

This document is important and requires your immediate attention. If you are in any doubt as to how to deal with it, you should consult your investment dealer, broker, accountant, lawyer or other professional advisor. If you have any questions or require more information with respect to voting your Debentures at the applicable Meetings, please contact the proxy solicitation agent, Laurel Hill Advisory Group, toll free at 1-877-452-7184 or outside North America at 416-304-0211 or by email at assistance@laurelhill.com.



NOTICES OF MEETINGS AND MANAGEMENT INFORMATION CIRCULAR

IN RESPECT OF MEETINGS OF HOLDERS OF EACH OF THE

6.00% SERIES E CONVERTIBLE UNSECURED SUBORDINATED DEBENTURES,

5.75% SERIES F CONVERTIBLE UNSECURED SUBORDINATED DEBENTURES, AND

6.25% SERIES G CONVERTIBLE UNSECURED SUBORDINATED DEBENTURES

OF INNVEST REAL ESTATE INVESTMENT TRUST

TO BE HELD ON JUNE 28, 2016

May 30, 2016



INVEST REAL ESTATE INVESTMENT TRUST
Suite 2200
200 Bay Street
Toronto, Ontario M5J 2J1

NOTICE OF MEETING OF SERIES E DEBENTUREHOLDERS

NOTICE IS HEREBY GIVEN that a meeting (the “**Series E Meeting**”) of the holders (the “**Series E Debentureholders**”) of the 6.00% convertible unsecured subordinated debentures, series E, due September 30, 2017 (the “**Series E Debentures**”) issued by InnVest Real Estate Investment Trust (“**InnVest**”) will be held at the offices of Norton Rose Fulbright Canada LLP located at Suite 3800, Royal Bank Plaza, South Tower, 200 Bay Street, Toronto, Ontario M5J 2Z4 at 12:00 p.m. (Toronto time) on June 28, 2016 for the following purposes:

- 1 **TO CONSIDER** and, if deemed advisable, to pass, with or without variation, an extraordinary resolution (the “**Series E Resolution**”) to approve certain amendments to the trust indenture dated July 26, 2002 between InnVest and Computershare Trust Company of Canada (as supplemented by the first, second, third, fourth, fifth, sixth and seventh supplemental indentures) governing the Series E Debentures, as set out in an eighth supplemental trust indenture (the “**Series E Supplemental Indenture**”), which, if passed, will require InnVest to redeem all of the Series E Debentures for cash, at a redemption price of 101% of the aggregate principal amount thereof, plus accrued (but unpaid) interest thereon, and on the other terms and conditions described in the Circular dated May 30, 2016 (the “**Circular**”), on or about the date of the closing of the acquisition of all of the trust units of InnVest by Bluesky Hotels and Resorts Inc.; and
- 2 to transact such other business as may properly be brought before the Series E Meeting (including at any postponement(s) or adjournment(s) thereof).

Series E Debentureholders are referred to the Circular for more detailed information with respect to the foregoing matters to be considered at the Series E Meeting. The Circular, which accompanies this Notice, provides information regarding the business to be considered at the Series E Meeting and includes the full text of the Series E Resolution and the Series E Supplemental Indenture, attached thereto as Schedule “E-1” and Schedule “E-2”, respectively.

The record date for the purpose of determining Series E Debentureholders entitled to receive notice of and to vote at the Series E Meeting is May 24, 2016. Only Series E Debentureholders of record at the close of business on the record date, or their duly appointed proxyholder(s), will be entitled to vote at the Series E Meeting (including at any adjournment(s) or postponement(s) thereof).

All of the Series E Debentures are registered in the name of CDS & Co. (the registration name for CDS). Accordingly, in order for a beneficial holder of Series E Debentures to have such Series E Debentures voted at the Series E Meeting, it must complete and sign the applicable instrument of proxy or other voting instruction form provided by its investment dealer, broker or other nominee and return such instrument of proxy or other voting instruction form in accordance with the instructions provided therein well in advance of the Series E Meeting. Failure to do so will result in its Series E Debentures not being voted at the Series E Meeting. If you have any questions or require assistance completing your proxy or voting instruction form, you may also contact Laurel Hill Advisory Group, the proxy solicitation agent, by toll-free telephone in North America at 1-877-

452-7184, collect call outside North America at 416-304-0211 or by email at assistance@laurelhill.com. See “General Proxy Matters” in the Circular.

The accompanying Circular provides additional information relating to matters to be dealt with at the Series E Meeting and is deemed to form part of this Notice. Any adjourned meeting resulting from an adjournment of the Series E Meeting will be held at a time and place to be specified by the Chair of the Series E Meeting. See “*Quorum and Adjournment*” in the Circular.

BY ORDER OF THE BOARD

(signed) “*Andrew C. Coles*”

Andrew C. Coles
President and Chief Executive Officer

Toronto, Ontario
May 30, 2016

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INNVEST REAL ESTATE INVESTMENT TRUST
Suite 2200
200 Bay Street
Toronto, Ontario M5J 2J1

NOTICE OF MEETING OF SERIES F DEBENTUREHOLDERS

NOTICE IS HEREBY GIVEN that a meeting (the “**Series F Meeting**”) of the holders (the “**Series F Debentureholders**”) of the 5.75% convertible unsecured subordinated debentures, series F, due March 30, 2018 (the “**Series F Debentures**”) issued by InnVest Real Estate Investment Trust (“**InnVest**”) will be held at the offices of Norton Rose Fulbright Canada LLP located at Suite 3800, Royal Bank Plaza, South Tower, 200 Bay Street, Toronto, Ontario M5J 2Z4 at 1:00 p.m. (Toronto time) on June 28, 2016 for the following purposes:

- 1 **TO CONSIDER** and, if deemed advisable, to pass, with or without variation, an extraordinary resolution (the “**Series F Resolution**”) to approve certain amendments to the trust indenture dated March 15, 2011 among InnVest, InnVest Operations Trust and Computershare Trust Company of Canada (as supplemented by the first supplemental indenture) governing the Series F Debentures, as set out in a supplemental trust indenture (the “**Series F Supplemental Indenture**”), which, if passed, will require InnVest to redeem all of the Series F Debentures for cash, at a redemption price of 101% of the aggregate principal amount thereof, plus accrued (but unpaid) interest thereon, and on the other terms and conditions described in the Circular dated May 30, 2016 (the “**Circular**”), on or about the date of the closing of the acquisition of all of the trust units of InnVest by Bluesky Hotels and Resorts Inc.; and
- 2 to transact such other business as may properly be brought before the Series F Meeting (including at any postponement(s) or adjournment(s) thereof).

Series F Debentureholders are referred to the Circular for more detailed information with respect to the foregoing matters to be considered at the Series F Meeting. The Circular, which accompanies this Notice, provides information regarding the business to be considered at the Series F Meeting and includes the full text of the Series F Resolution and the Series F Supplemental Indenture, attached thereto as Schedule “F-1” and Schedule “F-2”, respectively.

The record date for the purpose of determining Series F Debentureholders entitled to receive notice of and to vote at the Series F Meeting is May 24, 2016. Only Series F Debentureholders of record at the close of business on the record date, or their duly appointed proxyholder(s), will be entitled to vote at the Series F Meeting (including at any adjournment(s) or postponement(s) thereof).

All of the Series F Debentures are registered in the name of CDS & Co. (the registration name for CDS). Accordingly, in order for a beneficial holder of Series F Debentures to have such Series F Debentures voted at the Series F Meeting, it must complete and sign the applicable instrument of proxy or other voting instruction form provided by its investment dealer, broker or other nominee and return such instrument of proxy or other voting instruction form in accordance with the instructions provided therein well in advance of the Series F Meeting. Failure to do so will result in its Series F Debentures not being voted at the Series F Meeting. If you have any questions or require assistance completing your proxy or voting instruction form, you may also contact Laurel Hill Advisory Group, the proxy solicitation agent, by toll-free telephone in North America at 1-877-

452-7184, collect call outside North America at 416-304-0211 or by email at assistance@laurelhill.com. See “General Proxy Matters” in the Circular.

The accompanying Circular provides additional information relating to matters to be dealt with at the Series F Meeting and is deemed to form part of this Notice. Any adjourned meeting resulting from an adjournment of the Series F Meeting will be held at a time and place to be specified by the Chair of the Series F Meeting. See “*Quorum and Adjournment*” in the Circular.

BY ORDER OF THE BOARD

(signed) “*Andrew C. Coles*”

Andrew C. Coles
President and Chief Executive Officer

Toronto, Ontario
May 30, 2016

* * *



INVEST REAL ESTATE INVESTMENT TRUST
Suite 2200
200 Bay Street
Toronto, Ontario M5J 2J1

NOTICE OF MEETING OF SERIES G DEBENTUREHOLDERS

NOTICE IS HEREBY GIVEN that a meeting (the “**Series G Meeting**”) of the holders (the “**Series G Debentureholders**”) of the 6.25% convertible unsecured subordinated debentures, series G, due March 31, 2019 (the “**Series G Debentures**”) issued by InnVest Real Estate Investment Trust (“**InnVest**”) will be held at the offices of Norton Rose Fulbright Canada LLP located at Suite 3800, Royal Bank Plaza, South Tower, 200 Bay Street, Toronto, Ontario M5J 2Z4 at 2:00 p.m. (Toronto time) on June 28, 2016 for the following purposes:

- 1 **TO CONSIDER** and, if deemed advisable, to pass, with or without variation, an extraordinary resolution (the “**Series G Resolution**”) to approve certain amendments to the trust indenture dated February 27, 2013 between InnVest and Computershare Trust Company of Canada (as supplemented by the first supplemental indenture) governing the Series G Debentures, as set out in a supplemental trust indenture (the “**Series G Supplemental Indenture**”), which, if passed, will require InnVest to redeem all of the Series G Debentures for cash, at a redemption price of 104% of the aggregate principal amount thereof, plus accrued (but unpaid) interest thereon, and on the other terms and conditions described in the Circular dated May 30, 2016 (the “**Circular**”), on or about the date of the closing of the acquisition of all of the trust units of InnVest by Bluesky Hotels and Resorts Inc.; and
- 2 to transact such other business as may properly be brought before the Series G Meeting (including at any postponement(s) or adjournment(s) thereof).

Series G Debentureholders are referred to the Circular for more detailed information with respect to the foregoing matters to be considered at the Series G Meeting. The Circular, which accompanies this Notice, provides information regarding the business to be considered at the Series G Meeting and includes the full text of the Series G Resolution and the Series G Supplemental Indenture, attached thereto as Schedule “G-1” and Schedule “G-2”, respectively.

The record date for the purpose of determining Series G Debentureholders entitled to receive notice of and to vote at the Series G Meeting is May 24, 2016. Only Series G Debentureholders of record at the close of business on the record date, or their duly appointed proxyholder(s), will be entitled to vote at the Series G Meeting (including at any adjournment(s) or postponement(s) thereof).

All of the Series G Debentures are registered in the name of CDS & Co. (the registration name for CDS). Accordingly, in order for a beneficial holder of Series G Debentures to have such Series G Debentures voted at the Series G Meeting, it must complete and sign the applicable instrument of proxy or other voting instruction form provided by its investment dealer, broker or other nominee and return such instrument of proxy or other voting instruction form in accordance with the instructions provided therein well in advance of the Series G Meeting. Failure to do so will result in its Series G Debentures not being voted at the Series G Meeting. If you have any questions or require assistance completing your proxy or voting instruction form, you may also contact Laurel Hill Advisory Group, the proxy solicitation agent, by toll-free telephone in North America at 1-877-

452-7184, collect call outside North America at 416-304-0211 or by email at assistance@laurelhill.com. See “General Proxy Matters” in the Circular.

The accompanying Circular provides additional information relating to matters to be dealt with at the Series G Meeting and is deemed to form part of this Notice. Any adjourned meeting resulting from an adjournment of the Series G Meeting will be held at a time and place to be specified by the Chair of the Series G Meeting. See “*Quorum and Adjournment*” in the Circular.

BY ORDER OF THE BOARD

(signed) “*Andrew C. Coles*”

Andrew C. Coles
President and Chief Executive Officer

Toronto, Ontario
May 30, 2016

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TERMS USED IN THIS CIRCULAR

Capitalized terms used and not otherwise defined in this Circular shall have the meanings ascribed to them in the “Glossary” attached as Appendix A to this Circular.

FORWARD-LOOKING STATEMENTS

Except for statements of historical fact, certain information contained herein constitutes “forward-looking information” under Canadian securities legislation. Forward-looking information includes, but is not limited to, statements with respect to the Arrangement; the Indenture Amendments (including receipt of the requisite approval for each of the Extraordinary Resolutions); the expected timing of the redemption of the Debentures following receipt of the requisite approval of each of the Extraordinary Resolutions; the manner in which any series of Debentures for which the requisite approval is not obtained will be dealt with by the REIT or the Purchaser; and such other statements regarding the REIT’s expectations, intentions, plans and beliefs. Generally, forward-looking information can be identified by the use of forward-looking terminology such as “may”, “might”, “will”, “could”, “should”, “would”, “occur”, “expect”, “plan”, “anticipate”, “believe”, “intend”, “estimate”, “budget”, “forecast”, “predict”, “potential”, “continue”, “likely”, “schedule” or other similar expressions. Forward-looking statements are based on the opinions and estimates of management as of the date such statements are made including, but not limited to, the ability of InnVest and/or the Purchaser to obtain required approvals for the Indenture Amendments and/or the Arrangement. Forward-looking information is subject to known and unknown risks, uncertainties and other factors that may cause actual results to be materially different from those expressed or implied by such forward-looking information, including, but not limited to, risks relating to: the Arrangement not receiving the requisite approval of Unitholders, the Court or regulatory authorities; one or more of the Extraordinary Resolutions not receiving the requisite approval of the Debentureholders at the applicable Meeting(s); any of the Indenture Amendments and/or the Arrangement not being successfully completed for any reason; and other risks described in InnVest’s current annual information form posted under its profile on SEDAR at www.sedar.com. Although management of the REIT has attempted to identify important factors that could cause actual results to differ materially from those contained in forward-looking information, there may be other factors that could cause results not to be as anticipated, estimated or intended. There can be no assurance that such statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Accordingly, readers should not place undue reliance on forward-looking information. The REIT does not undertake to update any forward-looking information, except pursuant to applicable securities laws.

INFORMATION FOR DEBENTUREHOLDERS IN THE UNITED STATES

The REIT is an unincorporated, open-ended real estate investment trust established under, and governed by, the laws of the Province of Ontario pursuant to the Declaration of Trust. The solicitation of proxies and the arrangement contemplated in this Circular involve securities of an issuer located in Canada and are being effected in accordance with Canadian securities laws. This Circular has been prepared in accordance with disclosure requirements under Canadian securities laws. Debentureholders should be aware that disclosure requirements under Canadian securities laws may differ from disclosure requirements under U.S. federal or state securities laws. The enforcement by investors of civil liabilities under U.S. federal securities laws may be affected adversely by the fact that the REIT is an unincorporated, open-ended real estate investment trust established under, and governed by, the laws of the Province of Ontario pursuant to the Declaration of Trust, some of its trustees are not residents of the United States and a substantial portion of its assets and the assets of such persons are located outside of the United States. Debentureholders may not be able to sue the REIT or its trustees in a foreign court for violations of U.S. federal or state securities laws. It may be difficult to compel the REIT, through its trustees, to subject themselves to a judgment by a U.S. court.

THE ARRANGEMENT DESCRIBED IN THIS CIRCULAR HAS NOT BEEN APPROVED OR DISAPPROVED BY THE SECURITIES AND EXCHANGE COMMISSION OR ANY STATE SECURITIES REGULATORY AUTHORITY, NOR HAS THE SECURITIES AND EXCHANGE COMMISSION OR ANY STATE SECURITIES REGULATORY AUTHORITY PASSED ON THE FAIRNESS OR MERITS OF SUCH ARRANGEMENT OR UPON THE ACCURACY OR ADEQUACY OF THE INFORMATION

CONTAINED IN THIS CIRCULAR. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFICE.

Debentureholders who are U.S. persons should be aware that the transactions contemplated herein may have tax consequences both in Canada and the United States. Redemption proceeds may be subject to Canadian withholding tax. Subject to the foregoing, this Circular does not address the income tax consequences to non-resident Debentureholders, and such Debentureholders are encouraged to consult their own tax advisors concerning the tax consequences to them of holding and disposing of Debentures pursuant to the Plan of Arrangement and Indenture Amendments or otherwise.

