AMERICAN HOTEL
INCOME PROPERTIES
REIT LP

MANAGEMENT'S DISCUSSION AND ANALYSIS

For the three months ended March 31, 2013

Dated: May 13, 2013

AMERICAN HOTEL INCOME PROPERTIES REIT LP

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FORWARD-LOOKING DISCLAIMER

Management's discussion and analysis ("MD&A") of the financial position and the results of operations of American Hotel Income Properties REIT LP ("AHIP") for the three months ended March 31, 2013 should be read in conjunction with AHIP's unaudited condensed consolidated interim financial statements for the same period. Historical results, including trends which might appear, should not be taken as indicative of future operations or results.

Certain information in this MD&A contains forward-looking information within the meaning of applicable securities laws (also known as forward-looking statements) including, among others, statements made or implied under the headings "Overview", "Results of Operations", "Financial Condition", "Liquidity and Capital Resources" and "Risks and Uncertainties" relating to AHIP's objectives, strategies to achieve those objectives, beliefs, plans, estimates, projections and intentions; and similar statements concerning anticipated future events, results, circumstances, performance or expectations that are not historical facts. Forward-looking statements generally can be identified by words such as "outlook", "believe", "expect", "may", "anticipate", "should", "intend", "estimates" and similar expressions.

Forward-looking statements are provided for the purpose of presenting information about management's current expectations and plans relating to the future and readers are cautioned that such statements may not be appropriate for other purposes. Forward-looking statements involve significant risks and uncertainties and should not be read as guarantees of future performance or results. Those risks and uncertainties include, among other things, risks related to: general economic conditions; unit prices; liquidity; tax risk; ability to access capital markets; competition for real property investments; environmental matters and changes in legislation. Management believes that the expectations reflected in forward-looking statements are based upon reasonable assumptions and information currently available; however, management can give no assurance that actual results will be consistent with these forward-looking statements.

Factors and assumptions that were applied in drawing conclusions and could cause actual results, performance, or achievements to differ materially from those expressed or implied by forward-looking statements, include, but are not limited to, statements with respect to expectations, projections or other characterizations of future events or circumstances, and AHIP's objectives, goals, strategies, beliefs, intentions, plans, estimates, projections and outlook, including statements relating to the estimates or predictions of actions of customers, suppliers, competitors or regulatory authorities, and statements regarding AHIP's future economic performance. AHIP has based these forward-looking statements on AHIP's current expectations about future events.

Readers are cautioned that the foregoing list of factors that may affect future results is not exhaustive. When relying on forward-looking statements to make decisions with respect to AHIP, investors and others should carefully consider the foregoing factors and other uncertainties and potential events.

These forward-looking statements are made as of May 13, 2013 and AHIP assumes no obligation to update or revise them to reflect new events or circumstances, except as required by law.

BASIS OF PRESENTATION

The unaudited condensed consolidated interim financial statements of AHIP for the three months ended March 31, 2013 have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB"). All amounts are presented in this MD&A are in United States dollars unless otherwise noted.

AHIP was formed on October 12, 2012 and it did not have any operating activities until it indirectly acquired its initial portfolio, Lodging Enterprises, on February 20, 2013. Therefore, comparative results for the three month period ended March 31, 2012 and specifically the 39-day period ended March 31, 2012 for the operating subsidiary of Lodging Enterprises are not available. However, in order to enhance the usefulness of this MD&A, certain unaudited financial and operating results of AHIP for the 39-day period from the acquisition of Lodging Enterprises on February 20, 2013

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to March 31 2013 are compared to the unaudited results of Lodging Enterprises for a pro-rated 39-day period ended March 31, 2012, calculated by multiplying the applicable results for the three month period ended March 31, 2013 by 39/90. Such information is for reference purposes only and is not intended to represent a comprehensive comparison of the condensed consolidated interim financial results.

NON-IFRS MEASURES

Certain non-IFRS financial measures are included in this MD&A, which include funds from operations ("FFO"), adjusted funds from operations ("AFFO") and net operating income ("NOI"). These terms are not measures recognized under IFRS and do not have standardized meanings prescribed by IFRS. FFO, AFFO and NOI are supplemental measures of performance for real estate investment trusts. AHIP believes that AFFO is an important measure of economic performance and is indicative of AHIP's ability to pay distributions, while FFO and NOI are important measures of operating performance and the performance of real estate properties. The IFRS measurement most directly comparable to FFO, AFFO and NOI is net income. See "Reconciliation of Non-IFRS Operating Results" for a reconciliation of FFO, AFFO and NOI to net income for the applicable reporting period.

"FFO" is defined as net earnings and comprehensive income in accordance with IFRS, excluding: (i) depreciation and amortization; (ii) gains (or losses) from sales of hotel properties; (iii) business acquisition costs and business combination costs; and (iv) deferred income tax expense/recovery.

"AFFO" is defined as FFO subject to certain adjustments, including: (i) amortization of deferred financing costs (ii) amortization of contingent consideration; and (iii) deducting a reserve for normalized maintenance capital expenditures, as determined by the General Partner (defined below). Other adjustments may be made to AFFO as determined by the General Partner in its discretion.

