits to the Unitholders but, as a matter of good governance, are nonetheless seeking ratification by the Unitholders of the Amendments at the Meeting.

If the Amendments Resolution is approved and the Amendments are ratified by the Unitholders, the Declaration of Trust will be amended and restated effective as of March 12, 2010 in order to reflect the Amendments. As a result of the Amendments, the Unitholders will be able to bind the Trustees in respect of the Arrangement Resolution. The full text of the Amendments Resolution is attached as Appendix A to the Circular. **The Board of Trustees unanimously recommends that Unitholders vote FOR the Amendments Resolution. In the absence of contrary instructions, the Bird Directors and/or Executive Officers named as proxyholders in the enclosed proxy intend to vote FOR the Amendments Resolution.**

BACKGROUND TO AND REASONS FOR THE ARRANGEMENT

The SIFT Rules

On October 31, 2006, the Federal Minister of Finance announced the federal government's tax-fairness plan (the "**Tax-Fairness Plan**") that included a proposal to change the tax treatment of income trusts. Bill C-52, the *Budget Implementation Act, 2007*, which came into force on June 22, 2007, contained legislation to implement the taxation of "specified investment flow-through" entities announced as part of the Tax-Fairness Plan (the "**SIFT Rules**"). Amendments to the SIFT Rules came into force on March 12, 2009.

The SIFT Rules apply a tax at the trust level on certain income earned by, among other entities, publicly traded mutual fund trusts, at a rate of tax comparable to the combined federal and provincial corporate tax rate and treat distributions of such income to unitholders as dividends. Under the SIFT Rules, publicly traded trusts existing on October 31, 2006 generally have a four year transition period to 2011 during which they would not be subject to the SIFT

Rules, provided such trusts experience only “normal growth” and no “undue expansion” before then. These rules restrict the ability of publicly traded trusts to issue new units beyond designated levels.

Historically, the Fund has not been liable for any amounts of income tax under the Tax Act because it generally is entitled to deduct (and has fully deducted) distributions to Unitholders in computing its income that would otherwise be subject to tax. Commencing in 2011, the Fund will be liable, under the SIFT Rules, to pay income tax under the Tax Act at a rate comparable to the combined federal and provincial corporate tax rate on distributions to Unitholders.

The Fund believes that investment interest in the trust sector has declined as a result of the announcement and subsequent enactment of the SIFT Rules. Furthermore, the Fund believes that investment interest in the trust sector will continue to decline as more income trusts convert back to a corporate structure or pursue other strategic options, leaving fewer income trusts in which to invest. The Fund believes that the resulting decline in the number of publicly-traded income trusts will create negative pressure on the trading price of trust units generally.

Strategic Analysis

In the months following announcement of the Tax Fairness Plan, management updated the Board of Trustees with respect to the potential impact and significance of the proposed tax changes to the Fund. In 2009, management and the Board of Trustees began to consider more seriously the expected impact of the SIFT Rules on the Fund if it continued to exist as a publicly traded trust. Beginning in early 2009, management consulted with legal counsel and financial advisors to gain a better understanding of the various options available to the Fund, including converting back to a corporate structure (including the possibility of acquiring a tax loss company), adopting alternative structures such as stapled or unstapled unit structures, maintaining the trust structure and pursuing a strategic going private transaction.

While management has met with financial advisors over the past year who have raised the possibility of a strategic transaction involving a privatization of the Fund, no potential buyers were put forward and management believes that, due to the size of the Fund and the business in which it operates, a sale of the Fund is not presently an option that would provide the most value to Unitholders.

The Board of Trustees, in consultation with management and legal and financial advisors, also considered the possibility of maintaining the trust structure of the Fund. The Board of Trustees does not believe that there are any income tax advantages to continuing to operate in a trust structure. Under the SIFT Rules, management of the Fund estimates that, beginning in the 2011 taxation year, the Fund would incur an additional income tax obligation of approximately \$7.6 million, which it does not currently incur. This is the same as the estimated additional tax that will be incurred as a corporation. As a result, the Fund does not consider there to be any tax advantage to maintaining the trust structure.

Furthermore, the Fund believes that income trusts as a general rule are not able to access capital as readily as their corporate counterparts. Due to the fact that the Fund believes that access to capital is a significant benefit to being a publicly-traded entity, the Board of Trustees believes that a corporate structure would be more beneficial to Unitholders at the present time. For these reasons, the Board of Trustees is of the view that there are no significant advantages to maintaining the more administratively burdensome trust structure.

Anticipated Benefits of the Arrangement

With the introduction of the SIFT Rules on October 31, 2006, the Fund believes that there is diminishing value associated with the trust structure. Management of Bird and the Board of Trustees believe that the best opportunity for creating value is to proceed forward as a corporate entity. The Arrangement allows the Fund to convert to a corporation while maintaining its focus on enhancing value for Unitholders. The Arrangement will enable the Fund to continue with an initial cash dividend rate equivalent, on an annual basis, to its existing distribution rate and to pursue growth opportunities. The Fund believes that the benefits of the Arrangement include the following:

- the Arrangement provides for an effective and efficient method of converting the Fund from a mutual fund trust to a corporation without creating an adverse income tax obligation to the Fund;
- it is expected that Unitholders will be able to exchange Units for New Bird Shares on a tax-deferred basis for Canadian income tax purposes;
- the Fund anticipates that the reorganized structure of the Fund as a common share corporation will attract new investors, including Non-Resident investors, and provide, in the aggregate, a more active and attractive market for the New Bird Shares than currently exists for the Units;

- the Fund expects that a conversion to a corporation may result in a higher equity valuation, as its financial and operational performance may be more easily valued relative to other publicly-held companies in the Canadian and U.S. markets;
- the Fund believes that converting to a growth-oriented dividend paying corporation may better position New Bird to pursue growth opportunities while at the same time providing income-oriented investors with a cash yield;
- the Fund believes that conversion to a corporation will result in improved access to security bonds and financing arrangements in the PPP infrastructure business by eliminating the complications arising from the income trust structure; and
- New Bird will be managed by the same experienced team of professionals that have demonstrated their ability to deliver on development and acquisition opportunities as well as organic growth, with a commitment to managing growth and investing capital where it can achieve consistently strong returns.

There is a risk that the Fund and Unitholders will not realize the anticipated benefits of the Arrangement. See “Introduction — Forward-Looking Statements”, “The Arrangement — Risk Relating to the Arrangement” and Appendix F — *Information Concerning New Bird* under “Risk Factors” and the risk factors relating to the Fund’s business in the Annual Information Form.

Approval and Recommendation of the Board of Trustees

The Board of Trustees, based on its own investigation, has unanimously determined that the Arrangement is fair to the Unitholders and is in the best interests of the Fund and the Unitholders. Accordingly, the Board of Trustees has unanimously approved the Arrangement and authorized the submission of the Arrangement to Unitholders and the Court for approval. The Board of Trustees unanimously recommends that Unitholders vote FOR the Arrangement Resolution.

In reaching its conclusions and formulating its recommendation, the Board of Trustees considered a number of factors, including the anticipated benefits of the Arrangement. See also “The Arrangement — Risk Relating to the Arrangement”, Appendix F — *Information Concerning New Bird* under “Risk Factors” and the risk factors relating to the Fund’s business in the Annual Information Form.

Each member of the Board of Trustees intends to vote all Units held by him in favour of the Arrangement Resolution. As at the date hereof, the current Trustees of the Fund own, directly or indirectly, or exercise control or direction over 679,663 Units, representing approximately 4.8% of the outstanding Units.

The discussion of the information and factors considered and given weight by the Board of Trustees is not intended to be exhaustive. In reaching the determination to approve and recommend the Arrangement Resolution, the Board of Trustees did not assign any relative or specific weight to the factors that were considered, and individual Trustees may have given a different weight to each factor.

Authority of the Board of Trustees

By passing the Arrangement Resolution approving the Arrangement, the Unitholders will also be giving authority to the Board of Trustees to use its best judgment to proceed with and cause the Fund to complete the Arrangement in the event of any variation of, or amendment to, the Arrangement Agreement, without any requirement to seek or obtain further approval of the Unitholders.

The Arrangement Resolution also provides that the Plan of Arrangement may be amended by the Board of Trustees before or after the Meeting without further notice to the Unitholders. The Board of Trustees has no current intention to amend the Plan of Arrangement; however, it is possible that the Trustees and/or management of Bird may determine, on the basis set forth below, that it is appropriate that amendments be made.

The Arrangement Resolution provides further that the Board of Trustees will have the discretion to determine the Effective Date once the Final Order has been granted. The Fund intends to file the Articles of Arrangement with the OBCA Director and give effect to the Arrangement on or about January 1, 2011.

THE ARRANGEMENT

General

If approved, the Arrangement will result in the reorganization of the Fund's trust structure into a corporation, New Bird, that will own all of the Units of the Fund. New Bird will continue to focus primarily on projects in the industrial, commercial and institutional sectors of the general contracting industry. New Bird expects to serve clients in the industrial, institutional, retail, commercial, multi-tenant residential, light industrial, and renovation and restoration sectors using fixed price, design-build, unit price, cost reimbursable, guaranteed upset price and construction management contract delivery methods. In 2008 and 2009, the Fund secured design-build contracts with groups participating in PPP contracts in the institutional sector and the Fund and New Bird will continue to pursue such opportunities in the coming years.

Following the completion of the Arrangement, the board of directors and senior management of New Bird will be comprised of the current members of the Board of Trustees and senior management of Bird.

Effect of Arrangement on Unitholders

Under the Arrangement, the Units held by Unitholders will be transferred to New Bird in consideration for New Bird Shares on the basis of one New Bird Share for each Unit so transferred. No certificates representing fractional New Bird Shares shall be issued under the Arrangement.

The Fund is currently paying a monthly Distribution at the rate of \$0.15 per Unit. If the Final Order is granted on May 14, 2010, the Fund expects to continue to pay a monthly Distribution of \$0.15 per Unit to holders of record on the last Business Day of each month up to but excluding the month in which the Arrangement becomes effective, subject to the discretion of the Trustees. Provided the Arrangement Resolution is approved and all conditions in the Arrangement Agreement are satisfied or waived, the Arrangement is expected to become effective on January 1, 2011.

The New Bird Directors intend to adopt an initial dividend rate that is equivalent, on an annual basis, to the existing Distribution rate of the Fund. Dividends on the New Bird Shares are expected to be paid quarterly to New Bird Shareholders of record on the last business day of each quarter, with actual payments made to such shareholders on or about the 20th day of the following month, subject to any contractual restrictions on such dividends including any agreements entered into with lenders of New Bird or its affiliates. The first quarterly dividend is expected to be paid in April 2011 for the first quarter of 2011. However, the New Bird Board of Directors can modify the dividend policy from time to time in its discretion. See Appendix F — *Information Concerning New Bird* under "Dividend Record and Policy".

See also "The Arrangement — New Bird Share Certificates", "Canadian Federal Income Tax Considerations" and Appendix F — *Information Concerning New Bird* under "Dividend Record and Policy".

Arrangement Steps

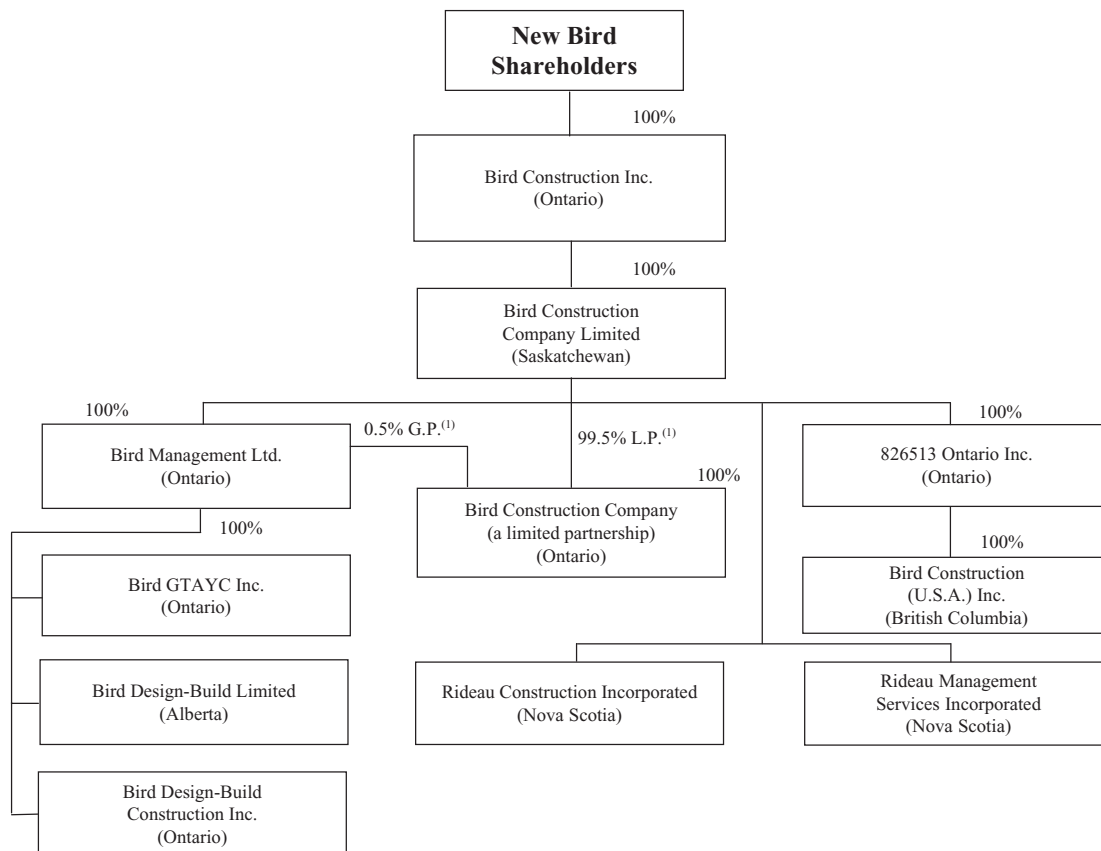
The following description of the Arrangement is qualified in its entirety by reference to the full text of the Plan of Arrangement set forth in Exhibit 1 to the Arrangement Agreement which is attached as Appendix C to this Circular.

The Fund and New Bird have entered into the Arrangement Agreement which provides for the implementation of the Arrangement pursuant to Section 182 of the OBCA. The Arrangement will become effective on the date of filing of the Final Order and the Articles of Arrangement and related documentation in the form prescribed by the OBCA with the OBCA Director. On the Effective Date, each of the events below shall, except as otherwise expressly provided, be deemed to occur sequentially without further act or formality:

- (a) the Unitholders will transfer, and will be deemed to have transferred, the Units to New Bird in exchange for New Bird Shares on a one-for-one basis;
- (b) there will be added to the stated capital account maintained for the New Bird Shares an amount to be determined by the New Bird Directors in accordance with subsection 24(2) of the OBCA in respect of the New Bird Shares issued under the Arrangement, and New Bird shall be authorized to subsequently reduce its stated capital in an amount to be determined by the New Bird Directors, in respect of which no amount is to be distributed to the New Bird Shareholders, as contemplated by clause 34(1)(b)(ii)(B) of the OBCA; and
- (c) New Bird shall purchase for cancellation the one New Bird Share issued to the Fund in connection with the organization of New Bird for consideration of \$10 and shall cancel such share.

For details respecting the terms of the New Bird Shares, see Appendix F — *Information Concerning New Bird*.

Following the Effective Date, Unitholders will be the sole shareholders of New Bird, and New Bird will own all of the issued and outstanding Units of the Fund. It is expected that, as soon as practicable following the Effective Date, the Fund will be wound up and all of the outstanding Bird Shares will be distributed to New Bird. The following diagram illustrates the organizational structure of New Bird and its principal Subsidiaries following the completion of the Arrangement and wind-up of the Fund.



New Bird, which will be managed by Bird's existing management team, will own, directly or indirectly, all of the Fund's existing assets and New Bird will pursue the same strategy previously employed by the Fund and Bird.

The Arrangement is being effected pursuant to the Arrangement Agreement. The Arrangement Agreement contains covenants, representations and warranties of and from each of the Fund and New Bird and various conditions precedent, both mutual and with respect to the Fund and New Bird. The Arrangement Agreement is attached as Appendix C to this Circular and reference is made thereto for the full text thereof.

Procedural Steps

- (a) the Arrangement must be approved by not less than two-thirds of the votes cast by Unitholders voting, in person or by proxy, at the Meeting;
- (b) the Arrangement must be approved by the Court pursuant to the Final Order;

- (c) all conditions precedent to the Arrangement, including those set forth in the Arrangement Agreement, must be satisfied or waived by the appropriate parties; and
- (d) the Articles of Arrangement and related documents, in the form prescribed by the OBCA, together with a copy of each of the Final Order and the Plan of Arrangement, must be filed with the OBCA Director and the Certificate must be issued by the OBCA Director.

Conditions Precedent to the Arrangement

The respective obligations of the Fund and New Bird to complete the Arrangement are subject to a number of conditions which must be satisfied or waived on or before the Effective Date. These conditions include:

- (a) the Arrangement Resolution shall have been approved by the requisite number of votes cast by the Unitholders at the Meeting in accordance with the provisions of the Interim Order and any applicable regulatory requirements;
- (b) the Final Order shall have been granted in form and substance satisfactory to the Fund and New Bird, acting reasonably, not later than December 31, 2010 or such later date as the parties may agree;
- (c) the Articles of Arrangement, together with a copy of each of the Plan of Arrangement and the Final Order and such other materials as may be required by the OBCA Director, in form and substance satisfactory to the Fund and New Bird, acting reasonably, shall have been accepted for filing by the OBCA Director, in accordance with Section 183 of the OBCA;
- (d) all material consents, orders, rulings, approvals and assurances, including regulatory and judicial approvals and orders, required for the completion of the transactions provided for in the Arrangement Agreement and the Plan of Arrangement shall have been obtained or received from the persons, authorities or bodies having jurisdiction in the circumstances, including orders, rulings, no action letters and registrations pursuant to the *Securities Act* (Ontario) and the comparable securities legislation of the other provinces of Canada to permit the New Bird Shares to be issued or transferred pursuant to the Arrangement and to be freely tradable in each such jurisdiction promptly following the Effective Date;
- (e) there shall not be in force any order or decree of a court of competent jurisdiction or of any federal, provincial, municipal or other governmental department, commission, board, agency or regulatory body restraining, interfering with or enjoining the consummation of the transactions contemplated by the Arrangement Agreement;
- (f) none of the consents, orders, rulings, approvals or assurances required for the implementation of the Arrangement shall contain terms or conditions or require undertakings or security deemed unsatisfactory or unacceptable by the Fund or New Bird, acting reasonably;
- (g) all necessary third party and regulatory and similar reviews, consents and approvals with respect to the transactions contemplated by the Arrangement Agreement shall have been completed or obtained;
- (h) no law, regulation or policy shall have been proposed, enacted, promulgated or applied which interferes or is inconsistent with the completion of the Arrangement including, without limitation, any material change to the income tax laws of Canada, which could have a material adverse effect on Unitholders if the Arrangement is completed; and
- (i) the approval of the TSX of the substitutional listing of the New Bird Shares to be issued pursuant to the Arrangement shall have been obtained, subject only to the filing of required documents which could not be filed prior to the Effective Date.

Notwithstanding the foregoing, the Arrangement Resolution proposed for consideration by the Unitholders authorizes the Board of Trustees, without further notice to or approval of the Unitholders, subject to the terms of the Arrangement, to amend the Arrangement, to decide not to proceed with the Arrangement, and to revoke the Arrangement Resolution at any time prior to the Arrangement becoming effective pursuant to the provisions of the OBCA. See Appendix B for the full text of the Arrangement Resolution.

Unitholder Approval

Pursuant to the Interim Order, the majority required to pass the Arrangement Resolution shall be not less than two-thirds of the votes cast by Unitholders voting, in person or by proxy, at the Meeting. See “General Proxy Matters — Procedure and Votes Required”.

Court Approval

The OBCA provides that an arrangement requires Court approval. Subject to the terms of the Arrangement Agreement, and if the Arrangement and the Arrangement Agreement are approved by Unitholders at the Meeting in the manner required by the Interim Order, which is attached to this Circular as Appendix D, the Fund will make application to the Court for the Final Order. The application for the Final Order approving the Arrangement is expected to be made on May 14, 2010 at 10:00 a.m. (Toronto time), or as soon thereafter as counsel may be heard, at 393 University Avenue, Toronto, Ontario. At the hearing, any Unitholder and any other interested party who wishes to participate or to be represented or to present evidence or argument may do so, subject to filing with the Court and serving upon the Fund, a Notice of Appearance, together with any evidence or materials which such party intends to present to the Court, as soon as practicable and, in any event, no less than two days before the hearing. Service of such notice shall be effected by service upon the solicitors for the Fund: Davies Ward Phillips & Vineberg LLP, 44th Floor, 1 First Canadian Place, Toronto, Ontario, M5X 1B1, Attention: James Doris.

The New Bird Shares to be issued pursuant to the Arrangement will not be registered under the 1933 Act in reliance upon the exemption from registration provided by Section 3(a)(10) thereof. The Court will be advised at the hearing of the application for the Final Order that if the terms and conditions of the Arrangement are approved by the Court, the securities issued pursuant to the Arrangement will not require registration under the 1933 Act.

The Fund has been advised by its legal counsel, Davies Ward Phillips & Vineberg LLP, that the Court has broad discretion under the OBCA when making orders with respect to the Arrangement and that the Court will consider, among other things, the fairness and reasonableness of the Arrangement, both from a substantive and a procedural point of view. The Court may approve the Arrangement either as proposed or as amended in any manner the Court may direct, subject to compliance with such terms and conditions, if any, as the Court thinks fit. Depending upon the nature of any required amendments, the Fund and New Bird may determine not to proceed with the Arrangement.

TSX Substitutional Listing Approval

In order to complete the Arrangement, the TSX shall have conditionally approved the substitutional listing of the New Bird Shares. The TSX has conditionally approved the substitutional listing of such shares, subject to New Bird fulfilling the requirements of the TSX. Pending the final approval of the listing of such securities by the TSX, the New Bird Shares will begin trading on the TSX on the second business day following the completion of the Arrangement under the symbol “BDT”.

Third Party Approvals

The Fund has an operating line of credit totalling \$51.5 million with a Canadian chartered bank. The consent of the bank is required to complete the Arrangement, which consent may not be unreasonably withheld or delayed. The Fund expects that the bank will provide its consent to the completion of the Arrangement, subject to completing customary additional documentation to reflect the new structure of the Fund.

The Fund does not believe that there are any other material third party consents that are required to complete the Arrangement. Certain agreements relating to Bird’s PPP projects may have to be revised, or New Bird may be required to enter into certain agreements, in connection with the subsequent wind-up of the Fund. The Trustees expect that any such revisions or new agreements would be on commercially reasonable terms and would be required simply to reflect the new corporate structure.

Timing of the Effective Date

If the Meeting is held as scheduled and is not adjourned or postponed and the other necessary conditions at that point in time are satisfied or waived, the Fund will apply for the Final Order approving the Arrangement. If the Final Order is obtained on May 14, 2010 in form and substance satisfactory to the Fund and New Bird, each acting reasonably, and all other conditions set forth in the Arrangement Agreement are satisfied or waived, the Fund expects the Effective Date will be on or about January 1, 2011. The Fund’s objective is to have the Effective Date occur on January 1, 2011 because the Fund’s fiscal year ends on December 31 and because the SIFT Rules will begin to apply to the Fund beyond that date. The

Effective Date could be delayed however, for a number of reasons, including an objection before the Court at the hearing of the application for the Final Order on May 14, 2010.

The Arrangement will become effective upon the filing with the OBCA Director of the Articles of Arrangement, together with a copy of each of the Plan of Arrangement and the Final Order and such materials as may be required by the OBCA Director and the issuance by the OBCA Director of the Certificate.

New Bird Share Certificates

Upon the Arrangement becoming effective, certificates representing Units need not be tendered for certificates representing New Bird Shares. Pursuant to the Arrangement, the existing certificates for Units will represent New Bird Shares and the right to receive certificates representing an equivalent number of New Bird Shares on exchange of such Unit certificates for share certificates of New Bird. Such an exchange of Unit certificates can be made on request by a former holder of Units and will be made upon a transfer of New Bird Shares. In the event that a former Unitholder wishes to receive a physical certificate in their name representing the New Bird Shares held by them upon completion of the Arrangement, the certificates representing such holder's Units should be mailed, with a letter requesting the certificates representing such holder's New Bird Shares, to Computershare Investor Services Inc., 100 University Avenue, Toronto, Ontario, M5J 3Y1, Attention: Service Delivery 9th Floor, Phone: 1-800-564-6253.

As the majority of Units trade in the "book-entry" system and no certificates are issued to Non-Registered Holders, no new certificates for these Units will be issued to beneficial holders of New Bird Shares following the completion of the Arrangement and beneficial holders of New Bird Shares do not need to take any action to receive New Bird Shares.

Distributions until the Effective Date

Under the Arrangement, Unitholders will receive one New Bird Share for each Unit held on the Effective Date, which is expected to be on or about January 1, 2011. Subject to the discretion of the Trustees, the Fund intends to continue to pay a Distribution of \$0.15 per Unit to holders of record on the last business day of each month up to but excluding the month in which the Arrangement becomes effective. Provided the Arrangement is completed as scheduled on January 1, 2011, the anticipated Distribution in respect of the month of December, 2010 would be the last Distribution paid to Unitholders by the Fund.

