

INNVEST REAL ESTATE INVESTMENT TRUST

TRUSTEES' REGULATIONS

May 15, 2008

INTERPRETATION

1. Interpretation.

In these Trustees' Regulations, unless the context otherwise specifies or requires:

- (a) all terms used in these Trustees' Regulations not otherwise defined herein shall have the meanings given to such terms in the second amended and restated declaration of trust dated January 1, 2007, as the same may be amended and restated from time to time (the "Declaration of Trust");
- (b) words importing the singular shall include the plural and vice versa, and words importing gender shall include the masculine, feminine and neutral genders;
- (c) the use of headings is for convenience of reference only and shall not affect the construction or interpretation hereof;
- (d) the words "includes" and "including", when following any general term or statement, is not to be construed as limiting the general term or statement to the specific items or matters set forth or to similar items or matters, but rather as referring to all other items or matters that could reasonably fall within the broadest possible scope of the general term or statement; and
- (e) for greater certainty, unless otherwise expressly provided herein, where any reference is made in these Trustees' Regulations to the Trust as a party to any agreement or as an owner of property, or to an act to be performed by or a covenant given by the Trust, such reference shall be construed and applied for all purposes as if it referred to the Trustees, in their capacity as trustees of the Trust under this Declaration of Trust.

MEETINGS OF TRUSTEES

2. Place and Time of Meeting.

Unless consented to in writing by a majority of the Trustees, all meetings of the Trustees called by the giving of notice shall be held at a place in the Province of Ontario on a business day which place and time shall be specified in the notice. Regular meetings of the Trustees shall be held at the principal office of the Trust.

3. Notice.

The notice of any meeting may but need not specify the purpose of or the business to be transacted at the meeting.

4. Adjournment.

Any meeting of Trustees may be adjourned from time to time by the Chair of the meeting, with the consent of the meeting, to another business day at a fixed time and place. Notice of any adjourned meeting of Trustees is not required to be given if the time and place of the adjourned meeting is announced at the original meeting, but notice of the adjourned meeting shall be given to the Trustees not present at such original meeting by delivering (not mailing) the same not less than one day (exclusive of the day on which the notice is delivered but inclusive of the day for which notice is given) before the adjourned meeting. Any adjourned meeting shall be duly constituted if held in accordance with the terms of the adjournment and a quorum is present thereat. The Trustees who formed a quorum at the original meeting are not required to form the quorum at the adjourned meeting. If there is no quorum present at the adjourned meeting, the original meeting shall be deemed to have terminated forthwith after its adjournment. Any business may be brought before or dealt with at any adjourned meeting which might have been brought before or dealt with at the original meeting in accordance with the notice calling the same.

5. Minutes of Meetings.

The Chair shall appoint a secretary to act as secretary of each meeting of the Trustees and each meeting of the Unitholders. Written records and minutes of all meetings of Trustees, the Investment Committee, the Compensation and Corporate Governance Committee and the Audit Committee shall be maintained by the secretary of each meeting and shall be placed in the minute book of the Trust. Any written records and minutes of meetings of any other committee of Trustees maintained by the secretary of such meeting may but need not be placed in the minute book of the Trust. There shall be inserted or entered into the records and minutes of the meetings of Trustees or the Investment Committee, as the case may be, all written disclosures or requests made to have entered into the minutes of the meeting, of the nature and extent of a Person's interest in a material contract or transaction or proposed material contract or transaction with the Trust made pursuant to Section 3.7 of the Declaration of Trust.

FOR THE PROTECTION OF TRUSTEES AND OFFICERS

6. For the Protection of Trustees and Officers.

The provisions of Article 13 of the Declaration of Trust pertaining to the liability and indemnification of Trustees shall apply *mutatis mutandis* to the officers of the Trust, former Trustees or officers of the Trust, or Persons who act or acted at the Trust's request as a director or officer of a body corporate of which the Trust is or was a shareholder or creditor, and his heirs and legal representatives.

The Trust shall also indemnify any such individual in such other circumstances as the Declaration of Trust or law permits, subject to the Declaration of Trust, or requires. Nothing

in these Trustees' Regulations shall limit the right of any Person entitled to indemnity to claim indemnity apart from the provisions of these Trustees' Regulations to the extent permitted by the Declaration of Trust or law.

