AMERICAN HOTEL
INCOME PROPERTIES
REIT LP

MANAGEMENT'S DISCUSSION AND ANALYSIS
OF RESULTS AND OPERATIONS AND FINANCIAL CONDITION

For the three months and nine months ended September 30, 2014
(Expressed in U.S. Dollars)

Dated: November 13, 2014

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FORWARD-LOOKING DISCLAIMER

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*", "*Financial Highlights*", "*Results of Operations*", "*Financial Condition*", "*Distribution History*", *"Subsequent Events", "Currency Swap Arrangements"* 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 risks; 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. Additional information about risks and uncertainties is contained in AHIP's annual information form for the year ended December 31, 2013 available on SEDAR at www.sedar.com.

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 November 13, 2014 and AHIP assumes no obligation to update or revise them to reflect new events or circumstances, except as required by law.

BASIS OF PRESENTATION

This Management's Discussion and Analysis of Results of Operations and Financial Condition ("MD&A") of American Hotel Income Properties REIT LP ("AHIP") for the three months and nine months ended September 30, 2014 has been prepared and includes material financial information as of November 13, 2014. This MD&A should be read in conjunction with AHIP's audited consolidated financial statements for the year ended December 31, 2013 and the unaudited condensed consolidated interim financial statements for the three months and nine months ended September 30, 2014, prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board. Historical results, including trends which might appear, should not be taken as indicative of future operations or results.

All amounts presented in this MD&A are in United States dollars ("U.S. dollars"), unless otherwise noted.

Additional information relating to AHIP, including AHIP's annual information form for the year ended December 31, 2013 is available at SEDAR at www.sedar.com.

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AHIP's Board of Directors, upon recommendation of its Audit Committee, approved the contents of this MD&A for release on November 13, 2014.

NON-IFRS MEASURES

AHIP has included certain non-IFRS financial measures throughout this MD&A. Management believes that in addition to conventional measures prepared in accordance with IFRS, investors in the real estate industry use these non-IFRS financial measures to evaluate AHIP's performance, ability to generate cash flows and financial condition. Accordingly, these non-IFRS financial measures are intended to provide additional information and should not be considered in isolation or as a substitute for performance measures prepared in accordance with IFRS. In addition, they do not have standardized meanings and may not be comparable to measures used by other issuers in the real estate industry or other industries. The non-IFRS financial measures noted in this MD&A include debt to gross book value, funds from operations ("FFO"), adjusted funds from operations ("AFFO"), FFO per Unit, Core FFO per Unit, AFFO per Unit, Core AFFO per Unit, net operating income ("NOI"), Furniture, Fixtures and Equipment Reserves ("FF&E Reserves"), earnings before interest, taxes, depreciation and amortization ("EBITDA"), interest coverage ratio, same property metrics, average daily rate ("ADR") and revenue per available room ("RevPAR").

a) Debt to Gross Book Value

AHIP believes that debt to gross book value is an important supplemental measure of financial condition.

Debt means the face value (excluding deferred financing costs and unamortized mark-to-market adjustment) of the construction facility, term loans, contingent consideration and deferred compensation payable as at September 30, 2014.

Gross book value means, at any time, the book value of the total assets of AHIP, as shown on its then most recent consolidated statement of financial position, plus the amount of accumulated depreciation and amortization in respect of such assets (and related intangible assets) shown thereon or in the notes thereto, less deferred income tax liabilities.

b) Funds from Operations ("FFO") and Adjusted Funds from Operations ("AFFO")

AHIP believes FFO and AFFO are important measures of operating performance of real estate properties. In addition, AHIP believes that AFFO is indicative of AHIP's ability to pay distributions.

"FFO" is not defined under IFRS. AHIP calculates FFO in accordance with the Real Property Association of Canada ("REALpac") White Paper on Funds from Operations issued April 2014. FFO is defined as net income (loss) and comprehensive income (loss) calculated in accordance with IFRS, excluding: (i) depreciation and amortization; (ii) gains (or losses) from sales of hotel properties and equipment; (iii) business acquisition costs related to the purchase of a property being accounted for as a business combination; (iv) deferred income tax (expense) recovery; (v) foreign exchange gains and losses on monetary items such as loans and receivables due to a net investment in a foreign operation; and (vi) adjustments for property taxes accounted for under IFRIC 21.

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

c) Core FFO per Unit and Core AFFO per Unit

Management believes that the computation of FFO per Unit and AFFO per Unit includes certain items that are not indicative of the results provided by AHIP's operating portfolio and affect the comparability of AHIP's period-over-period performance. These items include the dilutive impact of partial proceeds from the June 2014 Unit offering and the initial public offering, which were deployed after September 30, 2014 and September 30, 2013, respectively. Therefore, in addition to FFO per Unit and AFFO per Unit, management uses Core FFO per Unit and Core AFFO per Unit to exclude such items. Management believes that Core FFO per Unit and Core AFFO per Unit are useful

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supplemental measures, however, these may not be comparable to the adjusted or modified FFOs per Unit or AFFOs per Unit of other issuers.

d) Net Operating Income ("NOI")

AHIP believes NOI is an important measure of operating performance of real estate properties.

