

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

1. **Name and Address of Company:**

Temple Hotels Inc. (the "Corporation")
1000 - 55 City Centre Drive
Mississauga, Ontario
L5B 1M3

2. **Date of Material Change:**

October 2, 2017

3. **News Release:**

The Corporation issued a press release regarding the material change on September 28, 2017.

4. **Summary of Material Change:**

On October 2, 2017 the Corporation completed certain amendments to its 7.25% series E convertible redeemable unsecured subordinated debentures due September 30, 2017 (the "Debentures"), including the extension of the maturity date of such Debentures from September 30, 2017 to September 30, 2020.

5. **Full Description Of Material Change:**

See the press release attached as Schedule "A" hereto.

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

Not Applicable

7. **Omitted Information:**

Not Applicable

8. **Executive Officer:**

Beverley Flynn, Vice-President
Telephone: (905) 281-4841

DATED at Mississauga, Ontario this 4th day of October, 2017.

Temple Hotels Inc.

Per: "Beverley G. Flynn" (Signed)
Beverley Flynn,
Vice-President

SCHEDULE "A"



FOR IMMEDIATE RELEASE

TEMPLE ANNOUNCES APPROVAL OF PROPOSED AMENDMENTS TO ITS SERIES E DEBENTURES

MISSISSAUGA, ON (September 28, 2017) – Temple Hotels Inc. (TSX:TPH) (“**Temple**”) is pleased to announce today that the holders of its 7.25% series E convertible unsecured subordinated debentures due September 30, 2017 (TPH.DB.E) (the “**Debentures**”) have approved the proposed amendments to the Debentures (the “**Amendments**”) at a special meeting of holders of such Debentures (“**Debentureholders**”) held today. The Amendments will result in the following changes to the Debentures:

- 1) DECREASING the conversion price from \$40.08 to \$9.75 per common share of Temple;
- 2) EXTENDING the maturity date from September 30, 2017 to September 30, 2020;
- 3) PERMITTING Temple to redeem the Debentures, in whole or in part, at any time up to September 30, 2020, at a price equal to the principal amount thereof plus accrued and unpaid interest to, but excluding the date of the redemption; and
- 4) PERMITTING Temple to complete the Initial Partial Redemption (as defined below) without further notice or communication to Debentureholders and to complete the Additional Partial Redemptions (as defined below).

Temple will redeem \$2,258,200 of the principal amount of Debentures outstanding on September 30, 2017 (the “**Initial Partial Redemption**”), which represents approximately 5% of the issued and outstanding Debentures. Temple has also committed to redeem an additional 5% of the currently issued and outstanding principal amount of Debentures on each of September 30, 2018 and September 30, 2019 (the “**Additional Partial Redemptions**”). Each of the Initial Partial Redemption and the Additional Partial Redemptions will be for a cash payment equal to the principal amount of such redemption plus accrued and unpaid interest to, but excluding the date of the redemption. Pursuant to the Initial Partial Redemption, Debentureholders will receive \$1,036.25 for each \$1,000 principal amount of Debentures redeemed comprised of: (i) a payment of \$1,000 of principal amount; and (ii) \$36.25, being the accrued and unpaid interest on each Debenture up to but excluding September 30, 2017.

Subject to final approval from the Toronto Stock Exchange (the “**TSX**”), the effective date of the Amendments will be on the date that Temple enters into a second further supplemental trust indenture with the debenture trustee which shall give effect to the Amendments. It is anticipated that Temple will enter into the second further supplemental indenture with the debenture trustee effective September 29, 2017. Once entered into, Temple will post the second further supplemental trust indenture on its SEDAR profile at www.sedar.com.

About Temple Hotels Inc.

Temple is a growth oriented hotel investment company with hotel properties located across Canada. Temple is listed on the TSX under the symbols TPH (common shares), TPH.DB.E and TPH.DB.F (convertible debentures). For further information on Temple, please visit our website at www.templehotels.ca.

Cautionary Statement Regarding Forward-Looking Statements

Certain statements included herein constitute “forward-looking statements”. All statements included in this press release that address future events, conditions or results of operations, including in respect of the Amendments, are forward-looking statements. These forward-looking statements can be identified by the use of forward-looking words such as “may”, “should”, “will”, “could”, “expect”, “intend”, “plan”, “estimate”, “anticipate”, “believe”, “future” or “continue” or the negative forms thereof or similar variations. Forward looking statements in this press release include, but are not limited to, the expected Initial Partial Redemption and Additional Partial Redemptions and the expected effective date of the Amendments. These forward-looking statements are based on certain assumptions and analyses made by management in light of their experiences and their perception of historical trends, current conditions and expected future developments, as well as other factors they believe are appropriate in the circumstances. Debentureholders are cautioned not to put undue reliance on such forward-looking statements, which are not a guarantee of performance and are subject to a number of risks and uncertainties, including, but not limited to that the Amendments will not be successfully completed for any reason and the risk that, if completed, Temple will not have sufficient funds to fund the Initial Partial Redemption or the Additional Partial Redemptions or will not be able to pay the interest and/or repay the principal amount outstanding under the Debentures when due. Many of such risks and uncertainties are outside the control of Temple and could cause actual results to differ materially from those expressed or implied by such forward-looking statements. In making such forward-looking statements, management has relied upon a number of material factors and assumptions, including with respect to general economic and financial conditions, interest rates, exchange rates, equity and debt markets, business competition, changes in government regulations or in tax laws, acts and omissions of third parties, and the ability of Temple to obtain approval for the Amendments (including approval from the TSX). Such forward-looking statements should, therefore, be construed in light of such factors and assumptions. All forward-looking statements are expressly qualified in their entirety by the cautionary statements set forth above. Temple is under no obligation, and expressly disclaims any intention or obligation, to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, except as expressly required by applicable law.

For further information, please contact:

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