After completion of the Arrangement, cash distributed to New Bird Shareholders will be paid as dividends. Any decision to pay dividends on the New Bird Shares will be made by the New Bird Board of Directors on the basis of New Bird earnings, capital required to support growth or changes in contract mix including anticipated requirements for working capital and equity to satisfy contract security and other conditions existing from time to time. See Appendix F — *Information Concerning New Bird* under "Dividend Record and Policy".

Post-Arrangement Steps

It is expected that, as soon as practicable following the Arrangement, the Fund will be terminated and the Bird Shares that it holds will be distributed to New Bird, so that Bird will become a direct wholly-owned subsidiary of New Bird.

Following completion of the Arrangement and subsequent termination of the Fund, the Administration Agreement will also be terminated.

Interests of Certain Persons in the Arrangement

Trustees of the Fund and Bird Directors and Executive Officers beneficially own, directly or indirectly, or exercise control or direction over, an aggregate of 1,228,153 Units (approximately 8.7%). The Board of Trustees understands that each of the Trustees and the Bird Directors and Executive Officers currently intends to vote the Units owned or controlled by him in favour of the Arrangement Resolution.

Expenses of the Arrangement

The estimated cost to be incurred by the Fund, Bird and New Bird relating to the Arrangement including, without limitation, financial advisory, accounting and legal fees and the preparation and printing of this Circular are expected to aggregate approximately \$410,000.

Risks Relating to the Arrangement

The completion of the proposed Arrangement is subject to a number of conditions including: (i) approval of the Arrangement by Unitholders in accordance with applicable law and court orders granted in connection with the

Arrangement, (ii) the receipt of TSX approval and other consents, and (iii) there being no change with respect to the income tax laws or policies of Canada or to other regulatory laws or policies of Canada that would have a material adverse effect on the transactions contemplated by the Arrangement. These conditions may not be satisfied, or may not be satisfied on terms satisfactory to the Fund or New Bird, in which case the proposed Arrangement could be modified, restructured or terminated. In addition, the Board of Trustees and the New Bird Board of Directors have the discretion to determine not to proceed with the Arrangement.

Securities Law Matters

The New Bird Shares to be issued pursuant to the Arrangement will be issued in reliance on exemptions from prospectus and registration requirements of applicable Canadian securities laws and the New Bird Shares will generally be “freely tradable” under applicable securities laws of each of the provinces of Canada (other than as a result of any “control block” restrictions which may arise by virtue of the ownership thereof).

The New Bird Shares to be distributed pursuant to the Arrangement will not be registered under the 1933 Act in reliance upon the exemption from registration provided by Section 3(a)(10) of the 1933 Act. New Bird Shares distributed or transferred to a former Unitholder who is not an “affiliate” of the Fund immediately before the Arrangement, and is not an “affiliate” of New Bird immediately after the Arrangement, may be resold within or outside the United States without restriction under the 1933 Act. Former Unitholders who are affiliates of the Fund prior to the Arrangement, or affiliates of New Bird after the Arrangement, may not re-sell their New Bird Shares in the United States without an exemption from registration under the 1933 Act. For the purposes of the 1933 Act, an “affiliate” of the Fund or New Bird is a person that directly or indirectly through one or more intermediaries, controls or is controlled by, or is under common control with, the Fund or New Bird, as the case may be and generally includes officers, directors and holders of 10% or more of the outstanding voting securities of the Fund or New Bird. Unitholders who are or may be affiliates of the Fund or New Bird are urged to consult their legal advisors prior to disposing of New Bird Shares to determine the extent of all applicable resale provisions.

Legal Matters

Certain legal matters relating to the Arrangement are to be passed upon on the Effective Date by Davies Ward Phillips & Vineberg LLP, on behalf of the Fund.

CANADIAN FEDERAL INCOME TAX CONSIDERATIONS

In the opinion of Davies Ward Phillips & Vineberg LLP, counsel to the Fund and New Bird, the following is a fair and adequate summary, as of the date hereof, of the principal Canadian federal income tax considerations generally applicable under the Tax Act to Unitholders in respect of the Arrangement and the holding of New Bird Shares. This summary is applicable to a Unitholder who (a) holds Units as capital property; (b) deals at arm’s length and is not affiliated with the Fund and New Bird; and (c) does not use or hold Units in the course of carrying on a business, and did not acquire the Units in one or more transactions considered to be an adventure or concern in the nature of trade. A Unitholder who is a Canadian resident and who might not otherwise be considered to hold his, her or its Units as capital property may, in certain circumstances, be entitled to have the Units and any other “Canadian security” (as defined in the Tax Act) held by him, her or it in the taxation year of the election and in all subsequent taxation years treated as capital property by making the irrevocable election permitted by subsection 39(4) of the Tax Act. A Unitholder contemplating making such election should consult his, her or its own tax advisor.

This summary is not applicable to a Unitholder that is a “specified financial institution” or a “financial institution” for the purposes of the “mark-to-market property” rules under the Tax Act, to a Unitholder an interest in which is a “tax shelter investment” (as defined in the Tax Act), or to a Unitholder who has elected to have the “functional currency” reporting rules under the Tax Act apply. Counsel has assumed for the purposes of this summary that the Fund is at all relevant times a “mutual fund trust” for the purposes of the Tax Act.

This summary is based upon the facts set out in this Circular, the provisions of the Tax Act and the regulations thereunder in force at the date of this Circular and counsel’s understanding of the current administrative and assessing policies and practices of the Canada Revenue Agency (the “CRA”) published in writing prior to the date hereof as well as certain factual advice from the management of Bird. This summary takes into account all specific proposals to amend the Tax Act and the regulations under the Tax Act which have been publicly announced by or on behalf of the federal Minister of Finance prior to the date of this Circular including the proposals contained in the federal Budget of March 4, 2010 (the

“**Tax Proposals**”). This summary assumes that the relevant Tax Proposals will be enacted substantially as proposed; however no assurance can be given in this regard.

This summary is not exhaustive of all possible Canadian income tax consequences and, except for the Tax Proposals, does not take into account or anticipate any changes in law, whether by legislative, regulatory or judicial action or decision. This summary does not take into account any provincial, territorial or foreign income tax considerations. The provincial, territorial or foreign income tax consequences of the Arrangement may differ significantly from those identified in the following discussion. Unitholders should consult their own tax advisors in respect of the provincial, territorial or foreign income tax consequences of the Arrangement.

This summary is of a general nature only and should not be construed to be, nor is it intended to be, legal or tax advice, or representations to any particular Unitholder. Accordingly, Unitholders should consult with their own tax advisors for advice with respect to the income tax consequences to them of the Arrangement and the holding of New Bird Shares in their particular circumstances.

Unitholders Resident in Canada

The following portion of the summary is generally applicable to a Unitholder that is, for the purposes of the Tax Act and any applicable income tax treaty or convention and at all relevant times, a resident of Canada (a “**Resident Unitholder**”).

Exchange of Units for New Bird Shares

A Resident Unitholder who disposes of his, her or its Units to New Bird in exchange for New Bird Shares pursuant to the Arrangement will be deemed (a) to have disposed of each such Unit for proceeds of disposition equal to the adjusted cost base (as defined in the Tax Act) of such Unit to the Resident Unitholder immediately before the disposition; and (b) to have acquired each New Bird Share received on the exchange at a cost equal to the adjusted cost base to the Resident Unitholder of the particular Unit exchanged therefor immediately before the particular disposition. As a consequence, a Resident Unitholder will not realize a capital gain or capital loss on the disposition of his, her or its Units to New Bird in exchange for New Bird Shares.

If either (a) the fair market value immediately after the disposition of a New Bird Share acquired by a Unitholder exceeds the fair market value at the time of the disposition of the Unit exchanged therefor (“**Excess Share Value**”) or (b) the fair market value at the time of disposition of a Unit exceeds the fair market value immediately after the disposition of the New Bird Share received therefor and it is reasonable to regard any portion of that excess value as a benefit that a Unitholder desired to confer on a person or partnership with whom the Unitholder does not deal at arm’s length (“**Excess Unit Value**”), the Excess Share Value or the Excess Unit Value, as applicable, must be included in computing the income of the Unitholder for the taxation year in which the disposition occurs. No assurance can be given that the CRA will accept the position that the fair market value of a Unit at the time of disposition is equal to the fair market value of a New Bird Share immediately after the disposition.

Dividends on New Bird Shares

In the case of a Resident Unitholder who is an individual (other than certain trusts), a dividend received or deemed to be received on a New Bird Share will be included in computing the Resident Unitholder’s income, and will be subject to the normal gross-up and dividend tax credit rules applicable to dividends paid by taxable Canadian corporations under the Tax Act, including the enhanced gross-up and dividend tax credit applicable to any dividend designated as an “eligible dividend” in accordance with the provisions of the Tax Act.

A dividend received or deemed to be received on a New Bird Share by a Resident Unitholder that is a corporation will generally be included in the Resident Unitholder corporation’s income for the taxation year in which such dividend is received and will generally be deductible in computing the Resident Unitholder corporation’s taxable income. A Resident Unitholder that is a “private corporation” (as defined in the Tax Act) or any other corporation controlled, whether because of a beneficial interest in one or more trusts or otherwise, by or for the benefit of an individual (other than a trust) or a related group of individuals (other than trusts), may be liable to pay a refundable tax of 33% under Part IV of the Tax Act on a dividend received (or deemed to be received) in the taxation year on a New Bird Share to the extent such dividend is deductible in computing such Resident Unitholder’s taxable income for the year.

A taxable dividend received by a New Bird Shareholder who is an individual (other than certain trusts) may result in such New Bird Shareholder being liable for minimum tax under the Tax Act. A New Bird Shareholder who is an individual should contact his or her tax advisor in this regard.

Disposing of New Bird Shares

A disposition or a deemed disposition of a New Bird Share by a Resident Unitholder (except to New Bird or in a tax deferred transaction) will generally result in the Resident Unitholder realizing a capital gain (or a capital loss) in the taxation year of the disposition equal to the amount by which the proceeds of disposition of the New Bird Share are greater (or less) than the aggregate of the Resident Unitholder's adjusted cost base thereof and any reasonable costs of disposition. The cost of a New Bird Share to a Resident Unitholder will generally be the average of the cost of all New Bird Shares held by such Resident Unitholder as capital property. Such capital gain (or capital loss) will be subject to the tax treatment described below under "Unitholders Resident in Canada — Taxation of Capital Gains and Capital Losses".

Taxation of Capital Gains and Capital Losses

Generally, one-half of any capital gain (a "**taxable capital gain**") realized by a Resident Unitholder in a taxation year must be included in the Resident Unitholder's income for the year, and one-half of any capital loss (an "**allowable capital loss**") realized by a Resident Unitholder in a taxation year must be deducted from taxable capital gains realized by the Resident Unitholder in that year. Allowable capital losses for a taxation year in excess of taxable capital gains for that year may, generally, be carried back and deducted in any of the three preceding taxation years or carried forward and deducted in any subsequent taxation year against net taxable capital gains realized in such years, to the extent and under the circumstances described in the Tax Act.

The amount of any capital loss realized by a Resident Unitholder that is a corporation on the disposition of a New Bird Share may be reduced by the amount of dividends received or deemed to be received by the Resident Unitholder on such shares (or on shares for which the shares have been substituted) to the extent and under the circumstances described in the Tax Act. Similar rules may apply where a corporation is a member of a partnership or a beneficiary of a trust that owns New Bird Shares, directly or indirectly, through a partnership or a trust. A Resident Unitholder to whom these rules may be relevant should consult his, her or its own tax advisor.

A Resident Unitholder that is throughout the year a "Canadian-controlled private corporation" (as defined in the Tax Act) may be liable to pay, in addition to tax otherwise payable under the Tax Act, a refundable tax of 6²/₃% on certain investment income, including taxable capital gains.

Reduction of Stated Capital

The reduction in the stated capital of the New Bird Shares pursuant to the Arrangement will not result in any immediate Canadian income tax consequences to the holder of a New Bird Share. However, the reduction of the stated capital and consequential reduction of the paid-up capital of the New Bird Shares may have future Canadian income tax consequences to a New Bird Shareholder in certain limited circumstances, including if New Bird were to repurchase any of its New Bird Shares or if New Bird were to be dissolved.

Eligibility for Investment

Subject to the provisions of any particular Plan, New Bird Shares will be qualified investments under the Tax Act for Plans provided that the New Bird Shares are listed on the TSX (or another "designated stock exchange" as defined in the Tax Act). Notwithstanding the foregoing, if the New Bird Shares are "prohibited investments" for purposes of a TFSA, a holder will be subject to a penalty tax as set out in the Tax Act. Resident Unitholders are advised to consult their own tax advisors in this regard. The New Bird Shares will not be a prohibited investment for a trust governed by a TFSA provided that the holder of the TFSA does not have a significant interest (within the meaning of the Tax Act) in New Bird, and New Bird deals at arm's length with the holder and any corporation, partnership or trust in which the holder has a significant interest (within the meaning of the Tax Act). Holders of TFSAs should consult their own tax advisors in this regard.

Fund Unitholders Not Resident in Canada

The following portion of the summary generally is applicable to a Unitholder who is, at all relevant times, neither a resident of Canada nor deemed to be a resident of Canada for the purposes of the Tax Act and any applicable income tax treaty or convention (a "**Non-Resident Unitholder**") and who does not hold or use and is not deemed to hold or use the Units in the course of carrying on business in Canada. Special rules, which are not discussed in this summary, may apply to a Non-Resident Unitholder that is an insurer carrying on business in Canada and elsewhere.

Exchange of Units for New Bird Shares

A Non-Resident Unitholder will not realize a capital gain or a capital loss for Canadian federal income tax purposes on the disposition of a Unit to New Bird in exchange for a New Bird Share pursuant to the Arrangement. Where a Unit held by a Non-Resident Unitholder is “taxable capital property” of the Non-Resident Unitholder, the New Bird Share received pursuant to the Arrangement will be deemed to be taxable Canadian property to the Non-Resident Unitholder for a period of 60 months following the Arrangement. A Unit will generally not be taxable Canadian property to a Non-Resident Unitholder unless, at any time during the 60-month period immediately preceding the disposition of the Unit, the Non-Resident Unitholder, persons with whom the Non-Resident Unitholder did not deal at arm’s length or any combination thereof held more than 25% of the Units and more than 50% of the fair market value of the Unit was derived directly or indirectly from one or any combination of (i) real or immovable property situated in Canada; (ii) Canadian resource properties, (iii) timber resource properties and (iv) options in respect of, or interests in, or for civil law rights in, property described in any of (i) to (iii), whether or not the property exists. Management of Bird has advised that, in its view, at no time prior to the date hereof have the Units derived more than 50% of their fair market value from one or any combination of properties described in (i) to (iv) above and it reasonably anticipates that at no time during the 60-month period preceding the Effective Date shall the Units have derived more than 50% of their fair market value from one or any combination of properties described in (i) to (iv) above. Based on this advice, a Unit should not be taxable Canadian property to a Non-Resident Unitholder at the time of the exchange and accordingly, a New Bird Share received by such holder pursuant to the Arrangement should not be deemed to be taxable Canadian property to such holder by reason of the Arrangement.

Any Excess Share Value or Excess Unit Value attributable to a Non-Resident Unitholder will be deemed to be a dividend received by the Non-Resident Unitholder from a corporation resident in Canada for purposes of the Tax Act. Such amount will be subject to withholding tax in Canada at a rate of 25% unless reduced by the terms of an applicable tax treaty. No assurance can be given that the CRA will accept the position that the fair market value of a Unit at the time of disposition is equal to the fair market value of a New Bird Share immediately after the disposition.

Dividends on New Bird Shares

A dividend paid or deemed to be paid to a Non-Resident Unitholder on a New Bird Share will be subject to Canadian withholding tax at the rate of 25% unless such rate is reduced under the provisions of a tax treaty between Canada and the Non-Resident Unitholder’s jurisdiction of residence.

Disposition of New Bird Shares

A Non-Resident Unitholder will generally not be liable to Canadian income tax on a disposition or deemed disposition of a New Bird Share (except to New Bird) unless the New Bird Share is, or is deemed to be, taxable Canadian property to the Non-Resident Unitholder at the time of disposition and the Non-Resident Unitholder is not entitled to relief under an applicable tax treaty between Canada and the country of residence of the Non-Resident Unitholder (treaty relief). Conversely, to the extent that a Non-Resident Unitholder realizes a capital loss from the disposition of a New Bird Share, the amount of the capital loss may not be deductible against capital gains of a Non-Resident Unitholder for the purposes of the Tax Act unless the new Bird Share is, or is deemed to be, taxable Canadian property, and the Non-Resident Unitholder would not be entitled to treaty relief if such disposition had resulted in a gain rather than a loss.

Generally, a New Bird Share that is listed on a “designated stock exchange” (as defined in the Tax Act, which includes the TSX) at a particular time will generally not be taxable Canadian property at that time to a Non-Resident Unitholder unless at any time during the 60-month period ending at that time, the Non-Resident Unitholder, persons not dealing at arm’s length with such Non-Resident Unitholder or any combination thereof have owned 25% or more of the issued shares of any class or series of the capital stock of New Bird and more than 50% of the fair market value of the New Bird Share was derived directly or indirectly from one or any combination of (i) real or immovable property situated in Canada, (ii) Canadian resource properties, (iii) timber resource properties and (iv) options in respect of, or interests in, or for civil law rights in, property described in any of (i) to (iii), whether or not the property exists. Moreover, as mentioned above, a New Bird Share received by a Non-Resident Unitholder pursuant to the Arrangement should not be deemed to be taxable Canadian property to such holder by reason of the Arrangement.

Reduction of Stated Capital

The tax consequences of the reduction of capital to a Non-Resident Unitholder will generally be as described above under “—Unitholder Resident in Canada — Reduction of Stated Capital”.

Other Tax Considerations

This Circular does not address any tax considerations of the Arrangement other than certain Canadian federal income tax considerations. A Unitholder who is a resident in a jurisdiction other than Canada should consult his, her or its own tax advisor with respect to the implications of the Arrangement, including any associated filing requirements, in such jurisdiction. All Unitholders should also consult their own tax advisors regarding Canadian provincial or territorial tax considerations applicable to the Arrangement.

INFORMATION CONCERNING THE FUND AND BIRD

The Fund

The Fund is an unincorporated open-ended investment trust governed by the laws of the Province of Ontario and created pursuant to the Declaration of Trust. The Fund qualifies as a “mutual fund trust” for the purposes of the Tax Act and its outstanding capital consists of Units. The Fund’s registered and principal office is located at 5403 Eglinton Avenue West, Toronto, Ontario M9C 5K6.

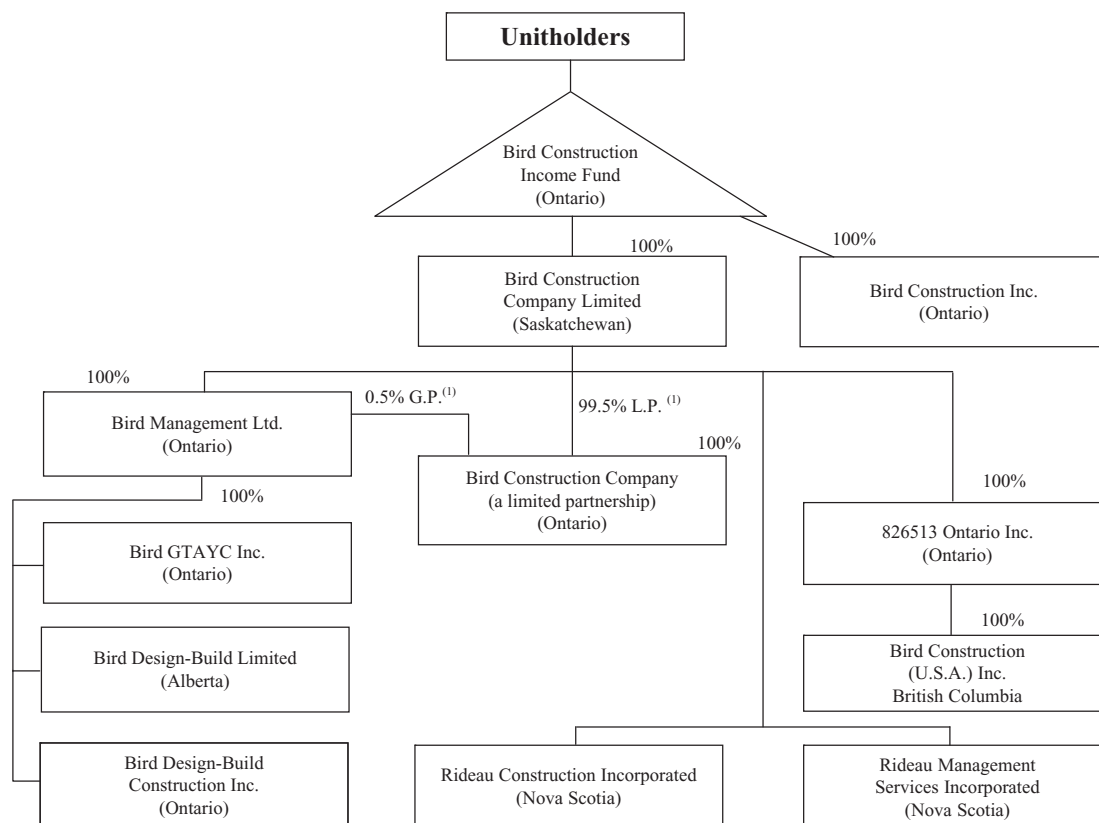
The Fund owns all of the outstanding shares of Bird.

Bird

Bird is a corporation existing under the laws of the Province of Saskatchewan resulting from the amalgamation of Bird Construction Company Limited and Bird Construction Acquisitionco Inc. on February 27, 2006 and continued as Bird Construction Company Limited.

Organizational Structure

The following diagram describes the current inter-corporate relationships among the Fund and its Affiliates:



(1) G.P. refers to the General Partner and L.P. refers to the Limited Partner.

Summary Description of the Business of the Fund

Bird is a wholly-owned subsidiary of the Fund. Bird and its Subsidiaries carry on business as general contractors with offices in Calgary, Edmonton, Halifax, Toronto, Saint John, Vancouver and Winnipeg as well as Seattle, Washington. In February 2009, the Fund announced its intention to wind-down its interest in the Seattle, Washington office, which is expected to close in early 2010 upon completion of its current operations. Bird, which has been in operation for more than 90 years, focuses primarily on projects in the industrial, commercial and institutional sectors of the general contracting industry. Bird serves clients in the industrial, institutional, retail, commercial, multi-tenant residential, light industrial, and renovation and restoration sectors using fixed price, design-build, unit price, cost reimbursable, guaranteed upset price, and construction management contract delivery methods.

For further information regarding the Fund, its Subsidiaries and their respective business activities, see “Corporate Structure”, “General Development of Business” and “Description of Business” in the Fund’s Annual Information Form, which is incorporated by reference herein.

Documents Incorporated by Reference

Information in respect of the Fund and its Subsidiaries has been incorporated by reference in this Circular 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 Charmane L. Morrow, Secretary and Manager of Executive Administrative Services at 5403 Eglinton Avenue West, Toronto, Ontario, M9C 5K6. In addition, copies of the documents incorporated herein by reference may be obtained from the securities commissions or similar authorities in Canada through the SEDAR website at www.sedar.com. Financial information is provided in the Fund’s financial statements and management’s discussion and analysis, which are incorporated herein by reference.

The following documents of the Fund, filed with the various securities commissions or similar authorities in the jurisdictions where the Fund is a reporting issuer, are specifically incorporated by reference into and form an integral part of this Circular:

- (a) the annual information form of the Fund dated March 12, 2010;
- (b) the audited consolidated financial statements of the Fund as at and for the years ended December 31, 2009 and 2008, respectively, together with the notes thereto and the auditors’ report thereon;
- (c) management’s discussion and analysis of the financial condition and results of operations of the Fund for the year ended December 31, 2009; and
- (d) the material change report of the Fund dated March 19, 2010 in respect of the Arrangement.

Any documents of the type described in Section 11.1 of Form 44-101F1 — Short Form Prospectus, filed by the Fund with the securities commissions or similar authorities in the provinces of Canada subsequent to the day of this Circular and prior to the Effective Date shall be deemed to be incorporated by reference in this Circular.

Any statement contained in a document incorporated or deemed to be incorporated by reference herein shall be deemed to be modified or superseded for the purposes of this Circular 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 supersedes 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 shall not be deemed, except as so modified or superseded, to constitute a part of this Circular.

Distribution History and Current Policy

The Fund’s policy is for each Unitholder of record on the last business day of a calendar month to receive Distributions during the thirty days following the end of such month. Unitholders who are non-residents of Canada are required to pay all withholding taxes payable in respect of any Distributions by the Fund. Although the Fund intends to make Distributions of its available cash, these Distributions are not assured. The actual Distributions will depend on numerous factors, including Bird’s operating financial performance for the distribution period in question, business cyclicity, debt covenants and obligations, seasonality, working capital requirements, future capital requirements and

other factors. See “Risks Relating to the Business” and “Risks Relating to the Units” in the Annual Information Form incorporated by reference herein.

