



Holloway LODGING

**NOTICE OF SERIAL MEETING OF HOLDERS OF
SERIES C 7.50% CONVERTIBLE UNSECURED SUBORDINATED DEBENTURES
DUE SEPTEMBER 30, 2018**

and

**NOTICE OF SERIAL MEETING OF HOLDERS OF
SERIES B 6.25% CONVERTIBLE UNSECURED SUBORDINATED DEBENTURES
DUE FEBRUARY 20, 2020**

to be held August 9, 2017

and

MANAGEMENT INFORMATION CIRCULAR

These materials are important and require your immediate attention. They require Debentureholders to make important decisions. If you are in doubt as to what decision to make, please contact your financial, legal, income tax or other professional advisors. If you have any questions or require more information, please contact Computershare Trust Company of Canada using the information provided on the back cover of the Management Information Circular.

THE BOARD OF DIRECTORS OF HOLLOWAY LODGING CORPORATION UNANIMOUSLY RECOMMENDS THAT DEBENTUREHOLDERS VOTE FOR THE DEBENTURE AMENDMENTS AS SET OUT IN THE MANAGEMENT INFORMATION CIRCULAR.

TO VOTE FOR THE DEBENTURE AMENDMENTS PLEASE MARK THE "VOTE FOR" BOX ON THE ACCOMPANYING FORM OF PROXY AND SIGN AND DEPOSIT SUCH DOCUMENT IN ACCORDANCE WITH THE INSTRUCTIONS SET OUT THEREIN AS SOON AS PRACTICABLE AND IN ANY EVENT BY 2:00 P.M. (EASTERN DAYLIGHT TIME) ON AUGUST 4, 2017.

July 12, 2017

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LETTER TO SERIES C DEBENTUREHOLDERS

July 12, 2017

TO: The holders of Series C 7.50% convertible unsecured subordinated debentures due September 30, 2018

The Series C Debenture Amendments

You, as holders ("**Series C Debentureholders**") of the Series C 7.50% convertible unsecured subordinated debentures due September 30, 2018 (the "**Series C Debentures**") of Holloway Lodging Corporation (the "**Company**"), are being asked to consider certain amendments (the "**Series C Debenture Amendments**") to the Series C Debentures (as amended as proposed, the "**Amended Series C Debentures**"), which, if approved by the Series C Debentureholders, will:

- (a) EXTEND the maturity date for the Series C Debentures from September 30, 2018 to September 30, 2021;
- (b) AMEND the conversion price of the Series C Debentures to \$12.50, being a conversion rate of 80 common shares of the Company ("**Common Shares**") per \$1,000 principal amount of the Series C Debentures. The Series C Debentures are currently convertible into \$285.71 in cash and 28.57 Common Shares (with an implied conversion price of \$25.00) per \$1,000 principal amount of the Series C Debentures; and
- (c) AMEND the terms of the Series C Debentures to provide that Debentureholders may, at their option, upon receiving an exchange notice from the Corporation (an "**Exchange Notice**") exchange their Series C Debentures for a new series of Debentures of the Corporation ("**New Debentures**") having the terms set forth in the Exchange Notice.

To Vote for the Series C Debenture Amendments

To vote for the Series C Debenture Amendments please mark the "VOTES FOR" box on the accompanying form of proxy and sign and deposit such document in accordance with the instructions set out therein as soon as practicable and in any event by 2:00 p.m. (Eastern Daylight Time) on August 4, 2017.

Approval of the Series C Debenture Amendments

For the Series C Debenture Amendments to be approved, holders of at least 66 $\frac{2}{3}$ % of the principal amount of the Series C Debentures, present or represented by proxy at the serial meeting of the Series C Debentureholders (the "**Series C Debentureholder Meeting**"), must vote **FOR** the Series C Debenture Amendments. The Series C Debentureholder Meeting is scheduled to be held at the offices of Bennett Jones LLP, at 3400 One First Canadian Place, Toronto, Ontario, M5X 1A4, on August 9, 2017 at 2:00 p.m. (Eastern Daylight Time). The quorum for the Series C Debentureholder Meeting is the presence in person or by proxy of Series C Debentureholders representing 25% of the principal amount of Series C Debentures outstanding at the record date, which has been set by the Board of Directors of the Company as the close of business on July 4, 2017. Each Series C Debentureholder present in person or represented by proxy at the Series C Debentureholder Meeting shall be entitled to one vote in respect of each \$1,000 principal amount of Series C Debentures held by such Series C Debentureholder.

If the Series C Debenture Amendments are approved by the Series C Debentureholders, the Company anticipates that the effective date of the Series C Debenture Amendments will be on or about August 16, 2017. The Company will enter into the first supplement to the second amended and restated trust indenture dated July 31, 2014 among the Company and Computershare Trust Company of Canada which provides for the Series C Debenture

Amendments, such supplement to be substantially in the form attached as Appendix "C" to the accompanying management information circular ("**Circular**").

Listing

The Toronto Stock Exchange (the "**TSX**") has conditionally approved the listing of the Amended Series C Debentures. The Amended Series C Debentures will continue to trade on the TSX under the symbol "HLC.DB.A".

Benefits of the Debenture Amendments

The Board of Directors of the Company (the "**Board**") believes that the Series C Debenture Amendments provide the following advantages:

- **Continued Favourable Interest Rate:** While the maturity date for the Series C Debentures is September 30, 2018, the maturity date for the Amended Series C Debentures will be extended to September 30, 2021, thereby affording Debentureholders a longer period of time during which to receive interest at a favourable rate. The Company believes the 7.5% interest rate on the Series C Debentures represents an attractive yield, especially in the current low-interest-rate environment and in light of other reinvestment opportunities available.
- **Beneficial Change in the conversion rights of the Debentures:** Series C Debentureholders will have the right to convert the Series C Debentures into common shares of the Company at a lower conversion price. Additionally, the conversion price will be satisfied entirely in common shares of the Company rather than in a combination of cash and common shares of the Company. Therefore, Series C Debentureholders will have more opportunity to participate in the growth of the Company's business. This conversion feature offers Series C Debentureholders the opportunity to generate capital appreciation from the Series C Debentures in addition to earning interest during the extended term.
- **Strong Financial Position:** The Company has the financial capacity, through its committed credit facilities, to redeem the Series C Debentures at this time. The Company believes that doing so would result in Debentureholders losing an attractive and recurring source of income as well as the potential for capital appreciation through the amended conversion feature of the Series C Debentures.
- **Flexibility for Debentureholders.** Series C Debentureholders will be able to elect to exchange their Debentures for New Debentures of the Company if the Company delivers an Exchange Notice to the Series C Debentureholders. Any such exchange would be voluntary. At this time, the Company is not proposing to make any exchange offer.

For further particulars of such benefits see "Benefits of the Series C Debenture Amendments and Recommendation of the Board" in the accompanying Circular.

Recommendation of the Board

THE BOARD UNANIMOUSLY RECOMMENDS THAT THE SERIES C DEBENTUREHOLDERS VOTE FOR THE SERIES C DEBENTURE AMENDMENTS.

Management Information Circular

The accompanying Circular provides a detailed description of the Series C Debenture Amendments. Please give this material your careful consideration. If you require assistance, you should consult your financial, legal, income tax or other professional advisors.

We encourage you to read the materials in the accompanying Circular carefully. Your vote is important. Whether or not you attend the meeting of Series C Debentureholders, please take the time to vote your Series C Debentures in accordance with the instructions contained in the accompanying Circular.

BY ORDER OF THE BOARD OF DIRECTORS

(Signed) "*Michael Rapps*"
Michael Rapps
Chairman



LETTER TO SERIES B DEBENTUREHOLDERS

July 12, 2017

TO: The holders of Series B 6.25% convertible unsecured subordinated debentures due February 28, 2020

The Series B Debenture Amendments

You, as holders ("**Series B Debentureholders**") of the Series B 6.25% convertible unsecured subordinated debentures due February 28, 2020 (the "**Series B Debentures**") of Holloway Lodging Corporation (the "**Company**"), are being asked to consider certain amendments (the "**Series B Debenture Amendments**") to the Series B Debentures (as amended as proposed, the "**Amended Series B Debentures**"), which, if approved by the Series B Debentureholders, will amend the terms of the Series B Debentures to provide that Debentureholders may, at their option, upon receiving an exchange notice from the Corporation (an "**Exchange Notice**") exchange their Series B Debentures for a new series of Debentures of the Corporation ("**New Debentures**") having the terms set forth in the Exchange Notice.

To Vote for the Series B Debenture Amendments

To vote for the Series B Debenture Amendments please mark the "VOTES FOR" box on the accompanying form of proxy and sign and deposit such document in accordance with the instructions set out therein as soon as practicable and in any event by 2:30 p.m. (Eastern Daylight Time) on August 4, 2017.

Approval of the Series B Debenture Amendments

For the Series B Debenture Amendments to be approved, holders of at least 66 $\frac{2}{3}$ % of the principal amount of the Series B Debentures, present or represented by proxy at the serial meeting of the Series B Debentureholders (the "**Series B Debentureholder Meeting**"), must vote **FOR** the Series B Debenture Amendments. The Series B Debentureholder Meeting is scheduled to be held at the offices of Bennett Jones LLP, at 3400 One First Canadian Place, Toronto, Ontario, M5X 1A4, on August 9, 2017 at 2:30 p.m. (Eastern Daylight Time). The quorum for the Series B Debentureholder Meeting is the presence in person or by proxy of Series B Debentureholders representing 25% of the principal amount of Series B Debentures outstanding at the record date, which has been set by the Board of Directors of the Company as the close of business on July 4, 2017. Each Series B Debentureholder present in person or represented by proxy at the Series B Debentureholder Meeting shall be entitled to one vote in respect of each \$1,000 principal amount of Series B Debentures held by such Series B Debentureholder.

If the Series B Debenture Amendments are approved by the Series B Debentureholders, the Company anticipates that the effective date of the Series B Debenture Amendments will be on or about August 16, 2017. The Company will enter into the first supplement to the second amended and restated trust indenture dated July 31, 2014 among the Company and Computershare Trust Company of Canada which provides for the Series B Debenture Amendments, such supplement to be substantially in the form attached as Appendix "C" to the accompanying management information circular ("**Circular**").

Listing

The Toronto Stock Exchange (the "**TSX**") has conditionally approved the listing of the Amended Series B Debentures. The Amended Series B Debentures will continue to trade on the TSX under the symbol "HLC.DB".

Benefits of the Debenture Amendments

If approved by the Series B Debentureholders, the Series B Debenture Amendments would provide the Series B Debentureholders the option to exchange their debentures for New Debentures of the Company if the Company delivers an Exchange Notice to the Series B Debentureholders. Any such exchange would be voluntary. At this time the Company is not proposing to make any such exchange offer.

THE BOARD UNANIMOUSLY RECOMMENDS THAT THE SERIES B DEBENTUREHOLDERS VOTE FOR THE SERIES B DEBENTURE AMENDMENTS.

Management Information Circular

The accompanying Circular provides a detailed description of the Series B Debenture Amendments. Please give this material your careful consideration. If you require assistance, you should consult your financial, legal, income tax or other professional advisors.

We encourage you to read the materials in the accompanying Circular carefully. Your vote is important. Whether or not you attend the meeting of Series B Debentureholders, please take the time to vote your Series B Debentures in accordance with the instructions contained in the accompanying Circular.

BY ORDER OF THE BOARD OF DIRECTORS

(Signed) "*Michael Rapps*"
Michael Rapps
Chairman



NOTICE OF SERIAL MEETING OF SERIES C DEBENTUREHOLDERS

NOTICE IS HEREBY GIVEN that a debentureholder meeting (the "**Series C Debentureholder Meeting**") of the holders ("**Series C Debentureholders**") of the Series C 7.50% convertible unsecured subordinated debentures due September 30, 2018 (the "**Series C Debentures**") of Holloway Lodging Corporation (the "**Company**") will be held at the offices of Bennett Jones LLP, at 3400 One First Canadian Place, Toronto, Ontario, M5X 1A4, on August 9, 2017 at 2:00 p.m. (Eastern Daylight Time) for the following purposes:

1. to consider and, if deemed appropriate, to adopt, with or without amendment, an extraordinary resolution (the "**Series C Debentureholder Resolution**") in the form attached as Appendix "A" to the management information circular (the "**Circular**") accompanying this Notice of Serial Meeting of Series C Debentureholders, approving certain amendments to the second amended and restated trust indenture dated July 31, 2014 (the "**Indenture**") between the Company and Computershare Trust Company of Canada (the "**Debenture Trustee**") and to authorize the Debenture Trustee to execute the supplemental trust indenture embodying such amendments, which supplemental trust indenture shall be substantially in the form attached as Appendix "C" to the Circular, all as more particularly described in the Circular; and
2. to transact such further or other business as may properly come before the Series C Debentureholder Meeting or any adjournment or adjournments thereof.