OFFICERS

7. Appointment and Removal.

The Trustees may annually or more often appoint the officers of the Trust who may or may not be Trustees. Notwithstanding the foregoing, each incumbent officer of the Trust shall continue in office until the earliest of: (i) his resignation, which resignation shall be effective at the time a written resignation is received by the Trust or at the time specified in the resignation, whichever is later; (ii) the appointment of his successor; (iii) his removal; and (iv) his death. The Trustees may from time to time and subject to the provisions of the Declaration of Trust, prescribe, vary, add to or limit the duties and powers of any officer.

All officers, in the absence of agreement to the contrary, shall be subject to removal by resolution of the Trustees at any time, with or without cause.

8. Chair.

The Chair of Trustees shall be appointed from among the Trustees. The Chair or, in his absence, the Vice-Chair, shall preside as Chair at all meetings of the Trustees and at all meetings of the Unitholders, unless a Trustee who is not the Chair is selected to do so by the Trustees in accordance with Section 6.4 of the Declaration of Trust.

9. Powers and Duties.

Subject to the provisions of the Declaration of Trust, all officers of the Trust shall sign such contracts, documents or instruments in writing as require their respective signatures and shall respectively have and perform all powers and duties incident to their respective offices and such other powers and duties respectively as may from time to time be assigned to them by the Trustees.

10. Duties May be Delegated.

Subject to the provisions of the Declaration of Trust, in case of the absence or inability to act of any officer of the Trust or for any other reason that the Trustees may deem sufficient, the Trustees may delegate all or any of the powers of such officer to any other officer or to any Trustee for the time being.

11. Vacancies.

If the office of any officer of the Trust shall be or become vacant by reason of death, resignation, removal or otherwise, the Trustees may appoint an individual to fill such vacancy.

UNITHOLDERS' MEETINGS

12. Place and Time of Meetings.

Each meeting of the Unitholders shall be held at a place in the Province of Ontario on a business day, which place and time shall be specified in the notice calling the meeting.

13. Notice.

A printed, written or typewritten notice stating the day, hour and place of any meeting of the Unitholders shall be given by serving such notice on each Unitholder entitled to vote at such meeting, on each Trustee and on the auditor of the Trust in the manner provided for in the Declaration of Trust and in these Trustees' Regulations. A meeting of the Unitholders may be held for any purpose on any day and at any time without notice if all of the Unitholders and all other Persons entitled to attend such meeting are present in person or, where appropriate, represented by proxy at the meeting (except where a Unitholder or other Person attends the meeting for the express purpose of objecting to the transaction of any business on the grounds that the meeting is not lawfully called) or if all of the Unitholders and all other Persons entitled to attend such meeting who are not present in person or, where appropriate, represented by proxy thereat waive notice before or after the date of such meeting.

14. Notice For Trustee Nominations

Nominations of individuals for election as Trustee, other than the individuals put forward for election as Trustee in a management information circular accompanying a notice of meeting referred to in paragraph 13 hereof, may only be made by any Unitholder who (i) was a Unitholder of record at the time of giving the notice required by this paragraph 14, (ii) is entitled to vote with respect to the election of Trustees at the meeting, and (iii) complies with the notice procedures set forth in this paragraph 14. In order for a Unitholder to nominate an individual to serve as a Trustee, the Unitholder making such nomination must deliver notice in writing to the Chair at the principal office of the Trust not later than 14 days prior to the meeting of Unitholders. Such Unitholder's notice shall set forth: (i) the nominee's name, address, residency, principal occupation for all times throughout the preceding 5 years, (ii) the number of units of the Trust beneficially owned, directly or indirectly, by the nominee, (iii) the nominee's relevant experience in the hotel business and with public companies and trusts, (iv) any other public board on which the nominee sits or has sat on within the past five years, (v) any cease trade orders or bankruptcies of the nominee or of corporations of which the nominee was a director or officer at the time of such order or bankruptcy, (vi) whether the nominee is independent of the Trust and financially literate (as defined in sections 1.4 and 1.6, respectively, of Multilateral Instrument 52-110—*Audit Committees* of the Canadian Securities Administrators), (vii) any other information about the nominee that would be reasonably material to a Unitholder's decision to vote in favour or against the nominee, (viii) the nominee's written consent to serving as Trustee if elected, (ix) a description of any contracts, agreements, arrangements or understandings, whether written or oral, that exist with respect to the election or re-election of Trustees between such Unitholder and any other person (or, if no such contracts, agreements, arrangements or understandings exist, a statement to such effect), (x) the name and address of the