The following cash Distributions have been paid by the Fund to its Unitholders for the periods indicated:

<u>Period</u>	<u>Record Date</u>	<u>Payment Date</u>	<u>Distribution Per Unit</u>	<u>Amount (\$000's)</u>
January, 2009	January 30, 2009	February 20, 2009	\$0.1209	1,699
February, 2009	February 27, 2009	March 20, 2009	\$0.1209	1,699
March, 2009	March 31, 2009	April 20, 2009	\$0.1209	1,699
April, 2009	April 30, 2009	May 20, 2009	\$0.1209	1,699
May, 2009	May 29, 2009	June 19, 2009	\$0.1209	1,699
June, 2009	June 30, 2009	July 20, 2009	\$0.1500	2,108
July, 2009	July 31, 2009	August 20, 2009	\$0.1500	2,108
August, 2009	August 31, 2009	September 18, 2009	\$0.1500	2,108
September, 2009	September 30, 2009	October 20, 2009	\$0.1500	2,108
October, 2009	October 30, 2009	November 20, 2009	\$0.1500	2,108
November, 2009	November 30, 2009	December 18, 2009	\$0.1500	2,108
December, 2009	December 31, 2009	January 20, 2010	\$0.1500	2,108
January, 2010	January 29, 2010	February 19, 2010	\$0.1500	2,108
February, 2010	February 26, 2010	March 19, 2010	\$0.1500	2,108

Under the Arrangement, Unitholders will receive one New Bird Share for each Unit held on the Effective Date, which is expected to be on or about January 1, 2011. Subject to the discretion of the Trustees, the Fund intends to continue to pay a Distribution of \$0.15 per Unit to holders of record on the last business day of each month up to but excluding the month in which the Arrangement becomes effective. Provided the Arrangement is completed as scheduled on January 1, 2011, the anticipated Distribution in respect of the month of December, 2010 would be the last Distribution paid to Unitholders by the Fund. After completion of the Arrangement, cash distributed to New Bird Shareholders will be paid as dividends. Any decision to pay dividends on the New Bird Shares will be made by the New Bird Board of Directors on the basis of New Bird earnings, capital required to support growth or changes in contract mix including anticipated requirements for working capital and equity to satisfy contract security and other conditions existing from time to time. See Appendix F — *Information Concerning New Bird* under “Dividend Record and Policy”.

Price Range and Trading Volume of Units

The Units are listed on the TSX under the trading symbol “BDT.UN”. The following table outlines the trading price range and volumes of Units during 2009 and the first quarter of 2010:

	<u>Toronto Stock Exchange</u>		
	<u>High (\$)</u>	<u>Low (\$)</u>	<u>Volume</u>
<u>Month (2009)</u>			
January	22.99	17.57	652,786
February	21.00	15.55	569,653
March	23.50	14.78	423,987
April	26.31	21.19	586,657
May	28.05	22.10	428,575
June	27.45	23.50	915,237
July	25.75	23.80	650,558
August	29.45	25.78	661,662
September	32.85	27.26	793,847
October	36.10	30.71	614,899
November	34.30	29.91	720,092
December	35.49	31.30	384,744
<u>Month (2010)</u>			
January	34.34	31.00	298,175
February	33.50	31.05	362,753

The closing price of the Units on the TSX on March 24, 2010, was \$32.25.

ELECTION OF BOARD OF TRUSTEES AND BIRD BOARD OF DIRECTORS

There are currently seven Trustees on the Board of Trustees. The Declaration of Trust provides that the Fund will have a minimum of three and a maximum of ten Trustees, with the number of Trustees from time to time to be fixed by the Board of Trustees. The Board of Trustees has fixed the number of Trustees at eight and, at the Meeting, eight Trustees will be proposed for election. All Trustee nominees currently sit on the Board of Trustees with the exception of Mr. Tim Talbott. The eight nominees proposed for election as Trustees are also proposed for election as Bird Directors. All nominees have established their eligibility and willingness to serve as both Trustees and Bird Directors. Trustees and Bird Directors will be elected for a term ending at the Fund's next annual meeting or until their successors are elected or appointed.

Pursuant to the Declaration of Trust, the Trustees are bound to vote the Bird Shares held by the Fund to elect those individuals that the Unitholders approve as Bird Directors. Unless otherwise indicated, the persons designated in the form of proxy intend to vote for the election of the nominees listed below. If, for any reason at the time of the Meeting any of the nominees are unable to serve, and unless otherwise specified, it is intended that the persons designated in the form of proxy will vote in their discretion for a substitute nominee or nominees.

Nominees for Election to Board of Trustees and Bird Board of Directors

The following individuals are proposed as nominees for election as Trustees for the ensuing year. Each of the individuals is also proposed as a nominee of the Fund for election as a Bird Director. The information set out below includes the number of Units beneficially owned, directly or indirectly, or over which control or direction is exercised, by each Trustee/Bird Director. The information concerning unitholdings has been provided by each of the nominees.

<u>Name and Municipality of Residence</u>	<u>Position</u>	<u>Principal Occupation</u>	<u>Trustee Since⁽³⁾</u>	<u>Units Beneficially Owned or Controlled</u>
<i>J.R. Bird</i> Calgary, Alberta Canada	Trustee, Director ⁽¹⁾⁽²⁾	Executive Vice President, Chief Financial Officer and Corporate Development, Enbridge, Inc., an energy transportation company	1987	273,663
<i>Honourable J.J. Buchanan</i> Victoria, British Columbia Canada	Lead Trustee, Lead Director ⁽¹⁾⁽²⁾	President, Rundle Investments Ltd., an investment holding company	1997	15,293
<i>P.A. Charette</i> Oakville, Ontario Canada	Trustee and Chair of the Board of Trustees, Director and Chair of the Bird Board of Directors	Chair of the Board	1991	50,000
<i>D.G. Doyle</i> Winnipeg, Manitoba Canada	Trustee, Director ⁽¹⁾⁽²⁾ Audit Committee Chair	Corporate Director	2003	18,500
<i>J.U. Joseph</i> Toronto, Ontario Canada	Trustee, Director ⁽¹⁾⁽²⁾ Personnel and Safety Committee Chair	Corporate Director	2001	22,340
<i>P.R. Raboud</i> Toronto, Ontario Canada	Trustee, Director and Chief Executive Officer of Bird Construction Company Limited	Chief Executive Officer of Bird Construction Company Limited	2008	265,367

<u>Name and Municipality of Residence</u>	<u>Position</u>	<u>Principal Occupation</u>	<u>Trustee Since⁽³⁾</u>	<u>Units Beneficially Owned or Controlled</u>
<i>T.J. Talbott</i> Woodbridge, Ontario Canada	Trustee, Director and President and Chief Operating Officer of Bird Construction Company Limited	President and Chief Operating Officer of Bird Construction Company Limited	N/A	225,222
<i>A.C. Thorsteinson</i> Winnipeg, Manitoba Canada	Trustee, Director ⁽²⁾	President, Shelter Canadian Properties Limited, a real estate development and management company	1991	34,500

(1) Member of the Fund's and Bird's Audit Committee (Chair — D.G. Doyle).

(2) Member of the Bird's Personnel and Safety Committee (Chair — J.U. Joseph).

(3) Includes period of time served as a Trustee of the Fund and as a Director of Bird prior to 2006.

The business of Bird is managed through the Bird Board of Directors as described more fully below.

The Bird Board of Directors has a Personnel and Safety Committee. The committee members' names are listed in the above table (see footnote 2).

The Board of Trustees and the Bird Board of Directors each have an Audit Committee. The Joint Audit Committee mandate is included in the appendices to the Annual Information Form. The committee members' names are listed in the above table (see footnote 1). The Fund's Audit Committee has also established a policy on the scope of services that may be provided by the Fund's external auditors and a hiring policy with respect to persons previously employed by the Fund's external auditors.

All Trustees listed above are considered to be independent of management of the Fund and Bird, except P.A. Charette who retired as Chief Executive Officer of Bird on September 2, 2008, P.R. Raboud who was appointed President & Chief Executive Officer of Bird on September 2, 2008 and who currently holds the position of Chief Executive Officer of Bird and Tim Talbott who was appointed President and Chief Operating Officer of Bird effective February 3, 2010 and previously held the position of Executive Vice President and Chief Operating Officer.

The nominees to the Board of Trustees are also the current directors of New Bird, the corporation that will own 100% of the Fund and Bird after giving effect to the Arrangement. Following completion of the Arrangement, these individuals will remain as the New Bird Directors until the first annual meeting of New Bird to be held in 2011 or until their successors are elected or appointed. The Unitholders, therefore, are being asked at the Meeting to elect eight Trustees who will also be the directors of New Bird. See Appendix F — *Information Concerning New Bird* under "Directors and Executive Officers".

ADMINISTRATION AGREEMENT

The Fund and Bird entered into an administration agreement (the "**Administration Agreement**") on February 27, 2006. Under the terms of the Administration Agreement, Bird, as administrator, provides administrative and support services to the Fund including, without limitation, those necessary to (i) ensure compliance by the Fund with continuous disclosure obligations under applicable securities legislation, (ii) provide investor relations services, (iii) provide or cause to be provided to Unitholders all information to which Unitholders are entitled under the Declaration of Trust, including relevant information with respect to financial reporting and income taxes, (iv) call and hold meetings of Unitholders and distribute required materials, including notices of meetings and information circulars, in respect of all such meetings, (v) assist the Trustees in calculating Distributions to Unitholders, (vi) attend to all administrative and other matters arising in connection with any redemption of Units, (vii) ensure compliance with the Fund's limitations on non-resident ownership and ownership of foreign property and (viii) generally provide all other services as may be necessary or as may be requested by the Trustees of the Fund.

The Administration Agreement has an initial term of 10 years, and is renewable for two additional three-year terms at the option of the Fund and Bird. The Administration Agreement may be terminated by either party in the event of the

insolvency or receivership of the other party, or in the case of default by the other party in the performance of a material obligation under the Administration Agreement. Following completion of the Arrangement and the subsequent termination of the Fund, the Administration Agreement will be terminated.

FUND AND BIRD CORPORATE GOVERNANCE

The Board of Trustees of the Fund is elected by the Unitholders and is responsible for the stewardship of the investments and affairs of the Fund in accordance with obligations under the Fund's Declaration of Trust and applicable law.

Within its stewardship responsibility, the Board of Trustees' role is to preserve and enhance the viability of the Fund and to ensure that it is managed with a view to the best interests of the Fund. The Board of Trustees delegates the responsibility for the day-to-day conduct of business to the management of Bird, through its Chief Executive Officer, within a policy and budget framework established by the Board of Trustees. In executing their responsibilities, each of the members of the Board of Trustees is entitled to rely in good faith on the advice, reports and opinions of management of Bird.

The Bird Board of Directors is elected by the Trustees and is responsible for managing the business of Bird in accordance with obligations under applicable law.

The Board of Trustees and the Bird Board of Directors have adopted, as their approach to corporate governance, the guidelines set out in National Policy 58-201 "Corporate Governance Guidelines". Also see Appendix H — *Corporate Governance Guidelines and Board of Trustees and Board of Directors Mandate*.

Trustee Biographies

Brief biographies of the Trustees/Bird Directors follow.

J. Richard Bird is Executive Vice President, Chief Financial Officer and Corporate Development of Enbridge Inc. where he is responsible for all financial affairs of the company and corporate planning, mergers and acquisitions, and corporate development. Prior to his current appointment at Enbridge, Mr. Bird served as Vice President and Treasurer, followed by Senior Vice President, Corporate Planning and Development, followed by Group Vice President, Transportation, followed by Group Vice President, Transportation North, followed by Executive Vice President, Liquids Pipelines. Mr. Bird joined Enbridge in 1995 after holding senior financial and corporate development executive positions at a number of other public companies. Mr. Bird is also on the Board of Directors or Trustees of the following public companies: Enbridge Pipelines Inc., Enbridge Gas Distribution Inc. and Enbridge Income Fund. Mr. Bird holds a Bachelor of Arts degree from the University of Manitoba, and a Masters of Business Administration and Ph.D. from the University of Toronto.

Honourable Judd J. Buchanan is the President of Rundle Investments Ltd., which he joined in 1987. After a career in the life insurance industry with London Life, Mr. Buchanan was elected to the Canadian House of Commons in 1968. He served as a Member of Parliament until 1980 and held a number of cabinet positions during that time. Following his political career, Mr. Buchanan entered the tourism industry. He is currently the President of Silver Star Club Resort Ltd., and the past Chair of the Canadian Tourism Commission, which he helped create in 1995. Mr. Buchanan is an Officer of the Order of Canada and holds a Masters of Business Administration from the University of Western Ontario and a Bachelor of Arts (Economics) from the University of Alberta.

Paul A. Charette is the Chair of the Board of Trustees and the Bird Board of Directors. He joined Bird in 1976 as a Project Coordinator and progressed to President and Chief Operating Officer in 1988 and to President and Chief Executive Officer in 1991. Mr. Charette was also appointed as Chair of the Board in 2001. In September 2008, Mr. Charette retired from his position as Chief Executive Officer of Bird. He is the past chair of the Canadian Construction Association ("CCA") and is a past director of Junior Achievement of Canada Foundation and a past director of Bridgepoint Health. In 2004, Mr. Charette was named the Ontario Entrepreneur of the year in Real Estate/Construction by Ernst & Young LLP. Mr. Charette has a diploma in Civil Technology from Red River College in Winnipeg, Manitoba.

D. Greg Doyle is a former partner of KPMG LLP. He joined KPMG LLP (formerly Peat Marwick) in 1974, was elected as a Partner in 1982 and Managing Partner of the Winnipeg office in 1985. In 1997, Mr. Doyle transferred to Warsaw, Poland and served as Senior Partner at KPMG Polska until he retired in 2003. During his time in Poland, Mr. Doyle also served as the member of the Board of KPMG Europe and the management committee of KPMG Central and Eastern Europe. He is also a trustee of Huntingdon Real Estate Investment Trust and Chair of their audit committee.

Mr. Doyle holds a Bachelor of Science and Bachelor of Commerce from the University of Manitoba and is a Chartered Accountant (Manitoba Institute).

J. Urban Joseph is a former Vice Chair of the Toronto-Dominion Bank. He is also a director of First Nations Bank of Canada, as well as a number of privately-held companies. Mr. Joseph is an Officer of the Order of Canada. He holds an Honours Business Administration and Masters of Business Administration from the University of Western Ontario, an Associates in Arts degree from the University of Saskatchewan, a Doctor of Humanities, *honoris causa*, Wolfe's, the University of King's College, and is a Fellow of the Institute of Canadian Bankers.

Paul R. Raboud is the Chief Executive Officer of Bird. Mr. Raboud was appointed as a Trustee in September 2008. He obtained a Bachelor of Science in Civil Engineering from the University of Alberta where he was awarded the gold medal in civil engineering. He earned a Masters of Science in Civil Engineering from the University of Washington and an MBA from the University of Alberta. He is a registered Professional Engineer with the Association of Professional Engineers of Ontario. Mr. Raboud joined Bird in 1984 in the Toronto office. He progressed through Bird as a field engineer, estimator, project manager and assistant branch manager. In 1990, he was appointed manager of the Vancouver Branch, and in 2000, returned to the corporate office in Toronto as Executive Vice President. He was appointed President and Chief Operating Officer in March 2006 and appointed Chief Executive Officer in September 2008. Mr. Raboud is a director of the Ontario General Contractor's Association.

Timothy J. Talbott is the President and Chief Operating Officer of Bird. He obtained a Bachelor of Science in Civil Engineering at the University of Alberta in 1981. He joined Bird in 1982 and has progressed through the positions of project co-ordinator, project manager, production manager, assistant branch manager, branch manager and vice president to the position he currently holds. He is a registered Professional Engineer with the Association of Professional Engineers of Manitoba. Mr. Talbott is past Vice Chair of the Construction Labour Relations Association of Manitoba and a past director of the Winnipeg Construction Association. He is also a member of the Canadian Society of Civil Engineers.

Arni C. Thorsteinson has been the President of Shelter Canadian Properties Limited, a diversified real estate development and management company, since 1990. He joined a predecessor company in 1976. He is also a director or trustee of Lanesborough Real Estate Investment Trust, Temple Real Estate Investment Trust and Onex Corporation. Mr. Thorsteinson holds a Bachelor of Commerce (Honours) and a Doctor of Laws, *honoris causa*, from the University of Manitoba and a Chartered Financial Analyst designation.

Mr. Thorsteinson is now and has in the past 10 years been an officer of certain non-publicly-traded limited partnerships and other entities that were the subject of cease trade orders issued by securities regulatory authorities in certain provinces of Canada, including Alberta, British Columbia, Ontario and Quebec, resulting generally from a failure to file financial statements or a failure to comply with disclosure obligations. Certain entities against which these orders were issued are now no longer active or, in other cases, Mr. Thorsteinson's involvement with such entities has ceased. In other cases, certain of these entities have now been able to obtain discretionary relief from filing requirements; however, this relief does not apply to prior transgressions, and therefore, in some cases, these orders remain in force. To obtain information regarding cease trade orders issued by a particular securities regulatory authority, investors should contact the securities regulatory authorities that issued the orders.

Meetings of the Board of Trustees and Bird Board of Directors

The Board of Trustees and Bird Board of Directors meet at least once in each quarter, with additional meetings held when appropriate. Meetings of these boards may be held by teleconference or other electronic means, as needed to discharge their responsibilities, but in most instances these meetings are in person. The Bird Board of Directors also meets annually to review and approve the business plan of Bird.

Time is allocated at each Board of Trustees or Bird Board of Directors meeting for the independent Trustees or Bird Directors to meet without management of Bird present. The Audit Committees of the Fund and Bird and the Personnel and Safety Committee of Bird follow a similar practice at each of their meetings. During 2009, seven (7) joint Board of Trustees and Bird Board of Directors meetings were held, four (4) joint Audit Committee meetings were held and four (4) Bird Personnel and Safety Committee meetings were held and at each such meeting, time was allocated for the independent Trustees or Bird Directors to meet without management present.

Chair and Lead Trustee

The Chair of the Board of Trustees and the Chair of the Bird Board of Directors, P.A. Charette, is not an independent Trustee or Bird Director, as he retired as Chief Executive Officer of Bird on September 2, 2008. The Honourable Judd J.

Buchanan serves as Lead Trustee of the Board of Trustees and Lead Director of the Bird Board of Directors and assumes the Chair's role in P.A. Charette's absence or when P.A. Charette has a conflict of interest.

Meeting Attendance

During the year ended December 31, 2009, the Trustees and Bird Directors had the following attendance record at board and committee meetings:

<u>Trustee</u>	<u>Board of Trustees and Bird Directors Meetings Attended⁽¹⁾</u>	<u>Joint Audit Committee Meetings Attended</u>	<u>Bird Personnel and Safety Committee Meetings Attended</u>
Total meetings in 2009	7	4	4
J. Richard Bird	6	4	4
Hon. Judd J. Buchanan	7	4	4
	(Lead Trustee/Director)		
Paul A. Charette	7	not applicable	not applicable
	(Chair)		
D. Greg Doyle	7	4 (Chair)	4
J. Urban Joseph.	7	4	4 (Chair)
Paul R. Raboud.	7	not applicable	not applicable
Arni C. Thorsteinson.	7	not applicable	4

(1) Includes joint Board of Trustees and Board of Directors meetings attended.

At each of the above Board of Trustees and Bird Board of Directors meetings, time was set aside to permit members who are considered independent of management of the business to meet without the presence of management.

Position Description

The Board of Trustees has developed written position descriptions for the Chair, the Lead Trustee and the Chair of the Audit Committee, and the Bird Board of Directors has developed written position descriptions for the Chair, the Lead Director, the Chair of each Board Committee and the Chief Executive Officer.

Board of Trustees and Bird Board of Directors Mandate

For details regarding the Board of Trustees and Bird Board of Directors mandate see Appendix H — *Corporate Governance Guidelines and Board of Trustees and Board of Directors Mandate*.

Orientation and Continuing Education

The responsibility for the orientation and continuing education of the Trustees and the Bird Directors is delegated to the Personnel and Safety Committee of Bird. New Trustees and Bird Directors are provided with full orientation on the Fund's and Bird's organizational structure, the structure and role of the board and its committees including duties and responsibilities, Bird's corporate policies and by-laws, the Code of Ethics, and Bird's current business plan. On an ongoing basis, presentations are made and reports are provided to each board on various aspects of Bird's operations. The objective is to ensure that new Trustees and Bird Directors fully understand the role of the boards and their committees, as well as the contribution individual Trustees and Bird Directors are expected to make (including, in particular, the commitment of time and resources that the Fund and Bird expect from its Trustees or Bird Directors) and understand the nature and operation of the Fund's affairs and Bird's business.

All Trustees and Bird Directors are encouraged to attend educational programs to enhance their Board membership, as they feel appropriate, and the costs of each program will be paid by the Fund or Bird.

Ethical Business Conduct

The Fund, Bird and their respective boards are committed to conducting their activities in accordance with the highest standards of business ethics. These standards are intended to provide guidance and help in recognizing and dealing with ethical issues, provide mechanisms to report unethical conduct, and to help foster a culture of honesty and accountability. The Board of Trustees and the Bird Board of Directors have developed a written Trustee and Director Code of Ethics. A copy of this code may be obtained by making a request in writing to the Fund. The Bird Board of Directors has developed a written Employee Code of Ethics applicable to employees of Bird. Compliance with the codes is monitored

by the Personnel and Safety Committee of Bird. Management reports violations of the code at each board meeting and immediately reports any significant violations to the Chair of Bird's Personnel and Safety Committee. The codes address conflicts of interest, use of corporate assets, confidentiality and compliance with laws and regulations. The codes also describe a process to disclose any potential conflict of interest and to ensure independent judgment regarding board discussions and decision making. In situations of conflict of interest, the Trustee or Bird Director will be excused from that portion of the meeting where the matter involving the conflict is being discussed, and the Trustee or Bird Director will not be in attendance and will not cast a vote when the matter is voted on. In camera sessions are held during each regularly scheduled board meeting and as required at special board meetings, where only independent Trustees or Bird Directors meet, with and without the Chief Executive Officer of Bird in attendance, to discuss issues of concern.

The Bird Board of Directors has a Whistle Blower Policy which gives employees the opportunity to report complaints about accounting, internal controls and auditing matters, including any perceived unethical business conduct, directly to Bird's Audit Committee Chair, on a confidential basis.

Nomination of Trustees and Directors

The Personnel and Safety Committee of Bird is responsible for the identification of new candidates for board nomination. The committee has written terms of reference which describe its duties and responsibilities with respect to board nomination and board effectiveness. It outlines a process to consider what competencies and skills the boards as a whole should possess; to evaluate the characteristics of the existing board with a view to determining areas that could be strengthened through new board members; and to approach potential candidates.

Other Board Committees

The Board of Trustees has no standing committees, other than its Audit Committee. The Bird Board of Directors has no standing committees other than its Audit Committee and Personnel and Safety Committee. A copy of the Fund's Joint Audit Committee Charter can be found in the appendices to the Annual Information Form, which is incorporated by reference herein.

Assessments

The Board of Trustees and the Bird Board of Directors and their respective committees have not been subject to any formal evaluation aimed at measuring their effectiveness. The implementation of an evaluation method is being considered.

COMPENSATION OF EXECUTIVE OFFICERS

Compensation Discussion and Analysis

Objectives of the Executive Compensation Program

The goal of Bird's executive compensation program is to attract and retain highly performing executives and provide incentives for them to earn profits for the Unitholders of the Fund similar to the incentive resulting from holding an ownership interest in the Fund. The executive compensation program was designed under the direction of the Personnel and Safety Committee of the Bird Board of Directors, as administrator of the Fund. This committee's responsibilities pertaining to executive compensation include:

- Recommending the Chief Executive Officer's salary and profit sharing distribution to the Bird Board of Directors.
- Reviewing and approving salaries and profit sharing distributions recommended by the Chief Executive Officer for other Executive Officers.
- Conducting a review of the design and the competitiveness of the executive compensation program.

Design of the Executive Compensation Program

The executive compensation program emphasizes pay-for-performance and is designed to provide incentives to management to increase the amount of cash available to Unitholders of the Fund. This pay-for-performance mandate results in a compensation program that:

- Aligns the interest of Bird's executive officers (the "**Executive Officers**") with both the short and long-term interests of the Unitholders;
- Provides pay that varies depending on financial performance; and
- Can be easily understood by the Executive Officers and the Fund's Unitholders.

Elements of the Executive Compensation Program

Compensation of the Executive Officers consists of four elements:

1. Base salaries;
2. Annual cash profit sharing pursuant to the profit sharing plan ("**Profit Sharing Plan**");
3. Amounts payable under the medium-term incentive plan ("**MTIP**"); and
4. Benefits.

In 2007, the Board of Directors of Bird engaged an independent executive compensation consultant to determine the competitiveness of the design and the amount of Bird's executive compensation program. The benchmark comparator group included entities comprised of a related industry comparator group and a business trust comparator group as follows:

Related Industry Comparator Group:

Aecon Group Inc.
Badger Income Fund
The Churchill Group
Flint Energy Services Ltd.
Harris Steel Group Inc.
SNC-Lavalin Group Inc.
Stantec Inc.

Business Trust Comparator Group

Armtec Infrastructure Income Fund
Avenir Diversified Income Trust
Canwel Building Materials Income Fund
Chemtrade Logistics Income Fund
Contrans Income Fund
Great Lakes Carbon Income Fund
Parkland Income Fund
Priszm Canadian Income Fund
Strongco Income Fund
Tree Island Wire Income Fund
Vicwest Income Fund

The compensation programs of each comparator group were used in 2007 to evaluate all elements of Bird's compensation program, including base salary and short and long term incentive programs. Base salaries were set below the 50th percentile based on these comparator groups. Total compensation is determined based on the achievement of financial and non-financial performance objectives which determine payouts under Bird's Profit Sharing Plan.