"NOI" is defined as revenue after operating expenses have been deducted (excluding depreciation and amortization).

FFO, AFFO and NOI should not be construed as alternatives to net income or cash flow from operating activities, determined in accordance with IFRS as indicators of AHIP's performance. AHIP's method of calculating FFO, AFFO and NOI may differ from other issuers' methods and accordingly may not be comparable to measures used by other issuers.

OVERVIEW

About AHIP

AHIP is a limited partnership formed under the Limited Partnership Act (Ontario) to invest in hotel real estate properties primarily in the United States. AHIP was established by and among 8290768 Canada Inc. (renamed "American Hotel Income Properties REIT (GP) Inc." on October 26, 2012) (the "General Partner"), and Maverick Management Corp. as the initial limited partner, pursuant to the terms of AHIP's Limited Partnership Agreement dated October 12, 2012. AHIP's head office and address for service is located at is c/o 1660 – 401 West Georgia Street, Vancouver, British Columbia, V6B 5A1.

AHIP was established, among other things, for the purposes of:

(a) acquiring common shares and, where applicable, a ROC Share of American Hotel Income Properties REIT Inc. (the "US REIT"), a ROC share being defined as a share in the capital of the US REIT which is designated within such capital as a preferred share;

(b) temporarily holding cash and investments for the purposes of paying the expenses and liabilities of AHIP and making distributions to unitholders; and

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(c) in connection with the undertaking set out above, reinvesting income and gains of AHIP and taking other actions besides the mere protection and preservation of AHIP's property.

The principal business of AHIP is to issue units of AHIP ("Units") and to acquire and hold shares of the US REIT. The US REIT was established, among other things, for the purposes of indirectly acquiring and owning hotel real estate properties in the U.S.

AHIP's long-term objectives will be to:

(i) generate stable and growing cash distributions from hotel properties substantially in the United States

(ii) enhance the value of its assets and maximize the long-term value of the hotel properties through active management; and

(iii) expand its asset base and increase its Adjusted Funds From Operations ("AFFO") per Unit through an accretive acquisition program, participation in strategic development opportunities and improvements to the properties through targeted value-added capital expenditure programs.

AHIP's Units trade on the Toronto Stock Exchange under the symbol HOT.UN.

Operational and financial highlights

Acquisition of Lodging Enterprises on February 20, 2013

On February 20, 2013, the subsidiaries of AHIP indirectly acquired 100% of the outstanding share capital of Lodging Enterprises consisting of 32 hotel properties located throughout the US, of which 3 hotels were under construction at the date of the acquisition. The aggregate purchase price was $127,500,000, subject to working capital and capital expenditure adjustments, of which $59,561,840 was paid in cash, $74,538,344 was assumed under an existing term loan and the balance attributable to contingent consideration.

The preliminary allocation of purchase price to the assets acquired and liabilities assumed is as follows:

Property, buildings and equipment	$130,241,344
Intangible assets	7,992,934
Deferred income tax asset	1,966,540
Deferred income tax liability	(1,985,564)
Trade and other receivables	811,447
Other assets	413,739
Cash provided by seller	1,755,111
Deposits	224,056
Accounts payable and accrued expenses	(1,869,389)
Deferred revenue	(33,685)
Term loan	(74,538,344)
Net assets acquired	$64,978,189
Consideration:	
Cash	$59,561,840
Contingent consideration (earnout)	4,916,349
Contingent consideration (construction reserve)	500,000
	$64,978,189

Pursuant to the purchase agreement, $5,500,000 of the purchase price is subject to an earnout provision upon achievement of certain performance-based targets prior to December 31, 2015. To the extent earned, AHIP's indirect U.S. subsidiary has the option of paying such amount in cash or in units of AHIP, or a combination thereof, by January 20, 2016. This contingent consideration has been recorded at a present value of $4,916,349 using a 4.0%

discount rate.

Pursuant to the purchase agreement, the seller provided a $500,000 reserve to cover cost overruns for properties under development at the closing of the acquisition on February 20, 2013.

AHIP is still in the process of completing the valuation of all of the assets acquired and liabilities assumed. Accordingly, the actual amounts for each of these assets and liabilities may vary from the amounts disclosed above and the variations may be material. Changes in the preliminary estimates of fair values of the above assets and liabilities may increase or decrease the amount of depreciation and amortization recognized on property, buildings and equipment and intangible assets acquired in periods after the closing of the transaction.

Expenses totalling $1,160,950 for legal and related business acquisition costs are included in the condensed consolidated interim statement of loss and comprehensive loss for the three months ended March 31, 2013 of which $404,204 was deferred at December 31, 2012.

Summary of key information for Lodging Enterprises as at March 31, 2013:

- Number of hotels in operation 32
- Number of available rooms... 2,505
- Occupancy rate (for the 39-day period February 20, 2013 to March 31, 2013)......... 80.0%

Summary of key information for AHIP for the three months ended March 31, 2013:

- Total revenues were $5,574,100 all of which was attributable to the operating results of Lodging Enterprises for the 39 days since the acquisition date of February 20, 2013 to March 31, 2013.
- Funds from operations was $818,446 – see *"Reconciliation of non-IFRS Operating Results"*.
- Adjusted funds from operations was $736,769 - see *"Reconciliation of non-IFRS Operating Results".*
- Distributions totaling $983,150 was declared for the period February 20, 2013 to March 31, 2013 and paid on April 15, 2013.