Unitholder giving the notice, and (xi) the number of Units which are owned by the Unitholder giving the notice.

15. Waiver of Notice.

A Unitholder and any other Person entitled to attend a meeting of the Unitholders may in any manner waive notice of a meeting of the Unitholders and attendance of any such Person at a meeting of the Unitholders shall constitute a waiver of notice of the meeting except where such Person attends a meeting for the express purpose of objecting to the transaction of any business on the grounds that the meeting is not lawfully called.

16. Votes.

Every question submitted to any meeting of the Unitholders shall be decided in the first instance by a show of hands unless a Person entitled to vote at the meeting has demanded a ballot.

A ballot may be demanded either before or after any vote by show of hands by any Person entitled to vote at the meeting. If at any meeting a ballot is demanded on the election of a Chair or on the question of adjournment it shall be taken forthwith without adjournment. If at any meeting a ballot is demanded on any other question or as to the election of Trustees, the vote shall be taken by ballot in such manner and either at once, later in the meeting or after adjournment as the Chair of the meeting directs. The result of a ballot shall be deemed to be the resolution of the meeting at which the ballot was demanded. A demand for a ballot may be withdrawn.

Where two or more Persons hold the same Unit or Units jointly, one of those holders present at a meeting of the Unitholders may, in the absence of the other or others, vote the Unit or Units but if two or more of those Persons who are present, in Persons or by proxy vote, they shall vote as one on the Unit or Units jointly held by them.

At any meeting of the Unitholders, unless a ballot is demanded, a declaration by the Chair of the meeting that a resolution has been carried or carried unanimously or by a particular majority or lost or not carried by a particular majority shall be conclusive evidence of the fact.

17. Proxies.

At every meeting at which he is entitled to vote, every Unitholder and/or Person appointed by proxy and/or individual so authorized to represent a Unitholder who is present in person shall have one vote on a show of hands. Upon a ballot at which he is entitled to vote, every Unitholder present in person or represented by proxy or by an individual so authorized shall (subject to the provisions, if any, of the Declaration of Trust) have one vote for every Unit held by him.

A proxy shall be executed by the Unitholder or his attorney authorized in writing or, if the Unitholder is a body corporate or association, by an officer or attorney thereof duly

authorized. If the Units are publicly traded, a proxy appointing a proxyholder ceases to be valid one year from its date.

A proxy may be in the following form:

The undersigned Unitholder of InnVest Real Estate Investment Trust hereby appoints _____ of _____ or failing him, _____ of _____ as the nominee of the undersigned to attend and act for the undersigned and on behalf of the undersigned at the said meeting of the Unitholders of the said Trust to be held on the day of and at any adjournment(s) or postponement(s) thereof in the same manner, to the same extent and with the same power as if the undersigned were present at the said meeting or such adjournment(s) or postponement(s) thereof. This proxy is [not] solicited by or on behalf of management of the Trust.

DATED

Signature of Unitholder

The Trustees may from time to time institute procedures regarding the lodging of proxies at some place or places other than the place at which a meeting or adjourned meeting of the Unitholders is to be held and for particulars of such proxies to be sent by facsimile transmission or in writing before the meeting or adjourned meeting to the Trust or any agent of the Trust for the purpose of receiving such particulars and providing that proxies so lodged may be voted upon as though the proxies themselves were produced at the meeting or adjourned meeting and votes given in accordance with such procedures shall be valid and shall be counted. The Chair of any meeting of the Unitholders may, in his discretion, accept facsimile or written communication as to the authority of any Person claiming to vote on behalf of and to represent a Unitholder notwithstanding that no proxy conferring such authority has been lodged with the Trust, and any votes given in accordance with such facsimile or written communication accepted by the Chair of the meeting shall be valid and shall be counted.