A shareable profit pool for executives of Bird, including the Executive Officers is established for each fiscal year provided that cash available for distribution exceeds a minimum threshold. The minimum threshold is determined by the Bird Board of Directors at the commencement of each fiscal year. If cash available for distribution falls below the minimum threshold, no profit sharing is distributed at the Executive Officer level. The executive profit sharing pool is calculated by applying a pre-determined percentage to the amount by which actual cash available for distribution exceeds target thresholds. The percentages applied at each threshold decrease as cash available for distribution increases. The percentages range from 18% at the lower end to 5% at the higher end. This structure provides for a sharing of profit between the Fund's Unitholders and Bird's executives, including the Executive Officers.

The amount of profit sharing that each Executive Officer is eligible to earn from the pool is based on the relative contribution of each position within the Executive Officer group as approved by the Bird Board of Directors. The eligible amount of profit sharing calculated for each Executive Officer is split into two amounts with 75% (80% for the Chief Executive Officer) of the award being earned based on financial performance of the executive group as outlined above and 25% (20% for the Chief Executive Officer) being established as the target award for each Executive Officer based on evaluation of their performance related to other non-financial objectives established each year. Non-financial performance objectives for the Executive Officers with operational responsibilities include conditions relating to work-site safety, employee turnover, succession planning and staff training.

In 2009, the non-financial performance objectives for the President and Chief Executive Officer related to the formulation and execution of Bird's strategic plan, the establishment of and update to Bird's succession plan, the achievement of targeted safety objectives, development and compliance with risk management programs and timely and accurate financial and operational reporting. The non-financial performance objectives of the Chief Financial Officer in 2009 included the preparation of timely and accurate financial reporting, the maintenance of internal controls over financial reporting and disclosure controls, the direction and management of Bird's risk management policies and procedures, the preparedness of the Fund and Bird for conversion to International Financial Reporting Standards and the development of the response to the introduction of the SIFT Rules commencing in the 2011 fiscal year.

In 2009, all of the performance objectives were achieved by Executive Officers, entitling them to full payment under the Profit Sharing Plan for their non-financial performance objectives.

Upon the determination of each Executive Officer's annual profit sharing amount as calculated above, two-thirds of the amount is paid to the Executive Officer in cash. The remaining one-third of the profit sharing amount is withheld and notionally invested in phantom units of the Fund under the MTIP.

The MTIP is intended to reward Executive Officers for performance of the business over the medium-term. The price of each phantom unit and the number of phantom units awarded is based on the weighted average closing price of Units of the Fund during the 10-day trading period immediately preceding the award date. Payouts do not vest with the Executive Officer until November 30 of the third calendar year following the year to which the profit sharing award relates. During the unvested period, phantom units will be deemed to earn Distributions equivalent to those that would have been earned had they been Units of the Fund. These Distributions will be notionally reinvested in phantom units of the Fund based on the 10-day weighted average trading price immediately prior to the Distribution payout date.

Upon vesting, the Executive Officer will receive a cash payment equal to the number of phantom units times the weighted average closing price of the Units during the 10-day trading period immediately preceding the vesting date. During the unvested period, the interests of the Executive Officers are aligned with those of the Unitholders, as their compensation related to the MTIP is tied to the performance of the Units.

In the event of an Executive Officer's involuntary termination resulting from disability, death, termination without cause, retirement or a resignation within 180 days of a direct or indirect change of control of the Fund, any phantom units held on behalf of the Executive Officer will immediately vest. If an Executive Officer voluntarily resigns, or is terminated for cause, their entitlements under the MTIP are forfeited.

The benefits offered to Executive Officers are substantially the same as those offered to all employees of Bird. The benefit program provides for health and dental coverage, life insurance, accidental death and disability programs and longer-term income disability protection. The cost of the accidental death and disability and income protection programs are paid entirely by the respective Executive Officer.

Summary Compensation Table

The following table sets forth compensation information for 2009 and 2008 fiscal years for the Chief Executive Officer, the Chief Financial Officer and Assistant Secretary, the President and Chief Operating Officer, the Vice President Industrial, and the Vice President Pacific & Vancouver Branch Manager, being the Named Executive Officers of Bird who served as Executive Officers of Bird during the fiscal year ended December 31, 2009:

<u>Name and Principal Position</u>	<u>Year</u>	<u>Salary (\$)</u>	<u>Unit-based awards (\$)</u>	<u>Annual Profit Sharing (\$)⁽¹⁾</u>	<u>All Other Compensation (\$)⁽²⁾</u>	<u>Total Compensation</u>
Paul R. Raboud ⁽³⁾	2009	312,925	594,285	1,188,587	0	2,095,797
Chief Executive Officer	2008	257,308	591,927	1,183,873	0	2,033,108
Stephen R. Entwistle ⁽⁴⁾	2009	234,000	118,857	237,717	0	590,574
Chief Financial Officer and Assistant Secretary	2008	173,943	74,999	150,001	0	398,945
Timothy J. Talbott ⁽⁵⁾	2009	205,000	481,371	962,755	0	1,649,126
President and Chief Operating Officer	2008	186,000	443,946	887,904	0	1,517,850
David T. Toronchuk ⁽⁶⁾	2009	184,500	287,640	862,919	0	1,335,059
Vice President Industrial	2008	157,500	500,000	1,500,000	0	2,157,500
Kenneth J. Nakagawa ⁽⁷⁾	2009	174,600	303,677	911,029	0	1,389,306
Vice President Pacific & Vancouver Branch Manager	2008	159,600	311,351	934,053	0	1,405,004

- (1) The figures disclosed hereunder represent the annual amounts allocated to the individuals pursuant to Bird's Profit Sharing Plan for the fiscal year indicated. Payment of the allocated amounts occurs after the close of the fiscal year. For MTIP awards that have not yet vested, see table below under Medium-Term Incentive Program.
- (2) Other compensation, including perquisites and other personal benefits, for each Named Executive Officer does not exceed \$50,000 or 10% of total salary and profit sharing.
- (3) Paul R. Raboud was appointed President & Chief Executive Officer of Bird effective September 2, 2008 and previously held the position of President & Chief Operating Officer of Bird. Effective February 3, 2010, Paul R. Raboud holds the title of Chief Executive Officer of Bird.
- (4) Stephen R. Entwistle commenced employment with Bird on March 24, 2008.
- (5) Timothy J. Talbott was appointed President & Chief Operating Officer of Bird effective February 3, 2010 and previously held the position of Executive Vice President and Chief Operating Officer.
- (6) David T. Toronchuk was appointed Vice President Industrial effective January 1, 2009 and previously held the position of Vice President and Edmonton Branch Manager.
- (7) Kenneth J. Nakagawa was appointed Vice President Pacific & Vancouver Branch Manager effective January 1, 2009 and previously held the position of Vancouver Branch Manager.

Outstanding Unit-based Awards

During fiscal 2006, the Bird Board of Directors approved a recommendation made by the Personnel and Safety Committee that the MTIP be established. The MTIP is intended to reward management for successful performance of the business over the medium term.

The MTIP applies to certain members of the management team of Bird, including Executive Officers, commencing in the 2007 fiscal year.

Upon determination of the profit sharing award amount for each Executive Officer (to be awarded after audited financial results are available early in the following year), one-third of the profit sharing amount will be withheld and will be notionally invested in phantom units of the Fund. The price of each phantom unit and the number of phantom units awarded will be based on the weighted average closing price of Units of the Fund during the 10-day trading period immediately preceding the award. Payouts will not vest with the Executive Officer until November 30 of the third calendar year following the year in which the services to which the profit sharing award relates. During the unvested period, phantom units will be deemed to earn Distributions equivalent to those that would have been earned had they been Units of the Fund. These Distributions will be notionally invested in phantom units of the Fund based on the 10-day weighted average trading price immediately prior to the Distribution payout date.

Upon vesting, the Executive Officer will receive a payment equal to the number of phantom units times the weighted average closing price awarded during the prior 10-day trading period immediately preceding the vesting date. No actual Units will be issued under the MTIP.

In the event of a participant's involuntary termination, termination without cause, retirement, or a participant's resignation within 180 days of a direct or indirect change of control of the Fund, any phantom units held on behalf of the participant will immediately vest. If a participant voluntarily resigns, or is terminated for cause, the participant's entitlements under the MTIP are forfeited.

On March 12, 2010, the Trustees approved an award of \$1,785,830 to Executive Officers under the MTIP. The amounts shown below assume the value of the Units was the December 31, 2009, closing market price of \$34.40.

<u>Name</u>	<u>Unit-based Awards</u>	
	<u>Number of units or units of units that have not vested (#)</u>	<u>Market or payout value of unit-based awards that have not vested (\$)</u>
Paul R. Raboud Chief Executive Officer	68,785.197	2,366,210.78
Stephen R. Entwistle Chief Financial Officer & Assistant Secretary	8,218.008	282,699.48
Timothy J. Talbott President and Chief Operating Officer	52,338.335	1,800,438.72
David T. Toronchuk Vice President Industrial	57,477.010	1,977,209.14
Kenneth J. Nakagawa Vice President Pacific & Vancouver Branch Manager	35,649.170	1,266,331.45

Pursuant to section 12.1 of the MTIP, the Board of Trustees may amend the MTIP provided that any approvals required under applicable law are obtained and such amendments do not adversely affect the existing rights of participants under the MTIP. In connection with the Arrangement, the Board of Trustees has approved amendments to the MTIP in order to provide that, following the Effective Date, each phantom Unit or fraction thereof held by participants under the MTIP will represent a phantom New Bird Share or fraction thereof. Payments under the MTIP will be calculated based on the market price of New Bird Shares on vesting as opposed to the market price of Units. Except for minor changes to the MTIP that (i) convert phantom Units into phantom New Bird Shares and (ii) use New Bird Shares and any dividends on New Bird Shares to calculate payments under the MTIP, all of the provisions of the MTIP will remain identical following the Effective Date. The Fund does not anticipate that participants in the MTIP will be adversely affected by these changes, nor does the Fund believe that participants will receive any additional benefits as a result of these changes, since participants will effectively be treated the same as all existing Unitholders of the Fund.

Incentive Plan Awards — value vested or earned during 2009

No Unit-based awards vested in 2009. The following table shows the amounts earned by each of the Executive Officers in 2009 under non-equity incentive plans, which includes only the Profit Sharing Plan.

<u>Name</u>	<u>Unit-based awards— Value vested During the Year (\$)</u>	<u>Non-equity incentive plan compensation— Value earned during the year</u>
Paul R. Raboud Chief Executive Officer	Nil	1,188,587
Stephen R. Entwistle Chief Financial Officer & Assistant Secretary	Nil	237,717
Timothy J. Talbott President and Chief Operating Officer	Nil	962,755
David T. Toronchuk Vice President Industrial	Nil	862,919
Kenneth J. Nakagawa Vice President Pacific & Vancouver Branch Manager	Nil	911,029

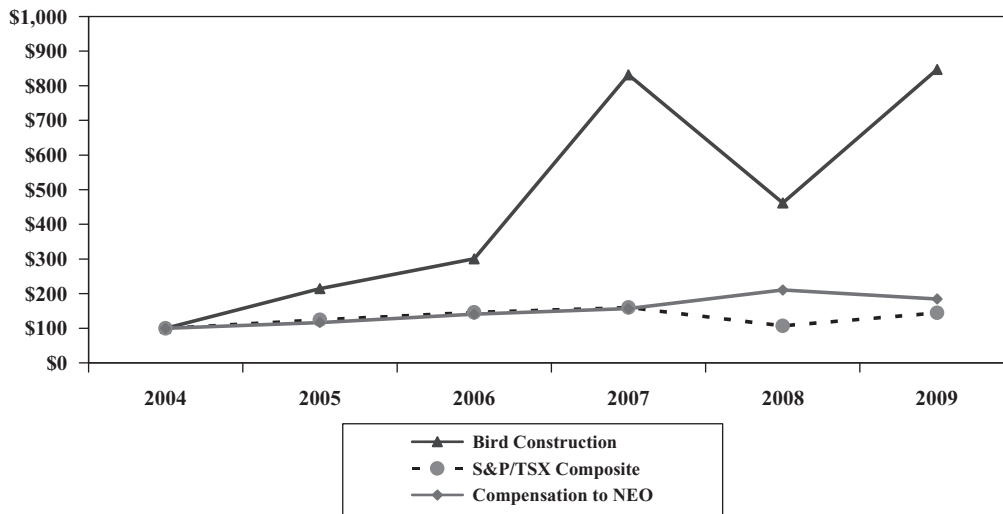
Employment Contracts

Mr. S. Entwistle's employment contract contains a provision for the payment of six months salary in the event of termination without cause. None of the other Executive Officers have employment contracts. Mr. Entwistle's contract was executed upon his hiring in March of 2008.

PERFORMANCE GRAPH

The following graph compares the Fund's total Unitholder return (assuming an investment of \$100 purchased on December 31, 2004 and adjusted for the 3 for 1 exchange of Bird Shares for Units) on the Units of the Fund during the period December 31, 2004 to December 31, 2009 with the cumulative total return of the S&P/TSX Composite Total Return Index, assuming reinvestment of all Distributions and dividends.

Five Year Total Return on \$100 Investment (Distributions Reinvested) and Trend in Executive Compensation



	2004	2005	2006	2007	2008	2009
Bird Construction	100	\$214.37	\$300.28	\$831.88	\$461.79	\$847.32
S&P/TSX Composite	100	\$124.13	\$145.55	\$159.86	\$107.10	\$144.65
Compensation to Named Executive Officers ⁽¹⁾	100	\$116.40	\$140.41	\$156.49	\$210.78	\$184.27

(1) The amount of total compensation paid to Named Executive Officers for the 2004 fiscal year has been attributed \$100 and the value disclosed in the performance graph for each of the following fiscal years has been calculated by multiplying the total compensation paid to the Named Executive Officers in each fiscal year by \$100 and dividing by the total compensation paid to the Named Executive Officers in 2004.

The trends shown in the above performance graph show an increase in the cumulative total return on an investment in Units from 2004 to 2009, with a decline in 2008. The Fund believes that the decline in 2008 is attributable to the general decline in the stock market generally in the second half of 2008. The upward trend in the total compensation paid to the Named Executive Officers is well below the upward trend in the cumulative total return on an investment in the Units. The increase in 2008 executive compensation for the Named Executive Officers is consistent with a substantial increase in the net income of Bird over the same period, which is the primary driver of compensation paid to the Named Executive Officers.

COMPENSATION OF TRUSTEES AND BIRD DIRECTORS

On an annual basis the Personnel and Safety Committee of Bird reviews compensation practices for trustees and directors of other public issuers and from time to time makes recommendations to the Board of Trustees. The Personnel and Safety Committee is composed of independent Bird Directors. Each Trustee and Bird Director, who is not an officer of Bird or any of its affiliates, or an employee of Bird, is entitled to receive the following fees:

	<u>Annual Retainer</u>	<u>Meeting Fees⁽¹⁾</u>
Trustees	\$ 17,600	\$1,500
Audit Committee Members	\$ 4,800	—
Personnel and Safety Committee Members	\$ 4,800	—
Lead Trustee Honorarium	\$ 7,800	—
Audit Committee Chair Honorarium	\$ 11,000	—
Personnel & Safety Committee	\$ 6,000	—
Chair Stipend	\$105,000	—

(1) Plus applicable meeting expenses.

Only one meeting fee is paid to Trustees or Bird Directors attending joint meetings. No additional retainer fees are paid to Bird Directors who are Trustees of the Fund. In respect of the year ended December 31, 2009, non-management Trustees and Directors received total fees of \$322,500. The non-management Trustees and Bird Directors were also reimbursed \$34,573 for travel and accommodation expenses incurred in order to attend board meetings. Other than annual fees and fees to attend board and committee meetings, the Trustees and Bird Directors do not receive any other compensation from the Fund or Bird.

<u>Name</u>	<u>Fees earned</u> <u>(\$)</u>	<u>Total</u> <u>(\$)</u>
J. Richard Bird	36,200	36,200
Judd J. Buchanan	45,500	45,500
Paul A. Charette	115,500	115,500
D. Greg Doyle	48,700	48,700
J. Urban Joseph	43,700	43,700
A.C. Thorsteinson	32,900	32,900

INDEBTEDNESS OF TRUSTEES, DIRECTORS, OFFICERS AND EMPLOYEES

The Fund, including its Subsidiaries, does not provide financial assistance to Trustees, Bird Directors, officers, or employees for the purchase of Units or for any other purpose. As of March 24, 2010, there was no indebtedness owing to the Fund or its Subsidiaries by any Trustee, Bird Director, Executive Officer or senior officer of the Fund, Bird or its subsidiaries.

INTERESTS OF INFORMED PERSONS IN MATERIAL TRANSACTIONS

During 2009, Bird was involved in several construction contracts with Shelter Canadian Properties Limited and Huntingdon Real Estate Investment Trust or companies affiliated with them. Shelter Canadian Properties Limited is controlled by Mr. A.C. Thorsteinson, a Trustee of the Fund and a Bird Director. Mr. D.G. Doyle, a Trustee of the Fund and Bird Director, is a trustee of Huntingdon Real Estate Investment Trust. All contracts with Shelter Canadian Properties Limited, Huntingdon Real Estate Investment Trust or companies affiliated with them are completed on construction terms typical in the industry.

APPOINTMENT OF AUDITOR

The Board of Trustees and management of Bird recommend that KPMG LLP be re-appointed as auditors of the Fund for the 2010 fiscal year at remuneration to be fixed by the Trustees. KPMG LLP has served as auditors of the Fund or one of its predecessors for over 40 years. **In the absence of contrary instructions, the Bird Directors and/or Executive Officers named as proxyholders in the enclosed proxy intend to vote FOR the appointment of KPMG LLP as auditors, to hold office for a one-year term at remuneration to be fixed by the Trustees.**

Information regarding the Fund's audit committee can be found in the section entitled "Audit Committee Information" of the Annual Information Form for the financial year ended December 31, 2009, which is incorporated by reference herein.

GENERAL PROXY MATTERS

Solicitation of Proxies

This Circular is furnished in connection with the solicitation of proxies by or on behalf of the management of Bird, administrator of the Fund on behalf of the Trustees. References in this Circular to the Meeting include any adjournment(s) or postponement(s) thereof. Solicitations of proxies will be made primarily by mail, but may also be made by newspaper publication, in person or by telephone, fax or oral communication by directors, officers, employees or agents of the Fund or its Subsidiaries who will be specifically remunerated therefore. All costs of solicitation will be borne by the Fund.

Appointment of Proxies

Accompanying this Circular is a form of proxy for registered Unitholders. The persons named in the enclosed form of proxy are representatives of the Trustees and are Bird Directors and/or officers of Bird, the administrator of the Fund. **A Unitholder wishing to appoint a person (who need not be a Unitholder) to represent such Unitholder at the Meeting other than the persons designated in the accompanying form of proxy may do so either by inserting such person's name in the blank space provided in the form of proxy or by completing another form of proxy and, in either case, returning it in accordance with the instructions contained on the form of proxy.** A form of proxy must be received by the Transfer Agent, by delivering the proxy to Proxy Department, Computershare Trust Company of Canada (i) by mail to 100 University Ave., 9th floor, Toronto, Ontario, M5J 2Y1; or (ii) by facsimile at 1-866-249-7775, at or prior to 4:00 p.m. (Central time) on May 6, 2010, or if the Meeting is adjourned, not later than 48 hours (excluding Saturdays, Sundays and holidays) before any adjourned meeting. Failure to so deposit a form of proxy shall result in its invalidation.

Non-Registered Holders should follow the instructions on the forms they receive and contact their Intermediaries promptly if they need assistance.

Revocation of Proxies

A registered Unitholder who has given a proxy may revoke the proxy by:

- (a) completing and signing a form of proxy bearing a later date and depositing it with the Transfer Agent as described above; or
- (b) depositing an instrument in writing executed by the Unitholder or by the Unitholder's attorney authorized in writing: (i) at the registered office of the Fund at any time up to and including the last business day preceding the day of the Meeting, or any adjournment of the Meeting, at which the proxy is to be used, or (ii) with the Chair of the Meeting prior to the commencement of the Meeting on the day of the Meeting or any adjournment of the Meeting; or
- (c) in any other manner permitted by law.

A Non-Registered Holder may revoke a Voting Instruction Form or a waiver of the right to receive Meeting Materials and to vote given to an Intermediary at any time by written notice to the Intermediary, except that an Intermediary is not required to act on a revocation of a Voting Instruction Form or of a waiver of the right to receive Meeting Materials and to vote that is not received by the Intermediary at least seven days prior to the Meeting.

The Board of Trustees have fixed the Record Date for the Meeting as the close of business on April 9, 2010. Each holder of record of Units as at the Record Date is entitled to receive notice of, to attend and to one vote at the Meeting, or any adjournments or postponements thereof, in respect of each Unit held on all matters proposed to come before the Meeting.

Signature of Proxy

A form of proxy must be executed by the Unitholder or his attorney authorized in writing, or if the Unitholder is a corporation, the form of proxy should be signed in its corporate name under its corporate seal by an authorized officer whose title should be indicated. A proxy signed by a person acting as attorney or in some other representative capacity

should reflect such person's capacity following his signature and should be accompanied by the appropriate instrument evidencing qualification and authority to act (unless such instrument has been previously filed with the Fund).

Voting of Proxies

The persons designated in the enclosed form of proxy will vote or withhold from voting the Units in respect of which they are appointed by proxy on any ballot that may be called for in accordance with the instructions of the Unitholder as indicated on the proxy and, if the Unitholder specifies a choice with respect to any matter to be acted upon, the Units will be voted accordingly. **In the absence of any specification, the Units will be voted in favour of the matters to be acted upon as set out in this Circular. The persons appointed under the form of proxy are conferred with discretionary authority with respect to amendments or variations of those matters specified in the form of proxy and Notice of Meeting and with respect to any other matters which may be properly brought before the Meeting. In the event that amendments or variations to the matters identified in the Notice of Meeting are properly brought before the Meeting, it is the intention of the persons designated in the enclosed form of proxy to vote in accordance with their best judgment on the matter or business. At the time of printing this Circular, the Trustees knew of no such amendment, variation, or other matter.**

Voting Units and Principal Holders Thereof

As at March 24, 2010, 14,051,282 Units were issued and outstanding. To the knowledge of the Trustees and as of the date of this Circular, there are no persons or companies who beneficially own, directly or indirectly, or exercise control or direction over, units carrying more than 10% of the voting rights attached to the Units of the Fund.

Procedure and Votes Required

The Interim Order provides that each holder of Units as at the close of business on the Record Date will be entitled to receive notice of, to attend and to vote at the Meeting, or any adjournment(s) or postponement(s) thereof. Each such Unitholder will be entitled to vote in accordance with the provisions set out below.

The majority required to pass the Amendments Resolution shall be not less than two-thirds of the votes cast by Unitholders voting, in person or by proxy, at the Meeting, or any adjournment(s) or postponement(s) thereof.

The vote required at the Meeting to approve (i) the appointment of auditors of the Fund and authorization of the Trustees to fix the remuneration to be paid to the auditors; (ii) the election of the Trustees; and (iii) the designation of individuals to be elected as Bird Directors, is the affirmative vote of the holders of not less than a majority of the Units represented at the Meeting, whether in person or represented by proxy.

Pursuant to the Interim Order:

- (a) each Unitholder will be entitled to one vote for each Unit held;
- (b) the majority required to pass the Arrangement Resolution shall be, subject to further order of the Court, not less than two-thirds of the votes cast by Unitholders voting, in person or by proxy, at the Meeting, or any adjournment(s) or postponement(s) thereof;
- (c) the quorum at the Meeting of the Unitholders will be two persons present in person or by proxy and holding or representing not less than 25% of the Units entitled to be voted at such Meeting; and
- (d) if no quorum of Unitholders is present within 30 minutes of the appointed time of the Meeting, the Meeting shall stand adjourned or postponed to the same day in the next week if a Business Day and, if such day is a non-Business Day, the Meeting shall be adjourned or postponed to the next Business Day following one week after the day appointed for the Meeting at the same time and place, and if at such adjourned or postponed meeting a quorum is not present, the Unitholders present, if at least two, shall be a quorum for all purposes.

EXPERTS

As at the date hereof, the partners and associates of Davies Ward Phillips & Vineberg LLP beneficially own, directly or indirectly, in the aggregate less than 1% the issued and outstanding Units.

The audited consolidated financial statements of the Fund as at December 31, 2008 and 2009 for each of the years in the two-year period ended December 31, 2009 incorporated by reference in this Circular have been audited by KPMG LLP, Chartered Accountants, who have advised that they are independent with respect to the Fund within the meaning of the Rules of Professional Conduct of the Institute of Chartered Accountants.

ADDITIONAL INFORMATION

Additional information relating to the Fund is available on SEDAR at www.sedar.com. Unitholders may obtain copies of the Fund's most recent financial statements by retrieving them from SEDAR or by contacting the Fund at 5403 Eglinton Avenue West, Toronto, Ontario. Financial information concerning the Fund is provided in its annual audited consolidated financial statements and related management's discussion and analysis.

APPROVAL BY THE FUND

The contents of this Circular and its sending to the Unitholders have been unanimously approved by the Board of Trustees.