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SUMMARY

This summary is qualified in its entirety by reference to the full text and more specific details contained elsewhere in this Circular, including the schedules hereto. Debentureholders are urged to read this Circular in its entirety. Certain capitalized terms used in this summary are defined in the Glossary attached as Appendix A to this Circular.

The Meetings

Series E Meeting

The Series E Meeting will be held at the offices of Norton Rose Fulbright Canada LLP located at Suite 3800, Royal Bank Plaza, South Tower, 200 Bay Street, Toronto, Ontario M5J 2Z4 on June 28, 2016 at 12:00 p.m. (Toronto time) to consider and, if deemed advisable, to pass, with or without variation, the Series E Resolution which, if passed, will **AMEND** the 2002 Indenture to, among other things, require the REIT to redeem all of the Series E Debentures for cash, at a redemption price of 101% of the aggregate principal amount thereof, plus accrued (but unpaid) interest thereon, on or about the date of the closing of the acquisition of all of the trust units of InnVest by the Purchaser pursuant to the Plan of Arrangement.

To become effective, the Series E Resolution must be approved by the favourable votes of the holders (who are entitled to vote) of not less than 66 $\frac{2}{3}$ % of the principal amount of the Series E Debentures present in person or represented by proxy at the Series E Meeting. **If the Series E Resolution is so passed and the Arrangement is consummated, then the Series E Indenture Amendments will be implemented and will be binding upon the Series E Debentureholders, and all Series E Debentures will be redeemed pursuant to the terms of the Series E Supplemental Indenture reflecting the Series E Indenture Amendments, and as contemplated by the Plan of Arrangement and as further described in this Circular.** See “*Indenture Amendments and Redemption of Debentures*” in this Circular.

Series F Meeting

The Series F Meeting will be held at the offices of Norton Rose Fulbright Canada LLP located at Suite 3800, Royal Bank Plaza, South Tower, 200 Bay Street, Toronto, Ontario M5J 2Z4 on June 28, 2016 at 1:00 p.m. (Toronto time) to consider and, if deemed advisable, to pass, with or without variation, the Series F Resolution which, if passed, will **AMEND** the 2011 Indenture to, among other things, require the REIT to redeem all of the Series F Debentures for cash, at a redemption price of 101% of the aggregate principal amount thereof, plus accrued (but unpaid) interest thereon, on or about the date of the closing of the acquisition of all of the trust units of InnVest by the Purchaser pursuant to the Plan of Arrangement.

To become effective, the Series F Resolution must be approved by the favourable votes of the holders (who are entitled to vote) of not less than 66 $\frac{2}{3}$ % of the principal amount of the Series F Debentures present in person or represented by proxy at the Series F Meeting. **If the Series F Resolution is so passed and the Arrangement is consummated, then the Series F Indenture Amendments will be implemented and will be binding upon the Series F Debentureholders, and all Series F Debentures will be redeemed pursuant to the terms of the Series F Supplemental Indenture reflecting the Series F Indenture Amendments, and as contemplated by the Plan of Arrangement and as further described in this Circular.** See “*Indenture Amendments and Redemption of Debentures*” in this Circular.

Series G Meeting

The Series G Meeting will be held at the offices of Norton Rose Fulbright Canada LLP located at Suite 3800, Royal Bank Plaza, South Tower, 200 Bay Street, Toronto, Ontario M5J 2Z4 on June 28, 2016 at 2:00 p.m. (Toronto time) to consider and, if deemed advisable, to pass, with or without variation, the Series G Resolution which, if passed, will **AMEND** the 2013 Indenture to, among other things, require the REIT to redeem all of the Series G Debentures for cash, at a redemption price of 104% of the aggregate

principal amount thereof, plus accrued (but unpaid) interest thereon, on or about the date of the closing of the acquisition of all of the trust units of InnVest by the Purchaser pursuant to the Plan of Arrangement.

To become effective, the Series G Resolution must be approved by the favourable votes of the holders (who are entitled to vote) of not less than 66 ⅔% of the principal amount of the Series G Debentures present in person or represented by proxy at the Series G Meeting. **If the Series G Resolution is so passed and the Arrangement is consummated, then the Series G Indenture Amendments will be implemented and will be binding upon the Series G Debentureholders, and all Series G Debentures will be redeemed pursuant to the terms of the Series G Supplemental Indenture reflecting the Series G Indenture Amendments, and as contemplated by the Plan of Arrangement and as further described in this Circular. See “Indenture Amendments and Redemption of Debentures” in this Circular.**

The Meetings have been called at the Purchaser’s request in accordance with the terms of the Arrangement Agreement; the board of trustees of the REIT is not required to make, nor is it making, any recommendation in respect of any of the Extraordinary Resolutions. All Debentureholders are encouraged to consult their own advisors to determine if it is in their best interests to vote in favour of any of the Extraordinary Resolutions applicable to them. See “Reason for the Meeting”.

Record Date

The record date for the purpose of determining Debentureholders entitled to receive notice of and to vote at the applicable Meeting is May 24, 2016. Only Debentureholders of record at the close of business on the record date, or their duly appointed proxyholder(s), will be entitled to vote at the applicable Meeting (including at any adjournment(s) or postponement(s) thereof).

Quorum and Adjournment

A quorum at each of the Meetings is not less than two Debentureholders of the applicable series of Debentures who are present in person or represented by proxy at the applicable Meeting representing collectively not less than 25% of the aggregate principal amount of such series of Debentures then outstanding. If a quorum is not present within 30 minutes after the time appointed for the applicable Meeting, then the Meeting will be adjourned. See “Quorum and Adjournment” in this Circular.

Voting

Each Debentureholder present in person or represented by proxy at the applicable Meeting shall be entitled to one vote in respect of each \$1,000 principal amount of Debentures held by such Debentureholder as of the record date. See “Voting” in this Circular.

All of the Debentures are registered in the name of CDS & Co. (the registration name for CDS). Accordingly, in order for a beneficial holder of Debentures to have its Debentures voted at the applicable Meeting, the beneficial holder must complete and sign the applicable instrument of proxy or other voting instruction form provided by its investment dealer, broker or other nominee and return such instrument of proxy or other voting instruction form in accordance with the instructions provided therein well in advance of the Meetings.

Proxies may be delivered to Computershare Trust Company of Canada as follows:

In person or by courier or mail: Computershare Trust Company of Canada
100 University Avenue, 8th Floor
Toronto, Ontario M5J 2Y1

By facsimile: 1-866-249-7775 (toll-free, North America only)

If you have received a voting instruction form, it is important that you submit your vote in accordance with the instructions found on the voting instruction form.

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

In the alternative, if you have any questions or require assistance completing your proxy or voting instruction form, you may also contact Laurel Hill Advisory Group, the proxy solicitation agent, by toll-free telephone in North America at 1-877-452-7184, collect call outside North America at 416-304-0211 or by email at assistance@laurelhill.com. See “*General Proxy Matters*” in this Circular.

Other Considerations

If any Extraordinary Resolution is not passed at any of the applicable Meetings, the REIT will nonetheless be required to cooperate with the Purchaser in respect of the other matters contemplated in the Arrangement Agreement to the extent that they relate to the applicable Debentures, if so requested by the Purchaser. As such, a series of Debentures may still be redeemed in accordance with and subject to the current terms and conditions of its Indenture, although the current terms of the Indentures may not provide that any premium is payable to the Debentureholder in the case of such redemption. See “*Reason for the Meeting*”.

Conditions Precedent

IT IS A CONDITION PRECEDENT TO THE REIT REDEEMING ANY OF THE DEBENTURES FOR THE EARLY REDEMPTION AMOUNT AS CONTEMPLATED IN THIS CIRCULAR THAT THE EXTRAORDINARY RESOLUTION IN RESPECT OF THE INDENTURE AMENDMENTS APPLICABLE TO SUCH SERIES OF DEBENTURES IS PASSED AT THE APPLICABLE MEETING. ACCORDINGLY, IF YOU WISH TO HAVE YOUR SERIES E DEBENTURES, SERIES F DEBENTURES OR SERIES G DEBENTURES, AS APPLICABLE, REDEEMED BY THE REIT ON OR ABOUT THE DATE OF CLOSING OF THE ACQUISITION OF ALL OF THE UNITS OF THE REIT BY THE PURCHASER PURSUANT TO THE PLAN OF ARRANGEMENT AS CONTEMPLATED BY SUCH INDENTURE AMENDMENTS AND AS FURTHER DESCRIBED IN THIS CIRCULAR, YOU ARE ENCOURAGED TO SUBMIT A PROXY OR OTHER VOTING INSTRUCTION FORM VOTING IN FAVOUR OF THE EXTRAORDINARY RESOLUTION APPLICABLE TO YOUR SERIES OF DEBENTURES. IF YOU FAIL TO DO SO, THE FOREGOING CONDITION MAY NOT BE SATISFIED IN RESPECT OF YOUR APPLICABLE SERIES OF DEBENTURES, IN WHICH EVENT SUCH APPLICABLE SERIES OF DEBENTURES WILL NOT BE SO REDEEMED FOR THE EARLY REDEMPTION AMOUNT ON OR ABOUT THE DATE OF CLOSING OF THE ACQUISITION OF ALL OF THE UNITS OF THE REIT BY THE PURCHASER. NOTWITHSTANDING THE FOREGOING, THE SERIES E DEBENTURES AND THE SERIES F DEBENTURES MAY NEVERTHELESS BE REDEEMED BY THE REIT IN ACCORDANCE WITH ITS EXISTING REDEMPTION RIGHTS. SEE “OTHER CONSIDERATIONS”, “GENERAL PROXY MATTERS” AND “CONDITIONS PRECEDENT”.

IN ADDITION, IT IS A CONDITION PRECEDENT TO THE REDEMPTION OF THE DEBENTURES PURSUANT TO THE INDENTURE AMENDMENTS THAT THE CERTIFICATE OF ARRANGEMENT HAS BEEN ISSUED (WHICH REQUIRES THE SATISFACTION OF ALL APPLICABLE CONDITIONS PRECEDENT IN THE ARRANGEMENT AGREEMENT). NOTWITHSTANDING WHETHER OR NOT ANY OR ALL EXTRAORDINARY RESOLUTIONS ARE PASSED, IF THE ARRANGEMENT DOES NOT PROCEED FOR ANY REASON WHATSOEVER, THEN THE INDENTURE AMENDMENTS WILL NOT BE IMPLEMENTED.

Tax Considerations

Debentureholders should consider carefully the income tax consequences of having their applicable Debentures redeemed pursuant to the applicable Indenture Amendments and the Plan of Arrangement. See “*Certain Canadian Federal Income Tax Considerations*” in this Circular.

NO PERSON HAS BEEN AUTHORIZED TO MAKE ANY RECOMMENDATION ON BEHALF OF INNVEST AS TO WHETHER DEBENTUREHOLDERS SHOULD VOTE IN FAVOUR OF THE INDENTURE AMENDMENTS AS DESCRIBED IN THIS CIRCULAR. NO PERSON HAS BEEN AUTHORIZED TO GIVE ANY INFORMATION OR TO MAKE ANY REPRESENTATIONS IN CONNECTION WITH THE ARRANGEMENT AND THE INDENTURE AMENDMENTS OTHER THAN AS SET FORTH IN THIS CIRCULAR. IF GIVEN OR MADE, ANY SUCH RECOMMENDATION OR ANY SUCH INFORMATION OR REPRESENTATION MUST NOT BE RELIED UPON AS HAVING BEEN AUTHORIZED BY INNVEST.

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INVEST REAL ESTATE INVESTMENT TRUST
MANAGEMENT INFORMATION CIRCULAR

General

This Circular is provided in connection with the Meetings (including at any adjournment(s) or postponement(s) thereof). No person has been authorized to give any information or make any representation in connection with the Indenture Amendments or any other matters to be considered at the Meetings, 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 by InnVest.

Instructions to Beneficial Holders of Debentures

Only registered Debentureholders, or the respective persons or companies they appoint as their proxies, are permitted to attend and vote at the Meetings. Each of the Debentures is registered in the name of CDS, as depository, and is beneficially owned by a Non-Registered Holder.

A Non-Registered Holder is entitled to direct how the Debentures beneficially owned by such holder are to be voted. A Non-Registered Holder may obtain a form of proxy from its Intermediary that will entitle the Non-Registered Holder to attend and vote at the applicable Meeting.

In accordance with the requirements of NI 54-101, the REIT has distributed copies of the Meeting Materials to the clearing agencies and Intermediaries for onward distribution to Non-Registered Holders. Intermediaries are required to forward the Meeting Materials to Non-Registered Holders unless a Non-Registered Holder has waived the right to receive them. Typically, Intermediaries will use a service company (such as Broadridge Investor Communication Solutions) to forward the Meeting Materials to Non-Registered Holders. The REIT intends to pay for Intermediaries to deliver the Meeting Materials to "objecting beneficial owners" (as defined in NI 54-101).

The REIT may utilize Broadridge Investor Communication Solutions' QuickVote™ service to assist Non-Registered Holders with voting their Debentures. Certain Non-Registered Holders who have not objected to the REIT knowing who they are (non-objecting beneficial owners) may be contacted by Laurel Hill Advisor Group to conveniently obtain a vote directly over the phone. See "*General Proxy Matters*" in this Circular.

Non-Registered Holders who have not waived the right to receive Meeting Materials will in most cases receive a voting instruction form but may in some cases receive a form of proxy instead. The purpose of these forms is to permit Non-Registered Holders to direct the voting of the Debentures they beneficially own. Non-Registered Holders should follow the particular procedure that corresponds to the type of form they receive, as set out below.

- **Voting Instruction Form.** In most cases, a Non-Registered Holder will receive, as part of the Meeting Materials, a voting instruction form. If the Non-Registered Holder does not wish to attend and vote at the applicable Meeting in person (or have another person attend and vote on the Non-Registered Holder's behalf), the voting instruction form must be completed, signed and returned in accordance with the directions on the form. Voting instruction forms in some cases permit the completion of the voting instruction form by telephone or through the internet. If a Non-Registered Holder wishes to attend and vote at the applicable Meeting in person (or have another person attend and vote on the Non-Registered Holder's behalf), the Non-Registered Holder must complete, sign

and return the voting instruction form in accordance with the directions on the form and a form of proxy giving the right to attend and vote will be forwarded to the Non-Registered Holder.

- **Form of Proxy.** In some cases, a Non-Registered Holder will receive, as part of the Meeting Materials, a form of proxy that has already been signed by the Intermediary (typically in the form of a stamped facsimile signature) which is restricted as to the number of Debentures beneficially owned by the Non-Registered Holder but which is otherwise not complete. If a Non-Registered Holder wishes to attend and vote at the applicable Meeting in person (or have another person attend and vote on the Non-Registered Holder's behalf), the Non-Registered Holder must insert the Non-Registered Holder's (or such other person's) name in the blank space provided. The Non-Registered Holder must complete, sign and return the form of proxy to the REIT's transfer agent, Computershare Trust Company of Canada, by no later than (i) 12:00 p.m. (Toronto time) on June 24, 2016, in the case of Series E Debentures, (ii) 1:00 p.m. (Toronto time) on June 24, 2016, in the case of Series F Debentures, and (iii) 2:00 p.m. (Toronto time) on June 24, 2016, in the case of Series G Debentures, or, if the Meeting is postponed or adjourned, no later than 48 hours (excluding Saturdays, Sundays and statutory holidays in Ontario) before the time of the Meeting, unless otherwise determined by the Chair of the applicable Meeting in his sole discretion.

Proxies may be delivered to Computershare Trust Company of Canada as follows:

In person or by courier or mail: Computershare Trust Company of Canada
100 University Avenue, 8th Floor
Toronto, Ontario M5J 2Y1

By facsimile: 1-866-249-7775 (toll-free, North America only)

If you have received a voting instruction form, it is important that you submit your vote in accordance with the instructions found on the voting instruction form.

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

In the alternative, if you have any questions or require assistance completing your proxy or voting instruction form, you may also contact Laurel Hill Advisory Group, the proxy solicitation agent, by toll-free telephone in North America at 1-877-452-7184, collect call outside North America at 416-304-0211 or by email at assistance@laurelhill.com. See "*General Proxy Matters*" in this Circular.