The accompanying Circular provides additional information relating to the matters to be dealt with at the Series C Debentureholder Meeting and forms part of this Notice of Serial Meeting of Series C Debentureholders.

The Series C Debentureholder Resolution, if passed by the holders of at least 66 $\frac{2}{3}$ % of the principal amount of the Series C Debentures present in person or by proxy at the Series C Debentureholder Meeting, or any adjournment thereof, in accordance with the provisions of the Indenture, will be binding upon the Series C Debentureholders, whether present or absent from the Series C Debentureholder Meeting. Accordingly, it is important that your Series C Debentures be represented and voted whether or not you plan to attend the Series C Debentureholder Meeting in person. The Board of Directors has established the record date for the Series C Debentureholder Meeting as the close of business on July 4, 2017 (the "**Record Date**"). Only Series C Debentureholders of record at the close of business on the Record Date will be entitled to notice of the Series C Debentureholder Meeting or any adjournment thereof, and to vote at the Series C Debentureholder Meeting. No Series C Debentureholder becoming a Series C Debentureholder of record after such time will be entitled to vote at the Series C Debentureholder Meeting or any adjournment thereof.

The Series C Debentures have been issued in the form of global certificates registered in the name of CDS & Co. and, as such, CDS & Co. is the sole registered Series C Debentureholder. Only registered Series C Debentureholders, or their duly appointed proxyholders, have the right to vote at the Series C Debentureholder Meeting, or to appoint or revoke a proxy. However, CDS & Co., or its duly appointed proxyholders, may only vote the Series C Debentures in accordance with instructions received from the beneficial Series C Debentureholders. Beneficial Series C Debentureholders as of the Record Date wishing to vote their Series C Debentures at the Series C Debentureholder Meeting must provide instructions to their broker or other intermediary through which they hold their Series C Debentures in sufficient time prior to the deadline for depositing proxies for the Series C Debentureholder Meeting to permit their broker or other nominee to instruct CDS & Co., or its duly appointed proxyholders, as to how to vote their Series C Debentures at the Series C Debentureholder Meeting.

If you have any questions or require more information with regard to voting your Series C Debentures please contact Computershare Trust Company of Canada using the information provided on the back cover of the Circular.

DATED at Toronto, Ontario, this 12th day of July, 2017.

BY ORDER OF THE BOARD OF DIRECTORS

(Signed) "*Michael Rapps*"
Michael Rapps
Chairman



NOTICE OF SERIAL MEETING OF SERIES B DEBENTUREHOLDERS

NOTICE IS HEREBY GIVEN that a debentureholder meeting (the "**Series B Debentureholder Meeting**") of the holders ("**Series B Debentureholders**") of the Series B 6.25% convertible unsecured subordinated debentures due February 28, 2020 (the "**Series B Debentures**") of Holloway Lodging Corporation (the "**Company**") will be held at the offices of Bennett Jones LLP, at 3400 One First Canadian Place, Toronto, Ontario, M5X 1A4, on August 9, 2017 at 2:30 p.m. (Eastern Daylight Time) for the following purposes:

1. to consider and, if deemed appropriate, to adopt, with or without amendment, an extraordinary resolution (the "**Series B Debentureholder Resolution**") in the form attached as Appendix "B" to the management information circular (the "**Circular**") accompanying this Notice of Serial Meeting of Series B Debentureholders, approving certain amendments to the second amended and restated trust indenture dated July 31, 2014 (the "**Indenture**") between the Company and Computershare Trust Company of Canada (the "**Debenture Trustee**") and to authorize the Debenture Trustee to execute the supplemental trust indenture embodying such amendments, which supplemental trust indenture shall be substantially in the form attached as Appendix "C" to the Circular, all as more particularly described in the Circular; and
2. to transact such further or other business as may properly come before the Series B Debentureholder Meeting or any adjournment or adjournments thereof.

The accompanying Circular provides additional information relating to the matters to be dealt with at the Series B Debentureholder Meeting and forms part of this Notice of Serial Meeting of Series B Debentureholders.

The Series B Debentureholder Resolution, if passed by the holders of at least 66 $\frac{2}{3}$ % of the principal amount of the Series B Debentures present in person or by proxy at the Series B Debentureholder Meeting, or any adjournment thereof, in accordance with the provisions of the Indenture, will be binding upon the Series B Debentureholders, whether present or absent from the Series B Debentureholder Meeting. Accordingly, it is important that your Series B Debentures be represented and voted whether or not you plan to attend the Series B Debentureholder Meeting in person. The Board of Directors has established the record date for the Series B Debentureholder Meeting as the close of business on July 4, 2017 (the "**Record Date**"). Only Series B Debentureholders of record at the close of business on the Record Date will be entitled to notice of the Series B Debentureholder Meeting or any adjournment thereof, and to vote at the Series B Debentureholder Meeting. No Series B Debentureholder becoming a Series B Debentureholder of record after such time will be entitled to vote at the Series B Debentureholder Meeting or any adjournment thereof.

The Series B Debentures have been issued in the form of global certificates registered in the name of CDS & Co. and, as such, CDS & Co. is the sole registered Series B Debentureholder. Only registered Series B Debentureholders, or their duly appointed proxyholders, have the right to vote at the Series B Debentureholder Meeting, or to appoint or revoke a proxy. However, CDS & Co., or its duly appointed proxyholders, may only vote the Series B Debentures in accordance with instructions received from the beneficial Series B Debentureholders. Beneficial Series B Debentureholders as of the Record Date wishing to vote their Series B Debentures at the Series B Debentureholder Meeting must provide instructions to their broker or other intermediary through which they hold their Debentures in sufficient time prior to the deadline for depositing proxies for the Series B Debentureholder Meeting to permit their broker or other nominee to instruct CDS & Co., or its duly appointed proxyholders, as to how to vote their Series B Debentures at the Series B Debentureholder Meeting.

If you have any questions or require more information with regard to voting your Series B Debentures please contact Computershare Trust Company of Canada using the information provided on the back cover of the Circular.

DATED at Toronto, Ontario, this 12th day of July, 2017.

BY ORDER OF THE BOARD OF DIRECTORS

(Signed) "*Michael Rapps*"
Michael Rapps
Chairman



MANAGEMENT INFORMATION CIRCULAR

Dated July 12, 2017

SUMMARY

The following is a brief summary of certain information contained in this Circular. Reference is made to, and this summary is qualified by, the detailed information contained in this Circular. Debentureholders are encouraged to read this Circular and the attached Appendices carefully and in their entirety.

The Debentureholder Meetings

Serial meetings (the "**Series C Debentureholder Meeting**" and "**Series B Debentureholder Meeting**", and collectively, the "**Debentureholder Meetings**") of holders (the "**Series C Debentureholders**" and "**Series B Debentureholders**", and collectively, the "**Debentureholders**") of the Series C 7.50% convertible unsecured subordinated debentures due September 30, 2018 (the "**Series C Debentures**") and Series B 6.25% convertible unsecured subordinated debentures due February 28, 2020 (the "**Series B Debentures**", together with the Series C Debentures, the "**Debentures**") of Holloway Lodging Corporation (the "**Company**") will be held at the offices of Bennett Jones LLP, at 3400 One First Canadian Place, Toronto, Ontario, M5X 1A4, on August 9, 2017 at 2:00 p.m. (Eastern Daylight Time) and 2:30 p.m. (Eastern Daylight Time), respectively, for the purposes set forth in the accompanying Notices of Serial Meetings, including to consider and, if deemed advisable, to approve certain amendments (the "**Series C Debenture Amendments**" and "**Series B Debenture Amendments**", collectively the "**Debenture Amendments**") to the second amended and restated trust indenture dated July 31, 2014 (the "**Indenture**") between the Company and Computershare Trust Company of Canada (the "**Debenture Trustee**") and to authorize the Debenture Trustee to execute the supplemental trust indenture embodying such amendments. Only Debentureholders of record as of the close of business on July 4, 2017 (the "**Record Date**") are entitled to receive notice of the Debentureholder Meetings, as applicable, and to vote at the applicable Debentureholder Meetings. Each Debentureholder present in person or represented by proxy at the either Debentureholder Meeting shall be entitled to one vote in respect of each \$1,000 principal amount of Debentures held by such Debentureholder.

The Debenture Amendments

The Series C Debenture Amendments, if approved by Series C Debentureholders, will:

- (a) EXTEND the maturity date for the Series C Debentures from September 30, 2018 to September 30, 2021;
- (b) AMEND the conversion price of the Series C Debentures to \$12.50, being a conversion rate of 80 common shares of the Company ("**Common Shares**") per \$1,000 principal amount of the Series C Debentures. The Series C Debentures are currently convertible into \$285.71 in cash and 28.57 Common Shares (with an implied conversion price of \$25.00) per \$1,000 principal amount of the Series C Debentures; and
- (c) AMEND the terms of the Series C Debentures to provide that Debentureholders may, at their option, upon receiving an exchange notice from the Corporation (an "**Exchange Notice**") exchange their Series C Debentures for a new series of Debentures of the Corporation ("**New Debentures**") having the terms set forth in the Exchange Notice.

The Series B Debenture Amendments, if approved by Series B Debentureholders will amend the terms of the Series B Debentures to provide that Debentureholders may, at their option, upon receiving an Exchange Notice from the

Corporation exchange their Series B Debentures for New Debentures of the Corporation having the terms set forth in the Exchange Notice.

Proxy Information

To vote for the Debenture Amendments, Debentureholders can do so by using any of the methods outlined below:

By Mail:

- Step 1. Mark the "VOTES FOR" box in the accompanying form of proxy ("**Form of Proxy**").
- Step 2. Sign and date the Form of Proxy.
- Step 3. Deposit with the Debenture Trustee, Computershare Trust Company of Canada, 100 University Avenue, 9th Floor, North Tower, Toronto, Ontario M5J 2Y1, Attention: Proxy Department, as soon as practicable and in any event no later than 2:00 p.m. (Eastern Daylight Time) on August 4, 2017 if related to the Series C Debentureholder Meeting or no later than 2:30 p.m. (Eastern Daylight Time) on August 4, 2017 if related to the Series B Debentureholder Meeting.

Via Financial Broker:

Debentureholders may contact their broker or send their proxy or voting instruction form to their broker who can vote on the Debentureholder's behalf.

By Telephone:

1-866-732-VOTE (8683), English or French. The 15-digit Control Number listed at the bottom of the front page of the Form of Proxy will be required to complete your voting.

By Internet:

Log on to www.investorvote.com. The 15-digit Control Number listed at the bottom of the front page of the Form of Proxy will be required to complete your voting.

INTRODUCTION

Information Contained in this Circular

No person has been authorized to give information or to make any representations in connection with the matters to be considered by the Debentureholders other than those contained in this Circular and, if given or made, any such information or representations should not be relied upon in making a decision as to whether to vote for the Series C Debentureholder Resolution or the Series B Debentureholder Resolution or be considered to have been authorized by the Company.

This Circular does not constitute an offer to buy, or a solicitation of an offer to sell, any securities, or the solicitation of a proxy, by any person in any jurisdiction in which such an offer or solicitation is not authorized or in which the person making such an offer or solicitation is not qualified to do so or to any person to whom it is unlawful to make such an offer or solicitation.

Debentureholders should not construe the contents of this Circular as legal, tax or financial advice and should consult with their own professional advisors as to the relevant legal, tax, financial or other matters in connection herewith.

The accompanying Forms of Proxy are for use by Debentureholders in connection with the Debenture Amendments and Debentureholders are encouraged to complete, sign and deposit such document in accordance with the instructions set out therein.