By order of the Board of Trustees

(Signed) PAUL A. CHARETTE

Paul A. Charette
Chair of the Board of Trustees

March 24, 2010

AUDITORS' CONSENT

To: The Trustees of
BIRD CONSTRUCTION INCOME FUND

We have read the management information circular of Bird Construction Income Fund (the “**Fund**”) dated March 24, 2010 (the “**Information Circular**”) relating to the proposed plan of arrangement, for the conversion of the Fund to a corporate structure, involving the Fund, Bird Construction Inc. (the “**Company**”) and the Unitholders of the Fund. 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 Information Circular of our report to the Unitholders of the Fund on the consolidated balance sheets of the Fund as at December 31, 2009 and 2008 and the consolidated statements of income and comprehensive income, retained earnings and cash flows for the years then ended. Our report is dated March 12, 2010.

We also consent to the use, in the Information Circular, of our report to the Directors of the Company on the balance sheet of the Company as at March 15, 2010. Our report is dated March 24, 2010.

(signed) KPMG LLP
Chartered Accountants

Winnipeg, Canada
March 24, 2010

CONSENT OF LEGAL COUNSEL

We hereby consent to the reference to our name and opinions contained under “The Arrangement — Legal Matters”, “Canadian Federal Income Tax Considerations” and “Experts” in the Notice of Meeting and Management Information Circular of Bird Construction Income Fund dated March 24, 2010.

(signed) DAVIES WARD PHILLIPS & VINEBERG LLP

DAVIES WARD PHILLIPS & VINEBERG LLP

Dated March 24, 2010

APPENDIX A
AMENDMENTS RESOLUTION

“BE IT RESOLVED THAT:

1. The amendments to the amended and restated declaration of trust dated February 16, 2006 (the “**Declaration of Trust**”) governing Bird Construction Income Fund (the “**Fund**”) shown below, which allow the holders of units of the Fund to pass resolutions that will bind the Fund in respect of a merger, arrangement or reorganization, are hereby ratified and approved:

Sections 12.5 shall be amended by adding the following as Section 12.5(i) with the capitalized terms not otherwise defined having the meaning ascribed thereto in the Declaration of Trust:

“any sale, lease or other disposition of all or substantially all of the assets of the Fund or any reorganization, arrangement or merger of the Fund with any other entity, in each case except as part of an Internal Reorganization with an affiliate or subsidiary of the Fund or a permitted charge, pledge or lien in accordance with Section 9.2(p).”

APPENDIX B
ARRANGEMENT RESOLUTION

“BE IT RESOLVED THAT:

1. the arrangement under Section 182 of the *Business Corporations Act* (Ontario) (the “Arrangement”) substantially as set forth in the Plan of Arrangement (the “Plan of Arrangement”) attached as Exhibit 1 to Appendix C to the Information Circular of Bird Construction Income Fund (the “Fund”) dated March 24, 2010 (the “Circular”) and all transactions contemplated thereby, be and are hereby authorized and approved;
2. the arrangement agreement (“Arrangement Agreement”) dated March 12, 2010 among the Fund and Bird Construction Inc. (“New Bird”), a copy of which is attached as Appendix C to the Circular, together with such amendments or variations thereto made in accordance with the terms of the Arrangement Agreement as may be approved by the persons referred to in paragraph 4 hereof, such approval to be evidenced conclusively by the execution and delivery of any such amendments or variations, is hereby confirmed, ratified and approved;
3. notwithstanding that this resolution has been duly passed and/or has received the approval of the Ontario Superior Court of Justice, the board of trustees of the Fund may, without further notice to or approval of the holders of units of the Fund, subject to the terms of the Arrangement, amend or terminate the Arrangement Agreement or the Plan of Arrangement or revoke this resolution at any time prior to the filing of the Articles of Arrangement giving effect to the Arrangement; and
4. any trustee of the Fund or officer of Bird Construction Company Limited is hereby authorized, for and on behalf of the Fund, to execute and deliver Articles of Arrangement and to execute, with or without the corporate seal, and, if appropriate, deliver all other documents and instruments and do all other things as in the opinion of such trustee or officer may be necessary or advisable to implement this resolution and the matters authorized hereby, such determination to be conclusively evidenced by the execution and delivery of any such document or instrument, and the taking of any such action.”

APPENDIX C
ARRANGEMENT AGREEMENT

THIS AGREEMENT made as of the 12th day of March, 2010.

BETWEEN:

BIRD CONSTRUCTION INC.,

a corporation existing under the laws of the Province of Ontario,

(hereinafter referred to as “**New Bird**”),

- and -

BIRD CONSTRUCTION INCOME FUND,

a trust governed by the laws of the Province of Ontario,

(hereinafter referred to as “**Bird Trust**”),

WHEREAS Bird Trust intends to propose to its unitholders at the Meeting (as defined below) a statutory plan of arrangement under section 182 of the *Business Corporations Act* (Ontario) on the terms of the Plan of Arrangement annexed as Exhibit 1 hereto;

AND WHEREAS each of New Bird and Bird Trust (collectively, the “**Parties**”) has agreed to participate in the Arrangement on the terms and conditions set forth herein;

NOW THEREFORE THIS AGREEMENT WITNESSES that, in consideration of the premises and the covenants and agreements herein contained and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged by each of the Parties to the others, the Parties covenant and agree as follows:

ARTICLE 1
INTERPRETATION

1.1 Definitions.

In this Agreement the following terms have the following meanings, respectively:

“**Agreement**” means this agreement including the Appendices hereto and all amendments made hereto;

“**Arrangement**” means the proposed arrangement under the provisions of section 182 of the OBCA, on and subject to the terms and conditions set forth in the Plan of Arrangement and any amendment thereto made in accordance with Section 5.1;

“**Articles of Arrangement**” has the meaning assigned to that term in the Plan of Arrangement; “**Bird Trust Units**” means units of Bird Trust;

“**Business Day**” means a day other than a Saturday, Sunday or day on which Canadian chartered banks are authorized or required by law to be closed at their offices in Toronto, Ontario;

“**Certificate**” has the meaning assigned to that term in the Plan of Arrangement;

“**Court**” means the Ontario Superior Court of Justice (Commercial List);

“**Effective Date**” means the effective date of the Arrangement, being the date shown on the certificate of arrangement to be issued by the Director under the OBCA giving effect to the Arrangement;

“**Encumbrances**” means mortgages, charges, pledges, liens, hypothecs, security interests, encumbrances, adverse claims and rights of third parties to acquire or restrict the use of property;

“**Final Order**” means the final order of the Court approving the Arrangement, as such order may be affirmed, amended or modified by any court of competent jurisdiction;

“**Information Circular**” means the management information circular of Bird Trust relating to the Arrangement to be sent to Unitholders in connection with the Meeting;

“**Interim Order**” means the interim order of the Court to be issued pursuant to the application referred to in Section 3.7, as such order may be affirmed, amended or modified by any court of competent jurisdiction;

“**Meeting**” means the meeting of Unitholders, and any adjournment(s) or postponement(s) thereof, to be held for the purpose of considering and, if thought fit, approving the Arrangement;

“**New Bird Shares**” means the common shares of New Bird;

“**OBCA**” means the *Business Corporations Act* (Ontario);

“**Party**” means a party to this Agreement;

“**Plan of Arrangement**” means the Plan of Arrangement set out as Exhibit 1 hereto as the same may be amended from time to time in accordance with the terms hereof; and

“**Unitholder**” means a holder of Bird Trust Units.

1.2 Appendices.

The following appendix is attached to this Agreement and forms part hereof:

Exhibit 1 — Plan of Arrangement

1.3 Construction.

In this Agreement, unless otherwise expressly stated or the context otherwise requires:

- (a) references to “herein”, “hereby”, “hereunder”, “hereof” and similar expressions are references to this Agreement and not to any particular section, subsection or Exhibit;
- (b) references to an “Article”, “Section” or “Exhibit” are references to an Article, Section or Exhibit of or to this Agreement;
- (c) words importing the singular shall include the plural and *vice versa*, words importing gender shall include the masculine, feminine and neuter genders, and references to a “person” or “persons” shall include individuals, corporations, partnerships, associations, bodies politic and other entities, all as may be applicable in the context;
- (d) the use of headings is for convenience of reference only and shall not affect the construction or interpretation hereof;
- (e) the word “including”, when following any general term or statement, is not to be construed as limiting the general term or statement to the specific items or matters set forth or to similar items or matters, but rather as referring to all other items or matters that could reasonably fall within the broadest possible scope of the general term or statement;
- (f) a reference to a statute or code includes every regulation made pursuant thereto, all amendments to the statute or code or to any such regulation in force from time to time, and any statute, code or regulation which supplements or supersedes such statute, code or regulation; and
- (g) for greater certainty, the trustees of Bird Trust have entered into this Agreement in their capacity as trustees of Bird Trust under the declaration of trust governing Bird Trust, and this Agreement has been executed and delivered on behalf of the trustees of Bird Trust in such capacity, and, unless otherwise expressly provided herein, where any reference is made in this Agreement to Bird Trust as a party to this Agreement or any other agreement or to an act to be performed by or a covenant, representation or warranty given by Bird Trust, such reference shall be construed and applied for all purposes as if it referred to the trustees of Bird Trust, in their

capacity as trustees of Bird Trust under the declaration of trust governing Bird Trust and not in their individual capacities.

1.4 Currency.

All references to currency herein are to lawful money of Canada unless otherwise specified.

ARTICLE 2 REPRESENTATIONS AND WARRANTIES

2.1 Representations and Warranties of New Bird.

New Bird represents and warrants to Bird Trust as follows, and acknowledges that Bird Trust is relying upon such representations and warranties in connection with the matters contemplated by this Agreement:

- (a) it is duly incorporated and is validly existing under the OBCA and has the corporate power and authority to enter into this Agreement and to perform its obligations hereunder;
- (b) the execution and delivery of this Agreement by it and the completion by it of the transactions contemplated herein and in the Plan of Arrangement do not and will not:
 - (i) result in the breach of, or violate any term or provision of, its articles or by-laws;
 - (ii) conflict with, result in the breach of, constitute a default under, or accelerate or permit the acceleration of the performance required by, any agreement, instrument, licence, permit or authority to which it is a party or by which it is bound and which is material to it, or to which any material property of New Bird is subject, or result in the creation of any Encumbrance upon any of its material assets under any such agreement, instrument, licence, permit or authority or give to others any material interest or right, including rights of purchase, termination, cancellation or acceleration, under any such agreement, instrument, licence, permit or authority; or
 - (iii) violate any provision of law or administrative regulation or any judicial or administrative award, judgment, order or decree applicable and known to it, the breach of which would have a material adverse effect on it;
- (c) there are no actions, suits, proceedings or investigations commenced, contemplated or threatened against or affecting it, at law or in equity, before or by a governmental department, commission, board, bureau, court, agency, arbitrator or instrumentality, domestic or foreign, of any kind nor are there any existing facts or conditions which may reasonably be expected to form a proper basis for any actions, suits, proceedings or investigations, which, in any case, would prevent or hinder the consummation of the transactions contemplated by this Agreement;
- (d) no dissolution, winding up, bankruptcy, liquidation or similar proceeding has been commenced or is pending or proposed in respect of it;
- (e) the execution and delivery of this Agreement, and the completion of the transactions contemplated herein and in the Plan of Arrangement have been duly approved by its board of directors and this Agreement constitutes a valid and binding obligation of New Bird enforceable against it in accordance with its terms, subject to bankruptcy, insolvency and other laws affecting the enforcement of creditors' rights generally and to general principles of equity and limitations upon the enforcement of indemnification for fines or penalties imposed by law;
- (f) the authorized capital of New Bird consists of an unlimited number of New Bird Shares and unlimited number or preferred shares, issuable in series. As at the date hereof, there is 1 New Bird Share issued and outstanding and there are no preferred shares outstanding;
- (g) as at the date hereof, no person holds any securities convertible into New Bird Shares or any other securities of New Bird or has any agreement, warrant, option or any other right capable of becoming an agreement, warrant or option for the purchase or other acquisition of any unissued New Bird Shares, other than as contemplated by the Arrangement; and
- (h) New Bird has no non-cash assets and no liabilities and has not carried on any business since its date of incorporation.

2.2 Representations and Warranties of Bird Trust.

Bird Trust represents and warrants to and in favour of New Bird as follows, and acknowledges that New Bird is relying upon such representations and warranties in connection with the matters contemplated by this Agreement:

- (a) Bird Trust is a trust duly settled and existing under the laws of Ontario and has the power and capacity to enter into this Agreement and to perform its obligations hereunder;
- (b) the execution and delivery of this Agreement by it and the completion by it of the transactions contemplated herein and in the Plan of Arrangement do not and will not:
 - (i) result in the breach of, or violate any term or provision of the governing documents of Bird Trust including its declaration of trust;
 - (ii) conflict with, result in the breach of, constitute a default under, or accelerate or permit the acceleration of the performance required by, any agreement, instrument, licence, permit or authority to which it is a party or by which it is bound and which is material to it, or to which any material property of Bird Trust is subject, or result in the creation of any Encumbrance upon any of its material assets under any such agreement, instrument, licence, permit or authority or give to others any material interest or right, including rights of purchase, termination, cancellation or acceleration, under any such agreement, instrument, licence, permit or authority; or
 - (iii) violate any provision of law or administrative regulation or any judicial or administrative award, judgment, order or decree applicable and known to it, the breach of which would have a material adverse effect on it;
- (c) there are no actions, suits, proceedings or investigations commenced, contemplated or threatened against or affecting it, at law or in equity, before or by a governmental department, commission, board, bureau, court, agency, arbitrator or instrumentality, domestic or foreign, of any kind nor are there any existing facts or conditions which may reasonably be expected to form a proper basis for any actions, suits, proceedings or investigations, which, in any case, would prevent or hinder the consummation of the transactions contemplated by this Agreement;
- (d) no dissolution, winding up, bankruptcy, liquidation or similar proceeding has been commenced or is pending or proposed in respect of it (other than the winding up of Bird Trust expected to be completed following the completion of the Arrangement);
- (e) the execution and delivery of this Agreement, and the completion of the transactions contemplated herein and in the Plan of Arrangement have been duly approved by the trustees of Bird Trust, and this Agreement constitutes a valid and binding obligation of Bird Trust enforceable against it in accordance with its terms, subject to bankruptcy, insolvency and other laws affecting the enforcement of creditors' rights generally and to general principles of equity and limitations upon the enforcement of indemnification for fines or penalties imposed by law;
- (f) the authorized capital of Bird Trust consists of an unlimited number of Bird Trust Units. As at the date hereof, there are 14,051,282 Bird Trust Units issued and outstanding; and
- (g) as at the date hereof, no person holds any securities convertible into Bird Trust Units or any other securities of Bird Trust or has any agreement, warrant, option or any other right capable of becoming an agreement, warrant or option for the purchase or other acquisition of any unissued Bird Trust Units.

ARTICLE 3 COVENANTS

3.1 General Covenants.

Each of the Parties covenants with the other Party that it will:

- (a) use all commercially reasonable efforts and do all things reasonably required of it to cause the Arrangement to become effective on or about January 1, 2011;

- (b) do and perform all such acts and things, and execute and deliver all such agreements, assurances, notices and other documents and instruments as may reasonably be required to facilitate the carrying out of the intent and purpose of this Agreement both prior to and following the Effective Date; and
- (c) cooperate with and assist the other Party, both before and after the Effective Date, in dealing with transitional matters relating to or arising from the Arrangement.

3.2 Covenants of Bird Trust.

Bird Trust hereby covenants and agrees with New Bird that it will:

- (a) until the Effective Date, not perform any act or enter into any transaction which interferes or is inconsistent with the completion of the Arrangement;
- (b) as soon as practicable, prepare the Information Circular (including a form of proxy) and, subject to receipt of the Interim Order, convene the Meeting;
- (c) in a timely and expeditious manner, file the Information Circular in all jurisdictions where the same is required to be filed by it and mail the same to the holders of Bird Trust Units in accordance with the Interim Order and applicable law and solicit proxies to be voted at the Meeting in favour of the Arrangement;
- (d) ensure that the information set forth in the Information Circular relating to Bird Trust, its subsidiaries, and their respective businesses and properties and the effect of the Plan of Arrangement thereon will be true, correct and complete in all material respects and will not contain any untrue statement of any material fact or omit to state any material fact required to be stated therein or necessary in order to make the statements therein not misleading in light of the circumstances in which they are made; and
- (e) perform the obligations required to be performed by it under the Plan of Arrangement and do all such other acts and things as may be necessary or desirable and are within its power and control in order to carry out and give effect to the Arrangement including using commercially reasonable efforts to obtain:
 - (i) the approval of holders of Bird Trust Units required for the implementation of the Arrangement;
 - (ii) the Interim Order and Final Order;
 - (iii) such other consents, orders, rulings or approvals and assurances as its counsel may advise are necessary or desirable for the implementation of the Arrangement, including those referred to in Section 4.1; and
 - (iv) satisfaction of the other conditions precedent referred to in Section 4.1.

3.3 Covenants of New Bird.

New Bird hereby covenants and agrees with Bird Trust that it will:

- (a) until the Effective Date, not carry on business except as otherwise contemplated by this Agreement and the Plan of Arrangement;
- (b) until the Effective Date, not perform any act or enter into any transaction which interferes or is inconsistent with the completion of the Arrangement; and
- (c) perform the obligations required to be performed by it under the Plan of Arrangement and do all such other acts and things as may be necessary or desirable and are within its power and control in order to carry out and give effect to the Arrangement.

3.4 Interim Order.

As soon as practicable, Bird Trust shall apply to the Court pursuant to subsection 182 of the OBCA for the Interim Order providing for, among other things, the calling and holding of the Meeting.

3.5 Final Order.

If the Interim Order and all security holder approvals as required in respect of the Arrangement are obtained, Bird Trust shall promptly thereafter take the necessary steps to submit the Arrangement to the Court and apply for the Final Order in such fashion as the Court may direct. On or about January 1, 2011, subject to the satisfaction or waiver of the other conditions provided for in Article 4, Bird Trust shall file articles of arrangement to give effect to the Arrangement and, pursuant to subsection 183 of the OBCA, cause such articles of arrangement to be sent to the Director.

ARTICLE 4 CONDITIONS

4.1 Mutual Conditions Precedent.

The respective obligations of the Parties to complete the transactions contemplated by this Agreement and to file articles of arrangement to give effect to the Arrangement shall be subject to satisfaction of the following conditions:

- (a) the Arrangement, either without amendment or with amendments approved by the Parties, shall have been approved at the Meeting;
- (b) the Final Order shall have been obtained in form and substance satisfactory to both Parties acting reasonably, not later than December 31, 2010 or such later date as the Parties may agree;
- (c) the Articles of Arrangement, together with a copy of the Plan of Arrangement and the Final Order and such other materials as may be required by the Director, in form and substance satisfactory to New Bird and Bird Trust, acting reasonably, shall have been accepted for filing by the Director, in accordance with subsection 183 of the OBCA;
- (d) all material consents, orders, rulings, approvals and assurances, including regulatory and judicial approvals and orders, required for the completion of the transactions provided for in this Agreement and the Plan of Arrangement shall have been obtained or received from the persons, authorities or bodies having jurisdiction in the circumstances, including orders, rulings, no action letters and registrations pursuant to the *Securities Act* (Ontario) and the comparable securities legislation of the other provinces of Canada to permit the New Bird Shares to be issued or transferred pursuant to the Arrangement and to be freely tradable in each such jurisdiction promptly following the Effective Date;
- (e) no action shall have been instituted and be continuing on the Effective Date for an injunction to restrain, a declaratory judgment in respect of, or damages on account of or relating to, the Arrangement and there shall not be in force any order or decree restraining or enjoining the consummation of the transactions contemplated by this Agreement and no cease trading or similar order with respect to any securities of any of the Parties shall have been issued and remain outstanding;
- (f) none of the consents, orders, rulings, approvals or assurances required for the implementation of the Arrangement shall contain terms or conditions or require undertakings or security deemed unsatisfactory or unacceptable by any of the Parties, acting reasonably;
- (g) no law, regulation or policy shall have been proposed, enacted, promulgated or applied which interferes or is inconsistent with the completion of the Arrangement including, without limitation, any material change to the income tax laws of Canada, which could have a material adverse effect on Unitholders if the Arrangement is completed;
- (h) the Toronto Stock Exchange shall have conditionally approved the substitutional listing of the New Bird Shares to be issued or transferred pursuant to the Arrangement, subject to compliance with the normal listing requirements of such exchange; and
- (i) this Agreement shall not have been terminated under Article 5.

4.2 Conditions to Obligations of Each Party.

The obligation of each Party to complete the transactions contemplated by this Agreement is further subject to the condition, which may be waived by such Party without prejudice to its right to rely on any other condition in its favour, that the covenants of the other Party to be performed on or before the Effective Date pursuant to the terms of this Agreement shall have been duly performed by them and that the representations and warranties of the other Party shall be true and correct in all material respects as at the Effective Date, with the same effect as if such representations and

warranties had been made at, and as of, such time and each such Party shall receive a certificate, dated the Effective Date, of a senior officer of the other Party confirming the same.

4.3 Merger of Conditions.

The conditions set out in Section 4.1 shall be conclusively deemed to have been satisfied, waived or released on the filing by Bird Trust of articles of arrangement under the OBCA to give effect to the Plan of Arrangement.

ARTICLE 5 AMENDMENT AND TERMINATION

5.1 Amendment.

This Agreement may, at any time and from time to time before and after the holding of the Meeting but not later than the Effective Date, be amended by written agreement of the Parties without, subject to applicable law, further notice to or authorization on the part of their respective shareholders. Without limiting the generality of the foregoing, any such amendment may:

- (a) change the time for performance of any of the obligations or acts of the Parties;
- (b) waive any inaccuracies or modify any representation contained herein or in any document to be delivered pursuant hereto;
- (c) waive compliance with or modify any of the covenants herein contained or waive or modify performance of any of the obligations of the Parties or satisfaction of any of the conditions precedent in Article 4 of this Agreement; or
- (d) make such alterations in this Agreement as the Parties may consider necessary or desirable in connection with the Interim Order.

5.2 Termination.

This Agreement may, at any time before or after the holding of the Meeting but prior to the issue under the OBCA of a certificate of arrangement giving effect to the Arrangement, be terminated by the mutual agreement of the Parties, at any time without approval of the Unitholders. This Agreement shall terminate without any further action by the Parties if the Effective Date shall not have occurred on or before June 30, 2011, unless the Parties agree otherwise.

5.3 Exclusivity.

None of the covenants of Bird Trust contained herein shall prevent the board of trustees of Bird Trust from responding as required by law to any unsolicited submission or proposal regarding any acquisition or disposition of assets or any unsolicited proposal to amalgamate, merge or effect an arrangement or any unsolicited acquisition proposal generally or make any disclosure to its Unitholders with respect thereto which in the judgment of the board of trustees of Bird Trust acting upon the advice of outside counsel is required under applicable law.

ARTICLE 6 GENERAL

6.1 Notices.

All notices that may or are required to be given pursuant to any provision of this Agreement shall be given in writing and shall be delivered personally or by facsimile transmission addressed to the recipient as follows:

To any one or more of New Bird, and Bird Trust:

Bird Construction Company Limited
5403 Eglinton Avenue West
Suite 206
Etobicoke, ON M9C 5K6

Attention: Chief Executive Officer
Fax No.: 416-620-1516

with a copy to:

Davies Ward Phillips & Vineberg LLP
44th Floor
1 First Canadian Place
Toronto, ON M5X 1B1

Attention: Jennifer Grossklaus
Fax No.: (416) 863-0871

or such other address of which a Party may, from time to time, advise the other Parties hereto by notice in writing given in accordance with the foregoing. Date of receipt of any such notice shall be deemed to be the date of delivery thereof or, if given by facsimile transmission, the day of transmittal thereof if given during the normal business hours of the recipient and the next Business Day if not given during such hours.

6.2 Entire Agreement.

This Agreement and the Plan of Arrangement attached hereto, as the same shall have been or may be varied or amended, together with all other documents and instruments referred to herein, constitutes the entire agreement and supersedes all other prior agreements and undertakings, both written and oral, among the Parties or any of them with respect to the subject matter hereof.

6.3 Assignment.

No Party may assign its rights or obligations under this Agreement or the Arrangement.

6.4 Binding Effect.

This Agreement shall be binding upon and shall enure to the benefit of the Parties hereto and their respective successors and specific references to “successors” elsewhere in this Agreement shall not be construed to be in derogation of the foregoing.

6.5 Limitation of Liability.

The Parties acknowledge that this Agreement shall be conclusively taken to have been executed by, or by an officer of Bird Trust on behalf of, the trustees of Bird Trust only in their capacity as trustees under the declaration of trust governing Bird Trust. The Parties hereby disavow any liability upon and waive any claim against holders of Bird Trust Units and annuitants under plans of which holders of Bird Trust Units act as trustee or carrier and the obligations created hereunder are not personally binding upon, nor shall resort be had to, nor shall recourse or satisfaction be sought from, the private property of any trustee or officer of Bird Trust or any holder of Bird Trust Units or annuitant, but the property of Bird Trust from time to time or a specific portion thereof only shall be bound. It is agreed that the benefit of this provision is restricted to the trustees and officers of Bird Trust, each holder of Bird Trust Units issued by Bird Trust and annuitants and, solely for that purpose, the undersigned signing officer of Bird Trust has entered into this provision as agent and trustee for and on behalf of the trustees of Bird Trust, each holder of Bird Trust Units and each annuitant.

6.6 Waiver.

Any waiver or release of any of the provisions of this Agreement, to be effective, must be in writing executed by the Party granting the same.

6.7 Governing Law.

This Agreement shall be governed by and construed in accordance with the laws of the Province of Ontario and the laws of Canada applicable therein and shall be treated in all respects as an Ontario contract.