NOI is defined as revenue less operating expenses (excluding depreciation and amortization).

e) Furniture, Fixtures and Equipment Reserves ("FF&E Reserves")

FF&E Reserves are calculated as three percent of room revenues for the Oak Tree Inn Hotels and four percent of total revenues for the Branded Hotels.

f) Earnings before interest, taxes, depreciation and amortization ("EBITDA")

AHIP calculates EBITDA as net income (loss) and comprehensive income (loss) before income taxes, depreciation and amortization, gains (or losses) from sales of hotel properties and equipment, finance costs and business acquisition costs.

g) Interest Coverage Ratio

AHIP calculates the interest coverage ratio as EBITDA for the period divided by interest expensed during the period. Specifically, interest expense is computed as net finance costs less non-cash items including accretion of contingent consideration, amortization of deferred financing costs and mark-to-market adjustments. The interest coverage ratio is a measure of AHIP's ability to service its debt.

h) Same Property Metrics

Same property metrics represent operating results for the same properties over both reporting periods, and is intended to measure the period-over-period performance of the same asset base. These metrics adjust for the impact of properties that have been sold or acquired during the current period.

i) Average Daily Rate ("ADR")

ADR is a measure of the average rate paid for rooms sold.

j) Revenue Per Available Room ("RevPAR")

RevPAR is the total guest room revenue divided by the total number of available guest rooms and is affected by the amount of unoccupied available room nights. It can also be determined by multiplying occupancy by ADR.

OVERVIEW

About AHIP

AHIP is a limited partnership formed under the *Limited Partnerships Act* (Ontario) to invest in hotel real estate properties primarily in the U.S. AHIP was established by American Hotel Income Properties REIT (GP) Inc. (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 1660 – 401 West Georgia Street, Vancouver, British Columbia, Canada, V6B 5A1.

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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 "U.S. REIT"). A ROC share is defined as a share in the capital of the U.S. REIT which is designated 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

(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 U.S. REIT. The U.S. REIT was established, among other things, for the purposes of indirectly acquiring and owning hotel real estate properties in the U.S. AHIP has two operating segments: (i) Oak Tree Inn or Rail Hotels are hotels that have railway lodging agreements; and (ii) Branded Hotels are hotels that have franchise agreements.

AHIP's long-term objectives are to:

(i) generate stable and growing cash distributions from hotel properties substantially in the U.S.;

(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 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 and on the OTCQX International Marketplace in the U.S. under the symbol AHOTF.

Recent Developments to September 30, 2014

a) Opening of the Oak Tree Inn Jefferson City, Missouri on February 4, 2014

On September 12, 2013, AHIP acquired a 77-room hotel located in Jefferson City, Missouri. On November 21, 2013, AHIP announced the signing of a long-term contract for railway crew accommodation at the Jefferson City location. Renovations to improve the existing hotel to Oak Tree Inn quality standards were completed and on February 4, 2014 the hotel was re-opened as a fully renovated Oak Tree Inn.

b) Acquisition of four hotel properties in Virginia on March 12, 2014 (the "Virginia Portfolio")

On March 12, 2014, AHIP completed the acquisition of four hotels located in Virginia for an aggregate purchase price of approximately $37.2 million, excluding post-acquisition adjustments and brand mandated property improvement plans. The Virginia Portfolio is comprised of 403 guest rooms and consists of three Hampton Inn hotels (a Hilton brand) located in Harrisonburg and Emporia and one Fairfield Inn & Suites hotel (a Marriott brand) located in South Hill. The properties are located near transportation hubs and other major demand generators such as James Madison University, manufacturing facilities, distribution centres and medical centres. The properties cater primarily to corporate travelers seeking select-service lodging and fit within AHIP's Branded Hotels operating segment.

In connection with the acquisition of the Virginia Portfolio, AHIP entered into a 10 year fixed rate loan agreement with a major international bank for a $24.5 million loan. The interest rate is 4.97% per annum. The loan is interest-only for the first four years, and thereafter a constant monthly payment of principal and interest will be due and payable over a 30-year amortization schedule, subject to prepayment provisions. AHIP was required to establish and

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fund $6.0 million in cash reserves to cover property improvement plans and other planned capital improvements for the Virginia Portfolio. An ongoing FF&E Reserve will also be required to be funded. The FF&E reserve has been waived for the initial 12 months on three of the properties and for the first 24 months for the fourth property.

c) Opening of the Oak Tree Inn Santa Teresa, New Mexico on May 6, 2014

On May 1, 2014, AHIP acquired the new 56-room Oak Tree Inn hotel and Penny's Diner from SunOne Developments Inc. ("SunOne") pursuant to the Master Development Agreement for $5.1 million. The property is secured by a long term railway contract and opened for business on May 6, 2014. The acquisition was funded by a combination of cash, mortgage debt and Units.

d) Completion of Cdn$50.7 million Unit Issuance on June 4, 2014 ("June 2014 Offering")