Background to Indenture Amendments

InnVest entered into the Arrangement Agreement with the Purchaser on May 10, 2016. The Arrangement Agreement includes a Plan of Arrangement that sets forth the steps to be implemented to effect the Arrangement.

If the Arrangement is successfully completed, among other things, each Unit issued and outstanding on the Effective Date will be transferred to the Purchaser in exchange for cash consideration of \$7.25 per Unit. Following the completion of the Arrangement, the REIT will be a wholly-owned subsidiary of the Purchaser.

The Plan of Arrangement also contemplates the redemption of the Debentures in connection with the completion of the Arrangement, subject to the satisfaction of certain conditions, including the approval and implementation of the applicable Indenture Amendments that are to be put forth for consideration and approval at the Meetings.

If the applicable Indenture Amendments are approved at the Meetings and the Plan of Arrangement is consummated, then the REIT will redeem all of the applicable issued and outstanding Debentures for the applicable Early Redemption Amount in accordance with the applicable Indentures reflecting the applicable Indenture Amendments, subject to certain conditions. The Arrangement is not conditional upon

the approval and implementation of the Indenture Amendments. See *“Indenture Amendments and Redemption of Debentures”*, *“Other Considerations”* and *“Conditions Precedent”*.

Details of the Arrangement are set out in the REIT Unit Circular dated May 26, 2016 prepared for the Arrangement Meeting. A copy of such management information circular and the Arrangement Agreement are available at www.sedar.com under the REIT’s profile.

Reason for the Meeting

Pursuant to the Arrangement Agreement, the REIT has agreed to use commercially reasonable efforts to cooperate with the Purchaser, upon the Purchaser’s reasonable request, in connection with:

- (a) the REIT’s solicitation of instruments in writing executed by the holders of not less than 66 ⅔% of the principal amount of each series of the applicable outstanding Debentures consenting to certain amendments to the applicable Indentures to, among other things, permit the redemption, immediately prior to or at any point following the Effective Time;
- (b) the REIT’s calling of meetings of holders of the Series E Debentures, Series F Debentures and Series G Debentures, and the solicitation of proxies in connection therewith, in order to effect such amendments to the applicable Indentures;
- (c) the exercise by the REIT of its rights of defeasance, pursuant to the applicable Indentures, in order to fully and finally settle the REIT’s obligations thereunder upon or following the Effective Time in respect of all those Debentures that are not tendered for redemption or conversion prior to the Effective Time; and
- (d) the assumption by the Purchaser, or such other party as required by the terms of the Indentures, of the obligations of the REIT as a successor following the Effective Time.

The Meetings have been called at the Purchaser’s request in accordance with the terms of the Arrangement Agreement; the board of trustees of the REIT is not required to make, nor is it making, any recommendation in respect of any of the Extraordinary Resolutions. Debentureholders are encouraged to consult their own advisors to determine if it is in their best interests to vote for the applicable Extraordinary Resolutions. Debentureholders should review the applicable Indentures, which are available on SEDAR, as well as the items set forth under the headings *“Indenture Amendments and Redemption of Debentures”* and *“Other Considerations”* in this Circular.

Indenture Amendments and Redemption of Debentures

Series E Indenture Amendments

At the Series E Meeting, Series E Debentureholders will be asked to consider and, if deemed advisable, to pass, the Series E Resolution approving the Series E Indenture Amendments.

If the Series E Resolution is so passed and the Arrangement is consummated, then the Series E Indenture Amendments will be implemented and will be binding upon the Series E Debentureholders, and all Series E Debentures will be redeemed pursuant to the terms of the Series E Supplemental Indenture reflecting the Series E Indenture Amendments. If the Series E Resolution is passed, the Series E Debentures will be redeemed by the REIT at the Redemption Effective Time for the Series E Early Redemption Amount in accordance with the 2002 Indenture as amended by the Series E Supplemental Indenture.

The redemption of the Series E Debentures will be effected by the REIT: (1) providing written notice to the Trustee at least two (2) Business Days before the Effective Date; and (2) depositing with the Trustee, or any paying agent to the order of the Trustee, at least one (1) Business Day before the Effective Date,

immediately available funds in an amount sufficient to pay the Series E Early Redemption Amount for all of the Series E Debentures.

As the Series E Debentures trade in the CDS book-entry system and no certificates are issued to unregistered Debentureholders, beneficial holders of Series E Debentures redeemed in accordance with the Series E Indenture Amendment will not need to take any action to receive the Series E Early Redemption Amount to which they are entitled. Upon the Trustee receiving the aggregate Series E Early Redemption Amount from the REIT, it will pay such amount to CDS, as the sole registered holder of the Series E Debentures, for the account of the participants in the CDS book-entry system maintained by CDS.

The full text of the Series E Resolution and the Series E Supplemental Indenture is set forth in Schedule "E-1" and "E-2" respectively to this Circular, and Series E Debentureholders should read the full text thereof.

Accordingly, if a Series E Debentureholder wishes to have its Series E Debentures redeemed in accordance with the Series E Indenture Amendments, it should vote FOR the Series E Resolution by completing and signing the applicable instrument of proxy or other voting instruction form provided by its broker or other intermediary and return such instrument of proxy or other voting instruction form in accordance with the instructions provided therein. If you have any questions or require assistance completing your proxy or voting instruction form, you may also contact Laurel Hill Advisory Group, the proxy solicitation agent, by toll-free telephone in North America at 1-877-452-7184, collect call outside North America at 416-304-0211 or by email at assistance@laurelhill.com. See "*General Proxy Matters*" in this Circular.

Series F Indenture Amendments

At the Series F Meeting, Series F Debentureholders will be asked to consider and, if deemed advisable, to pass, the Series F Resolution approving the Series F Indenture Amendments.

If the Series F Resolution is so passed and the Arrangement is consummated, then the Series F Indenture Amendments will be implemented and will be binding upon the Series F Debentureholders, and all Series F Debentures will be redeemed pursuant to the terms of the Series F Supplemental Indenture reflecting the Series F Indenture Amendments. If the Series F Resolution is passed, the Series F Debentures will be redeemed by the REIT at the Redemption Effective Time for the Series F Early Redemption Amount in accordance with the 2011 Indenture as amended by the Series F Supplemental Indenture.

The redemption of the Series F Debentures will be effected by the REIT: (1) providing written notice to the Trustee at least two (2) Business Days before the Effective Date; and (2) depositing with the Trustee, or any paying agent to the order of the Trustee, at least one (1) Business Day before the Effective Date, immediately available funds in an amount sufficient to pay the Series F Early Redemption Amount for all of the Series F Debentures.

As the Series F Debentures trade in the CDS book-entry system and no certificates are issued to unregistered Debentureholders, beneficial holders of Series F Debentures redeemed in accordance with the Series F Indenture Amendment will not need to take any action to receive the Series F Early Redemption Amount to which they are entitled. Upon the Trustee receiving the aggregate Series F Early Redemption Amount from the REIT, it will pay such amount to CDS, as the sole registered holder of the Series F Debentures, for the account of the participants in the CDS book-entry system maintained by CDS.

The full text of the Series F Resolution and the Series F Supplemental Indenture is set forth in Schedule "F-1" and "F-2" respectively to this Circular, and Series F Debentureholders should read the full text thereof.

Accordingly, if a Series F Debentureholder wishes to have its Series F Debentures redeemed in accordance with the Series F Indenture Amendments, it should vote FOR the Series F Resolution by completing and signing the applicable instrument of proxy or other voting instruction form provided by its broker or other Intermediary and return such instrument of proxy or other voting instruction form in accordance with the instructions provided therein. If you have any questions or require assistance completing your proxy or voting instruction form, you may also contact Laurel Hill Advisory Group, the proxy solicitation agent, by toll-free telephone in North America at 1-877-452-7184, collect call outside North America at 416-304-0211 or by email at assistance@laurelhill.com. See “*General Proxy Matters*” in this Circular.

Series G Indenture Amendments

At the Series G Meeting, Series G Debentureholders will be asked to consider and, if deemed advisable, to pass, the Series G Resolution approving the Series G Indenture Amendments.

If the Series G Resolution is so passed and the Arrangement is consummated, then the Series G Indenture Amendments will be implemented and will be binding upon the Series G Debentureholders, and all Series G Debentures will be redeemed pursuant to the terms of the Series G Supplemental Indenture reflecting the Series G Indenture Amendments. If the Series G Resolution is passed, the Series G Debentures will be redeemed by the REIT at the Redemption Effective Time for the Series G Early Redemption Amount in accordance with the 2013 Indenture as amended by the Series G Supplemental Indenture.

The redemption of the Series G Debentures will be effected by the REIT: (1) providing written notice to the Trustee at least two (2) Business Days before the Effective Date; and (2) depositing with the Trustee, or any paying agent to the order of the Trustee, at least one (1) Business Day before the Effective Date, immediately available funds in an amount sufficient to pay the Series G Early Redemption Amount for all of the Series G Debentures.

As the Series G Debentures trade in the CDS book-entry system and no certificates are issued to unregistered Debentureholders, beneficial holders of Series G Debentures redeemed in accordance with the Series G Indenture Amendment will not need to take any action to receive the Series G Early Redemption Amount to which they are entitled. Upon the Trustee receiving the aggregate Series G Early Redemption Amount from the REIT, it will pay such amount to CDS, as the sole registered holder of the Series G Debentures, for the account of the participants in the CDS book-entry system maintained by CDS.

The full text of the Series G Resolution and the Series G Supplemental Indenture is set forth in Schedule “G-1” and “G-2” respectively to this Circular, and Series G Debentureholders should read the full text thereof.

Accordingly, if a Series G Debentureholder wishes to have its Series G Debentures redeemed in accordance with the Series G Indenture Amendments, it should vote FOR the Series G Resolution by completing and signing the applicable instrument of proxy or other voting instruction form provided by its broker or other Intermediary and return such instrument of proxy or other voting instruction form in accordance with the instructions provided therein. If you have any questions or require assistance completing your proxy or voting instruction form, you may also contact Laurel Hill Advisory Group, the proxy solicitation agent, by toll-free telephone in North America at 1-877-452-7184, collect call outside North America at 416-304-0211 or by email at assistance@laurelhill.com. See “*General Proxy Matters*” in this Circular.

Other Considerations

If any Extraordinary Resolution is not passed at any of the applicable Meetings, the REIT will nonetheless be required to cooperate with the Purchaser in respect of the other matters contemplated in the

Arrangement Agreement listed above under the heading “*Reason for the Meeting*” to the extent that they relate to the applicable Debentures, if so requested by the Purchaser. As such, a series of Debentures may still be redeemed in accordance with and subject to the current terms and conditions of its Indenture, although the current terms of the Indentures may not provide that any premium is payable to the Debentureholder in the case of such redemption.

Existing Put Right

The completion of the Arrangement will constitute a change of control under the Indentures. Accordingly, if any Debentures remain outstanding following the Arrangement (including as a result of any Extraordinary Resolution not being passed at any of the applicable Meetings), the holder thereof would have the right to require the REIT to purchase (the “**Put Right**”), on the date which is 30 days following the date upon which the Change of Control Notice (as defined in the applicable Indenture) is provided to the holders of the applicable series of Debentures (the “**Put Date**”), all or any part of such holder’s Debentures in cash at a price equal to 101% of the principal amount thereof plus accrued and unpaid interest, if any, on such Debentures up to, but excluding, the Put Date.

In addition, pursuant to the Arrangement Agreement, the Purchaser has covenanted to comply with, or cause the REIT (or any successor thereto) to comply with, as applicable, the terms and provisions of the Indentures to the extent that any Debentures remain outstanding following the closing of the Arrangement. Debentureholders should refer to the applicable Indentures, which are available on SEDAR at www.sedar.com, for a full description of their current rights with respect to such Debentures.

Existing Redemption Rights of Series E Debentures and Series F Debentures

The REIT currently has the right, under the 2002 Indenture, to redeem the Series E Debentures at par, plus accrued (but unpaid) interest, upon 30 days’ notice to Series E Debentureholders. Accordingly, if the Series E Resolution does not receive the requisite approval at the Series E Meeting, then the REIT intends to exercise this existing redemption right to redeem, on or about of the date that is 30 days following completion of the Arrangement, any Series E Debentures for which Series E Debentureholders have not exercised their Put Rights.

The REIT currently has the right, under the 2011 Indenture, to redeem the Series F Debentures at par, plus accrued (but unpaid) interest, upon 30 days’ notice to Series F Debentureholders. Accordingly, if the Series F Resolution does not receive the requisite approval at the Series F Meeting, then the REIT intends to exercise this existing redemption right to redeem, on or about of the date that is 30 days following completion of the Arrangement, any Series F Debentures for which Series F Debentureholders have not exercised their Put Rights.

Debentureholders should refer to the applicable Indentures, which are available on SEDAR at www.sedar.com, for a full description of their current rights with respect to such Debentures.

Record Date

The record date for the purpose of determining (i) Series E Debentureholders entitled to receive notice of and to vote at the Series E Meeting, (ii) Series F Debentureholders entitled to receive notice of and vote at the Series F Meeting, and (iii) Series G Debentureholders entitled to receive notice of and to vote at the Series G Meeting, is, in each case, May 24, 2016. Only Debentureholders of record at the close of business on the record date, or their duly appointed proxyholder(s), will be entitled to vote at the applicable Meeting (including at any adjournment(s) or postponement(s) thereof).

Quorum and Adjournment

A quorum at each of the Meetings is established where, in each case, there are no less than two Debentureholders of the applicable series of Debentures who are present in person or represented by

proxy at the applicable Meeting representing collectively not less than 25% of the aggregate principal amount of such series of Debentures then outstanding. If a quorum is not present within 30 minutes after the time appointed for the applicable Meeting, then the Meeting shall stand adjourned to such date being not less than 14 nor more than 60 days later, and to such place and time as may be appointed by the Chair of the Meeting. Not less than 10 days' notice will be given of the time and place of such adjourned Meeting in the manner provided in the applicable Indenture.

At any adjourned Meeting, a quorum is established by Debentureholders who are present in person or by proxy notwithstanding that they may not represent 25% of the principal amount of the outstanding series of the applicable series of Debentures. As a result, if an initial Meeting is adjourned for lack of quorum, the Extraordinary Resolution applicable to such series of Debentures may be subsequently passed at the subsequently held (adjourned) Meeting even if Debentureholders of such series of Debentures holding less than 25% of the principal amount of the outstanding Debentures of such series vote at such subsequent Meeting.

General Proxy Matters

All of the Debentures are registered in the name of CDS & Co. (the registration name for CDS). Accordingly, in order for a beneficial holder of Debentures to vote FOR or AGAINST the applicable Extraordinary Resolution, the beneficial holder must complete and sign the applicable instrument of proxy or other voting instruction form provided by its investment dealer, broker or other nominee and return such instrument of proxy or other voting instruction form in accordance with the instructions provided therein well in advance of the Meetings. Failure to do so will result in its Debentures not being voted at such Meetings.

Unless waived or extended by the Chair of the applicable Meeting in his or her discretion (which may be without notice), in order to be voted at the Meetings, duly completed proxies must be received by Computershare Trust Company of Canada, located at 8th Floor, 100 University Avenue, Toronto, Ontario M5J 2Y1, no later than (i) 12:00 p.m. (Toronto time) on June 24, 2016, in the case of Series E Debentures, (ii) 1:00 p.m. (Toronto time) on June 24, 2016, in the case of Series F Debentures, and (iii) 2:00 p.m. (Toronto time) on June 24, 2016, in the case of Series G Debentures, or, if the Meeting is postponed or adjourned, not later than 48 hours (excluding Saturdays, Sundays and statutory holidays in Ontario) before any adjourned or postponed Meeting.

The REIT is not using "notice-and-access" to send proxy-related materials to registered and beneficial Debentureholders in connection with the Meetings. The REIT has elected to send proxy-related materials in connection with the Meetings to beneficial Debentureholders indirectly through intermediaries (and their service companies). The REIT will pay for an Intermediary to deliver proxy-related materials to a beneficial Debentureholder who is an "OBO" as defined under NI 54-101.

Voting

Each Series E Debentureholder present in person or represented by proxy at the Series E Meeting is entitled to one vote in respect of each \$1,000 principal amount of Series E Debentures held by the Series E Debentureholder as of the record date.

Each Series F Debentureholder present in person or represented by proxy at the Series F Meeting is entitled to one vote in respect of each \$1,000 principal amount of Series F Debentures held by the Series F Debentureholder as of the record date.