Outlook

AHIP successfully closed its initial public offering on February 20, 2013. Immediately following the closing, management executed the acquisition of its initial target portfolio, Lodging Enterprises, as described above.

The grand opening of the newly-constructed 60-room Oak Tree Inn hotel located in Livonia, Louisiana is scheduled for Wednesday May 15, 2013. This is the second new hotel added to the Oak Tree Inn chain owned by AHIP in 2013, following closely after the opening of new 56-room Oak Tree Inn and a signature 24 hour Penny's Diner opened in Glenwood, Minnesota in January 2013. As with the existing properties in the portfolio, these properties each have long term railroad room guarantees with a major U.S. railroad company and are under the management of TR Lodging Enterprises Inc. ("TR Lodging").

Management is constantly evaluating new investment opportunities to augment its initial portfolio by focussing on hotels in secondary and tertiary markets, with an emphasis on transportation and contract-based lodging. As capital investments in the U.S. hotel and lodging sectors grow and the outlook for the sectors continues to strengthen, AHIP believes it is well positioned to benefit from this positive economic trend through the expansion of its existing portfolio and a combination of organic growth, participation in strategic development opportunities, and accretive acquisitions to increase the number and quality of its hotel properties.

It is AHIP's intention to deploy the extra funds raised, pursuant to its initial public offering, on accretive acquisitions. As part of AHIP's overall acquisition strategy, on April 29, 2013 AHIP engaged Dan Miller of Lodging & Leisure Investment Advisors, LLC to lead AHIP's acquisitions. Over an impressive 30 year career in the hospitality industry, Mr. Miller has been involved in acquisitions, development and capital transactions with some of the U.S. hospitality industry's best known businesses and has handled over $1 billion of hotel transactions.

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RESULTS OF OPERATIONS

Operations

The following discussion highlights selected financial information for AHIP for the three month period ended March 31, 2013 with unaudited prorated comparative amounts provided for information purposes only. This information has been compiled from, and should be read in conjunction with, the unaudited condensed consolidated interim financial statements and notes.

(unaudited)	AHIP Three-month period ended March 31, 2013 *(Unaudited)*	Lodging Enterprises Prorated 39-day period ended March 31, 2012(1)(2) *(Unaudited)*
Revenue	$ 5,574,100	$ 5,206,782
Hotel expenses	4,403,459	4,326,962
RESULTS FROM OPERATING ACTIVITIES	1,107,641	879,819
Corporate and administrative	606,974	-
Business acquisition costs	1,160,950	-
LOSS BEFORE FINANCE COSTS AND INCOME TAXES	(597,283)	879,819
Net finance costs	459,488	287,070
LOSS BEFORE INCOME TAXES	(1,056,771)	592,749
Current tax expense	57,583	-
Deferred tax expense	(71,143)	-
	(13,560)	-
NET LOSS AND COMPREHENSIVE LOSS	$ (1,043,211)	$ 592,749
Basic and diluted weighted average net loss per unit	$ (0.21)	n/a
Basic and diluted weighted average number of units outstanding	4,969,831	n/a

(1) Results for Lodging Enterprises are not strictly comparable to AHIP, as Lodging Enterprises was privately held. This unaudited information is provided for information purposes only and should not be relied upon under any circumstances, as AHIP is unable to confirm the accuracy of the amounts presented. A prorated 39-day period to March 31, 2012 is shown as the comparative period because Lodging Enterprises was acquired on February 20, 2013; therefore, only 39 days of hotel operating results are reflected to the period ended March 31, 2013.

(2) These amounts include the historical financial results for the lodging facilities located at Barstow, CA (a 109 room hotel that was sold on November 30, 2012) and Brunswick, MD (a 60 room leased property which is currently closed due to water damage sustained in October 2012).

During the period ended March 31, 2013, AHIP has recorded a net loss and comprehensive loss of $1,043,211. The net loss and comprehensive loss is primarily due to operating profit from the hotel properties, offset by:

- business acquisition costs of $1,160,950 that relate directly to the purchase of Lodging Enterprises, comprised of purchaser fees for $481,247, property transfer taxes for $108,976, and legal fees of $570,727.

- net finance costs of $459,488 arising from the debt facilities that relate directly to the acquisition, comprised of $377,222 in interest expenses for the term loan and construction facility, $50,000 origination fee on the construction facility, $16,897 accretion on term loan arising from the amortization of deferred

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financing costs, and $21,309 accretion related to the present value calculation of the contingent consideration, offset by interest income of $6,154.