6.8 Counterparts.

This Agreement and any amendment, supplement or restatement thereof may be executed in one or more counterparts, each of which shall be deemed to constitute an original.

IN WITNESS WHEREOF the Parties hereto have executed this Agreement.

BIRD CONSTRUCTION INC.

by (signed) TIMOTHY J. TALBOTT

Name: Timothy J. Talbott

Title: President & Chief Operating Officer

BIRD CONSTRUCTION INCOME FUND

by (Signed) PAUL R. RABOUD

Name: Paul R. Raboud

Title: Trustee

EXHIBIT 1

PLAN OF ARRANGEMENT UNDER SECTION 182 OF THE *BUSINESS CORPORATIONS ACT (ONTARIO)*

ARTICLE 1 INTERPRETATION

1.1 In this Plan of Arrangement, the following terms have the following meanings:

“Affiliate” has the meaning set out in the *Securities Act* (Ontario);

“Arrangement”, **“herein”**, **“hereof”**, **“hereto”**, **“hereunder”** and similar expressions mean and refer to the arrangement pursuant to section 182 of the OBCA set forth in this Plan of Arrangement as supplemented, modified or amended, and not to any particular article, section or other portion hereof;

“Arrangement Agreement” means the arrangement agreement dated March 12, 2010, between New Bird and the Fund pursuant to which such parties have proposed to implement the Arrangement, including any amendments thereto;

“Arrangement Resolution” means the special resolution in respect of the Arrangement in substantially the form attached as Appendix A to the Information Circular to be voted upon by Unitholders at the Meeting;

“Articles of Arrangement” means the articles of arrangement in respect of the Arrangement required under subsection 183 of the OBCA to be filed with the Director after the Final Order has been made to give effect to the Arrangement;

“Business Day” means a day, other than a Saturday, Sunday or day on which Canadian chartered banks are authorized or required by law to be closed at their offices in Toronto, Ontario;

“Certificate” means the certificate or certificates or other confirmation of filing to be issued by the Director pursuant to subsection 183 of the OBCA giving effect to the Arrangement;

“control” means, with respect to control of a body corporate by a Person, the holding (other than by way of security) by or for the benefit of that Person of securities of that body corporate to which are attached more than 50% of the votes that may be cast to elect directors of the body corporate (whether or not securities of any other class or classes shall or might be entitled to vote upon the happening of any event or contingency) provided that such votes, if exercised, are sufficient to elect a majority of the board of directors of the body corporate;

“Court” means the Ontario Superior Court of Justice (Commercial List);

“Declaration of Trust” means the amended and restated declaration of trust dated as of February 16, 2006 governing the Fund, as the same may be amended and/or restated from time to time;

“Director” means the Director appointed under the OBCA;

“Effective Date” means the date the Arrangement is effective under the OBCA;

“Final Order” means the order of the Court approving the Arrangement to be applied for following the Meeting and to be granted pursuant to the provisions of subsection 183 of the OBCA, as such order may be affirmed, amended or modified by any court of competent jurisdiction;

“Fund” means Bird Construction Income Fund, a trust established under the laws of the Province of Ontario pursuant to the Declaration of Trust;

“Information Circular” means the management information circular to be dated on or about March 22, 2010 distributed by the Fund in connection with the Meeting;

“Interim Order” means the interim order of the Court to be dated March 19, 2010 under subsection 182 of the OBCA containing declarations and directions with respect to the Arrangement and the Meeting and issued pursuant to the application of the Fund;

“Meeting” means the annual and special meeting of Unitholders to be held on May 10, 2010, and any adjournment(s) or postponement(s) thereof, to consider and to vote on the Arrangement Resolution and the other matters set out in the Notice of Meeting;

“**New Bird**” means Bird Construction Inc., a wholly-owned subsidiary of the Fund;

“**New Bird Shares**” means the common shares of New Bird;

“**OBCA**” means the *Business Corporations Act* (Ontario);

“**Person**” means any individual, partnership, association, body corporate, trustee, executor, administrator, legal representative, government, regulatory authority or other entity;

“**Plan of Arrangement**” means this plan of arrangement as amended or supplemented from time to time in accordance with the terms hereof;

“**Record Date**” means the close of business on April 9, 2010;

“**Subsidiary**” means, in relation to any person, any body corporate, partnership, joint venture, association or other entity of which more than 50% of the total voting power of shares or units of ownership or beneficial interest entitled to vote in the election of directors (or members of a comparable governing body) is owned or controlled, directly or indirectly, by such Person;

“**Unit**” means a unit of the Fund; and

“**Unitholders**” means the holders of Units from time to time.

1.2 In this Plan of Arrangement, unless otherwise expressly stated or the context otherwise requires:

- (a) references to “herein”, “hereby”, “hereunder”, “hereof” and similar expressions are references to this Plan of Arrangement and not to any particular Section, subsection or Schedule;
- (b) references to an “Article”, “Section” or “Schedule” are references to an Article, Section or Schedule of or to this Plan of Arrangement;
- (c) words importing the singular shall include the plural and *vice versa*, words importing gender shall include the masculine, feminine and neuter genders;
- (d) the use of headings is for convenience of reference only and shall not affect the construction or interpretation hereof;
- (e) the word “including”, when following any general term or statement, is not to be construed as limiting the general term or statement to the specific items or matters set forth or to similar items or matters, but rather as referring to all other items or matters that could reasonably fall within the broadest possible scope of the general term or statement;
- (f) a reference to a statute or code includes every regulation made pursuant thereto, all amendments to the statute or code or to any such regulation in force from time to time, and any statute, code or regulation which supplements or supersedes such statute, code or regulation; and
- (g) for greater certainty, the trustees of the Fund have entered into this Plan of Arrangement in their capacity as trustees of the Fund under the declaration of trust governing the Fund and this Plan of Arrangement has been executed and delivered on behalf of the trustees of the Fund in such capacity, and, unless otherwise expressly provided herein, where any reference is made in this Plan of Arrangement to the Fund as a party to this Plan of Arrangement or any other agreement or to an act to be performed by or a covenant, representation or warranty given by the Fund, such reference shall be construed and applied for all purposes as if it referred to the trustees of the Fund, in their capacity as trustees of the Fund under the declaration of trust governing the Fund.

1.3 In the event that the date on which any action is required to be taken hereunder by any of the parties is not a Business Day in the place where the action is required to be taken, such action shall be required to be taken on the next succeeding day which is a Business Day in such place.

ARTICLE 2

ARRANGEMENT AGREEMENT

- 2.1 This Plan of Arrangement is made pursuant and subject to the provisions of the Arrangement Agreement.
- 2.2 This Plan of Arrangement, upon the filing of the Articles of Arrangement and the issue of the Certificate, will become effective on, and be binding on and after the Effective Date on: (i) the Unitholders; (ii) New Bird, and; (iii) the Fund.

- 2.3 The Articles of Arrangement and the Certificate shall be filed and issued, respectively, with respect to this Arrangement in its entirety. The Certificate shall be conclusive evidence that the Arrangement has become effective and that each of the provisions of Article 3 has become effective in the sequence and at the times set out therein.

ARTICLE 3 ARRANGEMENT

- 3.1 The following shall occur and be deemed to occur in the order provided below on the Effective Date without further act or formality:
- (a) the Unitholders will transfer, and will be deemed to have transferred, their Units to New Bird in exchange for New Bird Shares on a one-for-one basis;
 - (b) there will be added to the stated capital account maintained for the New Bird Shares an amount determined by the directors of New Bird in accordance with subsection 24(2) of the OBCA in respect of the New Bird Shares issued under the Arrangement, and New Bird will be authorized to subsequently reduce its stated capital in an amount determined by the directors of New Bird in respect of which no amount is to be distributed to the holders of New Bird Shares, as contemplated by section 34(1)(b)(ii)(B) of the OBCA; and
 - (c) the New Bird Share issued to the Fund in connection with the incorporation of New Bird will be purchased for cancellation by New Bird for \$10 and will be cancelled.
- 3.2 With respect to each Unitholder on the Effective Date:
- (a) upon the transfer of Units to New Bird in consideration for New Bird Shares pursuant to Section 3.1(a):
 - (i) such former Unitholder shall be added to the register of holders of New Bird Shares and the name of such holder shall be removed from the registers of holders of Units as they relate to the Units so transferred; and
 - (ii) New Bird shall become the holder of the Units so transferred and shall be added to the register of holders of Units.

ARTICLE 4 OUTSTANDING CERTIFICATES AND FRACTIONAL SHARES

- 4.1 From and after the Effective Date, certificates formerly representing Units shall represent only the number of New Bird Shares which the former holder of Units is entitled to receive pursuant to Article 3. Holders of Units will not be entitled to any interest, dividend, premium or other payment on or with respect to the Units.
- 4.2 No certificates representing fractional New Bird Shares shall be issued pursuant to the Plan of Arrangement.

ARTICLE 5 AMENDMENTS

- 5.1 The Parties to the Arrangement Agreement may amend, modify and/or supplement this Plan of Arrangement at any time and from time to time prior to the Effective Date, provided that each such amendment, modification and/or supplement must be: (i) set out in writing; (ii) filed with the Court and, if made following the Meeting, approved by the Court; and (iii) communicated to holders of Units if and as required by the Court.
- 5.2 Any amendment of, modification to or supplement to this Plan of Arrangement may be proposed by Bird Trust at any time prior to or at the Meeting with or without any other prior notice or communication, and if so proposed and accepted by the persons voting at the Meeting (other than as may be required under the Interim Order), shall become part of this Plan of Arrangement for all purposes.
- 5.3 Any amendment, modification or supplement to this Plan of Arrangement may be made following the Effective Date but shall only be effective if it is consented to by each of the Fund and New Bird, provided that it concerns a matter which, in the reasonable opinion of the Fund and New Bird is of an administrative nature required to better give effect to the implementation of this Plan of Arrangement and is not adverse to the financial or economic interests of the Fund and New Bird or any former Unitholder.

APPENDIX D

INTERIM ORDER

Commercial List Court File No. CV-10-8618-00CL

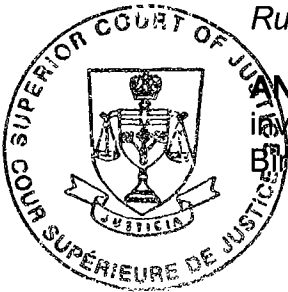
**ONTARIO
SUPERIOR COURT OF JUSTICE
(Commercial List)**

THE HONOURABLE) FRIDAY, THE 19th DAY
JUSTICE KARAKATSANIS) OF MARCH, 2010

IN THE MATTER OF the *Business Corporations Act*, R.S.O. 1990, c. B.16, as amended, Section 182

AND IN THE MATTER OF Rule 14.05(2) and 14.05(3) of the *Rules of Civil Procedure*

AND IN THE MATTER OF a proposed arrangement involving Bird Construction Income Fund, its unitholders and Bird Construction Inc.



INTERIM ORDER

THIS MOTION, made by the Applicants, Bird Construction Income Fund (the "Fund") and Bird Construction Inc. ("New Bird"), for an interim order for advice and directions pursuant to the Amended and Restated Declaration of Trust dated February 16, 2006 governing the Fund (the "Declaration of Trust"), section 60 of the *Trustee Act*, R.S.O. 1990, c. T. 23, as amended, and section 182 of the *Business Corporations Act*, R.S.O. 1990, c. B.-16, as amended (the "OBCA"), was heard this day at 330 University Avenue, Toronto, Ontario.

ON READING the Notice of Motion, the Notice of Application issued on March 15, 2010, and the Affidavit of Paul Raboud sworn March 13, 2010 (the "Raboud Affidavit"), including the Plan of Arrangement, which is attached as Exhibit 1 to Appendix C of the draft management information circular of the Fund (the "Information

Circular"), which is attached as Exhibit "A" to the Raboud Affidavit, and on hearing the submissions of counsel for the Applicants:

Definitions

1. **THIS COURT ORDERS** that all definitions used in this Interim Order shall have the meaning ascribed thereto in the Information Circular or otherwise as specifically defined herein.

The Meeting

2. **THIS COURT ORDERS** that the Fund is permitted to call, hold and conduct an annual and special meeting (the "Meeting") of the holders of units of the Fund (the "Unitholders") to be held at The Fort Garry Hotel, 222 Broadway, Winnipeg, Manitoba on May 10, 2010 at 4 p.m. (Winnipeg time) in order for the Unitholders to consider and, if determined advisable, pass special resolutions authorizing, adopting and approving, with or without variation, the Arrangement and the Plan of Arrangement (collectively, the "Arrangement Resolution").

3. **THIS COURT ORDERS** that the Meeting shall be called, held and conducted in accordance with the notice of meeting of Unitholders, which accompanies the Information Circular (the "Notice of Meeting") and the Declaration of Trust, subject to what may be provided hereafter and subject to further order of this court.

4. **THIS COURT ORDERS** that the record date (the "Record Date") for determination of the Unitholders entitled to notice of, and to vote at, the Meeting shall be April 9, 2010.

5. **THIS COURT ORDERS** that the only persons entitled to attend or speak at the Meeting shall be:

- (a) the Unitholders or their respective proxyholders;
- (b) the officers, trustees, auditors and advisors of the Fund;
- (c) the officers, directors, auditors and advisors of Bird Construction Company Limited and New Bird; and
- (d) other persons who may receive the permission of the Chair of the Meeting.

Quorum

6. **THIS COURT ORDERS** that the Chair of the Meeting shall be determined by the Fund and that the quorum at the Meeting shall be not less than two persons present in person at the opening of the Meeting holding or representing not less than 25% of the Units entitled to be voted at the Meeting.

Amendments

7. **THIS COURT ORDERS** that the Applicants are authorized to make, subject to the terms of the Arrangement Agreement, and paragraph 8 below, such amendments, modifications or supplements to the Arrangement and the Plan of Arrangement as they may determine without any additional notice to the Unitholders, or others entitled to receive notice under paragraph 10 hereof, and the Arrangement and Plan of Arrangement, as so amended, modified or supplemented shall be the Arrangement and Plan of Arrangement to be submitted to the Unitholders at the Meeting and shall be the subject of the Arrangement Resolution. Amendments,

modifications or supplements may be made following the Meeting, but shall be subject to review and, if appropriate, further direction by this Honourable Court at the hearing for the final approval of the Arrangement.

8. **THIS COURT ORDERS** that, if any amendments, modifications or supplements to the Arrangement or Plan of Arrangement as referred to in paragraph 7, above, would, if disclosed, reasonably be expected to affect a Unitholder's decision to vote for or against the Arrangement Resolution, notice of such amendment, modification or supplement shall be distributed, subject to further order of this Honourable Court, by press release, newspaper advertisement, prepaid ordinary mail, or by the method most reasonably practical in the circumstances, as the Applicants may determine.

Adjournments and Postponements

9. **THIS COURT ORDERS** that the Fund, if it deems advisable and subject to the terms of the Arrangement Agreement, is specifically authorized to adjourn or postpone the Meeting on one or more occasions, without the necessity of first convening the Meeting or first obtaining any vote of the Unitholders respecting the adjournment or postponement, and notice of any such adjournment or postponement shall be given by such method as the Fund may determine is appropriate in the circumstances. This provision shall not limit the authority of the chairperson of the Meeting in respect of adjournments and postponements.

Notice of Meeting

10. **THIS COURT ORDERS** that the Notice of Application, this Interim Order, the Notice of Meeting, the Information Circular and the form of proxy, along with such

amendments or additional documents as the Applicants determine are necessary or desirable and are not inconsistent with the terms of this Interim Order (collectively, the "Meeting Materials"), shall be sent to:

- (a) the registered Unitholders at the close of business on the Record Date, at least twenty-one (21) days prior to the date of the Meeting, excluding the date of sending and the date of the Meeting, by one or more of the following methods:
 - (i) by pre-paid ordinary or first class mail at the addresses of the Unitholders as they appear on the books and records of the Fund, or its registrar and transfer agent, at the close of business on the Record Date and if no address is shown therein, then the last address of the person known to the Corporate Secretary of the Fund;
 - (ii) by delivery, in person or by recognized courier service or inter-office mail, to the address specified in (i) above; or
 - (iii) by facsimile or electronic transmission to any Unitholder, who is identified to the satisfaction of the Fund, who requests such transmission in writing and, if required by the Fund, who is prepared to pay the charges for such transmission;
- (b) non-registered Unitholders by providing sufficient copies of the Meeting Materials to intermediaries and registered nominees in a timely manner, in accordance with National Instrument 54-101 of the Canadian Securities Administrators; and
- (c) the respective trustees and auditors of the Fund by delivery in person, by recognized courier service, by pre-paid ordinary or first class mail or, with

the consent of the person, by facsimile or electronic transmission, at least twenty-one (21) days prior to the date of the Meeting, excluding the date of sending and the date of the Meeting;

and that compliance with this paragraph shall constitute sufficient notice of the Meeting.

11. **THIS COURT ORDERS** that accidental failure or omission by the Applicants to give notice of the meeting or to distribute the Meeting Materials or Court Materials to any person entitled by this Interim Order to receive notice, or any failure or omission to give such notice as a result of events beyond the reasonable control of the Applicants, or the non-receipt of such notice shall, subject to further order of this Honourable Court, not constitute a breach of this Interim Order nor shall it invalidate any resolution passed or proceedings taken at the Meeting. If any such failure or omission is brought to the attention of the Applicants, they shall use their best efforts to rectify it by the method and in the time most reasonably practicable in the circumstances.

12. **THIS COURT ORDERS** that the Applicants are hereby authorized to make such amendments, revisions or supplements to the Meeting Materials and Court Materials, as they may determine in accordance with the terms of the Arrangement Agreement ("Additional Information"), and that notice of such Additional Information may, subject to paragraph 8, above, be distributed by press release, newspaper advertisement, pre-paid ordinary mail, or by the method most reasonably practicable in the circumstances, as the Applicants may determine.

13. **THIS COURT ORDERS** that distribution of the Meeting Materials and Court Materials pursuant to paragraph 10 of this Interim Order shall constitute notice

and good and sufficient service upon the persons described in paragraph 10 of this Interim Order of the Meeting and the within Application. Further, no other form of service of the Meeting Materials or the Court Materials or any portion thereof need be made, or notice given or other material served in respect of these proceedings and/or the Meeting to such persons or to any other persons, except to the extent required by paragraph 8, above.

Solicitation and Revocation of Proxies

14. **THIS COURT ORDERS** that the Fund is authorized to use the proxies substantially in the form of the drafts accompanying the Information Circular, with such amendments and additional information as the Fund may determine are necessary or desirable, subject to the terms of the Arrangement Agreement. The Fund is authorized, at its expense, to solicit proxies, directly or through its officers, trustees or employees, and through such agents or representatives as they may retain for that purpose, and by mail or such other forms of personal or electronic communication as it may determine. The Fund may waive generally, in its discretion, the time limits set out in the Information Circular for the deposit or revocation of proxies by Unitholders, if the Fund deems it advisable to do so.

15. **THIS COURT ORDERS** that Unitholders shall be entitled to revoke their proxies in accordance with section 110(4) of the OBCA (except as the procedures of that section are varied by this paragraph), provided that any instruments in writing delivered pursuant to section 110(4) of the OBCA:

- (a) may be deposited at the registered office of the Fund or with the transfer agent of the Fund as set out in the Information Circular; and
- (b) any such instruments must be received by the Fund or its transfer agent not later than the last business day preceding the day of the Meeting (or any adjournment or postponement thereof).

16. **THIS COURT ORDERS** that the only persons entitled to vote in person or by proxy on the Arrangement Resolution, or such other business as may be properly brought before the Meeting, shall be those Unitholders who hold units of the Fund as of the close of business on the Record Date. Illegible votes, spoiled votes, defective votes and abstentions shall be deemed to be votes not cast. Proxies that are properly signed and dated but which do not contain voting instructions shall be voted in favour of the Arrangement Resolution.

Voting

17. **THIS COURT ORDERS** that votes shall be taken at the Meeting on the basis of one vote per Unit and that in order for the Plan of Arrangement to be implemented, subject to further Order of this Honourable Court, the Arrangement Resolution must be passed, with or without variation, at the Meeting by an affirmative vote of no less than two-thirds ($66\frac{2}{3}\%$) of the votes cast in respect of the Arrangement Resolution at the Meeting in person or by proxy by the Unitholders. Such votes shall be sufficient to authorize the Fund to do all such acts and things as may be necessary or desirable to give effect to the Arrangement and the Plan of Arrangement on a basis consistent with what is provided for in the Information Circular without the necessity of

any further approval by the Shareholders, subject only to final approval of the Arrangement by this Honourable Court.

18. **THIS COURT ORDERS** that in respect of matters properly brought before the Meeting pertaining to items of business affecting the Fund (other than in respect of the Arrangement Resolution), each Unitholder is entitled to one vote for each Unit held. Illegible votes, spoiled votes, defective votes and abstentions shall be deemed to be votes not cast.

Hearing of Application for Approval of the Arrangement

19. **THIS COURT ORDERS** that upon approval by the Unitholders of the Plan Arrangement in the manner set forth in this Interim Order, the Applicants may apply to this Honourable Court for final approval of the Arrangement.

20. **THIS COURT ORDERS** that distribution of the Notice of Application and the Interim Order in the Information Circular, when sent in accordance with paragraph 10 shall constitute good and sufficient service of the Notice of Application and this Interim Order and, subject to paragraph 8 above, no other form of service need be effected and no other material need be served unless a Notice of Appearance is served in accordance with paragraph 21.

21. **THIS COURT ORDERS** that any Notice of Appearance served in response to the Notice of Application shall be served on the solicitors for the Fund, as soon as reasonably practicable, and, in any event, no less than two days before the hearing of this Application at the following address:

Davies Ward Phillips & Vineberg LLP
44th Floor, 1 First Canadian Place
Toronto, ON M5X 1B1

Attention: James Doris

22. **THIS COURT ORDERS** that, subject to further order of this Honourable Court, the only persons entitled to appear and be heard at the hearing of the within application shall be: (i) the Applicants; and (ii) any person who has filed a Notice of Appearance herein in accordance with the Notice of Application, this Interim Order and the *Rules of Civil Procedure*.

23. **THIS COURT ORDERS** that any materials to be filed by the Applicants in support of the within Application for final approval of the Arrangement may be filed up to one day prior to the hearing of the Application without further order of this Honourable Court.

24. **THIS COURT ORDERS** that in the event the within Application for final approval does not proceed on the date set forth in the Notice of Application, and is adjourned, only those persons who served and filed a Notice of Appearance in accordance with paragraph 21 shall be entitled to be given notice of the adjourned date.

Precedence

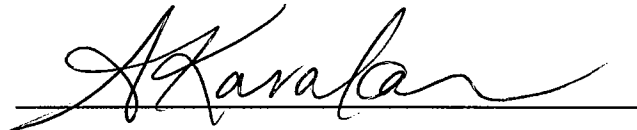
25. **THIS COURT ORDERS** that, to the extent of any inconsistency or discrepancy between this Interim Order and the terms of any instrument creating, governing or collateral to the Units, or the Declaration of Trust, this Interim Order shall govern.

Extra-Territorial Assistance

26. **THIS COURT** seeks and requests the aid and recognition of any court or any judicial, regulatory or administrative body in any province of Canada and any judicial, regulatory or administrative tribunal or other court constituted pursuant to the Parliament of Canada or the legislature of any province and any court or any judicial, regulatory or administrative body of the United States or other country to act in aid of and to assist this Honourable Court in carrying out the terms of this Interim Order.

Variance

27. **THIS COURT ORDERS** that the Fund shall be entitled to seek leave to vary this Interim Order upon such terms and upon the giving of such notice as this Honourable Court may direct.

A handwritten signature in black ink, appearing to read 'A. Karaka', is written over a horizontal line.

ENTERED AT / INSCRIT A TORONTO
ON / BOOK NO:
LE / DANS LE REGISTRE NO.:

MAR 19 2010

PER / PAR: *TV*

IN THE MATTER OF the *Business Corporations Act*, R.S.O. 1990, c. B.16, as amended, Section 182
AND IN THE MATTER OF Rule 14.05(2) and 14.05(3) of the *Rules of Civil Procedure*
AND IN THE MATTER OF a proposed arrangement involving Bird Construction Income Fund, its
unitholders and Bird Construction Inc.

Commercial List File No: CV-10-8618-00CL

**ONTARIO
SUPERIOR COURT OF JUSTICE
(Commercial List)**

Proceeding commenced at Toronto

INTERIM ORDER

Davies Ward Phillips & Vineberg LLP
44th Floor, 1 First Canadian Place
Toronto, ON M5X 1B1

James Doris (LSUC #33236P)
Derek D. Ricci (LSUC #52366N)

Tel: 416.863.0900
Fax: 416.863.0871

Lawyers for the Applicants,
Bird Construction Income Fund and
Bird Construction Inc.

APPENDIX E

NOTICE OF APPLICATION FOR FINAL ORDER

CV-10-8618-00CL
Commercial List File No.

ONTARIO
SUPERIOR COURT OF JUSTICE
(Commercial List)

IN THE MATTER OF the *Business Corporations Act*, R.S.O.
1990, c. B.16, as amended, Section 182

AND IN THE MATTER OF Rule 14.05(2) and 14.05(3) of the
Rules of Civil Procedure

AND IN THE MATTER OF a proposed arrangement
involving Bird Construction Income Fund, its unitholders and
Bird Construction Inc.



NOTICE OF APPLICATION

TO: THE RESPONDENTS

A LEGAL PROCEEDING HAS BEEN COMMENCED BY THE
APPLICANTS. The claim made by the Applicants appears on the following pages.