Each Series G Debentureholder present in person or represented by proxy at the Series G Meeting is entitled to one vote in respect of each \$1,000 principal amount of Series G Debentures held by the Series G Debentureholder as of the record date.

The Debentures represented by the accompanying form of proxy will be voted in accordance with the instructions of the Debentureholder on any ballot that may be called for, and if the Debentureholder specifies a choice with respect to any matter to be acted upon, the applicable Debentures will be voted accordingly. **In the absence of such direction, the Debentures represented by proxies will be voted FOR the applicable Extraordinary Resolutions.**

The accompanying forms of proxy confer discretionary authority to the persons named therein with respect to amendments or variations to matters identified in the Notices, or other matters which may properly come before the Meetings whether or not the amendment, variation or other matter that comes before the Meetings is routine or contested. At the time of printing this Circular, the management of the REIT knows of no such amendments, variations or other matters to come before the Meetings. If any such amendment, variation or other matter properly comes before the Meetings, the persons named in the form of proxy will vote in accordance with their best judgment.

If you have any questions or require assistance completing your proxy or voting instruction form, you may also contact Laurel Hill Advisory Group, the proxy solicitation agent, by toll-free telephone in North America at 1-877-452-7184, collect call outside North America at 416-304-0211 or by email at assistance@laurelhill.com. See “General Proxy Matters” in this Circular.

Voting Rights and Appointment of Proxies

As at the date hereof, the REIT has \$74,995,000, \$49,975,000 and \$86,250,000 in aggregate principal amount of Series E Debentures, Series F Debentures and Series G Debentures, respectively, outstanding. Each \$1,000 principal amount of Debentures entitles the holder of record as at the close of business on May 24, 2016, to one vote at the applicable Meeting.

To become effective, (i) the Series E Resolution must be approved by the favourable votes of the holders (who are entitled to vote) of not less than 66 $\frac{2}{3}$ % of the principal amount of the Series E Debentures present in person or represented by proxy at the Series E Meeting, (ii) the Series F Resolution must be approved by the favourable votes of the holders (who are entitled to vote) of not less than 66 $\frac{2}{3}$ % of the principal amount of the Series F Debentures present in person or represented by proxy at the Series F Meeting, and (iii) the Series G Resolution must be approved by the favourable votes of the holders (who are entitled to vote) of not less than 66 $\frac{2}{3}$ % of the principal amount of the Series G Debentures present in person or represented by proxy at the Series G Meeting.

The individuals named in the enclosed form of proxy are representatives of the REIT. **The registered Debentureholder has the right to appoint someone else to represent it at the applicable Meeting by striking out the names of the persons named in the enclosed form of proxy and inserting that other person’s name in the blank space provided. The person appointed to represent the registered Debentureholder at the Meeting need not be a Debentureholder.**

Revocation of Proxies

Proxies may be revoked by the registered Debentureholder by:

- (a) the registered Debentureholder completing and signing the applicable form of proxy bearing a later date and depositing it with the Trustee as described above;
- (b) depositing a document signed by the registered Debentureholder (or by someone properly authorized to act on its behalf) with the Chair of the Meeting before the Meeting starts on the day of the Meeting (or any adjournment(s) or postponement(s) thereof); or
- (c) following any other procedure that is permitted by law.

Only registered Debentureholders have the right to revoke a proxy. Beneficial Debentureholders who wish to change their vote must make appropriate arrangements with their brokers or other intermediaries.

Solicitation of Proxies and Solicitation Fees

This Circular is furnished in connection with the solicitation of proxies by the management of the REIT to be used at the Meeting. Laurel Hill Advisory Group has been retained by the Purchaser as proxy solicitation agent in connection with the solicitation of proxies by and on behalf of management for the Meetings (in addition to the Arrangement Meeting), for fees of \$60,000 in connection with such services, plus incidental and out-of-pocket expenses and disbursements, including with respect to calls to Debentureholders.

If you have any questions you may contact Laurel Hill Advisory Group, the proxy solicitation agent, by toll-free telephone in North America at 1-877-452-7184, collect call outside North America at 416-304-0211 or by email at assistance@laurelhill.com.

NO PERSON HAS BEEN AUTHORIZED TO MAKE ANY RECOMMENDATION ON BEHALF OF INNVEST AS TO WHETHER DEBENTUREHOLDERS SHOULD VOTE IN FAVOUR OF THE INDENTURE AMENDMENTS AS CONTEMPLATED UNDER THE ARRANGEMENT. NO PERSON HAS BEEN AUTHORIZED TO GIVE ANY INFORMATION OR TO MAKE ANY REPRESENTATIONS IN CONNECTION WITH THE ARRANGEMENT AND THE INDENTURE AMENDMENTS OTHER THAN AS SET FORTH IN THIS CIRCULAR. IF GIVEN OR MADE, ANY SUCH RECOMMENDATION OR ANY SUCH INFORMATION OR REPRESENTATION MUST NOT BE RELIED UPON AS HAVING BEEN AUTHORIZED BY INNVEST.

Conditions Precedent

IT IS A CONDITION PRECEDENT TO THE REIT REDEEMING ANY OF THE DEBENTURES FOR THE EARLY REDEMPTION AMOUNT AS CONTEMPLATED IN THIS CIRCULAR THAT THE EXTRAORDINARY RESOLUTION IN RESPECT OF THE INDENTURE AMENDMENTS APPLICABLE TO SUCH SERIES OF DEBENTURES IS PASSED AT THE APPLICABLE MEETING. ACCORDINGLY, IF YOU WISH TO HAVE YOUR SERIES E DEBENTURES, SERIES F DEBENTURES OR SERIES G DEBENTURES, AS APPLICABLE, REDEEMED BY THE REIT ON OR ABOUT THE DATE OF CLOSING OF THE ACQUISITION OF ALL OF THE UNITS OF THE REIT BY THE PURCHASER PURSUANT TO THE PLAN OF ARRANGEMENT AS CONTEMPLATED BY SUCH INDENTURE AMENDMENTS AND AS FURTHER DESCRIBED IN THIS CIRCULAR, YOU ARE ENCOURAGED TO SUBMIT A PROXY OR OTHER VOTING INSTRUCTION FORM VOTING IN FAVOUR OF THE EXTRAORDINARY RESOLUTION APPLICABLE TO YOUR SERIES OF DEBENTURES. IF YOU FAIL TO DO SO, THE FOREGOING CONDITION MAY NOT BE SATISFIED IN RESPECT OF YOUR APPLICABLE SERIES OF DEBENTURES, IN WHICH EVENT SUCH APPLICABLE SERIES OF DEBENTURES WILL NOT BE SO REDEEMED FOR THE EARLY REDEMPTION AMOUNT ON OR ABOUT THE DATE OF CLOSING OF THE ACQUISITION OF ALL OF THE UNITS OF THE REIT BY THE PURCHASER. NOTWITHSTANDING THE FOREGOING, THE SERIES E DEBENTURES AND THE SERIES F DEBENTURES MAY NEVERTHELESS BE REDEEMED BY THE REIT IN ACCORDANCE WITH ITS EXISTING REDEMPTION RIGHTS. SEE "OTHER CONSIDERATIONS", "GENERAL PROXY MATTERS" AND "CONDITIONS PRECEDENT".

IN ADDITION, IT IS A CONDITION PRECEDENT TO THE REDEMPTION OF THE DEBENTURES PURSUANT TO THE INDENTURE AMENDMENTS THAT THE CERTIFICATE OF ARRANGEMENT HAS BEEN ISSUED (WHICH REQUIRES THE SATISFACTION OF ALL APPLICABLE CONDITIONS PRECEDENT IN THE ARRANGEMENT AGREEMENT). NOTWITHSTANDING WHETHER OR NOT ANY OR ALL EXTRAORDINARY RESOLUTIONS ARE PASSED, IF THE ARRANGEMENT DOES NOT PROCEED FOR ANY REASON WHATSOEVER, THEN THE INDENTURE AMENDMENTS WILL NOT BE IMPLEMENTED.

Interests of Certain Persons or Companies In Matters To Be Acted On

None of the trustees or executive officers of the REIT, nor any person who has held such a position since the beginning of the last completed financial year of the REIT, nor any associate or affiliate of the foregoing persons, has any material interest, direct or indirect, by way of beneficial ownership of securities or otherwise, in any matter to be acted on at the Meetings, other than Chantal Nappert, Vice President Finance and Investor Relations of the REIT, who holds \$10,000 principal amount of Series G Debentures, and who has indicated that she intends to vote FOR the Series G Resolution.

Principal Securityholders

As of the date hereof, the trustees and executive officers of InnVest are not aware of any person or company that beneficially owns, or controls or directs, directly or indirectly, more than 10% of the issued and outstanding (i) Series E Debentures, (ii) Series F Debentures, or (iii) Series G Debentures.

Auditors

The auditor of the REIT is Deloitte LLP.

Interest Of Informed Persons In Material Transactions

Except as otherwise set out herein, as applicable, information pertaining to material interests of informed persons, direct or indirect, in any transaction since the commencement of the REIT's most recently completed financial year or in any proposed transaction which has materially affected or would materially affect the REIT or any of its subsidiaries is set forth under the section entitled "*Interest of Management and Others in Material Transactions*" in the REIT's annual information form dated March 23, 2016, which is available under the REIT's profile at www.sedar.com.

Certain Canadian Federal Income Tax Considerations

The following is a summary of the principal Canadian federal income tax considerations under the Tax Act generally applicable as of the date hereof to a holder of Debentures whose Debentures are redeemed (a "**Redemption**") by the REIT pursuant to the Plan of Arrangement and the Indenture Amendments as contemplated by the Extraordinary Resolutions.

This summary applies to a holder (a "**Holder**") who, at all relevant times and for purposes of the Tax Act, (i) deals at arm's length and is not affiliated with the REIT, the Purchaser and any of their respective affiliates, (ii) is or is deemed to be resident in Canada, and (iii) holds Debentures as capital property. Debentures will generally be capital property of a Holder provided that the Holder does not hold such Debentures in the course of carrying on a business and has not acquired them in a transaction or transactions considered to be an adventure or concern in the nature of trade. Certain Holders who might not otherwise be considered to hold their Debentures as capital property may, in certain circumstances, be entitled to make an irrevocable election in accordance with subsection 39(4) of the Tax Act to have such Debentures, and every other "Canadian security" (as defined in the Tax Act) owned in the taxation year in which the election is made and in subsequent taxation years, deemed to be capital property. Holders considering making such an election should consult their own tax advisors.

This summary is based upon the current provisions of the Tax Act and the current administrative policies and assessing practices of Canada Revenue Agency (the "**CRA**") published in writing by the CRA prior to the date of this Circular. This summary also takes into account all specific proposals to amend the Tax Act that have been publicly announced by or on behalf of the Minister of Finance (Canada) prior to the date of this Circular (the "**Tax Proposals**"). This summary assumes that the Tax Proposals will be enacted as currently proposed, but no assurances can be given in this regard. Except for the Tax Proposals, this summary does not take into account or anticipate any changes in law, whether by legislative, governmental or judicial decision or action, or changes in the CRA's administrative policies or

assessing practices, nor does it take into account other federal or any provincial, territorial, local or foreign tax legislation or considerations, which may differ significantly from those discussed herein.

This summary does not apply to a Holder (i) that is a “financial institution” subject to the mark-to-market rules, (ii) that is a “specified financial institution”, (iii) that is a partnership, (iv) an interest in which would be a “tax shelter investment”, (v) that has elected to determine its Canadian tax results in a foreign currency pursuant to the “functional currency” reporting rules, or (vi) that has entered or will enter into a “derivative forward agreement” with respect to the Debentures, all within the meaning of the Tax Act. Any such Holders should consult their own tax advisors to determine the tax consequences to them of a Redemption.

This summary is of a general nature only and is not intended to be, nor should it be construed to be, legal or tax advice to any particular Holder. This summary is not exhaustive of all Canadian federal income tax considerations. Holders are urged to consult their own tax advisors to determine the particular tax consequences to them of the Indenture Amendments and a Redemption under Canadian federal, provincial, territorial or local tax laws and under foreign tax laws, having regard to their own particular circumstances.

An advance income tax ruling has not been requested from the CRA to confirm the tax consequences to Holders of the Indenture Amendments or the Redemption.

Status of the REIT

This summary assumes that the REIT currently qualifies as a “mutual fund trust” and a “real estate investment trust” under the Tax Act and will continue to so qualify at all relevant times for purposes of this summary. If the REIT were to not qualify as a mutual fund trust or a real estate investment trust at such times, the income tax considerations described below could in some respects be materially and adversely different.

Effect of the Indenture Amendments

The Indenture Amendments likely would not result in a disposition of the Debentures for Canadian tax purposes, although this is not free from doubt. Canadian jurisprudence has held that the amendment of fundamental terms of a debt instrument can result in the creation of a new debt obligation in some circumstances. Thus, there can be no assurance that the CRA would not treat the Indenture Amendments as a disposition of the Debentures, or that a Canadian court would not agree with that position. Each Holder should consult its own tax advisor regarding the proper treatment of the Indenture Amendments for Canadian tax purposes.

In the event that the Indenture Amendments do not result in a disposition of the Debentures, a Holder will not be considered to have disposed of the Debentures for tax purposes and no capital gain or loss would be realized at the time the Indenture Amendments become effective.

In the event that an Indenture Amendment results in a disposition of the Debentures to which the Indenture Amendment relates, a Holder will be deemed to have received proceeds of disposition equal to the fair market value of such Debentures owned by the Holder at the time the Indenture Amendment becomes effective. The Holder will realize a capital gain (or capital loss) on the disposition equal to the amount, if any, by which the Holder’s proceeds of disposition, net of any reasonable costs of disposition, exceed (or are exceeded by) the adjusted cost base to the Holder of the Debentures owned at the time the Indenture Amendment becomes effective. See “*Capital Gains and Capital Losses*” below. The cost of the Debentures to the Holder immediately after the time the Indenture Amendment becomes effective will be equal to the fair market value of the Debentures at that time.

Taxation of Holders of Debentures

Interest on Debentures

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

Any other Holder (including an individual) will be required to include in computing income for a taxation year all interest on the Debentures that is received or receivable by the Holder in that taxation year (depending upon the method regularly followed by the Holder in computing income), including on a Redemption, except to the extent that the interest was included in the Holder's income for a preceding taxation year.

A premium paid by the REIT (including a premium paid in connection with a Redemption) to a Holder of Debentures will generally be deemed to be interest received at that time by the Holder if such premium is paid because of the repayment by the REIT of the Debentures before their maturity and to the extent that such premium can reasonably be considered to relate to, and does not exceed the value on the date of the Redemption, of the interest that would have been paid or payable by the REIT on the Debentures for taxation years of the REIT ending after such date.

Redemption of Debentures

A disposition or deemed disposition of a Debenture by a Holder (including on a Redemption (but not including the conversion of a Debenture)) will generally give rise to a capital gain (or capital loss) equal to the amount by which the proceeds of disposition, net of any amount otherwise required to be included in the Holder's income as interest, are greater (or less) than the aggregate of the adjusted cost base to the Holder of the Debenture immediately before the disposition and any reasonable costs of disposition. Such capital gain (or capital loss) will be subject to the tax treatment described below under the heading "*Capital Gains and Capital Losses*".

Upon a disposition or deemed disposition of a Debenture, interest accrued thereon to the date of disposition will generally be included in computing the income of the Holder as described above under the heading "*Interest on Debentures*" and will generally be excluded in computing the Holder's proceeds of disposition of the Debenture. A Holder of a Debenture who has over accrued interest will generally be entitled to a deduction in computing the Holder's income for a taxation year in which a Debenture is disposed of for an amount equal to such over accrued interest.

Capital Gains and Capital Losses

One-half of any capital gain realized by a Holder will be included in the Holder's income as a taxable capital gain. One-half of any capital loss (an "allowable capital loss") realized by such a Holder is generally deducted from taxable capital gains of the Holder realized in the year of disposition, and any remaining balance of allowable capital losses may generally be deducted against net taxable capital gains realized in the three preceding taxation years or in any subsequent taxation year, to the extent and under the circumstances described in the Tax Act.

Refundable Tax

A Holder that is a "Canadian-controlled private corporation" (as defined in the Tax Act) may be liable to pay an additional refundable tax on investment income, including amounts in respect of interest and taxable capital gains.

Minimum Tax

A capital gain realized by a Holder who is an individual (other than certain trusts) may increase the Holder's liability for alternative minimum tax.