On June 4, 2014, AHIP completed a bought-deal public offering of 4,900,000 Units, including 552,000 Units from a partial exercise of the over-allotment option, at a price of Cdn$10.35 per Unit, for total gross proceeds of Cdn$50.7 million. As described in the short form prospectus dated May 29, 2014, AHIP intended use of the net proceeds of the offering was to: (i) acquire from SunOne, upon completion of construction, three previously announced hotel developments; (ii) partially fund the acquisition of two additional railway lodging facilities which will require renovations to meet Oak Tree Inn quality standards; (iii) partially fund the potential acquisition of two high-quality nationally-branded hotel portfolios; and (iv) fund working capital and general corporate purposes.

e) Acquisition of four hotel properties in North Carolina and Georgia in July 2014 (the "Southeastern Portfolio")

On July 3, 2014, AHIP announced the acquisition of the first three hotels in the Southeastern Portfolio. The three properties included a 111-room Hampton Inn hotel (a Hilton brand) and 87-room Fairfield Inn & Suites hotel (a Marriott brand) located in Asheboro, North Carolina and an 82-room Fairfield Inn & Suites hotel (a Marriott brand) located in Kingsland, Georgia. On July 11, 2014, AHIP announced the acquisition of the fourth hotel, a 107-room SpringHill Suites hotel (a Marriott brand) in Pinehurst, North Carolina. The four hotels were acquired for an aggregate purchase price of $30.5 million before customary closing and post-acquisition adjustments and excluding a $1.5 million brand mandated property improvement plan. The acquisition was funded using a combination of cash from AHIP's June 2014 Offering, the assumption of existing CMBS loans of approximately $13.4 million on the SpringHill Suites and Hampton Inn properties and new CMBS debt of $6.0 million on the two Fairfield Inn & Suites properties. The interest rates on the assumed CMBS loans range from 5.28%-5.69% and the interest rate on the new loan is 4.72%. The new loan is interest only for the first two years with principal amortization commencing in August 2016 over a 30-year amortization period.

f) New hotel developments scheduled for completion

(i) Oak Tree Inn hotel and Penny's Diner in Brunswick, Maryland

On August 23, 2013, AHIP announced a commitment to purchase from SunOne a newly built, 25-room Oak Tree Inn hotel and Penny's Diner in Brunswick, Maryland for approximately $2.8 million. The property is almost complete and is secured by a long term railway contract. The transaction is expected to be completed on or about November 28, 2014. Brunswick is located approximately 45 miles from Washington, D.C.

(ii) Oak Tree Inn hotel in Wellington, Kansas

On November 7, 2013, AHIP announced a commitment to purchase from SunOne a newly built, 110-room Oak Tree Inn hotel located in Wellington, Kansas for $7.4 million. The property will be located adjacent to the existing hotel and Penny's Diner. This property is presently under construction and will be secured by a long-term railway contract. The construction and acquisition will be completed within 90 days and the hotel is expected to open in early February 2015. Wellington is located approximately 35 miles south of Wichita, Kansas.

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Since September 30, 2014, AHIP has acquired eight hotel properties totaling 783 guestrooms with the addition of the Texas Portfolio (3 hotels and 293 guestrooms), the Oklahoma Portfolio (4 hotels and 440 guestrooms) and one new Oak Tree Inn hotel (50 guestrooms). As of November 13, 2014, AHIP's portfolio is comprised of 55 hotels located in 22 states across the U.S., representing an aggregate of 4,741 guestrooms.

AHIP's operating properties include 36 hotels which operate under AHIP's flagship "Oak Tree Inn" brand, eight properties under a Hilton brand (Hampton Inn), six under various Marriott brands (Fairfield Inn & Suites, Residence Inn and Springhill Suites), four under various Intercontinental Hotels Group ("IHG") brands (Holiday Inn and Staybridge Suites) and one under a Choice brand (Sleep Inn). The Hilton, Marriott, IHG and Choice branded properties are classified in the "Branded Hotels" operating segment. The Oak Tree Inn Hotels have been specifically designed for railway employee lodging customers while providing transient customers with a superior quality, select service experience. The Branded Hotels are located near transportation hubs and other demand generators that cater primarily to corporate-transient travelers. Management estimates that approximately 75% of the total available room-nights within the Oak Tree Inn portfolio are covered under contracts containing minimum occupancy guarantees. The Branded Hotels are supported by distribution networks of the largest hotel brands in the world.

Some of the key initiatives completed by AHIP for the year to date period to 2014 include:

- Acquiring approximately $160 million in hotels and with an expectation to complete another $40 million acquisition in the coming days;
- Raising over Cdn$100 million in two successful bought deal unit offerings;
- Maintaining a conservative balance sheet with our debt-to-gross book value being under 50%;
- Taking delivery of two brand new Oak Tree Inns from our development partner (SunOne) all secured by long term railway contracts and significant room guarantees

Outlook

AHIP continues to evaluate opportunities to acquire additional high quality economy, select service and extended stay hotel assets in the U.S. on an accretive basis. Management remains focused on augmenting its portfolio and since June 2014 has examined and evaluated over $800 million of for-sale hotel inventory. Recent portfolio acquisitions are representative examples of the good physical quality assets with strong in-place cash flow / yield that AHIP is targeting in its acquisitions. In addition, spreads over the 10 year fixed swap rate have compressed by approximately 50 bps over the past three months. Additionally, longer term 10 year interest only mortgages are also being offered for conservatively leveraged transactions in the 50-55% range. Collectively, this type of financing provides a highly accretive environment for hotel acquisitions priced in the 8.0% capitalization rate range.

