EARLY WARNING REPORT FILED
UNDER NATIONAL INSTRUMENT 62-103

1. Name and address of Offeror

Welsh Property Trust, LLC ("**Welsh**")
4350 Baker Road, Suite 400
Minnetonka, Minnesota
55343

2. Designation and number, or principal amount, of securities and the offeror's security holding percentage in the class of securities of which the offeror acquired ownership or control in the transaction or occurrence giving rise to the obligation to file the news release, and whether it was ownership or control that was acquired in those circumstances.

Welsh Property Trust, LLC ("**Welsh**") redeemed 1,902,619 Class B partnership units (the "**Class B Units**") of WPT Industrial, LP (the "**Partnership**"), the operating subsidiary of WPT Industrial Real Estate Investment Trust (the "**REIT**"), in exchange for ownership and control over 1,902,619 trust units of the REIT ("**REIT Units**"). The newly-issued REIT Units represent approximately 7.6% of the REIT Units issued and outstanding prior to the redemption.

After giving effect to this redemption and exchange, Welsh directly and indirectly owns and controls 4,472,197 REIT Units, representing voting control over 16.5% of the issued and outstanding REIT Units.

WPT Industrial Inc. (the "**General Partner**"), the general partner of the Partnership, elected to exchange the redeemed Class B Units for REIT Units in accordance with the terms of the limited partnership agreement of the Partnership dated April 23, 2013 and entered into by Welsh, the General Partner and the REIT (as amended, the "**Partnership Agreement**"). Under the Partnership Agreement, each Class B Unit is redeemable by the holder thereof for cash or Units (on a one-for-one basis subject to customary anti-dilution adjustments), as determined by the General Partner in its sole discretion. The Class B Units are economically equivalent to Units and are entitled to distributions of cash from the Partnership equal to the cash distributions paid to holders of the Units by the REIT.

3. Designation and number, or principal amount, of securities and the offeror's securityholding percentage in the class of securities immediately after the transaction or occurrence giving rise to obligations to file a news release.

After giving effect to this redemption and exchange described in Item 2, Welsh directly and indirectly owns and controls 4,472,197 REIT Units, representing voting control over 16.5% of the issued and outstanding REIT Units. Together with its ownership of 6,722,695 Class B Units, representing 100% of the outstanding Class B Units, Welsh continues to have an effective interest in the REIT of approximately 33.2% (assuming all Class B Units are redeemed for trust units of the REIT, but otherwise on a non-diluted basis).

4. Designation and number, or principal amount of securities, and the percentage of outstanding securities of the class of securities referred to in paragraph 3 over which:

(i) the offeror, either alone or together with joint actors, has ownership and control,

See Items 2 and 3 above.

(ii) the offeror, either alone or together with joint actors, has ownership but control is held by other persons or companies other than the offeror or any joint actor,

Not applicable.

(iii) the offeror, either alone or together with joint actors, has exclusive or shared control but does not have ownership.

Not applicable.

5. **(a) The name of the market in which the transaction or occurrence that gave rise to the news release took place.**

   Not applicable.

   (b) The value, in Canadian dollars, of any consideration offered per security if this offeror acquired ownership of a security in the transaction or occurrence giving rise to the obligation to file a news release.

   Not applicable.

6. **The purpose of the offeror and any joint actors in effecting the transaction or occurrence that gave rise to the news release, including any future intention to acquire ownership of, or control over, additional securities of the reporting issuer.**

   Welsh redeemed the Class B Units to obtain liquid voting securities and the REIT Units received by Welsh in connection with the redemption will be pledged to Welsh's lender as collateral. Welsh's position may be increased (whether pursuant to property acquisition transactions or otherwise) or decreased in the future as considered appropriate in light of investment criteria, market conditions and other factors or circumstances and in accordance with the provisions of applicable securities legislation.