Capitalized Terms

Unless the context indicates otherwise, capitalized terms which are used in this Circular and not otherwise defined in this Circular have the meanings given to such terms in the accompanying Letter to Series C Debentureholders, Letter to Series B Debentureholders, Notice of Serial Meeting of Series C Debentureholders and Notice of Serial Meeting of Series B Debentureholders.

Notice to Debentureholders in the United States

The Debentures have not been and will not be registered under the United States Securities Act of 1933, as amended (the "1933 Act"), and no solicitation is being made in the United States.

You should be aware that the Debenture Amendments may have tax consequences both in the United States and in Canada. Tax considerations applicable to Debentureholders subject to United States federal taxation have not been included in the Circular, and such Debentureholders should consult their own tax advisors to determine the particular consequences to them of participating in the solicitation being made hereunder.

THIS TRANSACTION HAS NOT BEEN APPROVED OR DISAPPROVED BY THE UNITED STATES SECURITIES AND EXCHANGE COMMISSION (THE "SEC"), ANY STATE SECURITIES ADMINISTRATOR, OR ANY SECURITIES REGULATORY AUTHORITY IN CANADA, NOR HAS THE SEC, ANY STATE SECURITIES ADMINISTRATOR, OR ANY SECURITIES REGULATORY AUTHORITY IN CANADA PASSED UPON THE ACCURACY OR ADEQUACY OF THIS DOCUMENT. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENCE.

Cautionary Statement Regarding Forward-Looking Statements

Certain statements included herein constitute "forward-looking statements". All statements included in this Circular that address future events, conditions or results of operations, including in respect of the Debenture 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. 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, the risk that the Debenture Amendments will not be successfully completed for any reason and the risk that, if completed, the Company may not realize the anticipated benefits of the Debenture Amendments. Many of such risks and uncertainties are outside the control of the Company 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 the Company to obtain approval for the Debenture Amendments. 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. The Company 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.

Conventions

In this Circular, unless otherwise specified, all dollar amounts are expressed in Canadian dollars. Information contained in this Circular is given as of July 12, 2017, unless otherwise specifically stated.

THE SERIES C DEBENTURE AMENDMENTS

General

Series C Debentureholders are being asked to consider and, if deemed appropriate, to adopt, with or without amendment, the Series C Debentureholder Resolution approving certain amendments to the Indenture, which, if approved by the Series C Debentureholders, will:

- (a) EXTEND the maturity date for the Series C Debentures from September 30, 2018 to September 30, 2021;
- (b) AMEND the conversion price of the Series C Debentures to \$12.50, being a conversion rate of 80 common shares of the Company ("**Common Shares**") per \$1,000 principal amount of the Series C Debentures. The Series C Debentures are currently convertible into \$285.71 in cash and 28.57 Common Shares (with an implied conversion price of \$25.00) per \$1,000 principal amount of the Series C Debentures; and
- (c) AMEND the terms of the Series C Debentures to provide that Debentureholders may, at their option, upon receiving an exchange notice from the Corporation (an "**Exchange Notice**") exchange their Series C Debentures for a new series of Debentures of the Corporation ("**New Debentures**") having the terms set forth in the Exchange Notice.

Other than the foregoing amendments, and the Series B Debenture Amendments, the Indenture will remain unchanged.

The full text of the Series C Debentureholder Resolution is attached to this Circular as Appendix "A".

For the Series C Debentureholder Resolution to be adopted in accordance with the provisions of the Indenture, it must be approved by the affirmative vote of holders of at least 66⅔% of the principal amount of the Series C Debentures, present or represented by proxy, at the Series C Debentureholder Meeting which is scheduled to be held at the offices of Bennett Jones LLP, at 3400 One First Canadian Place, Toronto, Ontario, M5X 1A4, on August 9, 2017 at 2:00 p.m. (Eastern Daylight Time).

The Series C Debentureholder Resolution, if passed by the holders of at least 66⅔% of the principal amount of the Series C Debentures in accordance with the provisions of the Indenture, will be binding upon all Series C Debentureholders.

If the Series C Debentureholder Resolution is passed, then the Company and the Debenture Trustee will enter into the supplement to the Indenture ("**Supplemental Indenture**") substantially in the form attached as Appendix "C" to this Circular.

If the Series C Debenture Amendments are approved by the Series C Debentureholders, the Company anticipates that the effective date of the Series C Debenture Amendments will be on the date the Company enters the Supplemental Indenture (the "**Effective Date**"), such Supplemental Indenture to be substantially in the form attached as Appendix "C" to the accompanying management information circular which provides for the Series C Debenture Amendments and the Series B Debenture Amendments.

Listing

The TSX has conditionally approved the listing of the Amended Series C Debentures. The Amended Series C Debentures will continue to trade on the TSX under the symbol "HLC.DB.A".

Comparison of Terms of the Amended Series C Debentures and the Series C Debentures

The following table is a summary only and does not address all of the attributes and characteristics of the Debentures and the Amended Debentures.

	Amended Series C Debentures	Series C Debentures
Securities:	\$40,572,000 principal amount of 7.50% convertible unsecured subordinated debentures due September 30, 2021.	\$40,572,000 principal amount of 7.50% convertible unsecured subordinated debentures due September 30, 2018.
Principal Amount:	\$1,000 per Amended Series C Debenture. Aggregate of \$40,572,000 outstanding.	\$1,000 per Series C Debenture. Aggregate of \$40,572,000 outstanding.
Maturity Date:	September 30, 2021.	September 30, 2018.
Interest Rate:	7.50% per annum, payable in cash, semi-annually, in arrears.	7.50% per annum, payable in cash, semi-annually, in arrears.
Ranking:	Direct unsecured obligations of the Company.	Direct unsecured obligations of the Company.
Conversion Price:	\$12.50 per Common Share; the debentures are convertible into 80 Common Shares of the Company per \$1,000 principal amount of the Amended Series C Debentures.	\$25.00 implied conversion price per Common Share; the debentures are convertible into \$285.71 in cash and 28.57 Common Shares per \$1,000 principal amount of the Series C Debentures.
TSX Listing	The TSX has conditionally approved the listing of the Amended Debentures under the symbol "HLC.DB.A".	The Series C Debentures are listed on the TSX under the symbol "HLC.DB.A".
Conversion to New Debentures	At the option of the holder upon receiving an Exchange Notice from the Company.	None.

THE SERIES B DEBENTURE AMENDMENTS

General

Series B Debentureholders are being asked to consider and, if deemed appropriate, to adopt, with or without amendment, the Series B Debentureholder Resolution approving certain amendments to the Indenture, which, if approved by the Series B Debentureholders, will amend the terms of the Series B Debentures to provide that Debentureholders may, at their option, upon receiving an Exchange Notice from the Corporation exchange their Series B Debentures for New Debentures of the Corporation having the terms set forth in the Exchange Notice.

Other than the foregoing amendments, and the Series C Debenture Amendments, the Indenture will remain unchanged.

The full text of the Series B Debentureholder Resolution is attached to this Circular as Appendix "B".

For the Series B Debentureholder Resolution to be adopted in accordance with the provisions of the Indenture, it must be approved by the affirmative vote of holders of at least 66⅔% of the principal amount of the Series B Debentures, present or represented by proxy, at the Series B Debentureholder Meeting which is scheduled to be held at the offices of Bennett Jones LLP, at 3400 One First Canadian Place, Toronto, Ontario, M5X 1A4, on August 9, 2017 at 2:30 p.m. (Eastern Daylight Time).

The Series B Debentureholder Resolution, if passed by the holders of at least 66⅔% of the principal amount of the Series B Debentures in accordance with the provisions of the Indenture, will be binding upon all Series B Debentureholders.

If the Series B Debentureholder Resolution is passed, then the Company and the Debenture Trustee will enter into the supplement to the Indenture ("**Supplemental Indenture**") substantially in the form attached as Appendix "C" to this Circular.

If the Series B Debenture Amendments are approved by the Series B Debentureholders, the Company anticipates that the effective date of the Series B Debenture Amendments will be on the date the Company enters the Supplemental Indenture (the "**Effective Date**"), such Supplemental Indenture to be substantially in the form attached as Appendix "C" to the accompanying management information circular which provides for the Series B Debenture Amendments and the Series C Debentures Amendments.

Listing

The TSX has conditionally approved the listing of the Amended Series B Debentures. The Amended Series B Debentures will continue to trade on the TSX under the symbol "HLC.DB".

BENEFITS OF SERIES C DEBENTURE AMENDMENTS AND SERIES B DEBENTURE AMENDMENTS AND RECOMMENDATION OF THE BOARD

Benefits of the Debenture Amendments

Management and the Board regularly review and evaluate the Company's capital structure and strategic options with a view to enhancing securityholder value. Management and the Board believe that the proposed Series C Debenture Amendments and Series B Debenture Amendments enhance the Company's strategy of pursuing long-term value creation for the benefit of its securityholders.

The Board believes that the Series C Debenture Amendments provide the following advantages:

- **Continued Favourable Interest Rate:** While the maturity date for the Series C Debentures is September 30, 2018, the maturity date for the Amended Series C Debentures will be extended to September 30, 2021, thereby affording Debentureholders a longer period of time during which to receive interest at a favourable rate. The Company believes the 7.50% interest rate on the Series C Debentures represents an attractive yield, especially in the current low-interest-rate environment and in light of other reinvestment opportunities available.
- **Beneficial Change in the conversion rights of the Debentures:** Series C Debentureholders will have the right to convert the Series C Debentures into common shares of the Company at a lower conversion price. Additionally, the conversion price will be satisfied entirely in common shares of the Company rather than in a combination of cash and common shares of the Company. Therefore, Series C Debentureholders will have more opportunity to participate in the growth of the Company's business. This conversion feature offers Series C Debentureholders the opportunity to generate capital appreciation from the Series C Debentures in addition to earning interest during the extended term.

- **Strong Financial Position:** The Company has the financial capacity, through its committed credit facilities, to redeem the Series C Debentures at this time. The Company believes that doing so would result in Debentureholders losing an attractive and recurring source of income as well as the potential for capital appreciation through the amended conversion feature of the Series C Debentures.

The Series B Debenture Amendments and the Series C Debenture Amendments, if approved, will amend the terms of the Series B Debentures and the Series C Debentures to provide that Debentureholders may, at their option, upon receiving an Exchange Notice from the Corporation exchange their Series B Debentures for New Debentures of the Corporation having the terms set forth in the Exchange Notice. As a result, Debentureholders will be able to elect to exchange their Debentures for New Debentures of the Company if the Company delivers an Exchange Notice to Series C Debentureholders or Series B Debentureholders, as applicable. Any such exchange would be voluntary. At this time, the Company is not proposing to make any exchange offer.

Recommendation of the Board

The Board has concluded that the Debenture Amendments are in the best interests of the Company and, as such, has authorized submission of the Debenture Amendments to Debentureholders for approval. The Board of Directors of the Company unanimously recommends that Debentureholders vote FOR the Debenture Amendments.

CERTAIN INFORMATION CONCERNING THE COMPANY

Price Range and Trading Volume of the Company's Securities

Common Shares

The outstanding Common Shares are listed on the TSX under the trading symbol "HLC". The following table sets forth the price range and trading volume of the Common Shares for the periods indicated.

Period	Price Range		Volume
	High	Low	
June 2016	\$ 4.90	\$4.60	186,258
July 2016	\$ 5.15	\$4.90	31,741
August 2016	\$ 5.09	\$4.71	66,475
September 2016	\$ 5.26	\$4.80	78,493
October 2016	\$ 5.29	\$4.95	150,722
November 2016	\$ 5.21	\$5.00	167,396
December 2016	\$ 5.28	\$4.78	73,777
January 2017	\$ 5.54	\$4.90	84,030
February 2017	\$ 5.55	\$5.26	209,780
March 2017	\$ 5.56	\$5.30	49,758
April 2017	\$ 5.60	\$5.40	30,553
May 2017	\$ 5.99	\$5.65	65,249
June 2017	\$5.85	\$5.64	30,487
July 1-July 7	\$5.77	\$5.70	7,975

Source: Bloomberg

On July 7, 2017, the last day the Common Shares traded prior to the public announcement of the Debenture Amendments, the closing price of the Common Shares on the TSX was \$5.77.

Series C Debentures

The Series C Debentures are listed and posted for trading on the TSX and trade under the symbol "HLC.DB.A". The following sets out the price range and trading volume of the Series C Debentures for the periods indicated.