2014 has seen a number of high watermarks in the U.S. hotel industry including the highest monthly RevPAR growth in May 2014 at 10%; the highest occupancy rate this century at 71.7%; the most rooms ever sold in July 2014 at 113 million and the highest room revenue ever recorded at $90.8 billion in August 2014. Smith Travel Research (STR) is forecasting 2014 to finish strong with RevPAR growth of 6.9%. 2015 RevPAR growth is projected to be 5.2%, driven primarily by rate growth of 4.4%. The momentum in 2015 rate growth is due to projected demand of 2.1% combined with relatively muted supply growth of 1.3%. Management believes that AHIP has entered the hotel market at an opportune time. Hotels in secondary and tertiary markets continue to sell at or below replacement cost. Furthermore, average daily rates and occupancy rates continue to be strong, which is expected to translate into improved cash flows from hotel operations.

The Oak Tree Inn Hotels will have modest total RevPAR growth arising from contractual cost of living rate increases negotiated in the various railway contracts and higher occupancies from railway employees caused by higher shipping volumes. According to Rail Time Indicators, the year-to-date total car loads to October 11, 2014, were up 3.6% on a year-over-year basis on the strength of higher shipments in grain products, petroleum and minerals.

Management believes AHIP has proven its ability to execute on its business plan, with hotel results in line with management's expectations; new hotels in the Oak Tree Inn portfolio coming online secured by long term railway contracts; and the acquisition of over 2,000 hotel rooms since the IPO in February 2013. With substantial accretive acquisition targets available for AHIP's Branded Hotels portfolio, and continuing strength in the railway industry

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supporting the Oak Tree Inn Hotels, AHIP is focused on continuing the momentum in growing the company throughout 2014 and beyond.

FINANCIAL HIGHLIGHTS AND KEY PERFORMANCE INDICATORS

(US$000s unless otherwise noted and except per unit amounts)	Three months ended Sept 30, 2014	Three months ended Sept 30, 2013	Nine months ended Sept 30, 2014	Nine months ended Sept 30, 2013[2]
Number of rooms[1]	3,958	2,641	3,958	2,641
Number of properties[1]	47	33	47	33
Number of restaurants[1]	24	23	24	23
Available room nights	362,701	237,351	971,657	565,631
Properties under development[1]	3	2	3	2
Rooms under development[1]	185	81	185	81
Occupancy rate	85.1%	84.7%	82.9%	83.4%
Average daily room rate (“ADR”)	$ 72.04	$ 56.13	$ 70.02	$ 56.09
Revenue per available room (“RevPAR”)	$ 61.31	$ 47.55	$ 58.03	$ 46.80
Revenues	$ 25,529	$ 14,343	$ 65,293	$ 33,557
Net operating income (“NOI”)	$ 9,448	$ 4,887	$ 22,872	$ 11,645
Net income and comprehensive income	$ 2,029	$ 1,042	$ 1,920	$ 638
EBITDA	$ 7,638	$ 3,783	$ 17,278	$ 8,842
Funds from operations (“FFO”)	$ 5,408	$ 2,746	$ 11,846	$ 6,370
FFO per unit (basic and diluted) – As Reported	$ 0.28	$ 0.26	$ 0.71	$ 0.72
Adjusted funds from operations (“AFFO”)	$ 4,869	$ 2,508	$ 10,871	$ 5,815
AFFO per unit (basic and diluted) – As Reported	$ 0.25	$ 0.24	$ 0.65	$ 0.65
Distributions declared – US$	$ 3,983	$ 2,255	$ 10,260	$ 5,526
AFFO payout ratio	81.8%	89.9%	94.4%	95.0%
Debt to gross book value[1]	47.9%	44.6%	47.9%	44.6%
Interest coverage ratio	3.9x	4.3x	3.4x	4.1x
Weighted average loan interest rate[1]	4.92%	4.84%	4.92%	4.84%
Weighted average loan term to maturity[1]	6.6 years	4.4 years	6.6 years	4.4 years
Number of units outstanding[1]	19,467,547	10,405,000	19,467,547	10,405,000
Weighted average number of units outstanding – As Reported	19,467,547	10,405,000	16,608,741	8,904,252
Same property occupancy	86.3%	84.7%	83.6%	83.4%
Same property ADR	$ 56.57	$ 56.13	$ 56.72	$ 56.09
Same property RevPAR	$ 48.81	$ 47.55	$ 47.39	$ 46.80

(1) – At period end
(2) – Reflect operating results for the 222 day period from the IPO date of February 20, 2013 to September 30, 2013

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Operational and Financial Highlights

The increase in occupancy, ADR, RevPAR, revenues and NOI can be attributed to changes within the portfolio. Specifically, the acquisition of 12 Branded Hotels totaling 1,261 rooms in Pittsburgh, Virginia, North Carolina and Georgia coupled with the opening of new Oak Tree Inn Hotels in Santa Teresa, New Mexico (56 rooms) in May 2014, Jefferson City, Missouri (77 rooms) in February 2014 and the inclusion of a full nine months (or 273 days) of operating results during 2014 also contributed to improved operating results. For 2013, the Oak Tree Inn Hotel portfolio results were for the 222 day period from the acquisition date (February 20, 2013) to September 30, 2013 and there was no Branded Hotels segment.