Revenues

(unaudited)	Three month period ended March 31 2013	Prorated 39 day period ended March 31 2012[(1)(2)]	$ Variance	% Variance
Available room nights	97,656	100,144	(2,488)	-2.5%
Rooms occupied	78,153	78,498	(345)	-0.4%
Average occupancy rate	80.0%	78.4%	1.6%	2.0%
Rooms	4,406,559	4,094,573	311,986	7.6%
Food	1,047,146	1,019,976	27,170	2.7%
Other fees and income	120,395	92,233	28,162	30.5%
Total revenue	5,574,100	5,206,782	367,318	7.1%
Revenue per available room ("RevPAR")	$ 45.12	$ 40.89	$ 4.23	10.3%
Average daily room rate ("ADR")	$ 56.38	$ 52.16	$ 4.22	8.1%

(1) These amounts include the historical financial results for the lodging facilities located at Barstow, CA (a 109 room hotel that was sold on November 30, 2012) and Brunswick, MD (a 60 room leased property which is currently closed due to water damage sustained in October 2012).

(2) A prorated 39-day period to March 31, 2012 is shown as the comparative period because AHIP did not have any operating activities until it acquired Lodging Enterprises on February 20, 2013; therefore, only 39 days of hotel operating results are reflected to the period ended March 31, 2013.

Revenue is derived primarily from the operation of AHIP's hotels and restaurants. Rental and other income is comprised of items including fees for property damage, vehicle charges, and maintenance charges at offsite customer locations.

Total revenue for the 39-day period from February 21, 2013 to March 31, 2013 was $5,574,100, compared to the total revenues of $5,206,782 for the prorated 39-day period to March 31, 2012, representing an increase of $367,318 or 7.1% over the prior prorated period. This increase was due in part to the addition of two hotels to Lodging Enterprises – the opening of the Glenwood, MN property in January 2013 and the purchase of Kansas City, KS property in December 2012 as well as an increase in room rates and occupancy rates for the period ended March 31, 2013 compared to prorated 39-day period to March 31, 2012.

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Hotel Expenses

(unaudited)	Three month period ended March 31 2013	Prorated 39 day period ended March 31 2012 (1)(2)	$ Variance	% Variance
Operating expenses	$ 2,822,451	$ 2,876,650	$ (54,199)	-1.9%
Energy	236,939	276,892	(39,953)	-14.4%
Property maintenance	290,376	475,436	(185,060)	-38.9%
Property taxes and insurance	281,843	264,496	17,347	6.6%
Depreciation and amortization	771,850	433,487	338,363	78.1%
	$ 4,403,459	$ 4,326,962	$ 76,497	1.8%

(1) These amounts include the historical financial results for the lodging facilities located at Barstow, CA (109 room hotel that was sold on November 30, 2012) and Brunswick, MD (60 room leased property which is currently closed due to water damage sustained in October 2012).

(2) A prorated 39-day period to March 31, 2012 is shown as the comparative period because AHIP did not have any operating activities until it acquired Lodging Enterprises on February 20, 2013; therefore, only 39 days of hotel operating results are reflected to the period ended March 31, 2013.

For the period ended March 31, 2013 versus the comparative prorated 39-day period to March 31, 2012:

- Operating expenses were $2,822,451 compared to $2,876,650, representing a decrease of $54,199 or 1.9%. Operating expenses comprised of hotel labour costs, food costs, and hotel general and administrative costs such as insurance, telephone, and marketing expenses. While room revenues increased in the 39-day period ended March 31, 2013, operating expenses did not increase correspondingly because there was a reduction in discretionary general and administrative costs such as advertising and promotional expenses, professional fees, and travel and also a lower bonus payout in 2013 under the new hotel management as compared to the prorated 39-day period to March 31, 2012.

- Energy expense was $236,939 compared to $276,892, representing a decrease of $39,953 or 14.4%. Prior to acquisition by AHIP, Lodging Enterprises recorded energy expense as invoices were received, as it was not considered material to analyse specific usage dates. As such, the prorated results for the 39-day period to March 31, 2012 did not necessarily reflect the actual costs incurred between the dates of February 21, 2012 to March 31, 2012.

- Property maintenance expense was $290,376 compared to $475,436, representing a decrease of $185,060 or 38.9%. Management postponed discretionary spending during the transition period after the acquisition due to operating budgets being reviewed and adjusted by the hotel manager.

- Property taxes and insurance expense was $281,843 compared to $264,496, representing an increase of $17,347 or 6.6%. The primary reason for this increase was due to a general increase in property tax rates.

- Depreciation and amortization expense was $771,850 compared to $433,487, representing an increase of $338,363 or 78.1%. Depreciation and amortization expense comprised of depreciation of property, buildings and equipment as well as the amortization of the intangible assets. For the three months ended March 31, 2013, depreciation and amortization reflected the preliminary allocation of the purchase price of the business acquisition to the fair value of the property, buildings and equipment and intangible assets. There was no intangible asset in the first quarter of 2012 and the cost of property, building and equipment was based on historical cost during that period. The post acquisition value of these assets is based on a preliminary allocation of the purchase price (See "*Overview – Operational and financial highlights*").

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Corporate and administrative expenses

AHIP incurred $606,974 in general and administrative expenses for the three months ended March 31, 2013, with no corresponding costs in the prorated 39-day period to March 31, 2012. Corporate and administrative expenses are comprised of two major categories:

- Management fees of $256,899 were paid by Lodging Enterprises to TR Lodging. TR Lodging became the hotel manager for Lodging Enterprises on February 20, 2013.
- Payroll, legal, consulting, and general and administrative expenses totalled $350,075 associated with operating the business.