Period	Price Range		Volume (Principal Amount of Debentures Traded)
	High	Low	
June 2016	\$100.00	\$96.51	\$114,000
July 2016	\$99.00	\$96.50	\$258,000
August 2016	\$98.65	\$96.51	\$222,000
September 2016	\$99.00	\$97.00	\$653,000
October 2016	\$98.99	\$98.12	\$469,000
November 2016	\$100.00	\$97.00	\$391,000
December 2016	\$100.00	\$98.75	\$518,000
January 2017	\$100.26	\$98.99	\$244,000
February 2017	\$100.50	\$99.71	\$315,000
March 2017	\$100.85	\$99.81	\$376,000
April 2017	\$100.50	\$99.75	\$302,000
May 2017	\$100.79	\$99.75	\$908,000
June 2017	\$101.50	\$99.81	\$305,000
July 1- July 7	\$100.51	\$100.50	\$9,000

Source: Bloomberg

On July 7, 2017, the last trading day prior to the public announcement of the Debenture Amendments, the closing price of the Series C Debentures on the TSX was \$100.50.

Series B Debentures

The Series B Debentures are listed and posted for trading on the TSX and trade under the symbol "HLC.DB". The following sets out the price range and trading volume of the Series B Debentures for the periods indicated.

Period	Price Range		Volume (Principal Amount of Debentures Traded)
	High	Low	
June 2016	\$95.00	\$94.00	\$356,000
July 2016	\$95.01	\$86.51	\$404,000
August 2016	\$93.50	\$87.05	\$584,000
September 2016	\$93.50	\$89.00	\$3,556,000
October 2016	\$93.20	\$90.00	\$2,147,000
November 2016	\$99.50	\$91.00	\$307,000
December 2016	\$95.00	\$92.00	\$717,000
January 2017	\$95.02	\$92.49	\$1,675,000
February 2017	\$97.00	\$93.99	\$1,699,000
March 2017	\$98.00	\$95.51	\$3,060,000
April 2017	\$97.50	\$96.00	\$474,000
May 2017	\$97.01	\$95.55	\$2,521,000
June 2017	\$99.00	\$96.75	\$1,204,000
July 1- July 7	\$98.00	\$97.75	\$58,000

Source: Bloomberg

On July 7, 2017, the last trading day prior to the public announcement of the Debenture Amendments, the closing price of the Series B Debentures on the TSX was \$98.00.

CERTAIN CANADIAN FEDERAL INCOME TAX CONSIDERATIONS

In the opinion of Bennett Jones LLP, counsel to the Company, the following is a summary of the anticipated material Canadian federal income tax considerations to Debentureholders arising from and relating to the Debenture

Amendments. This summary is applicable to Debentureholders who are, at all relevant times, for purposes of the *Income Tax Act* (Canada) (the "**Tax Act**"), resident or deemed to be resident in Canada, deal at arm's length and are not affiliated with the Company and hold Debentures as capital property. Generally, the Debentures will be considered to be capital property to a holder provided that the holder does not hold the Debentures in the course of carrying on a business of buying and selling securities and has not acquired them in one or more transactions considered to be an adventure in the nature of trade.

This summary does not apply to certain "financial institutions" (as defined in the Tax Act) that are subject to the "mark-to-market" rules in the Tax Act, a Debentureholder to which the "tax shelter investment" rules in the Tax Act apply, a Debentureholder to which the "functional currency" reporting rules in subsection 261(4) of the Tax Act apply, or to a Debentureholder that has entered or will enter into a "derivative forward agreement" (as defined in the Tax Act) in respect of the Debentures. Such Debentureholders should consult their own tax advisors.

No legal opinion from legal counsel or ruling from the Canada Revenue Agency (the "**CRA**") has been requested, or will be obtained, regarding the Canadian federal income tax consequences of the Debenture Amendments to Debentureholders. This summary is not binding on the CRA, and the CRA is not precluded from taking a position that is different from, and contrary to, the positions taken in this summary. In addition, because the authorities on which this summary is based are subject to various interpretations, the CRA and the Canadian courts could disagree with one or more of the positions taken in this summary.

This summary is based upon the facts set out in this circular, the current provisions of the Tax Act, all specific proposals (the "**Tax Proposals**") to amend the Tax Act publicly announced by or on behalf of the Minister of Finance (Canada) prior to the date hereof, and counsel's understanding of the current published administrative practices and assessing policies of the CRA. While this summary assumes that the Tax Proposals will be enacted as currently proposed, no assurance can be given that this will be the case. This summary is not exhaustive of all possible Canadian federal income tax consequences, and does not otherwise take into account or anticipate any changes in law, whether by legislative, governmental or judicial decision or action, or changes in administrative policies or assessing practices of the CRA, nor does it take into account provincial, territorial or foreign income tax legislation or considerations, which may differ significantly from those discussed herein.

This summary is of a general nature only and is not intended to be, and should not be construed to be, legal or tax advice to any Debentureholder, and no representations with respect to the income tax consequences to any such holder are made. Debentureholders should consult their own tax advisors for advice with respect to the income and capital tax consequences to them of the Debenture Amendments and acquiring, holding and disposing of Debentures, including the application and effect of the income and other tax laws of any country, province, state or local tax authority.

This summary does not address any Canadian federal income tax considerations applicable to non-residents of Canada, and non-residents should consult their own tax advisors regarding the tax consequences of holding Debentures and the Debenture Amendments.

Amendment of Debentures

It is not certain whether the Debenture Amendments would result in a disposition of the Debentures for Canadian tax purposes. Canadian jurisprudence has held that the amendment of one or more fundamental terms of a debt instrument can result in the creation of a new debt obligation in some circumstances, and for certain purposes. Thus, there can be no assurance that the CRA would not treat the Debenture Amendments as a disposition of the Debentures, or that a Canadian court would agree with the CRA's position. Each Debentureholder should consult its own tax advisor regarding the proper treatment of the Debenture Amendments for Canadian tax purposes.

In the event that the Debenture Amendments do not cause a disposition of the Debentures, then a Debentureholder will not be considered to have disposed of any property for tax purposes, and will have no adverse Canadian tax consequences at the Effective Time.

In the event that the Debenture Amendments do cause a disposition of the Debentures, a Debentureholder will be deemed to have received proceeds of disposition equal to the fair market value of the Debentures owned by the Debentureholder at the Effective Time. The Debentureholder will recognize a capital gain (or loss) on the

disposition equal to the amount by which the Debentureholder's proceeds of disposition, net of any reasonable costs of disposition, are greater than (or less than) the adjusted cost base to the Debentureholder of the Debentures owned at the Effective Time. See "Taxation of Capital Gains and Losses". The cost of the Debentures to the Debentureholder after the Effective Time will be equal to the fair market value of the Debentures at the Effective Time.

Taxation of Debentureholders

Interest on Debentures

A Debentureholder that is a corporation, partnership, unit trust or any trust of which a corporation or partnership is a beneficiary will be required to include in computing its income for a taxation year all interest on the Debentures that accrues or is deemed to accrue to the holder to the end of the particular taxation year or that has become receivable by or is received by the holder before the end of that taxation year, except to the extent that such interest was included in computing the holder's income for a preceding taxation year.

Any other Debentureholder will be required to include in computing income for a taxation year all interest on the Debentures that is received or receivable by the holder in that taxation year (depending upon the method regularly followed by the holder in computing income), except to the extent that the interest was included in the holder's income for a preceding taxation year. In addition, if at any time a Debenture should become an "investment contract" (as defined in the Tax Act) in relation to the holder, such holder will be required to include in computing income for a taxation year any interest that accrues to the holder on the Debenture up to any "anniversary day" (as defined in the Tax Act) in that year except to the extent such interest was otherwise included in the holder's income for that year or a preceding year.

A Debentureholder that is a "Canadian-controlled private corporation" (as defined in the Tax Act) may be liable to pay an additional refundable tax of 10% on its investment income for the year, which generally includes interest income.

Exercise of Conversion Privilege

Generally, a Debentureholder who converts a Debenture into Common Shares pursuant to the conversion privilege will be deemed not to have disposed of the Debenture and, accordingly, will not be considered to realize a capital gain (or capital loss) on such conversion. Under the current administrative practice of the CRA, a holder who, upon conversion of a Debenture into Common Shares, receives cash not in excess of \$200 in lieu of a fraction of a Common Share may treat this amount as proceeds of disposition of a portion of the Debenture, thereby realizing a capital gain (or capital loss), or reduce the adjusted cost base of the Common Shares that the holder receives on the conversion by the amount of the cash received.

Upon a conversion of a Debenture, interest accrued thereon to the date of conversion will be included in computing the income of the holder as described above under "Interest on Debentures". The aggregate cost to a holder of the Common Shares acquired on the conversion of a Debenture generally will be equal to the holder's adjusted cost base of the Debenture immediately before the conversion. The adjusted cost base to a holder of a Common Share at any time will be averaged with the adjusted cost base of any other Common Shares held by the holder as capital property at the time.

Redemption or Repayment of Debentures

If the Company redeems a Debenture prior to the Maturity Date or repays a Debenture upon the Maturity Date, the holder will be considered to dispose of the Debenture at that time for proceeds of disposition equal to the amount received by the holder (other than the amount received as interest) on such redemption or repayment. Upon disposition, any interest paid to a holder, or interest that has accrued on the Debenture to the date of disposition and which would otherwise be payable after that date, must be included in computing the income of the holder, except to the extent that it was included in computing the income of the holder for that or a previous taxation year. A holder will generally realize a capital gain (or capital loss) equal to the amount by which the holder's proceeds of disposition are greater (or less) than the adjusted cost base to the holder of the Debenture and any reasonable costs of disposition. See "Taxation of Capital Gains and Losses".

Other Disposition of Debentures

A disposition or deemed disposition by a holder of a Debenture (other than on a conversion, redemption or repayment) will generally result in the holder realizing a capital gain (or capital loss) equal to the amount by which the proceeds of disposition are greater (or less) than the aggregate of the holder's adjusted cost base thereof and any reasonable costs of disposition. See "Taxation of Capital Gains and Losses".

Upon such a disposition or deemed disposition of a Debenture, interest accrued thereon to the date of disposition and not yet due will be included in computing the holder's income, except to the extent such amount was otherwise included in the holder's income, and will be excluded in computing the holder's proceeds of disposition of the Debenture.

Taxation of Capital Gains and Losses

Generally, one-half of any capital gain (a "taxable capital gain") realized by a holder in a taxation year must be included in the income of the holder for the year, and one-half of any capital loss (an "allowable capital loss") realized by a holder in a taxation year may be deducted from taxable capital gains realized by the holder in that year. Allowable capital losses for a taxation year in excess of taxable capital gains for that year generally may be carried back and deducted in any of the three preceding taxation years or carried forward and deducted in any subsequent taxation year against net capital gains realized in such years to the extent and under the circumstances described in the Tax Act.

A holder that throughout the relevant taxation year is a "Canadian-controlled private corporation", as defined in the Tax Act, may be liable to pay an additional refundable tax of 10% on certain investment income, including interest and taxable capital gains. Capital gains realized by a holder who is an individual may give rise to a liability for alternative minimum tax.

GENERAL PROXY AND SERIES C DEBENTUREHOLDER MEETING MATTERS

Solicitation of Proxies and Voting Instructions

This Circular is furnished in connection with the solicitation of proxies and voting instructions by management of the Company to be used at the Series C Debentureholder Meeting. It is expected that the solicitation will be made primarily by mail, but proxies and voting instructions may also be solicited personally by employees of the Company at nominal costs.

Management may also retain one or more proxy solicitation firms on customary terms to solicit proxies on its behalf by telephone or electronic mail. The total cost the solicitation of proxies and voting instructions will be borne by the Company.

Beneficial Series C Debentureholders

The Series C Debentures have been issued in the form of global certificates registered in the name of CDS & Co. As such, CDS & Co. is the sole registered holder of Series C Debentures. Accordingly, all Series C Debentureholders do not hold their Series C Debentures in their own name. Such Series C Debentures are held by such Series C Debentureholders through one or more intermediaries (such as a bank, trust company, securities dealer or broker, or trustee or administrator of a self-administered RRSP, RRIF, RESP or similar plan).