FFO for the current quarter was $5.4 million compared to $2.7 million for the quarter ended September 30, 2013. FFO was $11.8 million for the nine month period ended September 30, 2014 compared to $6.4 million for same period in 2013. The increase was due to higher NOI arising from the addition of new hotels in the portfolio. FFO per Unit – As Reported was $0.28 and $0.71 for the three months and nine months ended Sept 30, 2014, compared to $0.26 and $0.72 for the same periods last year. As at September 30, 2014 and September 30, 2013, some of the cash proceeds from the June 2014 Offering and initial public offering, respectively, were yet to be deployed and as a result, this had a dilutive impact on FFO per Unit and AFFO per Unit. In order to eliminate the cash drag, management has also calculated Core FFO per Unit and Core AFFO per Unit as it improves the comparability of operating results between reporting periods. Core FFO per Unit was $0.32 for the three months ended September 30, 2014 compared to $0.29 for the same period last year.

AFFO was $4.9 million for the current quarter compared to $2.5 million for the quarter ended Sept 30, 2013. AFFO was $10.9 million for the nine month period ended September 30, 2014 compared to $5.8 million for same period in 2013. The increase was due to higher NOI arising from new hotels being added to the portfolio offset by a higher capital expenditure reserve reflecting higher revenues. On a per unit basis, management has calculated AFFO per Unit – As Reported and Core AFFO per Unit to remove the dilutive impact arising from the undeployed cash balances on hand at September 30, 2014 and September 30, 2013. AFFO per Unit – As Reported was $0.25 and $0.65 per unit for the three months and nine months ended September 30, 2014, compared to $0.24 and $0.65 for the same periods last year. Core AFFO per Unit was $0.29 for the three months ended September 30, 2014, compared to $0.26 for the same period last year.

RESULTS OF OPERATIONS

Seasonality of Hotel Business

The hotel industry is seasonal in nature. Generally, occupancy rates, revenues and operating results for hotels located in the U.S. are greater in the second and third quarters of the calendar year than in the first and fourth quarters. These fluctuations may impact earnings and cash flow.

Based on 2013 actual same-property revenues, the seasonality of AHIP's revenues had the following distribution:

Hotel Segment	**Q1 2013**	**Q2 2013**	**Q3 2013**	**Q4 2013**	**TOTAL**
Rail	23.6%	25.4%	26.5%	24.5%	100.0%
Branded	20.5%	27.2%	28.1%	24.3%	100.0%
AVERAGE	**21.4%**	**26.6%**	**27.7%**	**24.3%**	**100.0%**

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Furthermore, the seasonality of revenues also has an impact on earnings, specifically EBITDA margin, due to certain fixed expenditures such as property taxes, insurance and energy. Based on historical information previously disclosed, the impact of seasonality on normalized EBITDA margin is summarized below:

Hotel Segment	Q1 2013	Q2 2013	Q3 2013	Q4 2013	AVERAGE
Rail	22.4%	28.8%	28.6%	26.1%	26.5%
Branded	23.5%	31.3%	32.4%	28.0%	28.8%
AVERAGE	**23.1%**	**30.4%**	**31.1%**	**27.3%**	**28.0%**

Operations

The following discussion highlights selected financial information for AHIP for the three months and nine months ended September 30, 2014 and September 30, 2013. This information has been compiled from, and should be read in conjunction with, the condensed consolidated interim financial statements and related notes to the financial statements.

(US$000s unless otherwise noted and except per unit amounts)	Three months ended Sept 30, 2014	Three months ended Sept 30, 2013	Nine months ended Sept 30, 2014	Nine months ended Sept 30, 2013(1)
Revenues	$ 25,529	$ 14,343	$ 65,293	$ 33,557
Hotel expenses	16,081	9,456	42,421	21,912
Net operating income	9,448	4,887	22,872	11,645
Depreciation and amortization	2,929	1,802	8,021	4,346
Income from operating activities	6,519	3,085	14,851	7,299
Loss on disposal of property and equipment	84	-	331	-
Corporate and administrative	1,810	1,104	5,594	2,803
Business acquisition costs	703	271	1,615	1,754
Income before finance costs and income taxes	3,922	1,710	7,311	2,742
Finance income	(23)	(6)	(72)	(30)
Finance costs	2,162	976	5,594	2,401
Income before income taxes	1,783	740	1,789	371
Current income tax expense	91	67	91	101
Deferred income tax recovery	(337)	(369)	(222)	(368)
Net income and comprehensive income	$ 2,029	$ 1,042	$ 1,920	$ 638
Basic and diluted net income per unit	$ 0.10	$ 0.10	$ 0.12	$ 0.07
Basic weighted average number of units outstanding	19,467,547	10,405,000	16,608,741	8,904,252
Diluted weighted average number of units outstanding	19,497,547	10,405,000	16,653,043	8,904,252

(1) – Reflect operating results for the 222 day period from the IPO date of February 20, 2013 to September 30, 2013

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The increase in revenues, expenses and NOI can be attributed to changes in the portfolio between reporting periods. Hotel expenses consist of hotel operating expenditures including labor costs, sales and marketing, franchise fees, energy, property maintenance, property taxes and insurance.