18. Adjournment.

The Chair of any meeting of the Unitholders may with the consent of the meeting adjourn the same from time to time to another business day at a fixed time and place and no notice of such adjournment need be given to the Unitholders unless the meeting is adjourned by one or more adjournments for an aggregate of thirty days or more in which case notice of the adjourned meeting shall be given as for an original meeting. Any business may be brought before or dealt with at any adjourned meeting for which no notice is required which might have been brought before or dealt with at the original meeting in accordance with the notice calling the same.

Subject to Section 6.4 of the Declaration of Trust, any adjourned meeting shall be duly constituted if held in accordance with the terms of the adjournment and a quorum is present

thereat. The Persons who formed a quorum at the original meeting are not required to form the quorum at the adjourned meeting.

19. Quorum.

No business shall be transacted at any meeting of the Unitholders unless the requisite quorum is present at the time of the transaction of such business. If a quorum is not present at the time appointed for a meeting of the Unitholders or within such reasonable time thereafter as the Unitholders present may determine, the Persons present and entitled to vote may adjourn the meeting to another business day at a fixed time and place but may not transact any other business and the provisions of paragraph 17 with regard to notice shall apply to such adjournment.

20. Minutes of Meetings.

Written records and minutes of each meeting of the Unitholders shall be maintained by the secretary of each meeting and shall be placed in the minute book of the Trust.

VOTING SHARES AND SECURITIES IN BODIES CORPORATE

21. Voting Shares and Securities in Bodies Corporate.

All of the shares or other securities carrying voting rights of any body corporate held from time to time by the Trust may be voted at any and all meetings of shareholders or holders of other securities (as the case may be) of such body corporate and in such manner and by such Person or Persons as the Trustees shall from time to time determine. The duly authorized signing officers of the Trust may also from time to time execute and deliver for and on behalf of the Trust proxies and/or arrange for the issuance of voting certificates and/or other evidence of the right to vote in such names as they may determine without the necessity of a resolution or other action by the Trustees.

INFORMATION AVAILABLE TO UNITHOLDERS

22. Confidential Information Not Available to Unitholders.

Except as provided by the Declaration of Trust or as required by law, no Unitholder shall be entitled to discovery of any information respecting any details or conduct of the Trust's affairs which in the opinion of the Trustees would be inexpedient in the interests of the Trust to communicate to the public.

NOTICES

23. Service.

If a notice or document is sent to a Unitholder by prepaid first-class mail in accordance with the provisions of the Declaration of Trust and the notice or document is returned on three consecutive occasions because the Unitholder cannot be found, it shall not be necessary

to send any further notices or documents to the Unitholder until he informs the Trust in writing of his new address.

24. Units Registered in More Than One Name.

All notices or other documents with respect to any Units registered in more than one name shall be given to whichever of such Person is named first in the records of the Trust and any notice or other document so given shall be sufficiently given to all of the holders of such Units.

25. Deceased Unitholders.

Any notice or other document delivered or sent in a manner contemplated in the Declaration of Trust to the address of any Unitholder as the same appears in the records of the Trust shall, notwithstanding that such Unitholder be then deceased, and whether or not the Trust has notice of his death, be deemed to have been duly served in respect of the Units held by such Unitholder (whether held solely or with any other Persons or Persons) until some other Person is entered in his stead in the records of the Trust as the holder or one of the holders thereof and such service shall for all purposes be deemed a sufficient service of such notice or document on his heirs, executors or administrators and on all Persons, if any, interested through him or with him in such Units.

26. Signature to Notices.

The signature of any Trustee or officer of the Trust to any notice or document to be given by the Trust may be written, stamped, typewritten or printed or partly written, stamped, typewritten or printed.

27. Computation of Time.

Where a given number of days' notice or notice extending over a period is required to be given under any provisions of the Declaration of Trust or these Trustees' Regulations, the day of service or posting of the notice or document shall not, unless it is otherwise provided, be counted in such number of days or other period, but the day of receipt of the notice or document shall, unless it is otherwise provided, be counted in such number of days or other period.