Business acquisition costs

AHIP incurred $1,160,950 in business acquisition costs associated with the purchase of Lodging Enterprises, consisted largely of legal fees, purchaser fees and property transfer taxes. These are non-recurring costs.

Net finance costs

AHIP amended the existing term loan of Lodging Enterprises into a new term loan and construction facility agreement on February 20, 2013 with a US chartered bank. The net finance costs for the three months ended March 31, 2013 was $459,488, representing an increase of $172,418 or 60.1% over the $287,070 for the prorated 39-day period to March 31, 2012. The increase was primarily due to less favourable interest rates being charged by the US chartered bank on AHIP's term loan and construction facility compared to interest rates on Lodging Enterprises' previous credit facilities.

Income taxes

AHIP's indirect subsidiary, Lodging Enterprises, is a taxable subsidiary of the US REIT. For the 39-day period ended March 31, 2013 AHIP accrued $57,583 of current tax expense, offset by deferred income tax recovery of $71,143 for a net tax recovery of $13,560. Prior to February 20, 2013, Lodging Enterprises was taxed as an LLC, whereby its income was taxed in the hands of its unitholders rather than to Lodging Enterprises. Therefore, there was no comparative income tax information for the prorated 39-day period ended March 31, 2012.

Deferred income tax is recognized in respect of temporary differences between the carrying amounts of the intangible assets $7,796,724 and contingent consideration of $4,937,658 for financial reporting purposes and the amounts used for taxation purposes. Deferred income tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date.

Cash flows from operating, financing, and investing activities

The following table provides an overview of AHIP's cash flows from operating, financing and investing activities for the three months ended March 31, 2013:

Cash balance (excluding restricted cash of $250,000) as at January 1, 2013:	$	185,990
Net change in cash related to:		
Operating		(918,226)
Investing		(58,861,202)
Financing		85,737,524
Net change in cash during the period		25,958,096
Cash balance (excluding restricted cash of $500,024) as at March 31, 2013	$	26,144,086

The net change in cash during the three months ended March 31, 2013 was due to the following key factors:

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- *Operating* – profit from operating activities of $1,107,641 was offset primarily by an increase in expenses specifically related to business acquisition costs that accounted for $1,160,950 of total expenses together with a $59,003 decrease in working capital.

- *Investing* – acquisition of Lodging Enterprises for $57,806,729 (net of cash acquired) and additions in the three month period ended March 31, 2013 of $1,054,473 in property and equipment.

- *Financing* – close of the initial public offering resulting in net proceeds of $90,366,326 together with proceeds of $1,122,862 from the construction facility less the payment of $4,500,551 relating to the assumption of the term loan from the sellers as part of the acquisition of Lodging Enterprises, $1,001,089 of financing costs related to the term loan, and less the establishment of a $500,000 restricted cash balance for capital expenditures (resulting in the addition of $250,024 to the restricted cash balance).

Comparison of financial forecast to actual results

A financial forecast ("Forecast") for the three month period ending March 31, 2013 was included in AHIP's final prospectus dated February 12, 2013 (the "Prospectus") as filed on SEDAR and with the securities commissions and other securities regulatory authorities in all provinces and territories of Canada. For comparative purposes, management prorated the Forecast for the three month period ended March 31, 2013 (as presented in the Prospectus) by multiplying the applicable results for the three month period ended March 31, 2013 by 39/90. This 39 day prorated period was then compared to the actual operating results for AHIP from the date of acquisition on February 20, 2013 to March 31 2013.

(Unaudited)	Forecast Three month period ended March 31, 2013	Forecast prorated 39 day period ended March 31, 2013	Actual Three month period ended March 31, 2013	$ Variance	% Variance
Revenue	$ 12,851,291	$ 5,568,893	$ 5,574,100	$ 5,207	0.1%
Operating expenses	6,896,508	2,988,487	$ 2,822,451	(166,036)	-5.6%
Energy	673,445	291,826	$ 236,939	(54,887)	-18.8%
Property maintenance	734,946	318,477	$ 290,376	(28,101)	-8.8%
Property taxes and insurance	673,133	291,691	$ 281,843	(9,848)	-3.4%
Depreciation and amortization	1,652,067	715,896	$ 771,850	55,954	7.8%
	$ 10,630,099	**$ 4,606,377**	**$ 4,403,459**	**$ (202,918)**	-4.4%
Results from operating activities	**2,221,192**	**962,516**	**1,170,641**	208,125	21.6%
Corporate and administrative	990,248	429,107			
Corporate and administrative, not subject to proration [(1)]	-	183,529			
	990,248	612,636	$ 606,974	(5,662)	-0.9%
Business acquisition costs [(2)]	-	-	$ 1,160,950	1,160,950	n/a
Earnings / (loss) before finance costs and income taxes	**1,230,944**	**349,880**	**(597,283)**	**(947,163)**	n/a
Finance income	36,103	15,645	$ 6,154	(9,491)	-60.7%
Finance costs	(863,030)	(373,980)	$ (465,642)	(91,662)	24.5%
Net finance costs	(826,927)	(358,335)	(459,488)	(101,153)	28.2%
Earnings / (loss) before income taxes	**404,017**	**(8,455)**	**(1,056,771)**	**(1,048,316)**	n/a
Current income tax expense	(47,725)	(20,681)	$ (57,583)	(36,902)	178.4%
Deferred income tax recovery	148,033	64,148	$ 71,143	6,995	10.9%
	100,308	43,467	13,560	(29,907)	-68.8%
Net earnings/ (loss) and comprehensive income / (loss)	**$ 504,325**	**$ 35,012**	**$ (1,043,211)**	**$ (1,078,223)**	n/a

(1) Certain corporate and administrative expenses relating to AHIP's corporate overhead were incurred throughout the three month period ended March 31, 2013 and therefore should not be prorated when comparing the Forecast to actual results for the three month period ended March 31 2013.