Depreciation and amortization expenses consist of depreciation charges on property, buildings and equipment, and amortization of intangible assets. Depreciation and amortization expenses for the quarter were $2.9 million compared to $1.8 million in the prior year. Depreciation and amortization expenses for the nine months ended September 30, 2014 were $8.0 million compared to $4.3 million in the prior year. The increased amounts were caused by the acquisition of both branded and rail hotel properties during the period.

Corporate and administrative expenses consist of hotel management fees, salaries and benefits, directors' fees, foreign exchange gains and losses, securities based compensation, professional fees and office expenses. Corporate and administrative expenses were $1.8 million and $5.6 million for the three and nine months ended September 30, 2014, respectively, compared to $1.1 million and $2.8 million for the three and nine month periods ended September 30, 2013:

(US$000s unless otherwise noted)	**Three months ended Sept 30, 2014**	**Three months ended Sept 30, 2013**	**Nine months ended Sept 30, 2014**	**Nine months ended Sept 30, 2013**
Hotel management fees	$ 1,097	$ 622	$ 2,833	$ 1,472
Salaries, benefits and directors fees	257	204	758	542
Foreign exchange losses (gains)	5	(35)	277	(92)
Securities based compensation	55	-	445	-
Professional fees	311	134	757	423
Office and general	85	179	524	433
Total corporate and administrative expenses	$ 1,810	$ 1,104	$ 5,594	$ 2,803

The increase in corporate and administrative expenses can be attributed to the acquisition of hotels resulting in higher property management fees. In addition, higher salaries and benefits were due to increased staffing levels coupled with the impact of securities based compensation charges related to units grants issued to certain AHIP employees in December 2013, which also contributed to changes between periods.

Business acquisition costs consist primarily of professional fees directly attributable to the acquisition of hotel properties. Under IFRS, all transactional costs are expensed in the period incurred irrespective of the final outcome of the acquisition. Business acquisition costs were approximately $703,000 and $1.6 million for the three and nine months ended September 30, 2014, respectively, compared to approximately $271,000 and $1.8 million for the three and nine months ended September 30, 2013, respectively. The difference is due to the specific transactions undertaken during each period. For 2014, the acquisition of the Virginia Portfolio in March 2014 and the Southeastern Portfolio in July 2014 had an impact on costs during the current year. The acquisition of the 32-hotel Oak Tree Inn portfolio in February 2013 had an impact on the prior year.

Finance costs consist of interest on term loans, preferred share dividends, non-cash accretion on contingent consideration, amortization of debt issuance costs and amortization of the mark-to-market adjustment on assumed loans offset by interest income.

Net finance costs were $2.1 million and $5.5 million for the three and nine months ended September 30, 2014, respectively, compared to $1.0 million and $2.4 million for the same periods in 2013. The increased amounts were caused by the acquisition of hotel properties and related financing including the addition of a $38.0 million mortgage for the Pittsburgh Portfolio in November 2013, a $24.5 million mortgage for the Virginia Portfolio in March 2014 and approximately $19.0 million of term loans for the Southeastern Portfolio in July 2014.

AHIP is a not a SIFT limited partnership pursuant to the Income Tax Act (Canada). Under the Income Tax Act (Canada), as long as AHIP meets prescribed conditions relating to the nature of its assets and revenues, it is not

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liable to pay Canadian income taxes provided that its taxable income is fully distributed to unitholders during the period. AHIP's indirect subsidiaries, Lodging Enterprises LLC and AHIP Enterprises LLC are taxable subsidiaries of the U.S. REIT and are subject to income taxes. As a result, there are current income taxes of $91,000. Deferred income tax is recognized in respect of temporary differences between the carrying amounts of the intangible assets and contingent consideration 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. AHIP has used a blended rate of 40% to calculate its related deferred income tax provisions. The deferred income tax recovery in the period reflects the change in the temporary differences that was previously recognized.

Total Portfolio Operating Statements

(US$000s unless otherwise noted)	Three months ended Sept 30, 2014	Three months ended Sept 30, 2013	Nine months ended Sept 30, 2014	Nine months ended Sept 30, 2013(1)
Number of rooms	3,958	2,641	3,958	2,641
Number of properties	47	33	47	33
Number of restaurants	24	23	24	23
Available room nights	362,701	237,351	971,657	565,631
Occupied rooms	308,697	201,065	805,368	471,970
Occupancy %	85.1%	84.7%	82.9%	83.4%
Average daily room rate ("ADR")	$ 72.04	$ 56.13	$ 70.02	$ 56.09
Revenue per available room ("RevPAR")	$ 61.31	$ 47.55	$ 58.03	$ 46.80
Revenues				
Rooms	$ 22,239	$ 11,285	$ 56,389	$ 26,474
Food and beverage	3,127	2,800	8,386	6,456
Other	163	258	518	627
TOTAL REVENUES	25,529	14,343	65,293	33,557
Expenses				
Operating expenses	12,457	7,208	32,426	16,867
Energy	1,153	735	3,218	1,616
Property maintenance	1,292	792	3,414	1,820
Taxes and insurance	1,179	721	3,363	1,609
TOTAL EXPENSES	16,081	9,456	42,421	21,912
NET OPERATING INCOME ("NOI")	$ 9,448	$ 4,887	$ 22,872	$ 11,645
NOI Margin %	37.0%	34.1%	35.0%	34.7%