THIS APPLICATION will come on for a hearing before a Judge presiding
over the Commercial List at 330 University Avenue, Toronto on May 14, 2010 at 10:00
a.m. or as soon after that time as the matter can be heard.

IF YOU WISH TO OPPOSE THIS APPLICATION, to receive notice of any
step in the Application, or to be served with any documents in the Application, you or an
Ontario lawyer acting for you must forthwith prepare a Notice of Appearance in Form
38A prescribed by the *Rules of Civil Procedure*, serve it on the Applicants' lawyer and
file it, with proof of service, in this court office, and you or your lawyer must appear at
the hearing.

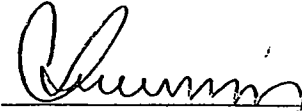
IF YOU WISH TO PRESENT AFFIDAVIT OR OTHER DOCUMENTARY
EVIDENCE TO THE COURT OR TO EXAMINE OR CROSS-EXAMINE WITNESSES
ON THE APPLICATION, you or your lawyer must, in addition to serving your Notice of
Appearance, serve a copy of the evidence on the Applicants' lawyer and file it, with
proof of service, in the court office where the Application is to be heard as soon as
possible, but not later than 2:00 p.m. on the day before the hearing.

IF YOU FAIL TO APPEAR AT THE HEARING, JUDGMENT MAY BE
GIVEN IN YOUR ABSENCE AND WITHOUT FURTHER NOTICE TO YOU. IF YOU
WISH TO OPPOSE THIS APPLICATION BUT ARE UNABLE TO PAY LEGAL FEES,

LEGAL AID MAY BE AVAILABLE TO YOU BY CONTACTING A LOCAL LEGAL AID OFFICE.

Date: March 12, 2010

Issued by:



Christina Irwin

Address: ~~Post Office~~ ^{Registrar, Superior Court of Justice}
330 University Avenue
Toronto, Ontario
M5G 1R7

TO: All unitholders of Bird Construction
Income Fund

AND TO: The trustees and auditors of
Bird Construction Income Fund

APPLICATION

1. The Applicants, Bird Construction Income Fund (the "Fund") and Bird Construction Inc. ("New Bird"), make application for:

- (a) an Interim Order for advice and directions pursuant to the Amended and Restated Declaration of Trust dated February 16, 2006 governing the Fund, as it may be further amended (the "Declaration of Trust"), section 60 of the Trustee Act, R.S.O. 1990, c. T. 23, as amended, and section 182(5) of the Business Corporations Act, R.S.O. 1990, c. B. 16, as amended (the "OBCA"), with respect to the calling, holding and conducting of an annual and special meeting (the "Meeting") of the unitholders of the Fund (the "Unitholders") to consider, among other things, a plan of arrangement involving the Applicants and the unitholders (the "Arrangement");
- (b) an order pursuant to section 182 of the OBCA approving the Arrangement; and
- (c) such further and other relief as this Honourable Court deems just.

2. **THE GROUNDS** for the Application are:

- (a) New Bird is a corporation incorporated under the provision of the OBCA, with its head office in Toronto, Ontario;

- (b) the Fund is a trust established under the laws of the Province of Ontario pursuant to the Declaration of Trust, and has its head office in Toronto, Ontario;
- (c) the Arrangement is an "arrangement" within the meaning of section 182(1) of the OBCA;
- (d) all statutory requirements under the OBCA have been fulfilled;
- (e) the Arrangement is in the best interests of the Fund, is fair and reasonable to the unitholders of the Fund, and is put forward in good faith;
- (f) the Declaration of Trust has been amended, subject to ratification by the Unitholders of the Fund, to facilitate the Arrangement;
- (g) section 182 of the OBCA;
- (h) section 60 of the *Trustee Act*, R.S.O. 1990, c. T. 23, as amended;
- (i) rules 14.05(2), 14.05(3), 16.04(1), 16.08 and 38 of the *Rules of Civil Procedure*; and
- (j) such further and other grounds as counsel may advise and this Honourable Court may permit.

3. **THE FOLLOWING DOCUMENTARY EVIDENCE** will be used at the hearing of the Application:

- (a) such Interim Order as may be granted by this Honourable Court;

- (b) the affidavit of Paul Raboud, sworn March 13, 2010, and the exhibits thereto and other materials referred to therein;
- (c) the supplementary affidavit material, to be sworn, and the exhibits thereto and other materials referred to therein; and
- (d) such further and other materials as counsel may advise and this Honourable Court may permit.

Date of Issue: March 12, 2010

DAVIES WARD PHILLIPS & VINEBERG LLP
44th Floor , 1 First Canadian Place
Toronto, ON M5X 1B1

James Doris (LSUC #33236P)
Derek D. Ricci (LSUC #52366N)

Tel: 416.863.0900
Fax: 416.863.0871

Lawyers for the Applicants,
Bird Construction Income Fund and
Bird Construction Inc.

IN THE MATTER OF the *Business Corporations Act*, R.S.O. 1990, c. B.16, as amended, Section 182
AND IN THE MATTER OF Rule 14.05(2) and 14.05(3) of the *Rules of Civil Procedure*
AND IN THE MATTER OF a proposed arrangement involving Bird Construction Income Fund, its unitholders
and Bird Construction Inc.

CV-10-8618-0002
Commercial List File No:

ONTARIO
SUPERIOR COURT OF JUSTICE
(Commercial List)

Proceeding commenced at Toronto

NOTICE OF APPLICATION

Davies Ward Phillips & Vineberg LLP
44th Floor, 1 First Canadian Place
Toronto Canada M5X 1B1

James Doris (LSUC #33236P)
Derek D. Ricci (LSUC #52366N)

Tel: 416.863.0900
Fax: 416.863.0871

Lawyers for the Applicants,
Bird Construction Income Fund and
Bird Construction Inc.

APPENDIX F

INFORMATION CONCERNING NEW BIRD

NOTICE TO READER

As at the date hereof, New Bird has not carried on any active business other than executing the Arrangement Agreement. Unless otherwise noted, the disclosure in this Appendix has been prepared assuming that the Arrangement has been completed. New Bird will be the publicly listed corporation resulting from the reorganization of the Fund's trust structure into a corporation pursuant to the Arrangement. Unless otherwise defined herein, all capitalized words and phrases used in this Appendix have the meaning given to such words and phrases in the "Glossary of Terms" or elsewhere in the Circular.

FORWARD-LOOKING STATEMENTS

New Bird may from time to time make written and verbal forward-looking statements about business objectives, operations, performance and financial condition, including, in particular, the forecast of cash dividends and the likelihood of New Bird's success in developing and expanding its business. These may be included in the annual reports, quarterly reports, regulatory filings, reports to New Bird Shareholders, press releases, New Bird presentations and this Appendix. These forward-looking statements are based upon a number of assumptions and estimates that are inherently subject to significant uncertainties and contingencies, which may be beyond the control of New Bird, including risks associated with the inability to meet or continue to meet listing requirements, the inability to obtain required consents, permits or approvals, including Unitholder and Court approval of the Arrangement and failure to realize the anticipated benefits of the Arrangement. Actual results may differ materially from those expressed or implied by such forward-looking statements. New Bird does not undertake to update any forward-looking statement, whether written or verbal, that may be made from time to time, except as required by applicable securities laws.

CORPORATE STRUCTURE

Name, Address and Incorporation

New Bird was incorporated as a Subsidiary of by the Fund on March 5, 2010 pursuant to the provisions of the OBCA for the sole purpose of participating in the Arrangement. Once the Arrangement has been completed, New Bird will hold all of the issued and outstanding Units of the Fund. The head and registered office of New Bird is located at 5403 Eglinton Avenue West, Toronto, Ontario M9C 5K6.

On the Effective Date, New Bird will become a reporting issuer in all the provinces of Canada other than Quebec and will become subject to the informational reporting requirements under the securities laws of such jurisdictions as a result of the Arrangement.

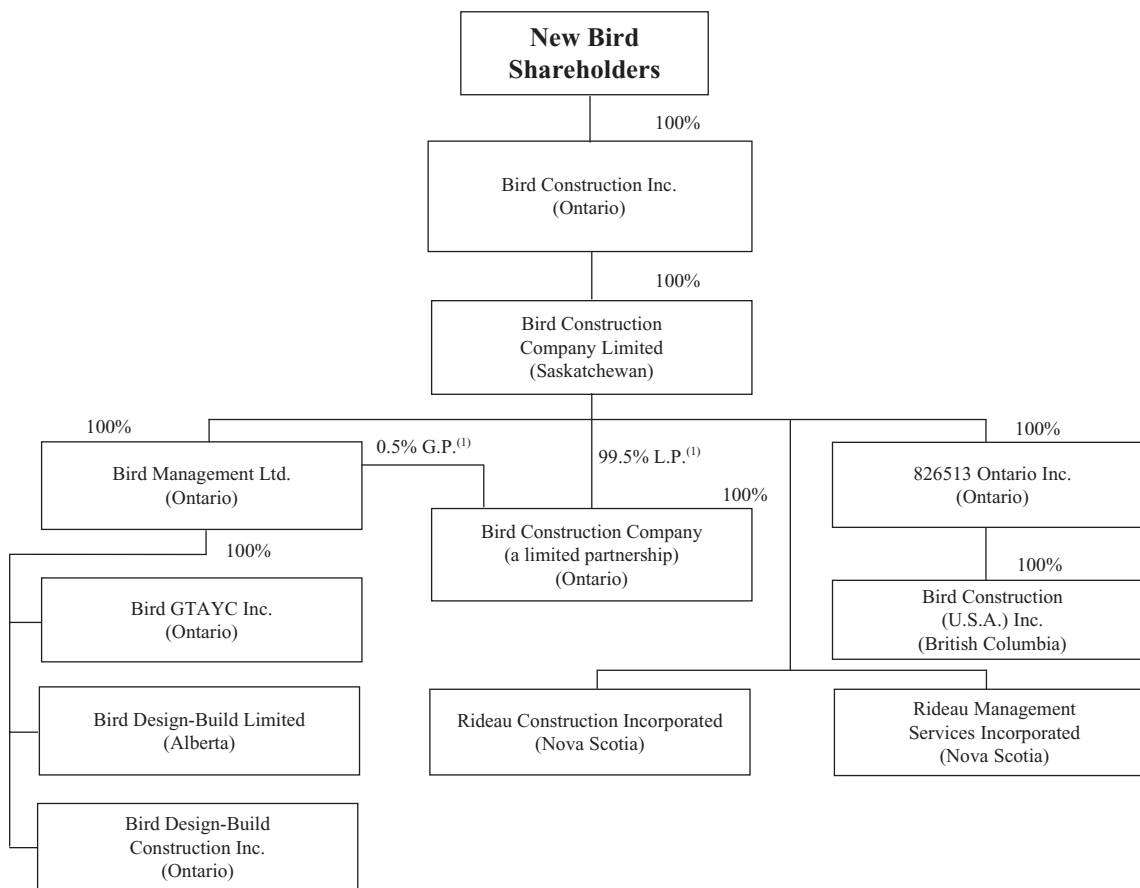
Intercorporate Relationships

As at the date hereof, New Bird does not have any Subsidiaries. The following table provides the name, the percentage of voting securities to be owned, directly or indirectly, by New Bird and the jurisdiction of incorporation, continuance or formation of New Bird's principal Subsidiaries after giving effect to the Arrangement and the winding-up of the Fund. For simplification purposes, this table omits certain wholly-owned operating companies.

	Percentage of voting securities (directly or indirectly)	Nature of Entity	Jurisdiction of Incorporation/ Formation
Bird Construction Company Limited	100%	Corporation	Saskatchewan
Bird Management Ltd.	100%	Corporation	Ontario
Bird GTAYC Inc.	100%	Corporation	Ontario
Bird Design-Build Limited.	100%	Corporation	Alberta
Bird Design-Build Construction Inc.	100%	Corporation	Ontario
Bird Construction Company	100%	Limited Partnership	Ontario
826513 Ontario Inc.	100%	Corporation	Ontario
Bird Construction (U.S.A.) Inc.	100%	Corporation	British Columbia
Rideau Construction Incorporated	100%	Corporation	Nova Scotia
Rideau Management Services. Incorporated	100%	Corporation	Nova Scotia

Organizational Structure of New Bird

The following diagram illustrates the organizational structure of New Bird following the completion of the Arrangement and the winding-up of the Fund.



(1) G.P. refers to the General Partner and L.P. refers to the Limited Partner.

GENERAL DEVELOPMENT OF THE BUSINESS

New Bird has not carried on any active business since its incorporation other than executing the Arrangement Agreement. If approved, the Arrangement will result in the reorganization of the Fund's income trust structure into a corporate structure under New Bird, which will own all of the Units of the Fund. Upon completion of the Arrangement, the former Unitholders will become shareholders of New Bird. It is expected that, as soon as practicable following the Arrangement, the Fund will be wound up and the Bird Shares that it holds will be distributed to New Bird. For a detailed description of the historical development of the business of the Fund, see "General Development of the Business" in the Annual Information Form. For a description of the business to be carried on by New Bird following completion of the Arrangement, see "Description of the Business" in this Appendix.

New Bird will become a reporting issuer in all the provinces of Canada other than Quebec and will become subject to the informational reporting requirements under the securities laws of such jurisdictions as a result of the Arrangement.

The TSX has conditionally approved the substitutional listing of the New Bird Shares to be issued in connection with the Arrangement, subject to New Bird fulfilling the requirements of the TSX as soon as possible following the Effective Date. After the Effective Date, the New Bird Shares will be listed on the TSX.

DESCRIPTION OF THE BUSINESS

If approved, the Arrangement will result in the reorganization of the Fund's income trust structure into a corporate structure under New Bird, which will own all of the Units of the Fund. New Bird will continue the business of the Fund and Bird as it is currently carried on. The Board of Trustees and Bird senior management believe that the Arrangement will result in a corporation with a strategic focus and capital structure that is better positioned to take advantage of growth opportunities in its industry. The board of directors and senior management of New Bird will be comprised of the members of the Board of Trustees and senior management of Bird. For a detailed description of the Fund's business, which will continue to be carried on by New Bird if the Arrangement is completed, see the section entitled "Description of the Business" in the Annual Information Form.

In the event the Arrangement is completed, New Bird intends to pursue the Fund's and Bird's strategic vision and maintain its commitment to leadership in the general contractor industry. Bird focuses primarily on projects in the industrial, commercial and institutional sectors of the general contracting industry. Bird serves clients in the industrial, institutional, retail, commercial, multi-tenant residential, light industrial, and renovation and restoration sectors using fixed price, design-build, unit price, cost reimbursable, guaranteed upset price and construction management contract delivery methods. In 2008 and 2009, the Fund secured design-build contracts with groups participating in PPP contracts in the institutional sector and the Fund and New Bird will continue to pursue such opportunities in the coming years.

While New Bird will self-perform some elements of its projects, the majority of the overall construction risk will rest with its subcontractors and suppliers. The scope of the work of each subcontractor will be defined by the same drawings and specifications that form the basis of the general contractor's agreement with the client. The terms of the agreement between the general contractor and client will be replicated in the agreement between the general contractor and its subcontractors. These "flow-down" provisions will substantially mitigate the risk borne by the general contractor. Depending on the value of the work, the general contractor may require bonds or other forms of security from subcontractors effectively guaranteeing that they will meet their contractual obligations. New Bird will have minimal investment in equipment and fixed assets. New Bird's primary asset and constraint on growth is expected to be the availability of qualified professional staff who can be assigned to secure and manage projects.

MANAGEMENT'S DISCUSSION AND ANALYSIS

As at the date of the Circular, New Bird has not conducted any business or operations, other than to execute the Arrangement Agreement, and has issued 1 New Bird Share to the Fund in connection with its organization.

In the event the Arrangement is completed, New Bird will own all of the Units of the Fund and the business of the Fund will continue to be carried on as before the Effective Date. New Bird's financial position, risks and outlook after the Arrangement is completed will be substantially the same as those outlined in the Management's Discussion and Analysis of the Fund incorporated by reference in the Circular.

Since the Arrangement does not contemplate a change of control for accounting purposes, the financial statements of New Bird will reflect the assets and liabilities of the Fund at the respective carrying amounts.

Readers are encouraged to review the Fund's Management's Discussion and Analysis of Financial Condition and Results of Operations for the year ended December 31, 2009 which has been filed on SEDAR at www.sedar.com and which is incorporated by reference in the Circular.

DESCRIPTION OF CAPITAL STRUCTURE

The authorized capital of New Bird consists of an unlimited number of common shares and an unlimited number of preferred shares issuable in series. The following is a summary of the rights, privileges, restrictions and conditions attaching to the securities of New Bird which will, upon completion of the Arrangement, comprise the share capital of New Bird.

Common Shares

Holders of common shares will be entitled to one vote per share at meetings of shareholders of New Bird, to receive dividends if, as and when declared by the board of directors of New Bird and to receive *pro rata* the remaining property and assets of New Bird upon its dissolution or winding-up, subject to the rights of any other class of shares having priority over the common shares.

Upon completion of the Arrangement, New Bird anticipates that 14,051,282 New Bird Shares will be issued and outstanding. The TSX has conditionally approved the substitutional listing of the New Bird Shares, subject to New Bird fulfilling the requirements of the TSX. Pending the final approval of the listing of such securities by the TSX, the New Bird Shares will begin trading on the TSX on the second business day following the completion of the Arrangement under the symbol “BDT”.

Preferred Shares

Each series of preferred shares shall consist of such number of shares and having such rights, privileges, restrictions and conditions as may be determined by the board of directors of New Bird prior to the issuance thereof. Holders of preferred shares, except as required by law, will not be entitled to vote at meetings of shareholders of New Bird. With respect to the payment of dividends and distribution of assets in the event of liquidation, dissolution or winding-up of New Bird, whether voluntary or involuntary, the preferred shares are entitled to preference over the common shares and any other shares ranking junior to the preferred shares from time to time and may also be given such other preferences over the common shares and any other shares ranking junior to the preferred shares as may be determined at the time of creation of such series.

Upon completion of the Arrangement it is anticipated that no preferred shares of New Bird will be outstanding.

PRO FORMA CONSOLIDATED CAPITALIZATION

The following table sets forth the unaudited *pro forma* consolidated capitalization of New Bird as at December 31, 2009, both before and after giving effect to the completion of the Arrangement. See also the balance sheet of New Bird attached as Schedule “A” to this Appendix.

<u>Designation (Authorization)</u>	<u>As at December 31, 2009 before giving effect to the Arrangement</u>	<u>As at December 31, 2009 after giving effect to the Arrangement (amounts in 000s)</u>
Long Term Debt	\$ 0	\$ 0
Share Capital	\$ 10	\$ 37,527
Retained Earnings	\$ 0	\$ 97,535
Total Long-Term Capitalization	\$ 10	\$ 135,062
Common Shares (unlimited)	1 share	14,051,282 shares
Preferred Shares (unlimited)	Nil	Nil

DIVIDEND RECORD AND POLICY

New Bird has not declared or paid any dividends since its incorporation and will not declare any dividends prior to completion of the Arrangement.

Following completion of the Arrangement, the board of directors of New Bird intends to establish a dividend policy pursuant to which New Bird will authorize the declaration and payment of a fixed dividend to be paid to New Bird Shareholders on a quarterly basis. The amount of any dividends payable by New Bird will be at the discretion of the board of directors of New Bird and may vary depending on, among other things, New Bird’s earnings, capital required to support growth or changes in contract mix including anticipated requirements for working capital and equity to satisfy contract security and other conditions existing from time to time.

The Fund is currently paying a monthly Distribution at the rate of \$0.15 per Unit. Subject to the discretion of the Trustees, if the Arrangement is approved and becomes effective on the Effective Date, the Fund expects to continue to pay

a monthly Distribution of \$0.15 per Unit to holders of record on the last Business Day of each month up to but excluding the month in which the Arrangement becomes effective, which is expected to be on or around January 1, 2011.

New Bird plans to begin paying quarterly dividends of \$0.45 per New Bird Share in arrears, with the first quarterly dividend payable to holders of record on the last day of the fiscal quarter in which the Arrangement becomes effective, expected to be March 31, 2011. The amount of any dividends payable by New Bird will be at the discretion of the board of directors of New Bird and will be evaluated quarterly and may be revised subject to business circumstance and expected capital requirements depending on, among other things, New Bird's earnings, capital required to support growth or changes in contract mix including anticipated requirements for working capital and equity to satisfy contract security and other conditions existing from time to time.

PRIOR SALES

Prior to the Effective Date, New Bird will not issue any securities from its share capital other than the one New Bird Share currently held by the Fund. New Bird Shares will be issued to Unitholders on the Effective Date in consideration for the transfer of their Units to New Bird as part of the Arrangement, on the basis of one New Bird Share for each Unit so transferred.

PRINCIPAL SHAREHOLDERS

As of the date hereof, the Fund is the sole shareholder of New Bird, holding one New Bird Share. To the knowledge of the Board, no person or company will, following the Arrangement, beneficially own, directly or indirectly, or exercise control or direction over, more than 10% of the voting rights attached to the outstanding New Bird Shares.

DIRECTORS AND EXECUTIVE OFFICERS

Following the completion of the Arrangement, the board of directors and senior management of New Bird will be comprised of the members of the Board of Trustees and senior management of Bird. The following table sets forth the name, municipality of residence, offices held and principal occupation for each of the proposed directors and executive officers of New Bird upon completion of the Arrangement. Additional information concerning the proposed directors is included in the Circular. The directors of New Bird shall hold office until the first annual meeting of shareholders of New Bird, expected to occur in the first half of 2011, or until their respective successors have been duly elected or appointed.

<u>Name and Municipality of Residence</u>	<u>Anticipated Position with New Bird</u>	<u>Principal Occupation</u>
<i>J.R. Bird</i> Calgary, Alberta Canada	Director	Executive Vice President, Chief Financial Officer and Corporate Development, Enbridge, Inc., an energy transportation company
<i>Honourable J.J. Buchanan</i> Victoria, British Columbia Canada	Lead Director	President, Rundle Investments Ltd., an investment holding company
<i>P.A. Charette</i> Oakville, Ontario Canada	Director and Chair of the Board of Directors	Chair of the Board
<i>D.G. Doyle</i> Winnipeg, Manitoba Canada	Director Audit Committee Chair	Corporate Director
<i>J.U. Joseph</i> Toronto, Ontario Canada	Director Personnel and Safety Committee Chair	Corporate Director

<u>Name and Municipality of Residence</u>	<u>Anticipated Position with New Bird</u>	<u>Principal Occupation</u>
<i>P.R. Raboud</i> Toronto, Ontario Canada	Director and Chief Executive Officer	Chief Executive Officer
<i>T.J. Talbott</i> Woodbridge, Ontario Canada	Director and President and Chief Operating Officer	President and Chief Operating Officer
<i>A.C. Thorsteinson</i> Winnipeg, Manitoba Canada	Director	President, Shelter Canadian Properties Limited, a real estate development and management company
<i>James J. Brennan</i> Hammonds Plains, Nova Scotia Canada	Senior Vice President	
<i>Stephen R. Entwistle</i> Kitchener, Ontario Canada	Chief Financial Officer and Assistant Secretary	
<i>Kenneth W. McClure</i> Loretto, Ontario Canada	Vice President, Operations Central	
<i>Kenneth J. Nakagawa</i> Delta, British Columbia Canada	Vice President, Pacific	
<i>David T. Toronchuk</i> St. Alberta, Alberta Canada	Vice President, Industrial	
<i>Jason C. Trumbla</i> Oakville, Ontario Canada	Vice President, Finance	

Following completion of the Arrangement, the board of directors of New Bird will have two committees: (i) an Audit Committee; and (ii) a Personnel and Safety Committee. Each of such committees will be composed of the same individuals serving as members of the Audit Committee and the Personnel and Safety Committee of Bird, as applicable. For details regarding New Bird's Audit Committee and Corporate Governance policies, see "Fund and Bird Corporate Governance" in the Circular.

Immediately after giving effect to the Arrangement, it is anticipated that the proposed directors and officers of New Bird and their associates, as a group, will beneficially own, directly or indirectly, or exercise control and direction over, an aggregate of approximately 1,228,153 New Bird Shares, representing approximately 8.7% of the issued and outstanding New Bird Shares.

Employees

As at the date of this Circular, New Bird has no employees. As at December 31, 2009, Bird employed approximately 461 full-time salaried persons, 2 part-time persons and 273 hourly persons (of which 231 were unionized workers) on a consolidated basis.

COMPENSATION OF DIRECTORS AND EXECUTIVE OFFICERS

To date, New Bird has not carried on any active business and has not completed a fiscal year of operations. No compensation has been paid by New Bird to its directors or executive officers and none will be paid until after the Arrangement is completed. The proposed directors and executive officers of New Bird are currently compensated by the Fund or its Subsidiaries. See the section entitled “Compensation of Executive Officers” in the Circular.

INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS

There exists no indebtedness of the directors or executive officers of New Bird, or any of their associates, to New Bird, nor is any indebtedness of any of such persons to another entity the subject of a guarantee, support agreement, letter of credit or other similar arrangement or understanding provided by New Bird.