Additional Information

Additional information relating to the Arrangement is available in the REIT Unit Circular dated May 26, 2016 and is available, along with other information about the REIT, on SEDAR at www.sedar.com. Financial information in respect of the REIT is provided in the REIT's comparative financial statements and management's discussion and analysis for the REIT's most recently completed financial year, copies of which are available free of charge upon request from the Vice President, Investor Relations of the REIT at 7th Floor, 5090 Explorer Drive, Mississauga, Ontario L4W 4T9 or by accessing the REIT's website at www.innvestreit.com, or on SEDAR at www.sedar.com.

BY ORDER OF THE BOARD

(signed) "*Andrew C. Coles*"

Andrew C. Coles
President and Chief Executive Officer

Toronto, Ontario
May 30, 2016

* * *

APPENDIX A

GLOSSARY

In this Circular, unless the subject matter or context is inconsistent therewith or unless otherwise provided, the following terms have the meanings set forth below:

"2002 Indenture" means the trust indenture dated July 26, 2002 between InnVest, as issuer, and Computershare, as debenture trustee, as supplemented by the first supplemental indenture dated April 2, 2004 between InnVest and Computershare (as amended on September 2, 2005), the second supplemental indenture dated May 16, 2006 between InnVest and Computershare, the third supplemental indenture dated August 3, 2007 between the REIT and Computershare, the fourth supplemental indenture dated December 30, 2009 between InnVest and Computershare, the fifth supplemental indenture dated August 13, 2010 between InnVest and Computershare, the sixth supplemental indenture dated December 31, 2010 between InnVest, IOT and Computershare, and the seventh supplemental indenture dated July 3, 2012 between InnVest, IOT and Computershare.

"2011 Indenture" means the trust indenture dated March 15, 2011 between InnVest, as issuer, IOT, as guarantor, and Computershare, as debenture trustee, as supplemented by the first supplemental indenture dated July 3, 2012 between InnVest and Computershare.

"2013 Indenture" means the trust indenture dated February 27, 2013 between InnVest, as issuer, and Computershare, as debenture trustee, as supplemented by the first supplemental indenture dated July 25, 2014 between InnVest and Computershare.

"ABCA" means the *Business Corporations Act* (Alberta).

"affiliate" unless otherwise indicated, has the meaning ascribed thereto in the *Securities Act* (Ontario).

"Arrangement" means an arrangement under Section 193 of the ABCA on the terms and subject to the conditions set out in the Plan of Arrangement, subject to any amendments or variations thereto made in accordance with Section 9.13 of the Arrangement Agreement and/or Article 5 of the Plan of Arrangement or made at the direction of the Court following the Arrangement Meeting with the consent of the REIT and the Purchaser, each acting reasonably.

"Arrangement Agreement" means the arrangement agreement dated May 10, 2016 between InnVest and the Purchaser, as it may be amended and restated, supplemented or otherwise modified from time to time in accordance with the terms thereof.

"Arrangement Meeting" means the annual and special meeting of Unitholders to be held on June 28, 2016, including any adjournment(s) or postponement(s) thereof, to conduct the business described in the corresponding Notice of Meeting to Unitholders dated May 26, 2016 accompanying the REIT Unit Circular.

"Articles of Arrangement" means the articles of arrangement in respect of the Arrangement, required by the ABCA to be sent to the Registrar after the Final Order is made, which shall be in a form and content satisfactory to InnVest and the Purchaser, each acting reasonably.

"associate" has the meaning ascribed thereto in National Instrument 45-106 *Prospectus Exemptions*.

"Business Day" means any day, other than a Saturday, Sunday or any other day on which major banks are closed for business in Toronto, Ontario.

"CDS" means CDS Clearing and Depository Services Inc. or its nominee (which is, at the date hereof, CDS & Co.) together with its successors from time to time.

“Certificate of Arrangement” means the certificate of arrangement to be issued by the Registrar pursuant to subsection 193(11) of the ABCA in respect of the Articles of Arrangement.

“Circular” means this management information circular dated May 30, 2016, together with all schedules and appendices hereto, distributed by the REIT in connection with the Meetings.

“Computershare” means Computershare Trust Company of Canada.

“Court” means the Court of Queen’s Bench of Alberta.

“Debenture Indentures” means the 2002 Indenture, the 2011 Indenture and the 2013 Indenture applicable to the Series E Debentures, Series F Debentures and the Series G Debentures, respectively, as applicable and as the context requires.

“Debentureholders” means the registered or beneficial holders of the issued and outstanding Series E Debentures, Series F Debentures and/or Series G Debentures, as applicable and as the context requires, and **Series E Debentureholders, Series F Debentureholders and Series G Debentureholders** have corresponding meanings.

“Debentures” means the Series E Debentures, the Series F Debentures and the Series G Debentures, as applicable and as the context requires.

“Declaration of Trust” means the fourth amended and restated declaration of trust of the REIT dated as of July 1, 2012, as amended as of August 7, 2013 and June 16, 2015, as may be amended, amended and restated and/or supplemented from time to time in accordance with its terms.

“Early Redemption Amount” means (i) with respect to each Series E Debenture, the Series E Redemption Amount, (ii) with respect to each Series F Debenture, the Series F Redemption Amount, and (iii) with respect to each Series G Debenture, the Series G Redemption Amount, as applicable and as the context requires.

“Effective Date” means the date shown on the Articles of Arrangement giving effect to the Arrangement.

“Effective Time” has the meaning ascribed thereto in the Plan of Arrangement.

“Extraordinary Resolution” means the Series E Resolution, the Series F Resolution and the Series G Resolution, as applicable and as the context requires, and **“Extraordinary Resolutions”** means all of them.

“Final Order” means the final order of the Court approving the Arrangement pursuant to subsection 193(9) of the ABCA, as such order may be amended by the Court (with the consent of both the Purchaser and the REIT, each acting reasonably) at any time prior to the Effective Date or, if appealed, then, unless such appeal is withdrawn or denied, as affirmed or as amended (provided that any such amendment is acceptable to both the Purchaser and the REIT, each acting reasonably) on appeal.

“Governmental Authority” means any (i) multinational, federal, provincial, territorial, regional, municipal, local, domestic, foreign, or other governmental or public department, central bank, court, tribunal, commission (including any securities commission or similar regulatory authority), commissioner, tribunal, board, bureau, agency, ministry or instrumentality, domestic or foreign, (ii) any subdivision or authority of any of the foregoing, (iii) any quasi-governmental or private body exercising any regulatory, expropriation or Taxing Authority under or for the account of any of the above, or (iv) the TSX.

“Indenture Amendments” means the Series E Indenture Amendments, the Series F Indenture Amendments and the Series G Indenture Amendments, as applicable and as the context requires.

“Indentures” means, collectively, the 2002 Indenture, the 2011 Indenture and the 2013 Indenture, and **Indenture** means any one of them, as applicable and as the context requires.

“InnVest” or the **“REIT”** means InnVest Real Estate Investment Trust, an unincorporated open-ended real estate investment trust governed by the laws of the Province of Ontario.

“Intermediary” means a participant in the book-based system administered by CDS with whom a Non-Registered Holder deals in respect of Debentures, such as, among others, banks, trust companies, securities, dealers or brokers, and trustees or administrators of self-administered deferred income plans.

“IOT” means InnVest Operations Trust.

“Meeting Materials” has the meaning ascribed thereto under *“Solicitation of Proxies and Solicitation Fees”* in this Circular.

“Meetings” means, collectively, the Series E Meeting, Series F Meeting and Series G Meeting, and **Meeting** means any one of them as applicable and as the context requires and includes any adjournment or postponement of any of the foregoing.

“NI 54-101” means National Instrument 54-101 *Communication with Beneficial Owners of Securities of a Reporting Issuer*.

“Non-Registered Holder” means a beneficial holder of Debentures that holds its Debentures through an Intermediary.

“Notices” means, collectively, the (i) notice of meeting in respect of the Series E Meeting, (ii) the notice of meeting in respect of the Series F Meeting, and (iii) the notice of meeting in respect of the Series G Meeting, and **Notice** means any one of them.

“person” includes any individual, firm, partnership, joint venture, venture capital fund, association, trust, trustee, executor, administrator, legal personal representative, estate, group, corporation, company, unincorporated association or organization, Governmental Authority, syndicate or other entity, whether or not having legal status.

“Plan of Arrangement” means the plan of arrangement, substantially in the form of Schedule C to the REIT Unit Circular, and any amendments or variations thereto made in accordance with Section 9.13 of the Arrangement Agreement and Article 5 of the Plan of Arrangement or made at the direction of the Court in the Final Order with the consent of the REIT and the Purchaser, each acting reasonably.

“Purchaser” means Bluesky Hotels and Resorts Inc., a corporation incorporated under the laws of Canada.

“Put Date” has the meaning specified under *“Other Considerations – Existing Put Right”*.

“Put Right” has the meaning specified under *“Other Considerations – Existing Put Right”*.

“Redemption Effective Time” means the time of the step set out in Section 2.4(h) of the Plan of Arrangement.

“Registrar” means the Registrar of Corporations duly appointed pursuant to Section 263 of the ABCA.

“REIT Unit Circular” means the management information circular dated May 26, 2016 (available at www.sedar.com under the REIT’s profile) and distributed by the REIT in connection with the Arrangement Meeting.

“SEDAR” means the System for Electronic Document Analysis and Retrieval of the Canadian Securities Administrators.

“Series E Debentureholders” means the holders of the Series E Debentures.

“Series E Debentures” means the 6.00% convertible unsecured subordinated debentures, series E, due September 30, 2017 issued by InnVest pursuant to the 2002 Indenture.

“Series E Early Redemption Amount” means, in respect of a Series E Debenture, an amount equal to, 101% of the principal amount of the Series E Debenture, plus accrued (but unpaid) interest thereon up to but not including the Effective Date.

“Series E Indenture Amendments” means the proposed amendments to the 2002 Indenture to, among other things, permit the redemption of all of the Series E Debentures as contemplated under the Arrangement for the Series E Early Redemption Amount at the Redemption Effective Time (which will require the REIT to redeem all of the Series E Debentures for cash in the amount of the Series E Early Redemption Amount and on the other terms and conditions described in this Circular).

“Series E Meeting” means the meeting of Series E Debentureholders to be held on June 28, 2016 to consider the Series E Resolution.

“Series E Resolution” means the extraordinary resolution in respect of the Series E Indenture Amendments, the full text of which is set out in Schedule “E-1” to this Circular.

“Series E Supplemental Indenture” means, the supplemental indenture to be entered into between InnVest and the Trustee giving effect to the Series E Indenture Amendments, which supplemental indenture shall be substantially in the form attached as Schedule “E-2” to this Circular.

“Series F Debentureholders” means the holders of the Series F Debentures.

“Series F Debentures” means the 5.75% convertible unsecured subordinated debentures, series F, due March 30, 2018 issued by InnVest pursuant to the 2011 Indenture.

“Series F Early Redemption Amount” means, in respect of a Series F Debenture, an amount equal to, 101% of the principal amount of the Series F Debenture, plus accrued (but unpaid) interest thereon up to but not including the Effective Date.

“Series F Indenture Amendments” means the proposed amendments to the 2011 Indenture to, among other things, permit the redemption of all of the Series F Debentures as contemplated under the Arrangement for the Series F Early Redemption Amount at the Redemption Effective Time (which will require the REIT to redeem all of the Series F Debentures for cash in the amount of the Series F Early Redemption Amount and on the other terms and conditions described in this Circular).

“Series F Meeting” means the meeting of the Series F Debentureholders to be held on June 28, 2016 to consider the Series F Resolution.

“Series F Resolution” means the extraordinary resolution in respect of the Series F Indenture Amendments, the full text of which is set out in Schedule “F-1” to this Circular.

“Series F Supplemental Indenture” means, the supplemental indenture to be entered into between InnVest and the Trustee giving effect to the Series F Indenture Amendments, which supplemental indenture shall be substantially in the form attached as Schedule “F-2” to this Circular.

“Series G Debentureholders” means the holders of the Series G Debentures.

“Series G Debentures” means the 6.25% convertible unsecured subordinated debentures, series G, due March 31, 2019, issued by InnVest pursuant to the 2013 Indenture, as amended.

“Series G Early Redemption Amount” means, in respect of a Series G Debenture, an amount equal to, 104% of the principal amount of the Series G Debenture, plus accrued (but unpaid) interest thereon up to but not including the Effective Date.

“Series G Indenture Amendments” means the proposed amendments to the 2013 Indenture to, among other things, permit the redemption of all of the Series G Debentures as contemplated under the Arrangement for the Series G Early Redemption Amount at the Redemption Effective Time (which will require the REIT to redeem all of the Series G Debentures for cash in the amount of the Series G Early Redemption Amount and on the other terms and conditions described in this Circular).

“Series G Meeting” means the meeting of Series G Debentureholders to be held on June 28, 2016 to consider the Series G Resolution.

“Series G Resolution” means the extraordinary resolution in respect of the Series G Indenture Amendments, the full text of which is set out in Schedule “G-1” to this Circular.

“Series G Supplemental Indenture” means the supplemental indenture to be entered into between InnVest and the Trustee giving effect to the Series G Indenture Amendments, which supplemental indenture shall be substantially in the form attached as Schedule “G-2” to this Circular.

“Tax” and **“Taxes”** means, with respect to any entity, all local, foreign or domestic taxes, fees, imposts, assessments, or charges of any kind whatsoever, including income taxes (including any tax on or based upon net income, gross income, income as specially defined, earnings, profits or selected items of income earnings or profits) and all capital taxes, gross receipts taxes, environmental taxes, sales taxes, use taxes, ad valorem taxes, value added taxes, transfer taxes, franchise taxes, license taxes, withholding taxes, payroll taxes, premiums and charges pursuant to any workplace safety and insurance legislation, employment taxes, Canada Pension Plan or Quebec Pension Plan premiums, excise, severance, social security, workers’ compensation, employment insurance or compensation, stamp taxes, occupation taxes, premium taxes, property taxes, windfall profits taxes, alternative or add-on minimum taxes, goods and services tax, harmonized sales tax, or customs duties, together with any interest and any penalties or additional amounts imposed by any Governmental Authority on such entity with respect to the foregoing.

“Tax Act” means the *Income Tax Act* (Canada) and the regulations promulgated thereunder, each as amended from time to time.

“Taxing Authority” means any Governmental Authority having jurisdiction in respect of Taxes.

“Trustee” means Computershare in its capacity as trustee under the Indentures.

“TSX” means the Toronto Stock Exchange.

“Unit” means a trust unit in the capital of the REIT.

“Unitholders” means the holders from time to time of Units and **“Unitholder”** means any one of them.

Words importing the singular include the plural and vice versa and words importing any gender include all genders. In this Circular, all dollar amounts are expressed in Canadian dollars and all references to “\$” refer to Canadian dollars, unless otherwise stated.

* * *

SCHEDULE E-1

SERIES E EXTRAORDINARY RESOLUTION

BE IT RESOLVED AS AN EXTRAORDINARY RESOLUTION THAT:

1. InnVest Real Estate Investment Trust (“**InnVest**”), InnVest Operations Trust and Computershare Trust Company of Canada (“**Computershare**”) be and are hereby authorized to enter into and perform their respective obligations under a supplemental indenture (the “**Series E Supplemental Indenture**”) to be entered into between InnVest, InnVest Operations Trust and Computershare pursuant to which the trust indenture governing the 6.00% convertible unsecured subordinated debentures, series E, due September 30, 2017 (the “**Series E Debentures**”) of InnVest shall be supplemented and amended to require InnVest to redeem all of the Series E Debentures for cash, at a redemption price of 101% of the aggregate principal amount thereof, plus accrued (but unpaid) interest thereon, on or about the date of the closing of the acquisition of all of the trust units of InnVest under the plan of arrangement to be effected pursuant to the arrangement agreement dated May 10, 2016 between InnVest and Bluesky Hotels and Resorts Inc. (as amended), such Series E Supplemental Indenture to be substantially in the form attached as Schedule “E-2” to the management information circular of InnVest dated May 30, 2016, subject to such changes and amendments as may be approved by the persons referred to in paragraph 3 hereof, such approval to be evidenced conclusively by their execution and delivery of such Series E Supplemental Indenture (as changed or amended) and the Series E Supplemental Indenture (as changed or amended, if applicable) as signed is that which is hereby approved;
2. notwithstanding that this extraordinary resolution has been duly passed, the board of trustees of InnVest may, without further notice to or approval of the holders of Series E Debentures, determine not to proceed to implement this extraordinary resolution at any time prior to InnVest entering into the Series E Supplemental Indenture; and
3. any single trustee or officer of InnVest be and is hereby authorized, for and on behalf of InnVest, to execute and deliver the Series E Supplemental Indenture and to execute, and, if appropriate, deliver all other documents and instruments and to do all other things as in the opinion of such trustee or officer may be necessary or desirable to implement this resolution, the Series E Supplemental Indenture and the matters authorized hereby and thereby, such determination to be conclusively evidenced by the execution and delivery of any such document or instrument, and the taking of any such action.