(1) – Reflect operating results for the 222 day period from the IPO date of February 20, 2013 to September 30, 2013

Overall portfolio occupancy was 85.1% for the three ended September 30, 2014, compared to 84.7% for the same period last year. The increase in occupancy is due to the strong performance of certain hotels in the Rail Portfolio due to increased demand from rail customers due to higher commodity shipments including grains, minerals and oil and gas. For the most recent quarter, the Rail Hotels had an average occupancy rate of 86.5%. Occupancy for the nine month period ended September 30, 2014 was down marginally due to the lower occupancy from the Branded Hotels compared to the Rail Hotels. For the most recent quarter, Branded Hotels had an average occupancy rate of 82.1%.

ADR increased to $72.04 for the current quarter compared to $56.13 for the same period last year. ADR for the nine months ended September 30, 2014 increased to $70.02 compared to $56.09 for the same period last year. The

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increase in ADR reflects the impact of the Branded Hotels on the portfolio. For the most recent quarter, the Branded Hotels had an ADR of $106.15 compared to the Rail Hotels ADR of $57.10.

AHIP achieved revenues and NOI of $25.5 million and $9.4 million, respectively, for the three months ended September 30, 2014 compared to $14.3 million and $4.9 million, respectively, for the same period in 2013. For the nine month period ended September 30, 2014, revenues and NOI increased to $65.3 million and $22.9 million, respectively, from revenues and NOI of $33.6 million and $11.6 million, respectively, for the nine month period ended September 30, 2013. The increase in revenues and NOI can be attributed to the acquisition of the 12 Branded Hotels in Pittsburgh, Virginia, North Carolina and Georgia coupled with the opening of two Rail Hotels in New Mexico and Missouri. In addition, the inclusion of a full nine months of operating results during 2014 also contributed to higher operating results. For 2013, the Oak Tree Inn hotel portfolio results were for only the 222 day period from the acquisition date (February 20, 2013) to September 30, 2013.

Overall improvements in NOI margin reflect the addition of higher margin Branded Hotels to the portfolio compared to the prior year. For the current quarter, Branded Hotels had an average NOI margin of 43.9% compared to 32.5% for the Rail Hotels.

Oak Tree Inn Hotels Operating Statements

(US$000s unless otherwise noted)	Three months ended Sept 30, 2014	Three months ended Sept 30, 2013	Nine months ended Sept 30, 2014	Nine months ended Sept 30, 2013(1)
Number of rooms	2,697	2,564	2,697	2,564
Number of properties	35	33	35	33
Number of restaurants	24	23	24	23
Available room nights	248,124	237,351	726,894	565,631
Occupied rooms	214,674	201,065	608,335	471,970
Occupancy %	86.5%	84.7%	83.7%	83.4%
Average daily room rate (“ADR”)	$ 57.10	$ 56.13	$ 57.05	$ 56.09
Revenue per available room (“RevPAR”)	$ 49.41	$ 47.55	$ 47.74	$ 46.80
Revenues				
Rooms	$ 12,259	$ 11,285	$ 34,703	$ 26,474
Food and beverage	3,127	2,800	8,386	6,456
Other	59	258	290	627
TOTAL REVENUES	15,445	14,343	43,379	33,557
Expenses				
Operating expenses	7,859	7,208	22,510	16,867
Energy	794	735	2,385	1,616
Property maintenance	931	792	2,545	1,820
Taxes and insurance	840	721	2,485	1,609
TOTAL EXPENSES	10,424	9,456	29,925	21,912
NET OPERATING INCOME (“NOI”)	$ 5,021	$ 4,887	$ 13,454	$ 11,645
NOI Margin %	32.5%	34.1%	31.0%	34.7%

(1) – Reflect operating results for the 222 day period from the IPO date of February 20, 2013 to September 30, 2013

For the current quarter, increases in occupancy and ADR reflect the addition of new Oak Tree Inn properties at Santa Teresa, New Mexico and Jefferson City, Missouri during the year coupled with contractual increases in room rates. For the nine month period ended September 30, 2014, overall occupancy and ADR were consistent with prior periods.

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Total revenues for the nine month ended September 30, 2014 were higher than the same period last year as 2014 results included a full nine months (or 273 days) of operations. The 2013 results included operations from the acquisition date of February 20, 2013 to September 30, 2013 (or 222 days).

NOI margin for the current quarter was 32.5% compared to 34.1% in the prior period. The decrease in margin during the current quarter reflects higher hotel operating expenses due to the addition of hotel-specific personnel, the addition of new information systems, higher property maintenance costs arising from implementation of new preventative maintenance programs, and weather related property insurance claims at certain properties. Taxes and insurance expenses were higher due to increases in property and liability premiums from the insurance renewal on November 1, 2013 coupled with higher property taxes at certain properties arising from higher property assessments.