Only registered Series C Debentureholders, or their duly appointed proxyholders, are permitted to attend and vote at the Series C Debentureholder Meeting or to appoint or revoke a proxy. If you are a beneficial owner, you are entitled to: (i) direct how the Series C Debentures beneficially owned by you are to be voted, or (ii) obtain a legal form of proxy that will entitle you to attend and vote at the Series C Debentureholder Meeting.

Applicable Canadian securities laws require the Company to forward meeting materials to depositories and other intermediaries for onward distribution to beneficial owners who have not waived their right to receive such materials and to seek voting instructions from such beneficial Series C Debentureholders in advance of the Series C

Debentureholder Meeting. Typically, intermediaries will use a service company (such as Broadridge Financial Solutions, Inc.) to forward the meeting materials to, and to obtain voting instructions from, beneficial owners.

If you are a beneficial Series C Debentureholder, you will receive either a voting instruction form or a form of proxy with your meeting materials. The purpose of these documents is to permit you to direct the voting of the Series C Series C Debentures you beneficially own. **Every broker and other intermediary has its own mailing procedures and provides its own return instructions. You should follow the instructions on the document you receive from your broker or other intermediary and the procedures set out below, depending on what type of document you receive.**

Request for Voting Instructions

If you do not wish to, or are unable to, attend the Series C Debentureholder Meeting (or want another person who need not be a Series C Debentureholder to attend and vote on your behalf), you should complete, sign and return the enclosed request for voting instructions in accordance with the directions provided. You may revoke your voting instructions prior to the Series C Debentureholder Meeting by following the instructions provided by your broker or other intermediary.

If you wish to attend the Series C Debentureholder Meeting and vote in person (or have another person who need not be a Series C Debentureholder to attend and vote on your behalf), you must complete, sign and return the enclosed request for voting instructions in accordance with the directions provided and a legal form of proxy will be sent to you giving you (or such other person) the right to attend and vote at the Series C Debentureholder Meeting. If you seek a legal form of proxy, you should follow the directions below under the heading "Beneficial Series C Debentureholders – Form of Proxy".

Form of Proxy

The form of proxy may be signed by your intermediary (typically by a facsimile, stamped signature) and completed to indicate the number of Series C Debentures beneficially owned by you. If the form of proxy has not been completed, it is being used by your intermediary to obtain voting instructions only, in which case you should follow the instructions set forth under "Beneficial Series C Debentureholders – Request for Voting Instructions".

If the form of proxy is completed and you do not wish to, or are unable to, attend the Series C Debentureholder Meeting you should complete the form of proxy and deposit it in accordance with the instructions set out in the section titled "Registered Series C Debentureholders" below. If you wish to attend the Series C Debentureholder Meeting, you must strike out the names of the persons named in the form of proxy and insert your name in the blank space provided. To be valid, proxies must be completed and returned to the Debenture Trustee in the manner and with the times set forth under "Registered Series C Debentureholders – Appointment of Proxies". You must register with the Series C Debenture Trustee when you arrive at the Series C Debentureholder Meeting.

You should follow the instructions on the document that you have received and contact your intermediary promptly if you need assistance.

Registered Series C Debentureholders

If you are a registered Series C Debentureholder, you may vote in person at the Series C Debentureholder Meeting or you may appoint another person to represent you as your proxyholder to vote your Series C Debentures on your behalf. If you wish to attend the Series C Debentureholder Meeting **do not** complete or return the enclosed form of proxy because you will vote in person at the Series C Debentureholder Meeting. Please register with the Debenture Trustee when you arrive at the Series C Debentureholder Meeting.

Appointment of Proxies

If you are a registered Series C Debentureholder and do not wish to, or are unable to, attend the Series C Debentureholder Meeting you can exercise your right to vote by completing, signing and returning a form of proxy for the Series C Debentures to Computershare Trust Company of Canada by mail or delivery in person to Computershare Trust Company of Canada at 100 University Avenue, 9th Floor, North Tower, Toronto, Ontario,

M5J 2Y1, in each case so as to ensure that the applicable form(s) of proxy arrives not later than 2:00 p.m. (Eastern Daylight time), on August 4, 2017 or, if the Series C Debentureholder Meeting is adjourned, 48 hours (excluding Saturdays, Sundays and holidays) before any adjourned Series C Debentureholder Meeting.

The individuals named in the enclosed form of proxy are representatives of the Company or its affiliates. You have the right to appoint someone else to represent you at the Series C Debentureholder Meeting and may do so by striking out the names of the persons named in the form of proxy for the Series C Debentureholder Meeting and inserting that other person's name in the blank space provided in the form of proxy. The person you appoint to represent you at the Series C Debentureholder Meeting need not be another Series C Debentureholder.

Revocation of Proxies

If you have submitted a form of proxy and later wish to revoke it, you can do so by:

- (a) completing and signing the applicable form of proxy bearing a later date and depositing it with Computershare Trust Company of Canada as described above;
- (b) depositing a document that is signed by you (or by someone you have properly authorized to act on your behalf): (i) at the registered office of the Company, 6009 Quinpool Road 10th Floor, Halifax, Nova Scotia B3K 5J7 to the attention of the "Chairman of the Board of Directors", at any time up to the last Business Day preceding the day of the Series C Debentureholder Meeting or any adjournment thereof, at which the form of proxy is to be used; or (ii) with the chairman of the Series C Debentureholder Meeting before the meeting starts on the day of the meeting or any adjournment thereof; or
- (c) following any other procedure that is permitted by law.

Only registered Series C Debentureholders have the right to revoke a proxy. Beneficial Series C Debentureholders who wish to change their vote must make appropriate arrangements with their brokers or other intermediaries. See "Beneficial Series C Debentureholders".

Voting of Proxies

In connection with any ballot that may be called for, the representatives designated in the enclosed form of proxy will vote the Series C Debentures represented thereby for or against the Debentureholder Resolution in accordance with the instructions indicated on the form of proxy and, if a choice is specified with respect to any matter to be acted upon, the Series C Debentures will be voted accordingly. In the absence of any direction, the Series C Debentures will be voted **FOR** the Debentureholder Resolution.

The representatives designated in the enclosed form of proxy have discretionary authority with respect to amendments to or variations of matters identified in the Notice of Serial Meeting of Series C Debentureholders and with respect to other matters that may properly come before the Series C Debentureholder Meeting.

At the date of this Circular, representatives of the Company know of no such amendments, variations or other matters.

Quorum and Votes Necessary to Pass the Series C Debentureholder Resolution

Under the Indenture, the quorum necessary for the transaction of business at the Series C Debentureholder Meeting consists of Series C Debentureholders present in person or by proxy and representing at least 25% in principal amount of the outstanding Series C Debentures. For the Debentureholder Resolution to be adopted in respect of a series of Debentures in accordance with the provisions of the Indenture, it must be approved by the holders of not less than 66⅔% of the principal amount of the Series C Debentures, present or represented by proxy at the Series C Debentureholder Meeting and entitled to vote on the Debentureholder Resolution.

Under the Indenture, if, at the Series C Debentureholder Meeting, the holders of not less than 25% in principal amount of the Series C Debentures outstanding are not present in person or by proxy within 30 minutes after the time appointed for the Series C Debentureholder Meeting, then the Series C Debentureholder Meeting shall be

adjourned to such date, being not less than 14 nor more than 60 days later, and to such place and time as may be appointed by the chair of the Series C Debentureholder Meeting. At the adjourned Series C Debentureholder Meeting, the Series C Debentureholders present in person or by proxy shall form a quorum and may transact the business for which the meeting was originally convened and a resolution proposed at such adjourned meeting and passed by the requisite vote shall be an "Extraordinary Resolution" within the meaning of the Indenture, notwithstanding that the holders of not less than 25% in principal amount of the Series C Debentures then outstanding are not present in person or by proxy at such adjourned Series C Debentureholder Meeting.

GENERAL PROXY AND SERIES B DEBENTUREHOLDER MEETING MATTERS

Solicitation of Proxies and Voting Instructions

This Circular is furnished in connection with the solicitation of proxies and voting instructions by management of the Company to be used at the Series B Debentureholder Meeting. It is expected that the solicitation will be made primarily by mail, but proxies and voting instructions may also be solicited personally by employees of the Company at nominal costs.

Management may also retain one or more proxy solicitation firms on customary terms to solicit proxies on its behalf by telephone or electronic mail. The total cost of the solicitation of proxies and voting instructions will be borne by the Company.

Beneficial Series B Debentureholders

The Series B Debentures have been issued in the form of global certificates registered in the name of CDS & Co. As such, CDS & Co. is the sole registered holder of Series B Debentures. Accordingly, all Series B Debentureholders do not hold their Series B Debentures in their own name. Such Series B Debentures are held by such Series B Debentureholders through one or more intermediaries (such as a bank, trust company, securities dealer or broker, or trustee or administrator of a self-administered RRSP, RRIF, RESP or similar plan).

Only registered Series B Debentureholders, or their duly appointed proxyholders, are permitted to attend and vote at the Series B Debentureholder Meeting or to appoint or revoke a proxy. If you are a beneficial owner, you are entitled to: (i) direct how the Series B Debentures beneficially owned by you are to be voted, or (ii) obtain a legal form of proxy that will entitle you to attend and vote at the Series B Debentureholder Meeting.

Applicable Canadian securities laws require the Company to forward meeting materials to depositories and other intermediaries for onward distribution to beneficial owners who have not waived their right to receive such materials and to seek voting instructions from such beneficial Series B Debentureholders in advance of the Series B Debentureholder Meeting. Typically, intermediaries will use a service company (such as Broadridge Financial Solutions, Inc.) to forward the meeting materials to, and to obtain voting instructions from, beneficial owners.

If you are a beneficial Series B Debentureholder, you will receive either a voting instruction form or a form of proxy with your meeting materials. The purpose of these documents is to permit you to direct the voting of the Series B Debentures you beneficially own. **Every broker and other intermediary has its own mailing procedures and provides its own return instructions. You should follow the instructions on the document you receive from your broker or other intermediary and the procedures set out below, depending on what type of document you receive.**

Request for Voting Instructions

If you do not wish to, or are unable to, attend the Series B Debentureholder Meeting (or want another person who need not be a Series B Debentureholder to attend and vote on your behalf), you should complete, sign and return the enclosed request for voting instructions in accordance with the directions provided. You may revoke your voting instructions prior to the Series B Debentureholder Meeting by following the instructions provided by your broker or other intermediary.

If you wish to attend the Series B Debentureholder Meeting and vote in person (or have another person who need not be a Series B Debentureholder to attend and vote on your behalf), you must complete, sign and return the enclosed request for voting instructions in accordance with the directions provided and a legal form of proxy will be sent to you giving you (or such other person) the right to attend and vote at the Series B Debentureholder Meeting. If you seek a legal form of proxy, you should follow the directions below under the heading "Beneficial Series B Debentureholders – Form of Proxy".

Form of Proxy

The form of proxy may be signed by your intermediary (typically by a facsimile, stamped signature) and completed to indicate the number of Series B Debentures beneficially owned by you. If the form of proxy has not been completed, it is being used by your intermediary to obtain voting instructions only, in which case you should follow the instructions set forth under "Beneficial Series B Debentureholders – Request for Voting Instructions".

If the form of proxy is completed and you do not wish to, or are unable to, attend the Series B Debentureholder Meeting you should complete the form of proxy and deposit it in accordance with the instructions set out in the section titled "Registered Series B Debentureholders" below. If you wish to attend the Series B Debentureholder Meeting, you must strike out the names of the persons named in the form of proxy and insert your name in the blank space provided. To be valid, proxies must be completed and returned to the Debenture Trustee in the manner and with the times set forth under "Registered Series B Debentureholders – Appointment of Proxies". You must register with the Debenture Trustee when you arrive at the Series B Debentureholder Meeting.

You should follow the instructions on the document that you have received and contact your intermediary promptly if you need assistance.

Registered Series B Debentureholders

If you are a registered Series B Debentureholder, you may vote in person at the Series B Debentureholder Meeting or you may appoint another person to represent you as your proxyholder to vote your Series B Debentures on your behalf. If you wish to attend the Series B Debentureholder Meeting **do not** complete or return the enclosed form of proxy because you will vote in person at the Series B Debentureholder Meeting. Please register with the Debenture Trustee when you arrive at the Series B Debentureholder Meeting.

