



## LETTER TO DEBENTUREHOLDERS

### INVEST INCREASES PROPOSED REDEMPTION PRICE FOR SERIES G DEBENTURES TO 107.5%

#### DEBENTUREHOLDERS HAVE UNTIL 12:00 P.M. ON JULY 14, 2016 TO VOTE

June 29, 2016

To the holders of: 6.25% convertible unsecured subordinated debentures, series G due March 31, 2019 (the "**Series G Debentures**") issued by InnVest Real Estate Investment Trust ("**InnVest**")

InnVest previously mailed to the holders of the Series G Debentures (the "**Series G Debentureholders**") an information circular dated May 30, 2016 (the "**Circular**") in respect of a meeting originally proposed to be held at 2:00 p.m. (Toronto time) on June 28, 2016 (the "**Original Meeting**") at the offices of Norton Rose Fulbright Canada LLP.

The purpose for the Original Meeting was for Series G Debentureholders 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 governing the Series G Debentures, which, if passed, would 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 by Bluesky Hotels and Resorts Inc. pursuant to a proposed plan of arrangement (the "**Arrangement**") and on the other terms and conditions as further described in the Circular.

The Arrangement was overwhelmingly approved by InnVest's unitholders on June 28, 2016. Assuming receipt of required approvals and the satisfaction or waiver of all other conditions to closing, InnVest expects that the Arrangement will close in the third quarter of 2016.

On June 28, 2016, InnVest announced an increase to the proposed redemption price for the Series G Debentures. As such, InnVest has revised the Series G Resolution to contemplate the redemption of the Series G Debentures at the increased price of 107.5% (rather than 104% as originally proposed) of the aggregate principal amount thereof, plus accrued (but unpaid) interest thereon, on or about the date of the closing of the Arrangement (the "**Amended Resolution**").

In order to allow Series G Debentureholders sufficient time to consider the increase in the redemption price, InnVest has postponed the Original Meeting to Monday, July 18, 2016 at 12:00 p.m. (Toronto time) (the "**Series G Meeting**"). The record date for determining the holders of the Series G Debentures entitled to receive notice of and vote at the Series G Meeting remains May 24, 2016.

In connection with InnVest increasing the redemption price, significant Canadian institutional investors holding, in the aggregate approximately \$14 million in principal amount of Series G Debentures, representing approximately 16% of the Series G Debentures entitled to vote at the Series G Meeting, have agreed to vote in favour of the Amended Resolution.

## **Voting Information for Series G Debentureholders**

The Series G Meeting will now be held on Monday, July 18, 2016 at 12:00 p.m. (Toronto time) 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.

**As a Series G Debentureholder, if you have not voted or have voted against the originally proposed resolution, your immediate attention is required.**

**Enclosed with this letter is an amended form of proxy or voting instruction form (as applicable) that addresses the change in the proposed redemption price of the Series G Debentures from 104% to 107.5% of the aggregate principal amount of the Series G Debentures.** Series G Debentureholders who previously voted FOR the originally proposed indenture amendments will not need to take any further action in order to have their vote counted in favour of the Amended Resolution.

Series G Debentureholders who previously voted and who now would like to change their vote as it applies to the Amended Resolution can do so by completing the enclosed form of proxy or voting instruction form in accordance with the instructions provided therein. Series G Debentureholders are encouraged to vote as soon as practicable, and in any event no later than the proxy cut off of at 12:00 p.m. (Toronto time) on Thursday, July 14, 2016.

**Debentureholders who have any questions about the information contained in the management information circular or require assistance with voting should contact Laurel Hill Advisory Group, toll-free at 1-877-452-7184 (416-304-0211 collect) or send an email to [assistance@laurelhill.com](mailto:assistance@laurelhill.com).**

Yours very truly

(signed) "*Andrew C. Coles*" \_\_\_\_\_  
Andrew C. Coles  
President and Chief Executive Office