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(2) AHIP incurred $1,160,950 in business acquisition costs associated with the purchase of Lodging Enterprises, consisting largely of legal fees, purchaser fees and property transfer taxes. These are non-recurring costs.

Given the relatively short period of operations of 39 days from the closing of the acquisition of the initial portfolio of properties on February 20, 2013 to March 31, 2013, the variances in actual operating results to the prorated Forecast are not considered to be indicative of any overall trend and management believes that AHIP's operating results remain in line with management's expectations.

There were no significant differences between the prorated Forecast and actual results other than in the following areas:

Hotel expenses

Hotel expenses for the three month period ended March 31, 2013 was $4,403,459 compared to $4,606,377 in the prorated Forecast, representing a favourable difference of $202,918 or 4.4%. The most significant difference between the actual hotel expenses and the prorated Forecast was in operating expenses. The actual operating expenses were $2,822,451 compared the prorated Forecast of $2,988,487, representing a decrease of $166,036 or 5.6%. The prorated Forecast incorporated a closer correlation between hotel room payroll and occupancy than was experienced in the hotel expenses for the 39-day period ended March 31, 2013. There was also a reduction in discretionary general and administrative costs such as advertising and promotional expenses, professional fees, travel and bonuses, in addition to smaller fluctuations in individual account categories.

Net finance costs

Net finance costs were $459,488 for the three months ended March 31, 2013 compared to $358,335 in the prorated Forecast for the same period, representing an unfavourable difference of $101,153 or 28.2%. The difference was primarily due to the $50,000 origination fee on the construction loan facility that was expensed in the Forecast and a lower amortization of deferred financing costs in the Forecast.

Current tax expense

Current tax expense for the three month period ended March 31, 2013 was $57,583 compared to $20,681 in the prorated Forecast, representing an unfavourable difference of $36,902 or 178.4%. This variance was due to differences in the calculation of current tax expense estimate. The final current tax expense will be calculated on an annual basis and such amount may vary on an annualized basis.

FINANCIAL CONDITION

	As at March 31, 2013 *(unaudited)*	**As at December 31, 2012**
Total Assets	$ 169,502,159	$ 2,127,208
Total Liabilities	82,489,329	1,775,332

The financial condition as at March 31, 2013 included the assets and liabilities of Lodging Enterprises acquired on February 20, 2013.

Assets

Significant assets included $26,144,086 of cash (which excludes restricted cash of $500,024), $130,720,177 of property, buildings and equipment (net of depreciation for the period ended March 31, 2013), $7,796,724 of intangible assets (net of amortization for the period ended March 31, 2013), and $2,037,638 of deferred income tax assets.

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Property, buildings and equipment values were based on fair values on the date of the acquisition. Management is still completing the analysis on the valuation of the property, buildings and equipment and intangible assets as at March 31, 2013 and expects to finalize this amount for inclusion in AHIP's consolidated financial statements for the year-end of December 31, 2013.

Liabilities

Significant liabilities included a term loan balance of $69,053,708 (net of unamortized deferred financing costs of $963,296), a construction facility of $1,122,862, contingent consideration of $5,437,657 related to the acquisition of Lodging Enterprises and a deferred tax liability of $1,985,564 related to intangible assets.

Partners' Capital

On February 20, 2013, AHIP closed its initial public offering of 9,570,000 Units for gross proceeds of Cdn$95.7 million (including 870,000 Units (Cdn$8,700,000) from a partial exercise of the related over-allotment option).

On March 1, 2013, the exercise of the remaining balance of the related over-allotment option was completed, resulting in the issuance of an additional 435,000 Units for gross proceeds of Cdn$4.35 million.

As at March 31, 2013, there were 10,405,000 Units outstanding.

SEGMENTED INFORMATION

AHIP's investments currently comprise of hotel real estate properties in the United States only.