Appointment of Proxies

If you are a registered Series B Debentureholder and do not wish to, or are unable to, attend the Series B Debentureholder Meeting you can exercise your right to vote by completing, signing and returning a form of proxy for the Series B Debentures to Computershare Trust Company of Canada by mail or delivery in person to Computershare Trust Company of Canada at 100 University Avenue, 9th Floor, North Tower, Toronto, Ontario, M5J 2Y1, in each case so as to ensure that the applicable form(s) of proxy arrives not later than 2:30 p.m. (Eastern Daylight time), on August 4, 2017 or, if the Series B Debentureholder Meeting is adjourned, 48 hours (excluding Saturdays, Sundays and holidays) before any adjourned Series B Debentureholder Meeting.

The individuals named in the enclosed form of proxy are representatives of the Company or its affiliates. You have the right to appoint someone else to represent you at the Series B Debentureholder Meeting and may do so by striking out the names of the persons named in the form of proxy for the Series B Debentureholder Meeting and inserting that other person's name in the blank space provided in the form of proxy. The person you appoint to represent you at the Series B Debentureholder Meeting need not be another Series B Debentureholder.

Revocation of Proxies

If you have submitted a form of proxy and later wish to revoke it, you can do so by:

- (a) completing and signing the applicable form of proxy bearing a later date and depositing it with Computershare Trust Company of Canada as described above;
- (b) depositing a document that is signed by you (or by someone you have properly authorized to act on your behalf): (i) at the registered office of the Company, 6009 Quinpool Road, 10th Floor,

Halifax, Nova Scotia B3K 5J7 to the attention of the "Chairman of the Board of Directors", at any time up to the last Business Day preceding the day of the Series B Debentureholder Meeting or any adjournment thereof, at which the form of proxy is to be used; or (ii) with the chairman of the Series B Debentureholder Meeting before the meeting starts on the day of the meeting or any adjournment thereof; or

- (c) following any other procedure that is permitted by law.

Only registered Series B Debentureholders have the right to revoke a proxy. Beneficial Series B Debentureholders who wish to change their vote must make appropriate arrangements with their brokers or other intermediaries. See "Beneficial Series B Debentureholders".

Voting of Proxies

In connection with any ballot that may be called for, the representatives designated in the enclosed form of proxy will vote the Series B Debentures represented thereby for or against the Series B Debentureholder Resolution in accordance with the instructions indicated on the form of proxy and, if a choice is specified with respect to any matter to be acted upon, the Series B Debentures will be voted accordingly. In the absence of any direction, the Series B Debentures will be voted **FOR** the Debentureholder Resolution.

The representatives designated in the enclosed form of proxy have discretionary authority with respect to amendments to or variations of matters identified in the Notice of Serial Meeting of Series B Debentureholders and with respect to other matters that may properly come before the Series B Debentureholder Meeting.

At the date of this Circular, representatives of the Company know of no such amendments, variations or other matters.

Quorum and Votes Necessary to Pass the Debentureholder Resolution

Under the Indenture, the quorum necessary for the transaction of business at the Series B Debentureholder Meeting consists of Series B Debentureholders present in person or by proxy and representing at least 25% in principal amount of the outstanding Series B Debentures. For the Debentureholder Resolution to be adopted in respect of a series of Debentures in accordance with the provisions of the Indenture, it must be approved by the holders of not less than 66⅔% of the principal amount of the Series B Debentures, present or represented by proxy at the Series B Debentureholder Meeting and entitled to vote on the Debentureholder Resolution.

Under the Indenture, if, at the Series B Debentureholder Meeting, the holders of not less than 25% in principal amount of the Series B Debentures outstanding are not present in person or by proxy within 30 minutes after the time appointed for the Series B Debentureholder Meeting, then the Series B Debentureholder Meeting shall be adjourned to such date, being not less than 14 nor more than 60 days later, and to such place and time as may be appointed by the chair of the Series B Debentureholder Meeting. At the adjourned Series B Debentureholder Meeting, the Series B Debentureholders present in person or by proxy shall form a quorum and may transact the business for which the meeting was originally convened and a resolution proposed at such adjourned meeting and passed by the requisite vote shall be an "Extraordinary Resolution" within the meaning of the Indenture, notwithstanding that the holders of not less than 25% in principal amount of the Series B Debentures then outstanding are not present in person or by proxy at such adjourned Series B Debentureholder Meeting.

Interest of Certain Persons or Companies in Matters to be Acted Upon

Except as otherwise disclosed in this Circular, no director or executive officer of the Company at any time since the beginning of the Company's last financial year nor any of their respective associates or affiliates, has any material interest, direct or indirect, by way of beneficial ownership of securities or otherwise in any matter to be acted upon at the Debentureholder Meetings.

Voting Securities and Principal Holders of Voting Securities

As at the date hereof, the Company has outstanding \$40,572,000 principal amount of the Series C Debentures and \$52,180,000 principal amount of the Series B Debentures. Each Debentureholder present in person or represented by

proxy at a Debentureholder Meeting shall be entitled to one vote in respect of each \$1,000 principal amount of Debentures held by such Debentureholder. Any holder of record of Debentures at the close of business on the Record Date is entitled to vote the Debentures registered in his or her name at that date on each matter to be acted upon at the Debentureholder Meeting.

To the knowledge of the directors and executive officers of the Company, no person or company beneficially owns, or controls or directs, directly or indirectly, Debentures carrying 10% or more of the voting rights attached to the outstanding principal amount of the Debentures.

Interest of Informed Persons in Material Transactions

To the knowledge of the directors of the Company, no "informed person", proposed nominee for director of the Company or any associate or affiliate of any informed person or proposed nominee for director of the Company had any material interest, direct or indirect, by way of beneficial ownership of securities or otherwise, in any material transaction with the Company since the commencement of the Company's 2017 fiscal year, or in any proposed transaction which has materially affected or would materially affect the Company or any of its subsidiaries. "Informed Person" means:

- (a) a Director or Executive Officer of the Company;
- (b) a Director or Executive Officer of a person or company that is itself an informed person or subsidiary of the Company;
- (c) any person or company who beneficially owns, or controls or directs, directly or indirectly, voting securities of a reporting issuer or who exercises control or direction over voting securities of the Company or a combination of both carrying more than 10% of the voting rights attached to all voting securities; and
- (d) the Company, if it has purchased, redeemed or otherwise acquired any of its securities, for so long as it holds any of its securities.

Other Business

Management of the Company does not currently know of any matters to be brought before the Debentureholder Meetings other than those set forth in the Notice of Serial Meeting of Series C Debentureholders and Notice of Serial Meeting of Series B Debentureholders accompanying this Circular.

DEBENTUREHOLDER RIGHTS

Some of your rights as a Debentureholder, including those relating to the Debentureholder Meeting, are described generally in this Circular. For more details, reference is made to the full text of the Indenture, a copy of which is posted for public access on the Company's SEDAR profile at www.sedar.com, or, alternatively, can be obtained upon written request to the Company by: (i) mail at 6009 Quinpool Road, 10th Floor, Halifax, Nova Scotia B3K 5J7; (ii) telephone at (902) 404-3499; or (iii) fax at (902) 423-4001.

DEBENTURE TRUSTEE

The Debenture Trustee under the Indenture is Computershare Trust Company of Canada, a trust company incorporated under the laws of Canada. The Debenture Trustee may be contacted as follows:

Computershare Trust Company of Canada
100 University Ave, 8th Floor
Toronto, ON M5J 2Y1
Attention: Corporate Trust

ADDITIONAL INFORMATION

Additional information relating to the Company is available on the SEDAR website at www.sedar.com.

Information relating to the Audit Committee and Company's external auditors is available in the Company's AIF in the section entitled "Management of Holloway – Committees of the Board of Directors" which is available on the SEDAR website at www.sedar.com.

Financial information for the Company is provided in the Company's comparative financial statements and management's discussion and analysis for the most recently completed financial year. This information and additional information relating to the Company can be found on the SEDAR website and on the Company's website at www.hlcorp.ca. Copies of the Company's financial statements, management's discussion and analysis and any other public document may be obtained upon request by contacting the Company's Chief Financial Officer. The Company may require the payment of a reasonable charge if the request is made by a person who is not a shareholder or Debentureholder of the Company.

DIRECTORS' APPROVAL

The contents of this Circular and its sending to Debentureholders have been approved by the Board of Directors.

DATED at Toronto, Ontario, the 12th day of July, 2017.

By Order of the Board of Directors,

(Signed) "*Michael Rapps*"
Michael Rapps
Chairman

CONSENT OF BENNETT JONES LLP

TO: The Board of Directors of Holloway Lodging Corporation

We consent to the inclusion of our name in the section titled "Certain Canadian Federal Income Tax Considerations" in the information circular dated July 12, 2017 of Holloway Lodging Corporation in connection with the serial meetings of holders of Series C 7.50% Convertible Unsecured Subordinated Debentures due September 30, 2018 and the Series B 6.25% Convertible Unsecured Subordinated Debentures due February 28, 2020, and the reference to our opinion contained therein.

July 12, 2017

(Signed) *"Bennett Jones LLP"*

BENNETT JONES LLP

APPENDIX "A"

SERIES C DEBENTUREHOLDER RESOLUTION

Capitalized terms herein have the meanings ascribed thereto in the management information circular of Holloway Lodging Corporation (the "**Company**") dated July 12, 2017 ("**Circular**").

BE IT RESOLVED as an Extraordinary Resolution that:

- (a) the amendments to the second amended and restated trust indenture dated July 31, 2014 (the "**Indenture**") between the Company and Computershare Trust Company of Canada (the "**Debenture Trustee**") governing the Series C 7.50% convertible unsecured subordinated debentures due September 30, 2018 (the "**Debentures**"), as described in the Circular and as set forth in the supplemental trust indenture (the "**Supplemental Indenture**") substantially in the form attached as Appendix "C" to the Circular are hereby approved and authorized;
- (b) the Debenture Trustee is hereby authorized and directed to concur in, execute and deliver one or more Supplemental Indentures to the Indenture which give effect to the amendments to the Indenture as substantially set out in Appendix "C" to the Circular and all amendments incidental or ancillary thereto;
- (c) the Debenture Trustee is hereby authorized and directed to execute and to cause to be executed on behalf of the holders of the Debentures or to deliver or cause to be delivered all such documents, agreements and instruments and to do or cause to be done all such other acts and things as the Company and its advisors shall determine to be necessary or desirable to carry out the intent of this Extraordinary Resolution and the matters authorized hereby, such determination to be conclusively evidenced by the execution and delivery of any such document, agreement or instrument or the doing of any such act or thing;
- (d) notwithstanding that this Extraordinary Resolution has been passed by the holders of the Debentures, the Company is authorized, without further notice to or approval of the holders of the Debentures, to (i) amend the Supplemental Indenture, or (ii) not proceed with the transactions contemplated by the entering into of the Supplemental Indenture;
- (e) any officer or director of the Company is hereby authorized and directed to execute and deliver all documents and to do all other acts or things as such individual may, in his or her sole discretion, determine to be appropriate from time to time to give effect to the foregoing, such determination to be conclusively evidenced by the execution and delivery by such individual of such documents or the doing of such other acts or things; and
- (f) the Debenture Trustee is hereby authorized and directed to execute and deliver all documents and to do all other acts or things as the Debenture Trustee may determine to be necessary or appropriate from time to time to give effect to the foregoing, such determination to be conclusively evidenced by the execution and delivery by the Debenture Trustee of such documents or the doing of such other acts or things.

APPENDIX "B"

SERIES B DEBENTUREHOLDER RESOLUTION

Capitalized terms herein have the meanings ascribed thereto in the management information circular of Holloway Lodging Corporation (the "**Company**") dated July 12, 2017 ("**Circular**").