28. Proof of Service.

With respect to every notice or other document sent by post it shall be sufficient to prove that the envelope or wrapper containing the notice or other document was properly addressed as provided in the Declaration of Trust and in these Trustees' Regulations and put into a post office or into a letter box. A certificate of an officer of the Trust in office at the time of the making of the certificate or of a transfer officer of any transfer agent or branch transfer agent of Units of the Trust as to facts in relation to the sending or delivery of any notice or other document to any Unitholder, Trustee, officer or auditor of the Trust or publication of any notice or other document shall be conclusive evidence thereof and shall be binding on every Unitholder, Trustee, officer or auditor of the Trust, as the case may be.

CHEQUES, DRAFTS AND NOTES

29. Cheques, Drafts and Notes.

All cheques, drafts or orders for the payment of money and all notes and acceptances and bills of exchange shall be signed by such officer or officers of the Trust or Persons or Persons, whether or not officers of the Trust, and in such manner as the Trustees may from time to time designate.

CUSTODY OF SECURITIES

30. Custody of Securities.

All shares and other securities owned by the Trust shall be lodged (in the name of the Trust) with a Canadian chartered bank or a trust company, in a safety deposit box or with a law firm acting on behalf of the Trust or, if so authorized by resolution of the Trustees, with such other depositories or in such other manner as may be determined from time to time by the Trustees.

All shares and other securities belonging to the Trust may be issued or held in the name of a nominee or nominees of the Trust (and if issued or held in the names of more than one nominee shall be held in the names of the nominees jointly with right of survivorship) and any shares or other securities so issued or held shall be endorsed in blank with endorsement guaranteed in order to enable transfer to be completed and registration to be effected.

EXECUTION OF INSTRUMENTS

31. Execution of Instruments.

All contracts, documents or instruments in writing requiring the signature of the Trust may be signed by any officer or Trustee of the Trust and all contracts, documents and instruments in writing so signed shall be binding upon the Trust without any further authorization or formality. The Trustees shall have power from time to time to appoint any officer or officers, or any Person or Persons, on behalf of the Trust either to sign contracts, documents and instruments in writing generally or to sign specific contracts, documents or instruments in writing.

The term "contracts, documents or instruments in writing" as used in these Trustees' Regulations shall include security certificates, deeds, mortgages, hypothecs, charges, conveyances, transfers and assignments of property real or personal, immovable or movable, agreements, releases, receipts and discharges for the payment of money or other obligations and conveyances, transfers and assignments of shares, share warrants, stocks, bonds, debentures or other securities and all paper writings.

Without limiting the generality of the foregoing, any officer or Trustee of the Trust shall have authority to sell, assign, transfer, exchange, convert or convey any and all shares, stocks, bonds, debentures, rights, warrants or other securities owned by or registered in the name of the Trust and to sign and execute all assignments, transfers, conveyances, powers of

attorney and other instruments that may be necessary for the purpose of selling, assigning, transferring, exchanging, converting or conveying any such shares, stocks, bonds, debentures, rights, warrants or other securities.

The signature or signatures of the officers and Trustees of the Trust and/or of any other Persons or Persons appointed as aforesaid by the Trustees may, if specifically authorized by the Trustees, be printed, engraved, lithographed or otherwise mechanically reproduced upon any contracts, documents or instruments in writing or bonds, debentures or other securities of the Trust executed or issued by or on behalf of the Trust and all contracts, documents or instruments in writing or bonds, debentures or other securities of the Trust on which the signature or signatures of any one or more of the foregoing officers or Trustees or the officers or Persons authorized as aforesaid shall be so reproduced pursuant to such authorization by the Trustees shall be deemed to have been manually signed by each such officer, Trustee or Persons whose signature is so reproduced and shall be as valid to all intents and purposes as if they had been signed manually and notwithstanding that any such officer, Trustee or Persons whose signature is so reproduced may have ceased to hold office at the date of the delivery or issue of such contracts, documents or instruments in writing or bonds, debentures or other securities of the Trust.