RECONCILIATION OF NON-IFRS OPERATING RESULTS

(Unaudited)	Forecast Three-month period ended March 31, 2013	Forecast prorated 39 day period ended March 31, 2013	Actual Three-month period ended March 31, 2013	$ Variance	% Variance
NET EARNINGS/(-LOSS) AND COMPREHENSIVE EARNINGS/(LOSS)	$ 504,325	$ 35,012 [1]	$ (1,043,211)		
Add/(Deduct)					
Depreciation and amortization	1,652,067	715,896	771,850		
Business acquisition costs	-	-	1,160,950		
Deferred income tax recovery	(148,033)	(64,148)	(71,143)		
Funds from Operations (FFO)	**$ 2,008,359**	**$ 686,760**	**$ 818,446**	**$131,686**	**19.2%**
Add/(Deduct)					
Accretion of contingent consideration	-	-	21,309		
Amortization of deferred financing costs	17,500	7,583	29,211		
Capital expenditure reserve	(306,564)	(132,844)	(132,197) [2]		
Adjusted Funds from Operations (AFFO)	**$ 1,719,295**	**$ 561,499**	**$ 736,769**	**$175,270**	**31.2%**
Net Operating Income ("NOI")					
Revenues	12,851,291	5,568,893	5,574,100	5,207	0.1%
Hotel Expenses [3]	(10,630,099)	(4,606,377)	(4,403,459)	202,918	-4.4%
Depreciation and amortization	1,652,067	715,896	771,850	55,954	7.8%
NOI	**$ 3,873,259**	**$ 1,678,412**	**$ 1,942,491**	**$264,079**	**15.7%**

(1) Includes $183,529 of corporate and administrative expenses relating to AHIP's corporate overhead that incurred throughout the three month period ended March 31, 2013 and are therefore not be prorated.

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(2) Calculated as a normalized amount based on 3% of room revenues

(3) Excludes hotel management fees of $256,899 recorded in corporate and administrative expenses.

FFO, AFFO and NOI are not measures recognized under IFRS and do not have standardized meanings prescribed by IFRS. FFO, AFFO and NOI are supplemental measures of performance for real estate investment trusts. Management believes that AFFO is an important measure of economic performance and is indicative of the AHIP's ability to pay distributions, while FFO and NOI are important measures of operating performance and the performance of real estate properties. See "*Non-IFRS Measures*".

FFO

For the three month period ended March 31, 2013, FFO was $818,446, which excluded $1,160,950 of business acquisition costs arising from the purchase transaction of Lodging Enterprises. These costs are non-recurring.

FFO for the three month period ended March 31, 2013 was $818,446, compared to the Forecast FFO for the three months ending March 31, 2013 prorated for 39 days of $686,760, was $131,686 or 19.2% more favourable than the prorated Forecast.

AFFO

For the three month period ended March 31, 2013, AHIP did not contribute to its capital expenditure reserve as there was a $500,000 reserve balance at February 20, 2013, as provided by the seller under the Unit Purchase Agreement dated November 6, 2012 and as subsequently required by the Seventh Amended and Restated Credit agreement dated February 20, 2013 governing the terms of the term loan and construction facility. The agreement does not require additional contributions to be made until gross room revenues exceed $16,700,000.

The capital expenditure reserve of $132,197 used in the calculation of AFFO is a normalized amount based on 3% of room revenues of the hotel properties recognized for the three month period ended March 31, 2013, and the capital expenditures reserve of of the Forecast prorated for 39 days resulted in a forecast capital expenditure reserve of $132,844, which was comparable to the normalized capital expenditure reserve as calculated above.

AFFO for the three month period ended March 31, 2013 was $736,769, compared to the Forecast AFFO for the three months ending March 31, 2013 prorated for 39 days of $561,499, was $175,270 or 31.2% more favourable than the prorated Forecast.

NOI

NOI for the three month period ended March 31, 2013 was $1,942,491, compared to Forecast NOI for the three months ending March 31, 2013 prorated for 39 days of $1,678,412, was $264,079 or 15.7% more favourable than the prorated Forecast, with the difference arising from a combination of factors as previously discussed.

LIQUIDITY AND CAPITAL RESOURCES

As at March 31, 2013, AHIP had a working capital of $20,294,643 excluding the $500,024 in restricted cash. Management believes that there will be sufficient funds to meet AHIP's working capital requirements. AHIP's indirect subsidiary (Lodging Enterprises) had operating leases for office facility, office equipment and automobiles in the ordinary course of business, as well as the term loan and construction facility agreements, as disclosed in the unaudited condensed consolidated interim financial statements for the three months ended March 31, 2013.

As at March 31, 2013, AHIP had one property under construction at Livonia, Louisiana. AHIP's utilized balance of the construction facility is directly related to this property and AHIP may draw upon this facility as needed, subject to bank approval. AHIP did not have any commitments for capital expenditures, other than the capital expenditure reserve maintained to satisfy the bank's related lending covenant.

As at March 31, 2013 AHIP was in full compliance with all of its lending covenants relating to the term loan and construction facility, and AHIP's consolidated debt to gross book value was 42.5%. The calculation of consolidated debt to gross book value at March 31, 2013 is based on $71,122,862 of principal debt outstanding, divided by the sum of total assets of $169,502,159 less deferred income tax liabilities of $1,985,564.

AHIP intends to make regular monthly cash distributions to its unitholders, using available cash to the maximum extent possible. Management's goal is for the amount of cash available for distribution to approximate the monthly cash receipts of AHIP less reserves and any other adjustments the General Partner reasonably considers are required for expenses and other obligations of AHIP. Management has not identified any legal or practical restrictions on the ability of AHIP's properties to transfer funds to AHIP.

