



For Immediate Release

**INNVEST REAL ESTATE INVESTMENT TRUST
AND BLUESKY HOTELS AND RESORTS
ANNOUNCE CLOSING OF PLAN OF ARRANGEMENT**

Toronto, Canada (August 19, 2016) – InnVest Real Estate Investment Trust (“InnVest”) (TSX:INN.UN) and Bluesky Hotels and Resorts Inc. (“Bluesky”), a privately-held Canadian company, are pleased to announce the completion of the previously announced plan of arrangement under the *Business Corporations Act* (Alberta) (the “Arrangement”), pursuant to which Bluesky has acquired all of the issued and outstanding units of InnVest for \$7.25 in cash per unit for an aggregate of approximately \$974,504,697. In addition, in connection with the closing of the Arrangement, InnVest has completed the redemption for cash of (i) all 6.00% Series E convertible debentures and 5.75% Series F convertible debentures at a price of \$1,010 per \$1,000 of debentures (plus accrued and unpaid interest), and (ii) all 6.25% Series G convertible debentures at a price of \$1,075 per \$1,000 of debentures (plus accrued and unpaid interest). Beneficial unitholders and debentureholders can typically expect payment within approximately five business days of closing.

As previously announced, with the completion of the Arrangement, InnVest’s units and convertible debentures were delisted from the Toronto Stock Exchange (“TSX”) following the close of business on August 18, 2016.

TRUST PROFILE

InnVest Real Estate Investment Trust is an unincorporated open-ended real estate investment trust which owns a portfolio of 107 hotels across Canada representing approximately 14,000 guest rooms operated under internationally recognized brands. InnVest also holds a 50% interest in Choice Hotels Canada Inc., one of the largest franchisors of hotels in Canada. InnVest’s head office is located at Royal Bank Plaza, South Tower, 200 Bay Street, Suite 2200, Toronto, Ontario, M5J 2J1.

ABOUT BLUESKY

Bluesky is a privately-held Canadian corporation, backed by Hong Kong capital, with an interest in developing a diversified asset portfolio of hotels, hospitality services, real-estate and other long-term holdings. Prioritizing opportunities to continually enhance its portfolio quality, Bluesky is focusing on the ownership and development of the hotels in the InnVest portfolio.

Bluesky’s head office is located at Suite 5300, TD Bank Tower, 66 Wellington Street West, Toronto, Ontario, M5K 1E6.

The purpose of the acquisition by Bluesky was to acquire 100% of InnVest's issued and outstanding units. Immediately prior to the Arrangement, Bluesky did not own any securities of InnVest.

www.blueskyhotels.ca

FOR FURTHER INFORMATION:

Investors:

Drew Coles, Chief Executive Officer, Tel (416)-607-7100; or
Chantal Nappert, Vice President Finance and Investor Relations, Tel: (416) 607-2331,
Website: www.innvestreit.com

Media Inquiries:

Riyaz Lalani, Bayfield Strategy, Inc., Tel: (416) 907-9365, rlalani@bayfieldstrategy.com
Randi Rahamim, Navigator Ltd., Tel: (416) 307-2093, rrahamim@navltd.com