7. **The general nature and the material terms of any agreement, other than lending arrangements, with respect to securities of the reporting issuer, entered into by the offeror, or any joint actor, and the issuer of the securities or any other entity in connection with the transaction or occurrence giving rise to the news release, including agreements with respect to the acquisition, holding, disposition or voting of any securities.**

   Pursuant to the Partnership Agreement, each Class B Unit is redeemable by the holder thereof for cash or Units (on a one-for-one basis subject to customary anti-dilution adjustments), as determined by the General Partner in its sole discretion, and, subject to certain conditions, Welsh has been granted pre-emptive rights to maintain the *pro rata* ownership interest represented by the aggregate number of Units (assuming all Class B Units are redeemed for Units) collectively held by Welsh (and its permitted transferees), and “tag” rights with respect to purchases of securities of the Partnership. Any exercise of the redemption right may be made by Welsh on a conditional basis and subject to retraction (in whole or in part) in Welsh’s sole discretion following the determination by the general partner of the Partnership as to whether the redemption will be paid in cash or Units.

   Pursuant to a registration rights agreement dated April 26, 2013, Welsh has been granted demand and “piggyback” registration rights with respect to public offerings by the REIT.

   Pursuant to the REIT’s amended and restated declaration of trust dated April 26, 2013, Welsh has the right to nominate a certain number of trustees of the REIT’s board of trustees based on the aggregate number of Units (assuming all Class B Units are redeemed for Units) collectively held by Welsh (and its permitted transferees) and the size of the board at the time of nomination.

   In connection with the increase in Welsh’s holding of Class B Units on closing of the indirect acquisition by the Partnership from Welsh of an industrial property located in Pontoon Beach, Illinois on July 15, 2013 (the “**Illinois Property Acquisition**”), the REIT entered into an amended and restated excepted holder agreement (which agreement was originally entered into at the closing of the IPO) permitting Welsh (and/or any of its permitted transferees) to receive and own REIT Units acquired through the redemption of Class B Units, including Class B Units received through the exercise of Welsh's pre-emptive right, up to an aggregate of 70% of the outstanding REIT Units. This special ownership limitation applies only to Welsh (and/or any of its permitted transferees) and will be reduced over time as Welsh (and/or any of its permitted transferees) sells or otherwise disposes of any REIT Units received by it on redemption of Class B Units. Welsh (and/or its permitted transferees) will be subject to the excess units provisions (as set out in the REIT's declaration of trust) with respect to any REIT Units acquired in excess of its special ownership limitation.

Under a contribution agreement dated June 28, 2013 entered into among the REIT, the General Partner, the Partnership, Welsh and WPT Inner Park Drive in connection with the Illinois Property Acquisition, the parties thereto agreed to certain restrictions on transfer and redemption and related liquidity rights that apply to the Class B Units issued to a subsidiary of Welsh in connection with the Illinois Property Acquisition unless and until the REIT had received all necessary acceptances and approvals from the Toronto Stock Exchange ("**TSX**") for the issuance and listing on the TSX of the underlying REIT Units. Subsequently, the REIT has satisfied the TSX's conditions for listing the underlying Units on the TSX, which included, among other things, unitholder approval obtained at the REIT's annual and special meeting held on May 15, 2014.

8. The names of any joint actors in connection with the disclosure required in this report.

Not applicable.

9. In the case of a transaction or occurrence that did not take place on a stock exchange or other market that represents a published market for the securities, including an issuance from treasury, the nature and value, in Canadian dollars of the consideration paid by the offeror.

See Item 5(b) above.

10. If applicable, a description of any change in any material fact set out in a previous report by the entity under the early warning requirements or Part 4 in respect of the reporting issuer's securities.

See items above.

11. If applicable, a description of the exemption from securities legislation being relied on by the offeror and the facts supporting that reliance.

Not applicable.

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DATED this 21st day of January, 2016.

WELSH PROPERTY TRUST, LLC

By: "*Matthew Cimino*"

Name: Matthew Cimino

Title: General Counsel and Secretary