BE IT RESOLVED as an Extraordinary Resolution that:

- (a) the amendments to the second amended and restated trust indenture dated July 31, 2014 (the "**Indenture**") between the Company and Computershare Trust Company of Canada (the "**Debenture Trustee**") governing the Series B 6.25% convertible unsecured subordinated debentures due February 28, 2020 (the "**Debentures**"), as described in the Circular and as set forth in the supplemental trust indenture (the "**Supplemental Indenture**") substantially in the form attached as Appendix "C" to the Circular are hereby approved and authorized;
- (b) the Debenture Trustee is hereby authorized and directed to concur in, execute and deliver one or more Supplemental Indentures to the Indenture which give effect to the amendments to the Indenture as substantially set out in Appendix "C" to the Circular and all amendments incidental or ancillary thereto;
- (c) the Debenture Trustee is hereby authorized and directed to execute and to cause to be executed on behalf of the holders of the Debentures or to deliver or cause to be delivered all such documents, agreements and instruments and to do or cause to be done all such other acts and things as the Company and its advisors shall determine to be necessary or desirable to carry out the intent of this Extraordinary Resolution and the matters authorized hereby, such determination to be conclusively evidenced by the execution and delivery of any such document, agreement or instrument or the doing of any such act or thing;
- (d) notwithstanding that this Extraordinary Resolution has been passed by the holders of the Debentures, the Company is authorized, without further notice to or approval of the holders of the Debentures, to (i) amend the Supplemental Indenture, or (ii) not proceed with the transactions contemplated by the entering into of the Supplemental Indenture;
- (e) any officer or director of the Company is hereby authorized and directed to execute and deliver all documents and to do all other acts or things as such individual may, in his or her sole discretion, determine to be appropriate from time to time to give effect to the foregoing, such determination to be conclusively evidenced by the execution and delivery by such individual of such documents or the doing of such other acts or things; and
- (f) the Debenture Trustee is hereby authorized and directed to execute and deliver all documents and to do all other acts or things as the Debenture Trustee may determine to be necessary or appropriate from time to time to give effect to the foregoing, such determination to be conclusively evidenced by the execution and delivery by the Debenture Trustee of such documents or the doing of such other acts or things.

APPENDIX "C"

FORM OF FIRST SUPPLEMENTAL TRUST INDENTURE

This First Supplemental Trust Indenture is entered into as of the ● day of ●, 2017,

BETWEEN:

HOLLOWAY LODGING CORPORATION, a corporation existing under the laws of the Province of Ontario and having its head office in the City of Halifax, in the Province of Nova Scotia (hereinafter called the "**Corporation**")

AND

COMPUTERSHARE TRUST COMPANY OF CANADA, a trust company incorporated under the federal laws of Canada having an office in the City of Halifax, in the Province of Nova Scotia, in its capacity as trustee under a second amended and restated trust indenture dated July 31, 2014 (hereinafter called the "**Indenture Trustee**")

WITNESSETH THAT:

WHEREAS the Corporation and the Indenture Trustee entered into a second amended and restated trust indenture dated July 31, 2014 (the "**Indenture**");

AND WHEREAS there are two series of debentures outstanding under the Indenture, being the Series C 7.50% convertible unsecured subordinated debentures due September 30, 2018 (the "**Series C Debentures**") and the Series B 6.25% convertible unsecured subordinated debentures due February 28, 2020 (the "**Series B Debentures**");

AND WHEREAS Article 16 of the Indenture permits the Corporation and the Indenture Trustee to execute, acknowledge and deliver a supplemental indenture for the purpose of giving effect to any Extraordinary Resolution (as defined in the Indenture) passed as provided in Article 13 of the Indenture;

AND WHEREAS the holders of the Series C Debentures and the holders of the Series B Debentures have each approved an Extraordinary Resolution to provide for certain amendments to the Debentures and to enter into this first supplemental trust indenture (this "**First Supplemental Indenture**") with the Indenture Trustee to provide for such amendments, which First Supplemental Indenture and Indenture will govern the terms of the Series C Debentures and Series B Debentures;

AND WHEREAS all necessary acts and proceedings have been done and taken and all necessary resolutions have been passed, including an Extraordinary Resolution to authorize the execution and delivery of this First Supplemental Indenture, to make the same effective and binding upon the Corporation, and to make the amendments to the Debentures, when authenticated by the Indenture Trustee as provided in this First Supplemental Indenture, valid, binding and legal obligations of the Corporation with the benefit and subject to the terms of the Indenture and this First Supplemental Indenture;

AND WHEREAS the foregoing recitals are made as representations and statements of fact by the Corporation and not by the Indenture Trustee;

NOW THEREFORE it is hereby covenanted, agreed and declared as follows:

**ARTICLE 1
DEFINITIONS AND AMENDMENTS TO INDENTURE**

1.1 Definitions

All capitalized terms not defined herein shall have the meanings given to them in the Indenture.

1.2 Amendments to Indenture

This First Supplemental Indenture is supplemental to the Indenture and shall hereafter be read together and shall have effect, so far as practicable, with respect to the Debentures as if all the provisions of the Indenture and this First Supplemental Indenture were contained in one instrument. The Indenture is and shall remain in full force and effect with regards to all matters governing the Debentures, except as the Indenture is amended, superseded, modified or supplemented by this First Supplemental Indenture. Any references in the text of this First Supplemental Indenture to section numbers, article numbers, "hereto", "herein", "hereby", "hereunder", "hereof" and similar expressions refer to the Indenture unless otherwise qualified.

ARTICLE 2 THE DEBENTURES

2.1 Amendments to Series C Debentures

The provisions of the Series C Debentures as set forth in the Indenture are amended as follows:

- (a) The definition of "Conversion Price" in section 1.1(k) of the Indenture is hereby amended by deleting the phrase ", Series C Debentures" in the second line of that definition.
- (b) Section 2.5(b) of the Indenture is hereby amended by deleting the references to "September 30, 2018" in the fourth and sixth lines of that section and replacing them with "September 30, 2021".
- (c) Section 2.5(e) of the Indenture is hereby amended by deleting the reference to "0.1 of a Common Share and \$1.00 in cash" in the eighth line of that section and replacing it with "Common Shares".
- (d) The first sentence of the second paragraph of Section 2.5(e) of the Indenture is hereby deleted in its entirety and replaced with the following:

"The Conversion Price in effect on the date of this Indenture for each Common Share to be issued upon conversion of the Series C Debentures shall be equal to \$12.50, such that approximately 80 Common Shares shall be issued for each \$1,000 principal amount of Series C Debentures so converted."
- (e) The following subsection is hereby added to the Indenture immediately following Section 2.5(l) of the Indenture:

"The Corporation may from time to time provide notice (an "**Exchange Notice**") to the holders of Series C Debentures that the Corporation is offering to acquire their Series C Debentures in exchange for a new series of Debentures having the terms and conditions determined by the Corporation and set forth in the Exchange Notice. Upon receiving an Exchange Notice from the Corporation, each holder of Series C Debentures may, at the holder's option, exchange its Series C Debentures for the new series of Debentures of the Corporation. The Exchange Notice shall set forth the terms and conditions of the new series of Debentures, the manner in which a holder of Series C Debentures may exercise its right to exchange its Series C Debentures for the new series of Debentures and all other information that the Corporation determines is necessary or appropriate to include in such Exchange Notice."
- (f) Schedules C.1 and C.2 of the Indenture are hereby deleted in their entirety and replaced with Schedules C.1 and C.2 to this First Supplemental Indenture.

2.2 Amendments to Series B Debentures

- (a) The following subsection is hereby added to the Indenture immediately following Section 2.4(l) of the Indenture:

"The Corporation may from time to time provide notice (an "**Exchange Notice**") to the holders of Series B Debentures that the Corporation is offering to acquire their Series B Debentures in exchange for a new series of Debentures having the terms and conditions determined by the Corporation and set forth in the Exchange Notice. Upon receiving an Exchange Notice from the Corporation, each holder of Series B Debentures may, at the holder's option, exchange its Series B Debentures for the new series of Debentures of the Corporation. The Exchange Notice shall set forth the terms and conditions of the new series of Debentures, the manner in which a holder of Series B Debentures may exercise its right to exchange its Series B Debentures for the new series of Debentures and all other information that the Corporation determines is necessary or appropriate to include in such Exchange Notice."

ARTICLE 3 ADDITIONAL MATTERS

3.1 Confirmation of Indenture

The Indenture, as amended and supplemented by this First Supplemental Indenture, is in all respects confirmed.

3.2 Acceptance of Trust

The Indenture Trustee hereby accepts the trusts in this First Supplemental Indenture declared and provided for and agrees to perform the same upon the terms and conditions herein set forth and to hold all rights, privileges and benefits conferred hereby and by law in trust for the various Persons who shall from time to time be Debentureholders, subject to the provisions set forth in the Indenture.

3.3 Governing Law

This First Supplemental Indenture and the Debentures shall be governed by and construed in accordance with the laws of the Province of Nova Scotia and the laws of Canada applicable therein and shall be treated, in all respects, as a Nova Scotia contract.

3.4 Further Assurances

The parties shall, with reasonable diligence, do all such things and provide all such reasonable assurances as may be required to consummate the transactions contemplated by this First Supplemental Indenture, and each party shall provide such further documents or instruments required by the other party as may be reasonably necessary or desirable to effect the purpose of this First Supplemental Indenture and carry out its provisions.

3.5 Conflicts

If a provision of this First Supplemental Indenture is inconsistent or conflicts with any provision of the Indenture, the relevant provision of this First Supplemental Indenture shall prevail and be paramount.

3.6 Counterparts

This First Supplemental Indenture may be executed by the parties in separate counterparts, each of which when so executed and delivered shall be an original, but all such counterparts shall together constitute one and the same instrument.

IN WITNESS WHEREOF the parties hereto have executed these presents under their respective corporate seals and the hands of their proper officers in that behalf.

HOLLOWAY LODGING CORPORATION

Per: _____
Name:
Title:

COMPUTERSHARE TRUST COMPANY OF CANADA

Per: _____
Name:
Title:

Per: _____
Name:
Title:

SCHEDULE "C.1"

to the Second Amended and Restated Trust Indenture between Holloway Lodging Corporation and
Computershare Trust Company of Canada

FORM OF DEBENTURE

This Debenture is a global Debenture within the meaning of the Indenture herein referred to and is registered in the name of a Depository or a nominee thereof. This Debenture may not be transferred to or exchanged for Debentures registered in the name of any person other than the Depository or a nominee thereof and no such transfer may be registered except in the limited circumstances described in the Indenture. Every Debenture authenticated and delivered upon registration of, transfer of, or in exchange for, or in lieu of, this Debenture shall be a global Debenture subject to the foregoing, except in such limited circumstances described in the Indenture.

Unless this Debenture is presented by an authorized representative of CDS Clearing and Depository Services Inc. ("CDS") to Holloway Lodging Corporation or its agent for registration of transfer, exchange or payment, and any Debenture issued in respect thereof is registered in the name of CDS & CO., or in such other name as is requested by an authorized representative of CDS (and any payment is made to CDS & CO. or to such other entity as is requested by an authorized representative of CDS), ANY TRANSFER, PLEDGE OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL since the registered holder hereof, CDS & CO. has a property interest in the securities represented by this certificate herein and it is a violation of its rights for another person to hold, transfer or deal with this certificate. This certificate is issued pursuant to a Master Letter of Representations of Holloway Lodging Corporation to CDS, as such letter may be replaced or amended from time to time.

CUSIP [...]

No. [...]

\$ [...]

HOLLOWAY LODGING CORPORATION

(a corporation incorporated under the *Business Corporations Act* (Ontario))

SERIES C CONVERTIBLE UNSECURED SUBORDINATED DEBENTURE

Due September 30, 2021

HOLLOWAY LODGING CORPORATION (the "Corporation") for value received hereby acknowledges itself indebted and, subject to the provisions of the Second Amended and Restated Trust Indenture (the "Indenture") dated as of July 31, 2014 between the Corporation and Computershare Trust Company of Canada (the "Indenture Trustee"), as supplemented by the First Supplemental Indenture dated August __, 2017, promises to pay to the registered holder hereof on September 30, 2021 (the "Maturity Date") or on such earlier date as the principal amount hereof may become due in accordance with the provisions of the Indenture, the principal sum of _____ Dollars (\$ _____) in lawful money of Canada on presentation and surrender of this Debenture at the main branch of the Indenture Trustee in Halifax, Nova Scotia or Toronto, Ontario in accordance with the terms of the Indenture and to pay interest on the principal amount hereof from the date hereof, or from the last interest payment date to which interest shall have been paid or made available for payment on the outstanding Series C Debentures (as hereinafter defined), whichever is later, at the rate of 6.25% per annum, in like money, in arrears in equal semi-annual installments (less any tax required by law to be deducted) on September 30 and March 31 in each year commencing on June 30, 2007 and at a rate of 7.50% commencing on March 31, 2013 and, should the Corporation at any time make default in the payment of any principal or interest, to pay interest on the amount in default at the same rate, in like money.

