MATERIAL CHANGE REPORT
PURSUANT TO SECTION 7.1 OF NATIONAL INSTRUMENT 51-102

1. **<u>Name and Address of Company:</u>**

   Temple Hotels Inc. (the ñCorporationò)
   c/o Shelter Canadian Properties Limited
   2600 Seven Evergreen Place
   Winnipeg, MB R3L 2T3

2. **<u>Date of Material Change:</u>**

   September 2, 2015

3. **<u>News Release:</u>**

   The Corporation issued a press release regarding the material change on September 2 2015.

4. **<u>Summary of Material Change:</u>**

   On September 2, 2015, the Corporation announced a rights offering to be made to its shareholders by way of a short form prospectus.

5. **<u>Full Description Of Material Change:</u>**

   See Schedule ñAò hereto.

6. **<u>Reliance on subsection 7.1(2) or (3) of National Instrument 51-102:</u>**

   Not Applicable

7. **<u>Omitted Information:</u>**

   Not Applicable

8. **<u>Executive Officer:</u>**

   Arni Thorsteinson, Chief Executive Officer, Telephone: (204) 475-9090

DATED at Winnipeg, Manitoba this 10th of September, 2015.

Temple Hotels Inc.

Per: (Signed) *"Arni C. Thorsteinson"*
Arni C. Thorsteinson
Chief Executive Officer

SCHEDULE "A"

FULL DESCRIPTION OF MATERIAL CHANGE

Temple filed a preliminary short form prospectus (the ñPreliminary Prospectusò) in each of the provinces and territories of Canada, other than the Province of Quebec (the ñEligible Jurisdictionsò), in connection with a rights offering (the ñRights Offeringò) in order to raise up to $40 million of equity capital through the sale of common shares (ñSharesò). Temple intends to use the net proceeds of the Rights Offering to further reduce indebtedness, improve working capital and undertake capital expenditures and/or possible acquisitions.

Pursuant to the Rights Offering, Temple will distribute rights (ñRightsò) to shareholders to subscribe for Shares at a price (the ñExercise Priceò) per Share which is at a 20% discount to the five-day volume-weighted average price of the Shares on the Toronto Stock Exchange (the ñTSXò) immediately preceding the date that the (final) short form prospectus in respect of the Rights Offering is filed with applicable securities regulatory authorities.

Each shareholder of record on the record date will receive one Right for each Share held. Notwithstanding the foregoing, Rights will not be delivered to, nor will they be exercisable by, persons resident outside of the Eligible Jurisdictions; rather, such Rights may be sold on their behalf. The record date, the expiry date and the number of Rights required to purchase one Share will be determined at the time of the filing of the (final) short form prospectus in respect of the Rights Offering.

Shareholders that fully exercise their Rights will be entitled to subscribe for additional Shares, if available, that were not subscribed for by other holders of Rights. Morguard Corporation, Burgundy Asset Management Ltd., Centennial Group Limited and Arni Thorsteinson (a director and officer of the Corporation) intend to exercise or cause to be exercised their basic subscription privilege in full and may also subscribe for additional Common Shares under the additional subscription privilege.

The Rights will be exercisable for at least 21 days following the date of mailing of the (final) short form prospectus. Temple will apply to list the Rights and the Shares issuable upon the exercise thereof on the TSX. The Rights Offering is subject to regulatory approval, including the approval of the TSX.

In connection with the Rights Offering, Temple has engaged National Bank Financial Inc. as its financial advisor.