SCHEDULE E-2
SERIES E SUPPLEMENTAL INDENTURE

(see attached)

**SCHEDULE E-2
SUPPLEMENTAL INDENTURE**

EIGHTH SUPPLEMENTAL INDENTURE

THIS EIGHTH SUPPLEMENTAL INDENTURE is dated [●], 2016

BETWEEN:

INVEST REAL ESTATE INVESTMENT TRUST, an unincorporated open-ended real estate investment trust governed by the laws of the Province of Ontario (hereinafter called the “**REIT**”)

AND

COMPUTERSHARE TRUST COMPANY OF CANADA, a trust company incorporated under the federal laws of Canada (hereinafter called the “**Trustee**”)

AND

INVEST OPERATIONS TRUST, an unincorporated open-ended investment trust governed by the laws of the Province of Ontario (hereinafter called “**IOT**”)

WHEREAS by a trust indenture dated July 26, 2002 between the REIT and the Trustee (as amended, supplemented or restated from time to time prior to the date hereof, the “**Master Indenture**”), as supplemented by the first supplemental indenture dated April 2, 2004 between the REIT and the Trustee (as amended on September 2, 2005), the second supplemental indenture dated May 16, 2006 between the REIT and the Trustee, the third supplemental indenture dated August 3, 2007 between the REIT and the Trustee, the fourth supplemental indenture dated December 30, 2009 between the REIT and the Trustee, the fifth supplemental indenture dated August 13, 2010 between the REIT and the Trustee (the “**Fifth Supplemental Indenture**”), the sixth supplemental indenture dated December 31, 2010 between the REIT, IOT and the Trustee, and the seventh supplemental indenture dated July 3, 2012 between the REIT, IOT and the Trustee, provision was made for the issuance of convertible unsecured subordinated debentures of the REIT in one or more series, unlimited as to aggregate principal amount but issuable only upon the terms and subject to the conditions and limitations therein provided;

AND WHEREAS pursuant to the Master Indenture and the Fifth Supplemental Indenture, the REIT issued a series of debentures in the aggregate principal amount of \$75,000,000 designated as 6.00% convertible unsecured subordinated debentures, Series E, due September 30, 2017 (the “**Series E Debentures**”);

AND WHEREAS the holders (the “**Debentureholders**”) of the Series E Debentures have duly passed an Extraordinary Resolution authorizing the REIT, the Trustee and IOT to enter into and perform their respective obligations under this Eighth Supplemental Indenture;

AND WHEREAS Section 17.1 of the Master Indenture provides that when authorized by a resolution of its trustees, the REIT may execute and deliver indentures supplemental thereto

for the purpose of, *inter alia*, giving effect to any Extraordinary Resolution passed as provided in Article 14 of the Master Indenture;

AND WHEREAS all necessary acts and proceedings have been done and taken and all necessary resolutions have been passed to authorize the execution and delivery of this Eighth Supplemental Indenture, to make the same effective and binding upon the REIT, the Trustee and IOT;

AND WHEREAS the foregoing recitals are made as representations and statements of fact by the REIT and not by the Trustee;

NOW THEREFORE THIS INDENTURE WITNESSES and it is hereby covenanted, agreed and declared as follows:

ARTICLE 1 **INTERPRETATION**

1.1 Interpretation

This Eighth Supplemental Indenture is supplemental to the Master Indenture and shall be read in conjunction therewith. Except only insofar as the Master Indenture may be inconsistent with the express provisions of this Eighth Supplemental Indenture, in which case the terms of this Eighth Supplemental Indenture shall govern and supersede those contained in the Master Indenture only to the extent of such inconsistency, this Eighth Supplemental Indenture shall henceforth have effect so far as practicable as if all of the provisions of the Master Indenture and this Eighth Supplemental Indenture were contained in one instrument. The term “this Eighth Supplemental Indenture” and similar expressions refer to this Eighth Supplemental Indenture and not to any particular Article, Section, Subsection or other portion thereof, and include any and every instrument supplementary or ancillary hereto. Unless otherwise stated, any reference in this Eighth Supplemental Indenture to an Article, Section, Subsection, paragraph, or Schedule to, this Eighth Supplemental Indenture. The division of this Eighth Supplemental Indenture into Articles, Sections, Subsections and other provisions thereof and the insertion of headings are for convenience of reference only and shall not affect the construction or interpretation of this Eighth Supplemental Indenture or the Master Indenture, as supplemented hereby.

1.2 Definitions

Unless otherwise specified herein and unless there is something in the subject matter or context inconsistent therewith, capitalized terms and expressions in this Eighth Supplemental Indenture and in the Series E Debenture certificates shall have the meanings given to them in the Master Indenture.

ARTICLE 2
AMENDMENTS FOR REDEMPTION

2.1 Certain Amendments and Supplements

- (a) The following definitions shall be added to Section 1.2(a) of the Fifth Supplemental Indenture in alphabetical order:
- (i) “**ABCA**” means the *Business Corporations Act* (Alberta);
 - (ii) “**Arrangement**” means an arrangement under Section 193 of the ABCA on the terms and subject to the conditions set out in the Plan of Arrangement, subject to any amendments or variations thereto made in accordance with Section 9.13 of the Arrangement Agreement and/or Article 5 of the Plan of Arrangement;
 - (iii) “**Arrangement Agreement**” means the arrangement agreement dated May 10, 2016 between the REIT and the Purchaser, as it may be amended and restated, supplemented or otherwise modified from time to time in accordance with the terms thereof;
 - (iv) “**Arrangement Meeting**” means the annual and special meeting of Unitholders held on June 28, 2016, including any adjournment(s) or postponement(s) thereof, to conduct the business described in the corresponding notice of meeting dated May 26, 2016 accompanying the REIT Unit Circular;
 - (v) “**Articles of Arrangement**” means the articles of arrangement in respect of the Arrangement, required by the ABCA to be sent to the Registrar after the Final Order is made, which shall be in a form and content satisfactory to the REIT and the Purchaser, acting reasonably;
 - (vi) “**Certificate of Arrangement**” means the certificate of arrangement to be issued by the Registrar pursuant to subsection 193(11) of the ABCA in respect of the Articles of Arrangement;
 - (vii) “**Court**” means the Court of Queen’s Bench of Alberta;
 - (viii) “**Early Redemption Amount**” means, in respect of a Series E Debenture, an amount equal to, 101% of the principal amount of the Series E Debenture, plus accrued (but unpaid) interest thereon up to but not including the Effective Date;
 - (ix) “**Effective Date**” means the date shown on the Articles of Arrangement giving effect to the Arrangement;
 - (x) “**Final Order**” means the final order of the Court approving the Arrangement pursuant to subsection 193(9) of the ABCA, as such order

may be amended by the Court (with the consent of both the Purchaser and the REIT, each acting reasonably) at any time prior to the Effective Date or, if appealed, then, unless such appeal is withdrawn or denied, as affirmed or as amended (provided that any such amendment is acceptable to both the Purchaser and the REIT, each acting reasonably) on appeal;

- (xi) “**Plan of Arrangement**” means the plan of arrangement, substantially in the form of Schedule C to the REIT Unit Circular, and any amendments or variations thereto made in accordance with Section 9.13 of the Arrangement Agreement and Article 5 of the Plan of Arrangement or made at the direction of the Court in the Final Order with the consent of the REIT and the Purchaser, each acting reasonably;
 - (xii) “**Purchaser**” means Bluesky Hotels and Resorts Inc.;
 - (xiii) “**Registrar**” means the Registrar of Corporations duly appointed pursuant to Section 263 of the ABCA;
 - (xiv) “**REIT Unit Circular**” means the management information circular of the REIT dated May 26, 2016 (available at www.sedar.com under the REIT’s profile) and distributed by the REIT in connection with the Arrangement Meeting;
 - (xv) “**Units**” means the trust units in the capital of the REIT; and
 - (xvi) “**Unitholders**” means the holders from time to time of Units.
- (b) Section 2.2 of the Fifth Supplemental Indenture shall be amended by adding a new subsection (m) as follows:

“Redemption pursuant to and in conjunction with the Plan of Arrangement. Notwithstanding Section 2.2(c) (Redemption), Section 2.2(l) (Change of Control) and any other provision, the REIT shall redeem each of the Series E Debentures as contemplated by the Plan of Arrangement for the Early Redemption Amount in accordance with the Plan of Arrangement. For greater certainty, no amount will be payable in excess of the Early Redemption Amount. The REIT shall: (1) provide written notice to the Trustee at least two (2) Business Days before the Effective Date, which notice must state (i) that all of the Series E Debentures are being called for redemption, (ii) the redemption date, (iii) the places of payment, and (iv) that interest on the Series E Debentures will cease to be payable from and after the Effective Date; and (2) deposit with the Trustee, or any paying agent to the order of the Trustee, at least one (1) Business Day before the Effective Date, immediately available funds in an amount sufficient to pay the Early Redemption Amount for all of the Series E Debentures.

The REIT shall also deposit with the Trustee a sum of money sufficient to pay any reasonable charges or expenses that may be incurred by the Trustee in connection with such redemption. Every such deposit shall be irrevocable, subject

to the Arrangement becoming effective. From the sums so deposited, the Trustee shall pay or cause to be paid, to each holder of Series E Debentures, upon such holder's surrender of such Series E Debentures, the Early Redemption Amount to which such holder is entitled on redemption.

In case the holder of any Series E Debenture(s) shall fail on or before the Effective Date to surrender such holder's Series E Debenture(s), or shall not accept payment of the Early Redemption Amount, or give such receipt therefor, if any, as the Trustee may require, such Early Redemption Amount may be set aside in trust, either in the deposit department of the Trustee or in a chartered bank, and such setting aside shall for all purposes be deemed a payment to the holder of the Series E Debenture(s) of the sum so set aside and, to that extent, such Series E Debenture(s) shall from and after the time specified for redemption in the Plan of Arrangement not be considered as outstanding hereunder and the former holder of the Series E Debenture(s) shall have no other right except to receive payment out of the monies so paid and deposited, upon surrender and delivery up of such former holder's Series E Debenture(s). In the event that any money required to be deposited hereunder with the Trustee or any depository or paying agent on account of the Early Redemption Amount on the Series E Debenture(s) shall remain so deposited for a period of ten years from the Effective Date, then such monies, together with any accumulated interest thereon, shall at the end of such period be paid over by the Trustee or such depository or paying agent to the REIT (or its successor) on its demand, and thereupon the Trustee shall not be responsible to former holders of Series E Debentures for any amounts owing to them and subject to applicable law, thereafter the former holder of a Series E Debenture in respect of which such money was so repaid to the REIT shall forfeit all rights to such funds in respect of the Series E Debentures. Notwithstanding the foregoing, the Trustee will pay any remaining funds prior to the expiry of ten years after the Effective Date to the REIT upon receipt from the REIT (or its successor), or one of its Subsidiaries, of an uncontested letter of credit from a Canadian chartered bank in an amount equal to or in excess of the amount of the remaining funds. If the remaining funds are paid to the REIT prior to the expiry of ten years after the Effective Date, the REIT shall reimburse the Trustee for any amounts required to be paid by the Trustee to a former holder of a Series E Debenture pursuant to the redemption after the date of such payment of the remaining funds to the REIT but prior to ten years after the redemption.

All Series E Debentures redeemed and paid under this Subsection 2.2(m) shall forthwith be delivered to the Trustee and cancelled pursuant to the Plan of Arrangement and no Series E Debentures shall be issued in substitution therefor.”

- (c) Section 4.3 of the Master Indenture is hereby amended by deleting the first sentence thereof and replacing it with:

“Other than with respect to a redemption contemplated in Section 2.2(m) of the fifth supplemental indenture dated August 13, 2010 between the REIT and the Trustee, as amended by the eighth supplemental indenture dated [●], 2016, which

shall be governed by the provisions of such Section 2.2(m), notice of redemption (the “Redemption Notice”) of any series of Debentures shall be given to the holders of the Debentures so to be redeemed not more than 60 days nor less than 30 days prior to the date fixed for redemption (the “Redemption Date”) in the manner provided in Section 15.2.”

ARTICLE 3
CONFIRMATION OF MASTER INDENTURE

3.1 Confirmation of Master Indenture

The Master Indenture, as supplemented by this Eighth Supplemental Indenture, shall be and continue in full force and effect and is hereby confirmed.

3.2 Effect of Amendments

No amendment to the Master Indenture, as contemplated herein, shall be construed as (a) a termination of the trusts thereunder or the settlement or establishment of a new trust or (b) a termination or cancellation of the rights of Debentureholders in respect of their Debentures.

ARTICLE 4
FOR THE BENEFIT OF SERIES E DEBENTUREHOLDERS

4.1 Benefit of the Eighth Supplemental Indenture

The REIT, the Trustee and IOT confirm that all of the provisions of this Eighth Supplemental Indenture are for the benefit of the holders of the Series E Debentures as long as any Series E Debentures remain outstanding.

ARTICLE 5
ACCEPTANCE OF TRUST BY TRUSTEE

5.1 Acceptance of Trust

The Trustee hereby accepts the trusts as modified by this Eighth Supplemental Indenture and agrees to perform the same upon the terms and conditions contained herein.

ARTICLE 6
MISCELLANEOUS

6.1 Formal Date

For the purposes of convenience, this Eighth Supplemental Indenture may be referred to as bearing a formal date of [●], 2016 irrespective of the actual date of execution hereof.

6.2 Counterparts

This Eighth Supplemental Indenture may be simultaneously executed in several counterparts, each of which when so executed shall be deemed to be an original and such counterparts together shall constitute one and the same instrument.

6.3 Waiver, Modification

No provision of this Eighth Supplemental Indenture: (a) may be waived, except by an instrument in writing signed by the parties hereto; or (b) may be supplemented, modified or changed, except by supplemental trust indenture duly executed and delivered pursuant to Article 17 of the Master Indenture signed by the parties hereto.

6.4 Successors and Assigns

All covenants and agreements in this Eighth Supplemental Indenture by the REIT, IOT and the Trustee shall bind and enure to each of the REIT's, IOT's and the Trustee's successors and assigns, whether expressed or not.

6.5 Governing Law

This Eighth Supplemental Indenture shall be governed by and construed in accordance with the laws of the Province of Ontario and the federal laws of Canada applicable therein.

6.6 Further Assurances

The parties shall, with reasonable diligence, do all such things and provide all such reasonable assurances as may be required to consummate the transactions contemplated by this Eighth Supplemental Indenture, and each party shall provide such further documents or instruments required by the other party as may be reasonably necessary or desirable to effect the purpose of this Eighth Supplemental Indenture and carry out its provisions.

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IN WITNESS whereof the parties hereto have executed these presents under their respective corporate seals (if applicable) and the hands of their proper officers in that behalf.