SUMMARY OF QUARTERLY RESULTS

In accordance with Item 1.5 of Form 51-102F1 – Management's Discussion & Analysis, additional quarterly information has not been presented because AHIP was formed on October 12, 2012.

OFF-BALANCE SHEET ARRANGEMENTS

AHIP did not have any off-balance sheet arrangements.

TRANSACTIONS WITH RELATED PARTIES

AHIP entered into a hotel management agreement with TR Lodging, a company controlled by a director of the General Partner to manage and operate the hotel properties.

The operating subsidiary of AHIP is responsible for reimbursing TR Lodging for any operating expenses and direct costs incurred on behalf of the operations of the properties and their lodging businesses, such as salary and benefit costs of hotel staff and other operating expenses. The hotel management agreement also provides for an amount equal to 3.50% of gross revenues to be paid to TR Lodging. In addition, starting in 2014 TR Lodging will collectively receive an incentive fee equal to 15% of the amount by which the gross operating profit exceeds the annual budgeted gross operating profit as approved by the independent directors of the General Partner. The incentive fee may not exceed 50% of the aggregate base hotel management fees for the year in which the incentive fee is earned. TR Lodging will also be entitled to a capital expenditure fee equal to 5.0% of capital expenditures, including maintenance capital expenditures.

In addition, TR Lodging is entitled to an accounting, administration and purchasing fee. TR Lodging is entitled to $15,000 per property for each of the first and second years of the agreement, $20,000 per property in the third year of the agreement, and $25,000 per property in each year thereafter.

AHIP recorded management fees of $256,899 in corporate and administrative expenses and $8,380 in capitalized management fees relating to the new hotel under development in Livonia, LA for the three months ended March 31, 2013. Of these amounts, $48,302 was included in accounts payable and accrued liabilities and $8,380 was capitalized in construction in progress as at March 31, 2013.

CRITICAL ACCOUNTING ESTIMATES

The preparation of the unaudited condensed consolidated interim financial statements in conformity with IFRS requires management to make estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities and disclosure of contingent assets and liabilities as at the date of the consolidated financial statements, and the reported amounts of income and expenses during the financial reporting period. Actual results may differ from these estimates. For a full list of accounting policies used in the preparation of the unaudited condensed consolidated interim financial statements for the three months ended March 31, 2013, refer to note 3 "*Significant accounting policies*" of the consolidated annual financial statements.

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Future Accounting Policy Changes

In November 2009, the IASB issued IFRS 9, Financial Instruments, which is the first step in its project to replace IAS 39, Financial Instruments: Recognition and Measurement. IFRS 9 establishes the measurement and classification of financial assets. Under IFRS 9, financial assets are measured either at fair value through earnings or at amortized cost if certain conditions are met. The effective date of this standard is January 1, 2015, but early adoption is permitted. AHIP is assessing the impact of the standard on its financial statements.

SUBSEQUENT EVENTS

(a) Distributions:

On April 19, 2013, the Board of Directors of the General Partner approved the cash distribution of Cdn$0.075 per for the period of April 1, 2013 to April 30, 2013, which is equal to Cdn$0.90 per Unit on an annualized basis. The distribution is to be paid on May 15, 2013 to unitholders of record on April 30, 2013.

(b) Leased premises:

On March 12, 2013, O'Neill Hotels & Resorts Ltd. ("OHR") entered into a lease for AHIP's new office space located in Vancouver, BC, Canada. AHIP is related to OHR by virtue of having a common director. The lease term is from May 1, 2013 to June 30, 2017 for an annual amount of Cdn$64,950. OHR and AHIP intend to enter into a sublease agreement with OHR whereby the lease costs will be paid directly to the agent of the landlord.

(c) Contractor agreement

On April 17, 2013, AHIP entered into an agreement with a company based in the US for the sourcing, reviewing, and financing of prospective hotel acquisitions. The agreement may be cancelled after 12 months with 90 days prior written notice, and entails a monthly retainer payable at the beginning of each month in the amount of $12,500 per month. AHIP will also pay a success fee to the contractor upon closing of a transaction based on a percentage of the transaction value.

RISKS AND UNCERTAINTIES

Refer to the risk factors discussed in the 2012 Annual Information Form of AHIP dated March 28, 2013 available on SEDAR at www.sedar.com or on AHIP's website at www.ahipreit.com. Although AHIP believes that the risk factors in the 2012 Annual Information Form of AHIP dated March 28, 2013 are the most material risks that AHIP faces, they are not the only ones. Additional risk factors not presently known to AHIP or that AHIP currently believe are immaterial could also materially and adversely affect AHIP's investments, prospects, cash flows, results of operations or financial condition and AHIP's ability to make cash distributions to unitholders and negatively affect the value of the Units.

For all of the aforesaid reasons and others set forth herein, the Units involve a certain degree of risk. Any person considering the purchase of Units should be aware of these and other factors set forth in AHIP's 2012 Annual Information Form dated March 28, 2013 and should consult with his or her legal, tax and financial advisors prior to making an investment in the Units. The Units should only be purchased by persons who can afford to lose all of their investment.

ADDITIONAL INFORMATION

Additional information relating to AHIP is available on SEDAR at www.sedar.com and on AHIP's website at www.ahipreit.com.

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