CEASE TRADE ORDERS, BANKRUPTCIES, PENALTIES OR SANCTIONS

Corporate Cease Trade Orders or Bankruptcies

Except as outlined below, to the knowledge of the Fund, within the past 10 years, no proposed directors or executive officers of New Bird have (a) served as a director, chief executive officer or chief financial officer of any company that was subject to a “cease trade” or similar order, or an order denying the relevant company access to any exemption under securities legislation, which remained in effect for more than 30 consecutive days (an “**Order**”), and that was issued (i) while the proposed nominee was acting as director, chief executive officer or chief financial officer, or (ii) after the proposed nominee ceased to be a director, chief executive officer or chief financial officer and which resulted from an event that occurred while the proposed nominee was a director, chief executive officer or chief financial officer, (b) served as a director or executive officer of any company that, while the proposed nominee was acting in that capacity, or within a year after the proposed nominee ceased to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold the company’s assets, or (c) become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold his or her assets.

Mr. Thorsteinson is now and has in the past 10 years been an officer of certain non-publicly-traded limited partnerships and other entities that were the subject of cease trade orders issued by securities regulatory authorities in certain provinces of Canada, including Alberta, British Columbia, Ontario and Quebec, resulting generally from a failure to file financial statements or a failure to comply with disclosure obligations. Certain entities against which these orders were issued are now no longer active or, in other cases, Mr. Thorsteinson’s involvement with such entities has ceased. In other cases, certain of these entities have now been able to obtain discretionary relief from filing requirements; however, this relief does not apply to prior transgressions, and therefore, in some cases, these orders remain in force. To obtain information regarding cease trade orders issued by a particular securities regulatory authority, investors should contact the securities regulatory authorities that issued the orders.

The foregoing information, not being within the knowledge of New Bird, has been furnished by the respective proposed and current directors and executive officers of New Bird.

Penalties or Sanctions

Except as outlined above under “— Corporate Cease Trade Orders or Bankruptcies”, to the knowledge of the Fund, no proposed director or executive officer of New Bird, nor any personal holding company thereof owned or controlled by them, (i) has been subject to any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority, or (ii) has been subject to any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable investor in making an investment decision.

Personal Bankruptcies

To the knowledge of the Fund, in the last ten years, no proposed director or executive officer of New Bird, nor any personal holding company thereof owned or controlled by them, has become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, has become subject to or instituted any proceedings, arrangement or

compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold his or her assets or the assets of his or her holding company.

CONFLICTS OF INTEREST

Except as disclosed in the Circular or in this Appendix, no proposed director or senior officer of New Bird or other insider of New Bird, nor any associate or affiliate of the foregoing persons, has any existing or potential material conflict of interest with New Bird or any of its Subsidiaries.

RISK FACTORS

Risk factors related to the Fund and its Subsidiaries and the general contractor industry will continue to apply to New Bird after the Effective Date and will not be affected by the Arrangement. In the event the Arrangement is completed, the business and operations of, and an investment in, New Bird will be subject to certain risk factors relating to the activities of New Bird. Prospective investors should carefully consider the following before making an investment decision relating to New Bird Shares:

- New Bird will be subject to several business risks, which are described under the heading “Risks Related to the Business” in the Fund’s Annual Information Form incorporated by reference in this Circular;
- if Unitholders sell their New Bird Shares upon receipt thereof, it could have a negative effect on the market price of the New Bird Shares;
- the uncertainty of future dividend payments by New Bird and the level thereof, as New Bird’s dividend policy will be in the discretion of the New Bird Board of Directors and the funds available for the payment of dividends from time to time will be dependent upon, among other things, operating cash flows generated by Subsidiaries of New Bird, financial requirements for New Bird operations and growth strategy and the satisfaction of solvency tests imposed by the OBCA for the declaration and payment of dividends;
- the level of New Bird’s indebtedness from time to time could impair New Bird’s ability to obtain additional financing on a timely basis to take advantage of business opportunities that may arise;
- New Bird may make future acquisitions or enter into financings or other transactions involving the issuance of securities of New Bird which may be dilutive; and
- the inability of New Bird to manage growth effectively could have a material adverse impact on its business, operations and prospects.

LEGAL PROCEEDINGS

Other than the proceedings relating to the approval of the Arrangement, there are no legal proceedings to which New Bird is a party or in respect of which any of their assets are the subject matter, which is material to New Bird and New Bird is not aware of any such proceedings that are contemplated.

INTERESTS OF INFORMED PERSONS IN MATERIAL TRANSACTIONS

During 2009, Bird was involved in several construction contracts with Shelter Canadian Properties Limited and Huntingdon Real Estate Investment Trust or companies affiliated with them. Shelter Canadian Properties Limited is controlled by Mr. A.C. Thorsteinson, a Trustee of the Fund and a Director of Bird. Mr. D.G. Doyle, a Trustee of the Fund and Director of Bird, is a trustee of Huntingdon Real Estate Investment Trust. All contracts with Shelter Canadian Properties Limited, Huntingdon Real Estate Investment Trust or companies affiliated with them are completed on construction terms typical in the industry.

EXPERTS

The audited balance sheet of New Bird as at March 15, 2010 attached as Schedule A hereto has been audited by KPMG LLP, Chartered Accountants, who have advised that they are independent with respect to New Bird within the meaning of the Rules of Professional Conduct of the Institute of Chartered Accountants.

AUDITORS, TRANSFER AGENT AND REGISTRAR

Auditors

The auditors of New Bird are KPMG LLP, Chartered Accountants, located at Suite 2000, One Lombard Place, Winnipeg, Manitoba R3B 0X3.

Transfer Agent and Registrar

The transfer agent and registrar for the New Bird Shares will be Computershare Trust Company of Canada at its principal offices in Calgary, Alberta.

MATERIAL CONTRACTS

The only contract entered into by New Bird that materially affects New Bird, since incorporation or to which New Bird will become a party on or prior to the Effective Date, that can reasonably be regarded as material to a proposed investor in the New Bird Shares, other than contracts entered into in the ordinary course of business, is the Arrangement Agreement. A copy of the Arrangement Agreement is attached as Appendix C to this Circular.

SCHEDULE A
AUDITED BALANCE SHEET OF NEW BIRD
AUDITORS' REPORT

To the Directors of Bird Construction Inc.:

We have audited the balance sheet of Bird Construction Inc. (the “**Company**”) as at March 15, 2010. This balance sheet is the responsibility of the Company’s management. Our responsibility is to express an opinion on this financial statement based on our audit.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the balance sheet is free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the balance sheet. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall balance sheet presentation.

In our opinion, this balance sheet referred to above presents fairly, in all material respects, the financial position of the Company as at March 15, 2010 in accordance with Canadian generally accepted accounting principles.

(Signed) KPMG LLP
Chartered Accountants

Winnipeg, Canada
March 24, 2010

Bird Construction Inc.

BALANCE SHEET

As at March 15, 2010

Assets

Cash \$10

Shareholder's equity

Share capital (Note 2) \$10

See the accompanying notes to the balance sheet.

On behalf of the Board:

(Signed) PAUL R. RABOUD
Director

(Signed) PAUL A. CHARETTE
Director

Bird Construction Inc.
NOTES TO THE BALANCE SHEET
As at March 15, 2010

1. Incorporation and Basis of Preparation

Bird Construction Inc. (the “Company”) was incorporated on March 5, 2010 under the *Business Corporations Act* (Ontario). The Company has entered into an Arrangement Agreement dated March 12, 2010 with Bird Construction Income Fund (the “Fund”) and its unitholders to facilitate the Fund’s conversion from an income trust to a corporate structure. Under the Arrangement Agreement, it is planned that the Fund’s unitholders will transfer their units in the Fund to the Company in exchange for common shares of the Company on a one-for-one basis. Upon the effective date of the Arrangement Agreement, which is expected to be on or about January 1, 2011, the Company will own all of the outstanding units of the Fund. The Company has not carried on any active business or conducted operations since its incorporation other than the issuance of 1 common share and executing the Arrangement Agreement referred to above.

2. Share Capital

The authorized capital of the Company consists of an unlimited number of common shares and an unlimited number of non-voting preferred shares issuable in series. On incorporation, 1 common share was issued for cash consideration of \$10 and is outstanding. There are no preferred shares issued or outstanding.

APPENDIX G

PRO FORMA FINANCIAL INFORMATION OF NEW BIRD

BIRD CONSTRUCTION INC.

PRO FORMA CONSOLIDATED BALANCE SHEET

(Unaudited)

(in thousands of dollars)

As at December 31, 2009

	<u>Fund</u>	<u>Pro Forma Adjustments</u> Note 2	<u>New Bird</u>
ASSETS			
Current Assets:			
Cash	\$174,854		\$174,854
Bankers acceptances and short-term deposits	28,909		28,909
Bonds, share and other investments	11,670		11,670
Accounts Receivable	195,416		195,416
Costs and estimated earnings in excess of billings.	4,506		4,506
Prepaid expenses and other assets.	507		507
	<u>415,862</u>		<u>415,862</u>
Property and equipment	8,398		8,398
Future income tax asset	2,750	\$ 123	2,873
Intangible asset	2,338		2,338
Goodwill	9,294		9,294
	<u>\$438,642</u>	<u>\$ 123</u>	<u>\$438,765</u>
LIABILITIES			
Current Liabilities			
Accounts payable	\$232,855	\$ 410	\$233,265
Deferred contract revenue	53,118		53,118
Distributions payable to unitholders	2,108		2,108
Income taxes payable.	2,066		2,066
Future income tax liability	1,483		1,483
Other liabilities	2,072		2,072
	<u>293,702</u>		<u>294,112</u>
Other long-term liabilities	9,591		9,591
UNITHOLDERS'/SHAREHOLDERS' EQUITY			
Unitholders'/shareholders' capital.	37,527		37,527
Retained earnings	97,822	(287)	97,535
	<u>135,349</u>		<u>135,062</u>
	<u>\$438,642</u>	<u>\$ 123</u>	<u>\$438,765</u>

BIRD CONSTRUCTION INC.

**PRO FORMA CONSOLIDATED STATEMENT OF INCOME
AND COMPREHENSIVE INCOME**

(Unaudited)

(in thousands of dollars)

For the year ended December 31, 2009

	<u>Fund</u>	<u>Pro Forma Adjustments</u> Note 2	<u>New Bird</u>
Revenue:			
Construction revenue	\$877,859		\$877,859
Investment and other income	<u>5,080</u>		<u>5,080</u>
	882,939		882,939
Construction costs and general administrative expenses	807,954	\$ 410	808,364
Amortization	<u>3,393</u>		<u>3,393</u>
Income before income taxes	71,592	410	71,182
Income tax expense	<u>14,679</u>	<u>7,014</u>	<u>21,693</u>
Net income and comprehensive income	<u>\$ 56,913</u>	<u>\$7,424</u>	<u>\$ 49,489</u>
Basic and diluted earnings per unit/share	<u>\$ 4.05</u>		<u>\$ 3.52</u>
(earnings per unit/share not in thousands)			

BIRD CONSTRUCTION INC.

NOTES TO THE PRO FORMA FINANCIAL STATEMENTS

(Unaudited)

(in thousands of dollars)

As at and for the year ended December 31, 2009

1. Basis of Presentation

On March 12, 2010, the Board of Trustees of Bird Construction Income Fund (the "Fund") approved a proposed transaction providing for the reorganization of the Fund's income trust structure into a corporate structure. The conversion will be completed by way of a plan of arrangement under the *Business Corporations Act* (Ontario) (the "Arrangement"). Pursuant to the Arrangement, holders of trust units of the Fund will receive one common share of Bird Construction Inc. (the "Company") for each trust unit of the Fund held. Upon completion of the Arrangement, the Company will hold all of the assets previously held, directly or indirectly, by the Fund.

The accompanying unaudited *pro forma* financial statements have been prepared by management of the Fund in accordance with Canadian generally accepted accounting principles using the same accounting policies disclosed in the Fund's audited consolidated financial statements as at and for the year ended December 31, 2009. In the opinion of management of the Fund, the unaudited *pro forma* consolidated balance sheet and unaudited *pro forma* consolidated statement of income and comprehensive income include all adjustments necessary for the fair presentation of the Arrangement in accordance with Canadian generally accepted accounting principles.

The unaudited *pro forma* consolidated balance sheet as at December 31, 2009 is based on the historical audited consolidated balance sheet of the Fund as at December 31, 2009 and the unaudited consolidated *pro forma* statement of income and comprehensive income for the year ended December 31, 2009 is based upon the historical audited consolidated statement of income and comprehensive income of the Fund for the year ended December 31, 2009.

The Company will account for the Arrangement transactions on the continuity of interests method, in accordance with Canadian generally accepted accounting principles since the Arrangement does not contemplate nor result in a substantive change in the ownership interest of the Fund.

It is the recommendation of management that these *pro forma* financial statements be read in conjunction with the financial statements and the related notes thereto referred to above and in the Management Information Circular dated March 24, 2010.

The Arrangement is subject to the approval of, among others, the holders of trust units of the Fund at the annual and special meeting of the Fund. As a result, there is no assurance that the Arrangement will be completed.

2. Pro Forma Adjustments and Assumptions

The unaudited *pro forma* consolidated financial statements as at and for the year ended December 31, 2009 give effect to the following transactions and adjustments as if they had occurred on January 1, 2009:

- (a) Completion of the Arrangement whereby holders of trust units of the Fund receive a corresponding number of common shares of the Company;
- (b) Costs incurred in connection with the Arrangement, including legal, advisory fees, and other costs of \$410 will be expensed; and
- (c) The amount of income tax expense has been increased by \$7,137 to reflect income tax which would be incurred on the distributions declared to unitholders of the Fund in 2009, which would have been payable in 2009 had the Fund been structured as a corporation in that year.

APPENDIX H

CORPORATE GOVERNANCE GUIDELINES AND BOARD OF TRUSTEES AND BOARD OF DIRECTORS MANDATE

The Board of Trustees (the “Board of Trustees”) of Bird Construction Income Fund (the “Fund”) is elected by the Fund’s Unitholders (the “Unitholders”) and is responsible for the stewardship of the investments and affairs of the Fund in accordance with obligations under the Fund’s amended and restated declaration of trust and applicable law.

Within its stewardship responsibility, the Board of Trustees’ role is to preserve and enhance the viability of the Fund and to ensure that it is managed with a view to the best interests of the Fund. The Board of Trustees delegates the responsibility for the day-to-day conduct of business to the management of Bird Construction Company Limited (the “Administrator” or “Company”), through its Chief Executive Officer (“CEO”), within a policy and budget framework established by the Board of Trustees. In executing their responsibilities, each of the members of the Board of Trustees and the Board of Directors is entitled to rely in good faith on the advice, reports and opinions of management of the Company.

The Board of Directors of Bird Construction Company Limited (the “Board of Directors”) is elected by the Fund’s Trustees (“Trustees”) and is responsible for managing the business of the Company, through its CEO, in accordance with obligations under applicable law.

Core Responsibilities

a) Board of Trustees:

i. Stewardship

The Board of Trustees is responsible for the stewardship of the affairs of the Fund. The Board of Trustees seeks to discharge such responsibility by reviewing and discussing the Fund’s investment in the Company, and by monitoring the stewardship of the Company by its Board of Directors including the discharge of the Company’s responsibilities as Administrator of the Fund. The Board of Trustees is responsible for considering appropriate measures it may take as an investor in the Company if the performance of the Company falls short of its goals or other special circumstances warrant.

ii. Financial Reporting, Internal Controls and Communications

The Board of Trustees is responsible for overseeing the accurate reporting of the financial performance of the Fund to Unitholders and regulators on a timely and regular basis; overseeing that the financial results are reported fairly and in accordance with generally accepted accounting principles and related legal disclosure requirements; overseeing the integrity of the internal control and management information systems of the Fund; overseeing the evaluation of the disclosure controls and procedures of the Fund; taking steps to enhance the timely disclosure of any other developments that have a significant and material impact on the Fund; reporting annually to Unitholders on its stewardship for the preceding year; overseeing the investor relations and communications strategy of the Fund; reviewing and approving material transactions involving the Fund and those matters which the Board of Trustees is required to approve under the amended and restated declaration of trust including the payment of distributions and the purchase and issuance of units.

iii. Policies and Procedures

The Board of Trustees is responsible for approving and monitoring compliance with all significant policies and procedures by which the Fund is operated; approving policies and procedures designed to ensure that the Fund operates at all times within applicable laws and regulations and to the highest ethical and moral standards; and enforcing obligations of the Trustees respecting confidential treatment of the Fund’s proprietary information and Board of Trustees deliberations.

b) Board of Directors:

The core responsibilities of the Board of Directors include stewardship and oversight in the following areas:

i. Strategic Planning and Annual Business Plan

The Board of Directors ensures that the Company adopts a strategic and annual planning process to guide its activities. The Board of Directors meets periodically to review the plans. In addition, at each regular meeting, the Board of Directors reviews the Company’s overall business strategies, its business plan, as

well as major strategic initiatives to evaluate whether the Company's proposed actions are generally in accordance with its objectives.

ii. Identification of Principal Risks

The Board of Directors, directly and through the Audit and the Personnel and Safety Committees, reviews the principal risks of the Company's business and the appropriateness of the systems put in place to manage these risks.

iii. Selection and Remuneration of the CEO and the Senior Management Team

The Board of Directors is responsible for selecting the CEO and for approving the selection of the members of the senior management team. Communication with the management team is through the CEO and the Board of Directors is responsible for judging the effectiveness of the CEO. The Board of Directors is also responsible for providing an effective system of remuneration. These functions are performed with the benefit of advice from the Personnel and Safety Committee.

iv. Succession Planning

On a regular basis, the Board of Directors reviews a succession plan, developed by management, addressing the policies and principles for selecting a successor to the CEO and other key senior management positions, both in an emergency situation and in the ordinary course of business. The succession plan should include an assessment of the experience, performance, skills and planned career paths for possible successors to the CEO currently in the Company's senior management.

v. Financial Reporting and Internal Controls

The Board of Directors, acting through the Audit Committee, oversees the financial reporting and disclosures of the Company. This includes monitoring the implementation of appropriate internal control systems to ensure the accuracy and timeliness of the information. It also includes monitoring and administration of the Whistle Blower Policy, which provides for an anonymous method of delivering complaints with respect to accounting, internal control and auditing matters.

Board Composition

a) Board Composition

The composition of each board should balance the following goals:

- i. The size of the board should facilitate substantive discussions of the whole board in which each Trustee of the Fund or Director of the Company ("Director") can participate meaningfully;
- ii. The composition of each board should encompass a broad range of skills, expertise, industry knowledge, diversity of opinion and contacts relevant to the affairs of the Fund and the Company's business; and
- iii. Membership on each board shall include an appropriate number of members whom the board has determined have no material relationship with the Fund or the Company or the Fund's principal Unitholders and who are otherwise considered independent as contemplated by the corporate governance guidelines published by the Canadian Securities Administrators (the "CSA Guidelines") and under the rules of the Toronto Stock Exchange ("TSX").

b) Selection of Trustees and Directors

The Personnel and Safety Committee of the Company is responsible for recommending to each board, from time to time, a list of potential Trustees and Directors meeting the Fund's and the Company's general criteria for board membership, as well as suitable nominees to fill specific vacancies occurring between annual meetings of Unitholders. The processes used by the committee as well as the basis for its recommendations are outlined in the terms of reference for the Personnel and Safety Committee. The Board of Trustees is responsible for selecting nominees for election to membership on either board for presentation at annual meetings of Unitholders.

c) Orientation and Continuing Education

The Personnel and Safety Committee of the Company is responsible for the continuing education of Trustees and Directors as outlined in the committee's terms of reference.

Board Committees

a) Committees

The standing committee of the Board of Trustees is the Audit Committee. The standing committees of the Board of Directors are the Audit Committee and the Personnel and Safety Committee. Each of these committees has written terms of reference (acting as a form of committee charter) satisfying at a minimum, applicable legislative and TSX rules.

All Trustees and Directors, whether members of specific committees or not, may request attendance at any committee meeting and may make suggestions to committee chairs for additions to the agenda of the committee or to request that an item from a committee agenda be considered by the board. Each committee chair will give periodic reports of the committee's activities to its respective board.

b) Assignment of Committee Members

The Board of Trustees is responsible for recommending the assignment of board members to its committee and the selection of the committee chair. The Board of Directors is responsible for recommending the assignment of board members to its committees and the selection of the committee chairs.

Board Meeting Procedures

a) Frequency of Meetings

The board holds regularly scheduled joint meetings on a quarterly basis as well as additional special meetings to consider particular issues. Special meetings may be called from time to time as determined by the needs of the Fund or the Company.

b) Selection of Agenda Items for Board Meetings

The chair establishes the agendas for board meetings. Any board member, however, may recommend the inclusion of specific agenda items. The agenda is distributed in advance of a meeting to each Trustee or Director.

c) Board Materials Distributed in Advance

Information, data and presentation materials that are important to the board's understanding of the affairs of the Fund or the Company's business are distributed in writing to the respective board before each meeting. Management of the Company should provide materials that are as concise as possible while giving Trustees or Directors sufficient information, and time for review (subject to availability of time sensitive materials), to make informed decisions. Under certain circumstances, written materials may be unavailable to Trustees or Directors in advance of a meeting, and certain items to be discussed at board meetings may be of a sensitive nature such that the distribution of materials on these matters prior to the board meeting would not be appropriate.

d) Management at Meetings

The board invites members of management of the Company, in addition to the Chief Executive Officer ("CEO") and the Chief Financial Officer ("CFO"), to attend board meetings and to make presentations and provide additional insight into the various issues brought before the board.

e) In Camera Meetings

To encourage free and open discussion and communication among the independent members of the board, the Trustees or Directors meet during, or at the end of each regularly scheduled board meeting or as required at each special board meeting, without non-independent Trustees, non-independent Directors and members of management present.

Expectations of Trustees and Directors

a) Commitment and Attendance

All Trustees and Directors should make every effort to attend all meetings of their respective board and meetings of committees of which they are members. Although attendance in person is encouraged, members may attend by telephone to mitigate schedule conflicts.

b) Participation in Meetings

Each Trustee or Director should be sufficiently familiar with the affairs of the Fund or the business of the Company, including its financial statements and capital structure, and the risks it faces, to facilitate active and effective participation in the deliberations of the board and of each committee on which he or she serves.

c) Financial Knowledge

One of the most important roles of the board is to monitor financial performance. A Trustee or Director must know how to read financial statements, and should understand the use of financial ratios and other indices for evaluating financial performance.

d) Ethical Business Conduct

The Fund and the Company have adopted a written code of ethics. All Trustees and Directors are made aware that they are expected to exhibit high standards of personal integrity, honesty and ethical business conduct, disclose any potential conflict of interest and abide by the Fund's trading blackout period policies.

e) Other Directorships and Trusteeships

The Fund values the experience Trustees and Directors bring from other boards on which they serve, but recognizes that those boards may also present demands on a Trustee's or Director's time and availability, and may also present conflicts or legal issues. Trustees and Directors should advise the Chair of the Company's Personnel and Safety Committee before accepting any new membership on other boards of directors or trustees or any other significant commitment involving an affiliation with other related businesses or governmental units.

f) Contact with Management

All Trustees and Directors are invited to contact the CEO at any time to discuss any aspect of the affairs of the Fund or business of the Company. While respecting organizational relationships and lines of communication, Trustees and Directors have complete access to other members of management. There will be frequent opportunities for Trustees and Directors to meet with the Chief Executive Officer, President, CFO and other members of management of the Company in board and committee meetings and in other formal or informal settings.

g) Confidentiality

The proceedings and deliberations of each board and its committees are confidential. Each Trustee and Director shall maintain the confidentiality of information received in connection with his or her services.

Board Compensation

Each board, acting through the Company's Personnel and Safety Committee, conducts a review on a regular basis of the components and amount of board compensation in relation to other similar trusts and companies.

Chair of the Board of the Fund and the Company

a) General Functions

The Chair of the Board (the "Chair") shall provide leadership to the board with respect to its functions as described in these guidelines and as otherwise may be appropriate. The Chair shall act as chair of meetings of the board and, for such purpose, shall determine the agenda for each meeting of the board in consultation with the Corporate Secretary.

The Chair shall oversee the preparation for and management of, and he or she shall preside over, meetings of the Unitholders of the Fund.

b) Additional Responsibilities

The duties and responsibilities for the position of Chair shall also include the following:

- i. Establishing procedures to govern the board's work including the location and time of meetings of the board and the procedures to be followed with respect to meetings of the board, including determining who may be present at such meetings in addition to the Trustees, Directors and the Corporate Secretary;
- ii. Ensuring the board has adequate resources, especially by way of full, timely and relevant information to support its decision-making requirements;

- iii. Working with the chairs of the board committees to coordinate the schedule of meetings for such committees;
- iv. Ensuring that delegated committee functions are carried out and reported to the board;
- v. Attending, as required, all meetings of board committees;
- vi. Meeting periodically with the Corporate Secretary to review governance issues including the level of communication between management and the board; and

Carrying out such other duties as may be reasonably requested by the board as a whole, depending on its evolving needs and circumstances.

c) Appointment

The Chair shall be appointed by the board after consideration of the recommendation of the Company's Personnel and Safety Committee. He or she shall hold office until the first meeting of the Trustees or Directors following the Annual Meeting of Unitholders.

d) Resources

The Chair shall have sufficient resources to discharge the responsibilities of the Chair. The Chair shall be empowered to engage outside advisors, as may be appropriate from time to time, to provide advice with respect to his or her or the board's duties and responsibilities and to approve the fees and retention terms for such outside advisors.

e) Lead Trustee and Lead Director

The Lead Trustee will assume the role of the Chair of the Board of Trustees in the absence of the Chair or when the Chair has a conflict of interest. The Lead Director will assume the role of the Chair of the Board of Directors in the absence of the Chair or when the Chair has a conflict of interest.