**INVEST REAL ESTATE
INVESTMENT TRUST**

Per: _____
Name
Title

Per: _____
Name
Title

**COMPUTERSHARE TRUST
COMPANY OF CANADA**

Per: _____
Name
Title

Per: _____
Name
Title

INVEST OPERATIONS TRUST

Per: _____
Name
Title

Per: _____
Name
Title

SCHEDULE F-1

SERIES F EXTRAORDINARY RESOLUTION

BE IT RESOLVED AS AN EXTRAORDINARY RESOLUTION THAT:

1. InnVest Real Estate Investment Trust (“**InnVest**”), and Computershare Trust Company of Canada (“**Computershare**”) be and are hereby authorized to enter into and perform their respective obligations under a supplemental indenture (the “**Series F Supplemental Indenture**”) to be entered into among InnVest, InnVest Operations Trust and Computershare pursuant to which the trust indenture governing the 5.75% convertible unsecured subordinated debentures, Series F, due March 30, 2018 (the “**Series F Debentures**”) of InnVest shall be supplemented and amended to require InnVest to redeem all of the Series F Debentures for cash, at a redemption price of 101% of the aggregate principal amount thereof, plus accrued (but unpaid) interest thereon, on or about the date of the closing of the acquisition of all of the trust units of InnVest under the plan of arrangement to be effected pursuant to the arrangement agreement dated May 10, 2016 between InnVest and Bluesky Hotels and Resorts Inc. (as amended), such Series F Supplemental Indenture to be substantially in the form attached as Schedule “F-2” to the management information circular of InnVest dated May 30, 2016, subject to such changes and amendments as may be approved by the persons referred to in paragraph 3 hereof, such approval to be evidenced conclusively by their execution and delivery of such Series F Supplemental Indenture (as changed or amended) and the Series F Supplemental Indenture (as changed or amended, if applicable) as signed is that which is hereby approved;
2. notwithstanding that this extraordinary resolution has been duly passed, the board of trustees of InnVest may, without further notice to or approval of the holders of Series F Debentures, determine not to proceed to implement this extraordinary resolution at any time prior to InnVest entering into the Series F Supplemental Indenture; and
3. any single trustee or officer of InnVest be and is hereby authorized, for and on behalf of InnVest, to execute and deliver the Series F Supplemental Indenture and to execute, and, if appropriate, deliver all other documents and instruments and to do all other things as in the opinion of such trustee or officer may be necessary or desirable to implement this resolution, the Series F Supplemental Indenture and the matters authorized hereby and thereby, such determination to be conclusively evidenced by the execution and delivery of any such document or instrument, and the taking of any such action.

SCHEDULE F-2

SERIES F SUPPLEMENTAL INDENTURE

(see attached)

**SCHEDULE F-2
SUPPLEMENTAL INDENTURE**

SECOND SUPPLEMENTAL INDENTURE

THIS SECOND SUPPLEMENTAL INDENTURE is dated [●], 2016

BETWEEN:

INVEST REAL ESTATE INVESTMENT TRUST, an unincorporated open-ended real estate investment trust governed by the laws of the Province of Ontario (hereinafter called the “**REIT**”)

AND

COMPUTERSHARE TRUST COMPANY OF CANADA, a trust company incorporated under the federal laws of Canada (hereinafter called the “**Trustee**”)

AND

INVEST OPERATIONS TRUST, an unincorporated open-ended investment trust governed by the laws of the Province of Ontario (hereinafter called “**IOT**”)

WHEREAS by a trust indenture dated March 15, 2011 between the REIT, the Trustee and IOT (as amended, supplemented or restated from time to time prior to the date hereof, the “**Master Indenture**”), as supplemented by the first supplemental indenture dated July 3, 2012 between the REIT and the Trustee, and acknowledged by IOT, provision was made for the issuance of convertible unsecured subordinated debentures of the REIT in one or more series, unlimited as to aggregate principal amount but issuable only upon the terms and subject to the conditions and limitations therein provided;

AND WHEREAS pursuant to the Master Indenture, the REIT issued a series of debentures in the aggregate principal amount of \$50,000,000 designated as 5.75% convertible unsecured subordinated debentures, Series F, due March 30, 2018 (the “**Series F Debentures**”);

AND WHEREAS the holders (the “**Debentureholders**”) of the Series F Debentures have duly passed an Extraordinary Resolution authorizing the REIT, the Trustee and IOT to enter into and perform their respective obligations under this Second Supplemental Indenture;

AND WHEREAS Section 19.1 of the Master Indenture provides that when authorized by a resolution of its trustees, the REIT may execute and deliver indentures supplemental thereto for the purpose of, *inter alia*, giving effect to any Extraordinary Resolution passed as provided in Article 16 of the Master Indenture;

AND WHEREAS all necessary acts and proceedings have been done and taken and all necessary resolutions have been passed to authorize the execution and delivery of this Second Supplemental Indenture, to make the same effective and binding upon the REIT, the Trustee and IOT;

AND WHEREAS the foregoing recitals are made as representations and statements of fact by the REIT and not by the Trustee;

NOW THEREFORE THIS INDENTURE WITNESSES and it is hereby covenanted, agreed and declared as follows:

ARTICLE 7 **INTERPRETATION**

7.1 Interpretation

This Second Supplemental Indenture is supplemental to the Master Indenture and shall be read in conjunction therewith. Except only insofar as the Master Indenture may be inconsistent with the express provisions of this Second Supplemental Indenture, in which case the terms of this Second Supplemental Indenture shall govern and supersede those contained in the Master Indenture only to the extent of such inconsistency, this Second Supplemental Indenture shall henceforth have effect so far as practicable as if all of the provisions of the Master Indenture and this Second Supplemental Indenture were contained in one instrument. The term “this Second Supplemental Indenture” and similar expressions refer to this Second Supplemental Indenture and not to any particular Article, Section, Subsection or other portion thereof, and include any and every instrument supplementary or ancillary hereto. Unless otherwise stated, any reference in this Second Supplemental Indenture to an Article, Section, Subsection, paragraph, or Schedule to, this Second Supplemental Indenture. The division of this Second Supplemental Indenture into Articles, Sections, Subsections and other provisions thereof and the insertion of headings are for convenience of reference only and shall not affect the construction or interpretation of this Second Supplemental Indenture or the Master Indenture, as supplemented hereby.

7.2 Definitions

Unless otherwise specified herein and unless there is something in the subject matter or context inconsistent therewith, capitalized terms and expressions in this Second Supplemental Indenture and in the Series F Debenture certificates shall have the meanings given to them in the Master Indenture.

ARTICLE 8 **AMENDMENTS FOR REDEMPTION**

8.1 Certain Amendments and Supplements

- (a) The following definitions shall be added to Section 1.1 of the Master Indenture in alphabetical order:
 - (i) “**ABCA**” means the *Business Corporations Act* (Alberta);
 - (ii) “**Arrangement**” means an arrangement under Section 193 of the ABCA on the terms and subject to the conditions set out in the Plan of Arrangement, subject to any amendments or variations thereto made in

accordance with Section 9.13 of the Arrangement Agreement and/or Article 5 of the Plan of Arrangement;

- (iii) “**Arrangement Agreement**” means the arrangement agreement dated May 10, 2016 between the REIT and the Purchaser, as it may be amended and restated, supplemented or otherwise modified from time to time in accordance with the terms thereof;
- (iv) “**Arrangement Meeting**” means the annual and special meeting of Unitholders held on June 28, 2016, including any adjournment(s) or postponement(s) thereof, to conduct the business described in the corresponding notice of meeting dated May 26, 2016 accompanying the REIT Unit Circular;
- (v) “**Articles of Arrangement**” means the articles of arrangement in respect of the Arrangement, required by the ABCA to be sent to the Registrar after the Final Order is made, which shall be in a form and content satisfactory to the REIT and the Purchaser, acting reasonably;
- (vi) “**Certificate of Arrangement**” means the certificate of arrangement to be issued by the Registrar pursuant to subsection 193(11) of the ABCA in respect of the Articles of Arrangement;
- (vii) “**Court**” means the Court of Queen’s Bench of Alberta;
- (viii) “**Early Redemption Amount**” means, in respect of a Series F Debenture, an amount equal to, 101% of the principal amount of the Series F Debenture, plus accrued (but unpaid) interest thereon up to but not including the Effective Date;
- (ix) “**Effective Date**” means the date shown on the Articles of Arrangement giving effect to the Arrangement;
- (x) “**Final Order**” means the final order of the Court approving the Arrangement pursuant to subsection 193(9) of the ABCA, as such order may be amended by the Court (with the consent of both the Purchaser and the REIT, each acting reasonably) at any time prior to the Effective Date or, if appealed, then, unless such appeal is withdrawn or denied, as affirmed or as amended (provided that any such amendment is acceptable to both the Purchaser and the REIT, each acting reasonably) on appeal;
- (xi) “**Plan of Arrangement**” means the plan of arrangement, substantially in the form of Schedule C to the REIT Unit Circular, and any amendments or variations thereto made in accordance with Section 9.13 of the Arrangement Agreement and Article 5 of the Plan of Arrangement or made at the direction of the Court in the Final Order with the consent of the REIT and the Purchaser, each acting reasonably;

- (xii) “**Purchaser**” means Bluesky Hotels and Resorts Inc.;
 - (xiii) “**Registrar**” means the Registrar of Corporations duly appointed pursuant to Section 263 of the ABCA;
 - (xiv) “**REIT Unit Circular**” means the management information circular of the REIT dated May 26, 2016 (available at www.sedar.com under the REIT’s profile) and distributed by the REIT in connection with the Arrangement Meeting;
 - (xv) “**Series F Debentures**” has the meaning ascribed thereto in the second supplemental indenture dated [●], 2016 to this Indenture;
 - (xvi) “**Units**” means the trust units in the capital of the REIT; and
 - (xvii) “**Unitholders**” means the holders from time to time of Units.
- (b) Section 2.6 of the Master Indenture shall be amended by adding a new subsection (n) as follows:

“Redemption pursuant to and in conjunction with the Plan of Arrangement. Notwithstanding Section 2.6(c) (Redemption), Section 2.6(m) (Change of Control) and any other provision, the REIT shall redeem each of the Series F Debentures as contemplated by the Plan of Arrangement for the Early Redemption Amount in accordance with the Plan of Arrangement. For greater certainty, no amount will be payable in excess of the Early Redemption Amount. The REIT shall: (1) provide written notice to the Trustee at least two (2) Business Days before the Effective Date, which notice must state (i) that all of the Series F Debentures are being called for redemption, (ii) the redemption date, (iii) the places of payment, and (iv) that interest on the Series F Debentures will cease to be payable from and after the Effective Date; and (2) deposit with the Trustee, or any paying agent to the order of the Trustee, at least one (1) Business Day before the Effective Date, immediately available funds in an amount sufficient to pay the Early Redemption Amount for all of the Series F Debentures.

The REIT shall also deposit with the Trustee a sum of money sufficient to pay any reasonable charges or expenses that may be incurred by the Trustee in connection with such redemption. Every such deposit shall be irrevocable, subject to the Arrangement becoming effective. From the sums so deposited, the Trustee shall pay or cause to be paid, to each holder of Series F Debentures, upon such holder’s surrender of such Series F Debentures, the Early Redemption Amount to which such holder is entitled on redemption.

In case the holder of any Series F Debenture(s) shall fail on or before the Effective Date to surrender such holder’s Series F Debenture(s), or shall not accept payment of the Early Redemption Amount, or give such receipt therefor, if any, as the Trustee may require, such Early Redemption Amount may be set aside in trust, either in the deposit department of the Trustee or in a chartered bank, and

such setting aside shall for all purposes be deemed a payment to the holder of the Series F Debenture(s) of the sum so set aside and, to that extent, such Series F Debenture(s) shall from and after the time specified for redemption in the Plan of Arrangement not be considered as outstanding hereunder and the former holder of the Series F Debenture(s) shall have no other right except to receive payment out of the monies so paid and deposited, upon surrender and delivery up of such former holder's Series F Debenture(s). In the event that any money required to be deposited hereunder with the Trustee or any depository or paying agent on account of the Early Redemption Amount on the Series F Debenture(s) shall remain so deposited for a period of five years from the Effective Date, then such monies, together with any accumulated interest thereon, shall at the end of such period be paid over by the Trustee or such depository or paying agent to the REIT (or its successor) on its demand, and thereupon the Trustee shall not be responsible to former holders of Series F Debentures for any amounts owing to them and subject to applicable law, thereafter the former holder of a Series F Debenture in respect of which such money was so repaid to the REIT shall forfeit all rights to such funds in respect of the Series F Debentures. Notwithstanding the foregoing, the Trustee will pay any remaining funds prior to the expiry of five years after the Effective Date to the REIT upon receipt from the REIT (or its successor), or one of its Subsidiaries, of an uncontested letter of credit from a Canadian chartered bank in an amount equal to or in excess of the amount of the remaining funds. If the remaining funds are paid to the REIT prior to the expiry of five years after the Effective Date, the REIT shall reimburse the Trustee for any amounts required to be paid by the Trustee to a former holder of a Series F Debenture pursuant to the redemption after the date of such payment of the remaining funds to the REIT but prior to five years after the redemption.

All Series F Debentures redeemed and paid under this Subsection 2.6(n) shall forthwith be delivered to the Trustee and cancelled pursuant to the Plan of Arrangement and no Series F Debentures shall be issued in substitution therefor.”

- (c) Section 4.3 of the Master Indenture is hereby amended by deleting the first sentence thereof and replacing it with:

“Other than with respect to a redemption contemplated in Section 2.6(n) of this Indenture, as amended by the second supplemental indenture dated [●], 2016, which shall be governed by the provisions of such Section 2.6(n), notice of redemption (the “Redemption Notice”) of any series of Debentures shall be given to the holders of the Debentures so to be redeemed not more than 60 days nor less than 30 days prior to the date fixed for redemption (the “Redemption Date”) in the manner provided in Section 17.2.”

ARTICLE 9
CONFIRMATION OF MASTER INDENTURE

9.1 Confirmation of Master Indenture

The Master Indenture, as supplemented by this Second Supplemental Indenture, shall be and continue in full force and effect and is hereby confirmed.

9.2 Effect of Amendments

No amendment to the Master Indenture, as contemplated herein, shall be construed as (a) a termination of the trusts thereunder or the settlement or establishment of a new trust or (b) a termination or cancellation of the rights of Debentureholders in respect of their Debentures.

ARTICLE 10
FOR THE BENEFIT OF SERIES F DEBENTUREHOLDERS

10.1 Benefit of the Second Supplemental Indenture

The REIT, the Trustee and IOT confirm that all of the provisions of this Second Supplemental Indenture are for the benefit of the holders of the Series F Debentures as long as any Series F Debentures remain outstanding.

ARTICLE 11
ACCEPTANCE OF TRUST BY TRUSTEE

11.1 Acceptance of Trust

The Trustee hereby accepts the trusts as modified by this Second Supplemental Indenture and agrees to perform the same upon the terms and conditions contained herein.

ARTICLE 12
MISCELLANEOUS

12.1 Formal Date

For the purposes of convenience, this Second Supplemental Indenture may be referred to as bearing a formal date of [●], 2016 irrespective of the actual date of execution hereof.

12.2 Counterparts

This Second Supplemental Indenture may be simultaneously executed in several counterparts, each of which when so executed shall be deemed to be an original and such counterparts together shall constitute one and the same instrument.

12.3 Waiver, Modification

No provision of this Second Supplemental Indenture: (a) may be waived, except by an instrument in writing signed by the parties hereto; or (b) may be supplemented, modified or

changed, except by supplemental trust indenture duly executed and delivered pursuant to Article 19 of the Master Indenture signed by the parties hereto.

12.4 Successors and Assigns

All covenants and agreements in this Second Supplemental Indenture by the REIT, IOT and the Trustee shall bind and enure to each of the REIT's, IOT's and the Trustee's successors and assigns, whether expressed or not.

12.5 Governing Law

This Second Supplemental Indenture shall be governed by and construed in accordance with the laws of the Province of Ontario and the federal laws of Canada applicable therein.

12.6 Further Assurances

The parties shall, with reasonable diligence, do all such things and provide all such reasonable assurances as may be required to consummate the transactions contemplated by this Second Supplemental Indenture, and each party shall provide such further documents or instruments required by the other party as may be reasonably necessary or desirable to effect the purpose of this Second Supplemental Indenture and carry out its provisions.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK.]

IN WITNESS whereof the parties hereto have executed these presents under their respective corporate seals (if applicable) and the hands of their proper officers in that behalf.