Interest hereon shall be payable by electronic funds transfer or by cheque mailed to the registered holder hereof and, subject to the provisions of the Indenture, the electronic funds transfer or mailing of such cheque shall, to the extent of the sum represented thereby (plus the amount of any tax withheld), satisfy and discharge all liability for interest on this Series C Debenture. Subject to applicable law and applicable regulatory approval, the Corporation shall have the right, at its option upon not more than 60 days' and not less than 15 days' prior written notice, to elect to satisfy its obligation to pay interest on the Series C Debentures, in whole or in part, in each case, by issuing and delivering Freely Tradeable Common Shares to Debentureholders in accordance with the terms of the Indenture.

This Series C Debenture is one of the Series C Convertible Unsecured Subordinated Debentures due on the Maturity Date of the Corporation issued or issuable under the provisions of the Indenture (referred to herein as the "**Series C Debentures**"). The Series C Debentures are limited to an aggregate principal amount of \$69,000,000 in lawful money of Canada. Reference is hereby expressly made to the Indenture for a description of the terms and conditions upon which the Series C Debentures are or are to be issued and held and the rights and remedies of the holders of the Series C Debentures and of the Corporation and of the Indenture Trustee, all to the same effect as if the provisions of the Indenture were herein set forth, to all of which provisions the holder of this Series C Debenture by acceptance hereof assents.

The Series C Debentures are issuable only in denominations of \$1,000 and integral multiples thereof. Upon compliance with the provisions of the Indenture, Series C Debentures of any denomination may be exchanged for an equal aggregate principal amount of Series C Debentures in any other authorized denomination or denominations.

The whole, or if this Series C Debenture is in a denomination in excess of \$1,000, any part of which is \$1,000 or an integral multiple thereof, of the principal of this Series C Debenture is convertible, at the option of the holder hereof, upon surrender of this Series C Debenture at the principal office of the Indenture Trustee in Halifax, Nova Scotia or Toronto, Ontario, at any time prior to the close of Business on the Business Day immediately preceding the Maturity Date, into Common Shares (without adjustment for interest accrued hereon or for dividends or distributions on Common Shares issuable upon conversion) at a conversion price of \$12.50 (the "**Conversion Price**") per Common Share, being a rate of 80 Common Shares for each \$1,000 principal amount of the Series C Debentures, all subject to the terms and conditions and in the manner set forth in the Indenture. The Indenture makes provision for the adjustment of the Conversion Price in the events therein specified. No fractional Common Shares will be issued on any conversion but in lieu thereof, the Corporation will satisfy such fractional interests by a cash payment equal to the market price of such fractional interest determined in accordance with the Indenture. Holders converting their Series C Debentures will receive accrued and unpaid interest thereon.

This Debenture is not redeemable on or before September 30, 2009. On and after October 1, 2010 but prior to September 30, 2011, this Debenture is redeemable, in whole or in part, at a price equal to the principal amount therefor, plus accrued and unpaid interest, at the Corporation's sole option on not more than 60 days' and not less than 30 days' prior notice, provided that the current market price on the date on which notice of redemption is given is not less than 125% of the Conversion Price. After September 30, 2011, but prior to the Maturity Date, the Debentures will be redeemable, in whole or in part, at a price equal to the principal amount thereof, plus accrued and unpaid interest, at the Corporation's sole option of not more than 60 days' and not less than 15 days' prior notice. In the case of a redemption of less than all of the Debentures, the Debentures to be redeemed will be selected by the Indenture Trustee on a pro rata basis or in such other manner as the Indenture Trustee deems equitable, subject to the consent of the Toronto Stock Exchange.

If a takeover bid for the Series C Debentures, within the meaning of the *Securities Act* (Nova Scotia), is made and 90% or more of the principal amount of all the Series C Debentures (other than the Series C Debentures held at the date of the takeover bid by or on behalf of the Offeror, Associates or Affiliates of the Offeror or anyone acting jointly or in concert with the Offeror) are taken up and paid for by the Offeror, the Offeror will be entitled to acquire the Series C Debentures of those holders who did not accept the offer on the same terms as the Offeror acquired the first 90% of the principal amount of the Series C Debentures.

The Corporation may, on notice as provided in the Indenture, at its option (subject to any applicable regulatory approval), elect to satisfy the obligation to repay the principal amount of this Series C

Debenture due on the Maturity Date by the issue of that number of Common Shares obtained by dividing the principal amount of the Series C Debentures then outstanding by 95% of the weighted average trading price of the Common Shares on the Toronto Stock Exchange for the 20 consecutive trading days ending on the fifth trading day preceding the Maturity Date.

The indebtedness evidenced by this Series C Debenture, and by all other Series C Debentures now or hereafter certified and delivered under the Indenture, is a direct unsecured obligation of the Corporation, and is subordinated in right of payment, to the extent and in the manner provided in the Indenture, to the prior payment of all Senior Indebtedness, whether outstanding at the date of the Indenture or thereafter created, incurred, assumed or guaranteed, provided that the Series C Debentures will rank *pari passu* with the Series B Debentures.

The principal hereof may become or be declared due and payable before the stated maturity in the events, in the manner, with the effect and at the times provided in the Indenture.

The Indenture contains provisions making binding upon all holders of Debentures outstanding thereunder (or in certain circumstances, specific series of Debentures) resolutions passed at meetings of such holders held in accordance with such provisions and instruments signed by the holders of a specified majority of Debentures outstanding (or specific series), which resolutions or instruments may have the effect of amending the terms of this Series C Debenture or the Indenture.

The Indenture contains provisions disclaiming any personal liability on the part of holders of Common Shares or the directors, officers or agents of the Corporation in respect of any obligation or claim arising out of the Indenture or this Series C Debenture.

This Series C Debenture may only be transferred, upon compliance with the conditions prescribed in the Indenture, in one of the registers to be kept at the principal offices of the Indenture Trustee in Halifax, Nova Scotia or Toronto, Ontario and in such other place or places and/or by such other registrars (if any) as the Corporation with the approval of the Indenture Trustee may designate. No transfer of this Series C Debenture shall be valid unless made to the register by the registered holder hereof or his executors or administrators or other legal representatives, or his or their attorney duly appointed by an instrument in form and substance satisfactory to the Indenture Trustee or other registrar, and upon compliance with such reasonable requirements as the Indenture Trustee and/or other registrar may prescribe and upon surrender of this Series C Debenture for cancellation.

This Series C Debenture shall not become obligatory for any purpose until it shall have been certified by the Indenture Trustee under the Indenture.

Capitalized words or expressions used in this Series C Debenture shall, unless otherwise defined herein, have the meaning ascribed thereto in the Indenture.

IN WITNESS WHEREOF HOLLOWAY LODGING CORPORATION has caused this Series C Debenture to be signed by its authorized representative as of the ● day of ●, 20●.

HOLLOWAY LODGING CORPORATION

By: _____

TRUSTEE'S CERTIFICATE

This Series C Debenture is one of the Series C Convertible Unsecured Subordinated Debentures due September 30, 2021 referred to in the Indenture within mentioned.

COMPUTERSHARE TRUST COMPANY OF CANADA

By: _____
(Authorized Officer)

THIS CERTIFICATE OF THE INDENTURE TRUSTEE SIGNED ON THE SECURITIES WILL NOT BE CONSTRUED AS A REPRESENTATION OR WARRANTY BY THE INDENTURE TRUSTEE AS TO THE VALIDITY OF THE INDENTURE OR OF THE SECURITIES OR OF THEIR ISSUANCE AND THE INDENTURE TRUSTEE WILL IN NO RESPECT BE LIABLE OR ANSWERABLE FOR THE USE MADE OF SUCH SECURITIES OR ANY OF THEM OR THE PROCEEDS THEREOF. THIS CERTIFICATE OF THE INDENTURE TRUSTEE SIGNED ON THE SECURITIES WILL, HOWEVER, BE A REPRESENTATION AND WARRANTY BY THE INDENTURE TRUSTEE THAT THE SECURITIES HAVE BEEN DULY CERTIFIED BY OR ON BEHALF OF THE INDENTURE TRUSTEE PURSUANT TO THE PROVISIONS OF THE INDENTURE.

REGISTRATION PANEL
(No writing hereon except by Indenture Trustee or other registrar)

Date of Registration	In Whose Name Registered	Signature of Indenture Trustee or Registrar

ASSIGNMENT

FOR VALUE RECEIVED, the undersigned hereby sells, assigns and transfers unto _____, whose address and social insurance number, if applicable, are set forth below, this Series C Debenture (or \$ _____ principal amount hereof*) of HOLLOWAY LODGING CORPORATION standing in the name(s) of the undersigned in the register maintained by the Corporation with respect to such Series C Debenture and does hereby irrevocably authorize and direct the Indenture Trustee to transfer such Series C Debenture in such register, with full power of substitution in the premises.

Dated: _____

Address of Transferee: _____
(Street Address, City, Province and Postal Code)

Social Insurance Number of Transferee, if applicable: _____

*If less than the full principal amount of the within Series C Debenture is to be transferred, indicate in the space provided the principal amount (which must be \$1,000 or an integral multiple thereof, unless you hold a Series C Debenture in a non-integral multiple of \$1,000, in which case such Series C Debenture is transferable only in its entirety) to be transferred.

The signature(s) to this assignment must correspond with the name(s) as written upon the face of this Series C Debenture in every particular without alteration or any change whatsoever. The signature(s) must be guaranteed by a Canadian chartered bank or trust company or by a member of an acceptable Medallion Guarantee Program. Notarized or witnessed signatures are not acceptable as guaranteed signatures. The Guarantor must affix a stamp bearing the actual words: "SIGNATURE GUARANTEED".

The registered holder of this Series C Debenture is responsible for the payment of any documentary, stamp or other transfer taxes that may be payable in respect of the transfer of this Series C Debenture.

Signature of Guarantor:

Authorized Officer

Signature of transferring registered holder

Name of Institution

EXHIBIT "1"
TO CDS GLOBAL DEBENTURE
HOLLOWAY LODGING CORPORATION
SERIES C CONVERTIBLE UNSECURED SUBORDINATED DEBENTURES
DUE SEPTEMBER 30, 2021

Initial Principal Amount : _____

CUSIP: [...]

ISIN: [...]

Authorization: _____

ADJUSTMENTS

DATE	AMOUNT OF INCREASE	AMOUNT OF DECREASE	NEW PRINCIPAL AMOUNT	AUTHORIZATION

SCHEDULE "C.2"

HOLLOWAY LODGING CORPORATION

SERIES C CONVERTIBLE UNSECURED SUBORDINATED DEBENTURES

DUE SEPTEMBER 21, 2021

MATURITY NOTICE

To: Holders of Series C Convertible Unsecured Subordinated Debentures due September 30, 2021 (the "**Debentures**") of Holloway Lodging Corporation (the "**Corporation**")

Note: All capitalized terms used herein have the meaning ascribed thereto in the Second Amended and Restated Trust Indenture mentioned below, unless otherwise indicated.

Notice is hereby given pursuant to section 2.5(f) of the Second Amended and Restated Trust Indenture dated as of _____ between the Corporation and Computershare Trust Company of Canada (the "**Indenture**"), as trustee (the "**Indenture Trustee**"), that the Debentures will become due and payable as of September 30, 2021 (the "**Maturity Date**").

[Pursuant to section 4.10 of the Indenture, the Corporation hereby advises the holders of the Series C Debentures that it is exercising the Common Share Repayment Right and that it will satisfy its obligations to pay the principal amount of the Series C Debentures by delivering to the Series C Debenture holders (subject to withholding or deduction on account of applicable taxes) that number of Freely Tradeable Common Shares equal to the number obtained by dividing the principal amount of such Series C Debentures by 95% of the Current Market Price of Common Shares on the Maturity Date. Upon presentation and surrender of the Series C Debentures, the Corporation shall pay or cause to be paid in cash to the holder all accrued and unpaid interest to the Maturity Date, together with the case equivalent representing fractional Common Shares, and shall, on the Maturity Date, send to the Indenture Trustee certificates representing the Common Shares to which the holder is entitled.]

DATED:

HOLLOWAY LODGING CORPORATION

(Authorized Officer)