**INNVEST REAL ESTATE
INVESTMENT TRUST**

Per: _____
Name
Title

Per: _____
Name
Title

**COMPUTERSHARE TRUST
COMPANY OF CANADA**

Per: _____
Name
Title

Per: _____
Name
Title

INNVEST OPERATIONS TRUST

Per: _____
Name
Title

Per: _____
Name
Title

SCHEDULE G-1

SERIES G EXTRAORDINARY RESOLUTION

BE IT RESOLVED AS AN EXTRAORDINARY RESOLUTION THAT:

1. InnVest Real Estate Investment Trust (“**InnVest**”) and Computershare Trust Company of Canada (“**Computershare**”) be and are hereby authorized to enter into and perform their respective obligations under a supplemental indenture (the “**Series G Supplemental Indenture**”) to be entered into between InnVest and Computershare pursuant to which the trust indenture governing the 6.25% convertible unsecured subordinated debentures, series G, due March 31, 2019 (the “**Series G Debentures**”) of InnVest shall be supplemented and amended to require InnVest to redeem all of the Series G Debentures for cash, at a redemption price of 104% of the aggregate principal amount thereof, plus accrued but unpaid interest thereon, on or about the date of the closing of the acquisition of all of the trust units of InnVest under the plan of arrangement to be effected pursuant to the arrangement agreement dated May 10, 2016 between InnVest and Bluesky Hotels and Resorts Inc. (as amended), such Series G Supplemental Indenture to be substantially in the form attached as Schedule “G-2” to the management information circular of InnVest dated May 30, 2016, subject to such changes and amendments as may be approved by the persons referred to in paragraph 3 hereof, such approval to be evidenced conclusively by their execution and delivery of such Series G Supplemental Indenture (as changed or amended) and the Series G Supplemental Indenture (as changed or amended, if applicable) as signed is that which is hereby approved;
2. notwithstanding that this extraordinary resolution has been duly passed, the board of trustees of InnVest may, without further notice to or approval of the holders of Series G Debentures, determine not to proceed to implement this extraordinary resolution at any time prior to InnVest entering into the Series G Supplemental Indenture; and
3. any single trustee or officer of InnVest be and is hereby authorized, for and on behalf of InnVest, to execute and deliver the Series G Supplemental Indenture and to execute, and, if appropriate, deliver all other documents and instruments and to do all other things as in the opinion of such trustee or officer may be necessary or desirable to implement this resolution, the Series G Supplemental Indenture and the matters authorized hereby and thereby, such determination to be conclusively evidenced by the execution and delivery of any such document or instrument, and the taking of any such action.

SCHEDULE G-2
SERIES G SUPPLEMENTAL INDENTURE

(see attached)

**SCHEDULE G-2
SUPPLEMENTAL INDENTURE**

SECOND SUPPLEMENTAL INDENTURE

THIS SECOND SUPPLEMENTAL INDENTURE is dated [●], 2016

BETWEEN:

INVEST REAL ESTATE INVESTMENT TRUST, an unincorporated open-ended real estate investment trust governed by the laws of the Province of Ontario (hereinafter called the “**REIT**”)

AND

COMPUTERSHARE TRUST COMPANY OF CANADA, a trust company incorporated under the federal laws of Canada (hereinafter called the “**Trustee**”)

WHEREAS by a trust indenture dated February 27, 2013 between the REIT and the Trustee (as amended, supplemented or restated from time to time prior to the date hereof, the “**Master Indenture**”), as supplemented by the first supplemental indenture dated July 25, 2014 between the REIT and the Trustee, provision was made for the issuance of convertible unsecured subordinated debentures of the REIT in one or more series, unlimited as to aggregate principal amount but issuable only upon the terms and subject to the conditions and limitations therein provided;

AND WHEREAS pursuant to the Master Indenture, the REIT issued a series of debentures in the aggregate principal amount of not more than \$115,000,000 designated as 6.25% convertible unsecured subordinated debentures, Series G, due March 31, 2019 (the “**Series G Debentures**”);

AND WHEREAS the holders (the “**Debentureholders**”) of the Series G Debentures have duly passed an Extraordinary Resolution authorizing the REIT and the Trustee to enter into and perform their respective obligations under this Second Supplemental Indenture;

AND WHEREAS Section 17.1 of the Master Indenture provides that when authorized by a resolution of its trustees, the REIT may execute and deliver indentures supplemental thereto for the purpose of, *inter alia*, giving effect to any Extraordinary Resolution passed as provided in Article 14 of the Master Indenture;

AND WHEREAS all necessary acts and proceedings have been done and taken and all necessary resolutions have been passed to authorize the execution and delivery of this Second Supplemental Indenture, to make the same effective and binding upon the REIT and the Trustee;

AND WHEREAS the foregoing recitals are made as representations and statements of fact by the REIT and not by the Trustee;

NOW THEREFORE THIS INDENTURE WITNESSES and it is hereby covenanted, agreed and declared as follows:

ARTICLE 13
INTERPRETATION

13.1 Interpretation

This Second Supplemental Indenture is supplemental to the Master Indenture and shall be read in conjunction therewith. Except only insofar as the Master Indenture may be inconsistent with the express provisions of this Second Supplemental Indenture, in which case the terms of this Second Supplemental Indenture shall govern and supersede those contained in the Master Indenture only to the extent of such inconsistency, this Second Supplemental Indenture shall henceforth have effect so far as practicable as if all of the provisions of the Master Indenture and this Second Supplemental Indenture were contained in one instrument. The term “this Second Supplemental Indenture” and similar expressions refer to this Second Supplemental Indenture and not to any particular Article, Section, Subsection or other portion thereof, and include any and every instrument supplementary or ancillary hereto. Unless otherwise stated, any reference in this Second Supplemental Indenture to an Article, Section, Subsection, paragraph, or Schedule to, this Second Supplemental Indenture. The division of this Second Supplemental Indenture into Articles, Sections, Subsections and other provisions thereof and the insertion of headings are for convenience of reference only and shall not affect the construction or interpretation of this Second Supplemental Indenture or the Master Indenture, as supplemented hereby.

13.2 Definitions

Unless otherwise specified herein and unless there is something in the subject matter or context inconsistent therewith, capitalized terms and expressions in this Second Supplemental Indenture and in the Series G Debenture certificates shall have the meanings given to them in the Master Indenture.

ARTICLE 14
AMENDMENTS FOR REDEMPTION

14.1 Certain Amendments and Supplements

- (a) The following definitions shall be added to Section 1.1 of the Master Indenture in alphabetical order:
 - (i) “**ABCA**” means the *Business Corporations Act* (Alberta);
 - (ii) “**Arrangement**” means an arrangement under Section 193 of the ABCA on the terms and subject to the conditions set out in the Plan of Arrangement, subject to any amendments or variations thereto made in accordance with Section 9.13 of the Arrangement Agreement and/or Article 5 of the Plan of Arrangement;

- (iii) “**Arrangement Agreement**” means the arrangement agreement dated May 10, 2016 between the REIT and the Purchaser, as it may be amended and restated, supplemented or otherwise modified from time to time in accordance with the terms thereof;
- (iv) “**Arrangement Meeting**” means the annual and special meeting of Unitholders held on June 28, 2016, including any adjournment(s) or postponement(s) thereof, to conduct the business described in the corresponding notice of meeting dated May 26, 2016 accompanying the REIT Unit Circular;
- (v) “**Articles of Arrangement**” means the articles of arrangement in respect of the Arrangement, required by the ABCA to be sent to the Registrar after the Final Order is made, which shall be in a form and content satisfactory to the REIT and the Purchaser, acting reasonably;
- (vi) “**Certificate of Arrangement**” means the certificate of arrangement to be issued by the Registrar pursuant to subsection 193(11) of the ABCA in respect of the Articles of Arrangement;
- (vii) “**Court**” means the Court of Queen’s Bench of Alberta;
- (viii) “**Early Redemption Amount**” means, in respect of a Series G Debenture, an amount equal to, 104% of the principal amount of the Series G Debenture, plus accrued (but unpaid) interest thereon up to but not including the Effective Date;
- (ix) “**Effective Date**” means the date shown on the Articles of Arrangement giving effect to the Arrangement;
- (x) “**Final Order**” means the final order of the Court approving the Arrangement pursuant to subsection 193(9) of the ABCA, as such order may be amended by the Court (with the consent of both the Purchaser and the REIT, each acting reasonably) at any time prior to the Effective Date or, if appealed, then, unless such appeal is withdrawn or denied, as affirmed or as amended (provided that any such amendment is acceptable to both the Purchaser and the REIT, each acting reasonably) on appeal;
- (xi) “**Plan of Arrangement**” means the plan of arrangement, substantially in the form of Schedule C to the REIT Unit Circular, and any amendments or variations thereto made in accordance with Section 9.13 of the Arrangement Agreement and Article 5 of the Plan of Arrangement or made at the direction of the Court in the Final Order with the consent of the REIT and the Purchaser, each acting reasonably;
- (xii) “**Purchaser**” means Bluesky Hotels and Resorts Inc.;

- (xiii) “**Registrar**” means the Registrar of Corporations duly appointed pursuant to Section 263 of the ABCA;
 - (xiv) “**REIT Unit Circular**” means the management information circular of the REIT dated May 26, 2016 (available at www.sedar.com under the REIT’s profile) and distributed by the REIT in connection with the Arrangement Meeting;
 - (xv) “**Series G Debentures**” has the meaning ascribed thereto in the second supplemental indenture dated [●], 2016 to this Indenture;
 - (xvi) “**Units**” means the trust units in the capital of the REIT; and
 - (xvii) “**Unitholders**” means the holders from time to time of Units.
- (b) Section 2.5 of the Master Indenture shall be amended by adding a new subsection (m) as follows:

“Redemption pursuant to and in conjunction with the Plan of Arrangement. Notwithstanding Section 2.5(c) (Redemption), Section 2.5(l) (Change of Control) and any other provision, the REIT shall redeem each of the Series G Debentures as contemplated by the Plan of Arrangement for the Early Redemption Amount in accordance with the Plan of Arrangement. For greater certainty, no amount will be payable in excess of the Early Redemption Amount. The REIT shall: (1) provide written notice to the Trustee at least two (2) Business Days before the Effective Date, which notice must state (i) that all of the Series G Debentures are being called for redemption, (ii) the redemption date, (iii) the places of payment, and (iv) that interest on the Series G Debentures will cease to be payable from and after the Effective Date; and (2) deposit with the Trustee, or any paying agent to the order of the Trustee, at least one (1) Business Day before the Effective Date, immediately available funds in an amount sufficient to pay the Early Redemption Amount for all of the Series G Debentures.

The REIT shall also deposit with the Trustee a sum of money sufficient to pay any reasonable charges or expenses that may be incurred by the Trustee in connection with such redemption. Every such deposit shall be irrevocable, subject to the Arrangement becoming effective. From the sums so deposited, the Trustee shall pay or cause to be paid, to each holder of Series G Debentures, upon such holder’s surrender of such Series G Debentures, the Early Redemption Amount to which such holder is entitled on redemption.

In case the holder of any Series G Debenture(s) shall fail on or before the Effective Date to surrender such holder’s Series G Debenture(s), or shall not accept payment of the Early Redemption Amount, or give such receipt therefor, if any, as the Trustee may require, such Early Redemption Amount may be set aside in trust, either in the deposit department of the Trustee or in a chartered bank, and such setting aside shall for all purposes be deemed a payment to the holder of the

Series G Debenture(s) of the sum so set aside and, to that extent, such Series G Debenture(s) shall from and after the time specified for redemption in the Plan of Arrangement not be considered as outstanding hereunder and the former holder of the Series G Debenture(s) shall have no other right except to receive payment out of the monies so paid and deposited, upon surrender and delivery up of such former holder's Series G Debenture(s). In the event that any money required to be deposited hereunder with the Trustee or any depository or paying agent on account of the Early Redemption Amount on the Series G Debenture(s) shall remain so deposited for a period of five years from the Effective Date, then such monies, together with any accumulated interest thereon, shall at the end of such period be paid over by the Trustee or such depository or paying agent to the REIT (or its successor) on its demand, and thereupon the Trustee shall not be responsible to former holders of Series G Debentures for any amounts owing to them and subject to applicable law, thereafter the former holder of a Series G Debenture in respect of which such money was so repaid to the REIT shall forfeit all rights to such funds in respect of the Series G Debentures. Notwithstanding the foregoing, the Trustee will pay any remaining funds prior to the expiry of five years after the Effective Date to the REIT upon receipt from the REIT (or its successor), or one of its Subsidiaries, of an uncontested letter of credit from a Canadian chartered bank in an amount equal to or in excess of the amount of the remaining funds. If the remaining funds are paid to the REIT prior to the expiry of five years after the Effective Date, the REIT shall reimburse the Trustee for any amounts required to be paid by the Trustee to a former holder of a Series G Debenture pursuant to the redemption after the date of such payment of the remaining funds to the REIT but prior to five years after the redemption.

All Series G Debentures redeemed and paid under this Subsection 2.5(m) shall forthwith be delivered to the Trustee and cancelled pursuant to the Plan of Arrangement and no Series G Debentures shall be issued in substitution therefor.”

- (c) Section 4.3 of the Master Indenture is hereby amended by deleting the first sentence thereof and replacing it with:

“Other than with respect to a redemption contemplated in Section 2.5(m) of this Indenture, as amended by the second supplemental indenture dated [●], 2016, which shall be governed by the provisions of such Section 2.5(m), notice of redemption (the “Redemption Notice”) of any series of Debentures shall be given to the holders of the Debentures so to be redeemed not more than 60 days nor less than 30 days prior to the date fixed for redemption (the “Redemption Date”) in the manner provided in Section 15.2.”

ARTICLE 15
CONFIRMATION OF MASTER INDENTURE

15.1 Confirmation of Master Indenture

The Master Indenture, as supplemented by this Second Supplemental Indenture, shall be and continue in full force and effect and is hereby confirmed.

15.2 Effect of Amendments

No amendment to the Master Indenture, as contemplated herein, shall be construed as (a) a termination of the trusts thereunder or the settlement or establishment of a new trust or (b) a termination or cancellation of the rights of Debentureholders in respect of their Debentures.

ARTICLE 16
FOR THE BENEFIT OF SERIES G DEBENTUREHOLDERS

16.1 Benefit of the Second Supplemental Indenture

The REIT and the Trustee confirm that all of the provisions of this Second Supplemental Indenture are for the benefit of the holders of the Series G Debentures as long as any Series G Debentures remain outstanding.

ARTICLE 17
ACCEPTANCE OF TRUST BY TRUSTEE

17.1 Acceptance of Trust

The Trustee hereby accepts the trusts as modified by this Second Supplemental Indenture and agrees to perform the same upon the terms and conditions contained herein.

ARTICLE 18
MISCELLANEOUS

18.1 Formal Date

For the purposes of convenience, this Second Supplemental Indenture may be referred to as bearing a formal date of [●], 2016 irrespective of the actual date of execution hereof.

18.2 Counterparts

This Second Supplemental Indenture may be simultaneously executed in several counterparts, each of which when so executed shall be deemed to be an original and such counterparts together shall constitute one and the same instrument.

18.3 Waiver, Modification

No provision of this Second Supplemental Indenture: (a) may be waived, except by an instrument in writing signed by the parties hereto; or (b) may be supplemented, modified or

changed, except by supplemental trust indenture duly executed and delivered pursuant to Article 17 of the Master Indenture signed by the parties hereto.

18.4 Successors and Assigns

All covenants and agreements in this Second Supplemental Indenture by the REIT and the Trustee shall bind and enure to each of the REIT's and the Trustee's successors and assigns, whether expressed or not.

18.5 Governing Law

This Second Supplemental Indenture shall be governed by and construed in accordance with the laws of the Province of Ontario and the federal laws of Canada applicable therein.

18.6 Further Assurances

The parties shall, with reasonable diligence, do all such things and provide all such reasonable assurances as may be required to consummate the transactions contemplated by this Second Supplemental Indenture, and each party shall provide such further documents or instruments required by the other party as may be reasonably necessary or desirable to effect the purpose of this Second Supplemental Indenture and carry out its provisions.

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IN WITNESS whereof the parties hereto have executed these presents under their respective corporate seals (if applicable) and the hands of their proper officers in that behalf.

**INVEST REAL ESTATE
INVESTMENT TRUST**

Per: _____
Name
Title

Per: _____
Name
Title

**COMPUTERSHARE TRUST
COMPANY OF CANADA**

Per: _____
Name
Title

Per: _____
Name
Title

Any questions and requests for assistance may be directed to the

Proxy Solicitation Agent:



North America Toll Free

1-877-452-7184

Collect Calls Outside North America

416-304-0211

Email: assistance@laurelhill.com

Depositary:



By Regular Mail:

Computershare Investor Services Inc.
P.O. Box 7021
31 Adelaide Street East
Toronto, Ontario
M5C 3H2
Attention: Corporate Actions

By Hand, Courier or Registered Mail

Computershare Investor Services Inc.
100 University Avenue
8th Floor
Toronto, Ontario
M5J 2Y1
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Toll Free: 1-800-564-6253

E-Mail: corporateactions@computershare.com