For the nine month period ended September 30, 2014, higher energy prices, reflecting the unusually cold winter season during the first quarter of 2014, had a further dampening impact on margins compared to the same period in the prior year.

Branded Hotels Operating Statements

(US$000s unless otherwise noted)	Three months ended Sept 30, 2014	Three months ended Sept 30, 2013	Nine months ended Sept 30, 2014	Nine months ended Sept 30, 2013
Number of rooms	1,261	-	1,261	-
Number of properties	12	-	12	-
Number of restaurants	-	-	-	-
Available room nights	114,577	-	244,763	-
Occupied rooms	94,023	-	197,033	-
Occupancy %	82.1%	-	80.5%	-
Average daily room rate (“ADR”)	$ 106.15	-	$ 110.06	-
Revenue per available room (“RevPAR”)	$ 87.10	-	$ 88.60	-
Revenues				
Rooms	$ 9,980	-	$ 21,686	-
Food and beverage	-	-	-	-
Other	104	-	228	-
TOTAL REVENUES	10,084	-	21,914	-
Expenses				
Operating expenses	4,598	-	9,915	-
Energy	359	-	833	-
Property maintenance	361	-	869	-
Taxes and insurance	339	-	879	-
TOTAL EXPENSES	5,657	-	12,496	-
NET OPERATING INCOME (“NOI”)	$ 4,427	-	$ 9,418	-
NOI Margin %	43.9%	-	43.0%	-

The Branded hotels consist of the four Pittsburgh hotels acquired in November 2013, the four Virginia hotels acquired in March 2014 and the four North Carolina and Georgia hotels acquired in July 2014.

The higher NOI margin for the Branded Hotels reflects the rooms only and transient guest focus of these limited service, branded properties, which have higher average daily rates.

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Same Property Operating Metrics

The following table presents same property operating metrics for the three months and nine months ended September 30, 2014 and September 30, 2013, respectively. Same property calculations exclude the Santa Teresa and Jefferson City Oak Tree Inn Hotels along with the Pittsburgh Portfolio, Virginia Portfolio and Southeastern Portfolio, which were not owned by AHIP throughout each of the periods presented.

(US$000s unless otherwise noted)	Three months ended Sept 30, 2014	Three months ended Sept 30, 2013	Nine months ended Sept 30, 2014	Nine months ended Sept 30, 2013[(1)]
Number of rooms	2,564	2,564	2,564	2,564
Number of properties	33	33	33	33
Number of restaurants	23	23	23	23
Available room nights	235,888	237,351	694,572	565,631
Occupied rooms	203,540	201,065	580,317	471,970
Occupancy %	86.3%	84.7%	83.6%	83.4%
Average daily room rate (“ADR”)	$ 56.57	$ 56.13	$ 56.72	$ 56.09
Revenue per available room (“RevPAR”)	$ 48.81	$ 47.55	$ 47.39	$ 46.80
Revenues				
Rooms	$ 11,514	$ 11,285	$ 32,914	$ 26,474
Food and beverage	3,023	2,800	8,231	6,456
Other	75	258	305	567
TOTAL REVENUES	14,612	14,343	41,450	33,497
Expenses				
Operating expenses	7,538	7,208	21,656	16,794
Energy	779	735	2,320	1,616
Property maintenance	862	792	2,457	1,820
Taxes and insurance	820	721	2,445	1,609
TOTAL EXPENSES	9,999	9,456	28,878	21,839
NET OPERATING INCOME (“NOI”)	$ 4,613	$ 4,887	$ 12,572	$ 11,658
NOI Margin %	31.6%	34.1%	30.3%	34.8%

(1) - Reflect operating results for the 222 day period from the IPO date of February 20, 2013 to September 30, 2013

For the current quarter, increases in occupancy and ADR reflects strong performance at certain Rail Hotels due to increased demand from rail customers resulting from higher shipments of coal and oil and gas. For the nine months ended September 30, 2014, occupancy and ADR were consistent with prior periods reflecting the overall stability of the railway hotels.

Total revenues for the nine months ended September 30, 2014 were higher than the same period last year as 2014 results include a full nine months (or 273 days) of operations. The 2013 results include operations from the acquisition date of February 20, 2013 to September 30, 2013 (or 222 days). Other revenues, which fluctuate from period to period, are comprised of vehicle charges, fees for property damage and maintenance charges at offsite and customer locations.

NOI margin for the current quarter was 31.6% compared to 34.1% in the prior period. The decrease in margin during the current quarter reflects higher hotel operating expenses due to the addition of hotel specific personnel, increased costs due to implementation of new information systems, higher property maintenance costs arising from preventative maintenance programs, and weather related property insurance claims at certain properties. Taxes and

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insurance expenses were higher due to increases in property and liability premiums from the insurance renewal on November 1, 2013 coupled with higher property taxes at certain properties.

For the nine month period ended September 30, 2014, higher energy prices, reflecting the unusually cold winter season, during the first quarter of 2014 had a further downward impact on margins compared to the same period in the prior year.

RECONCILIATION OF NON-IFRS OPERATING RESULTS

FUNDS FROM OPERATIONS (FFO)

FFO is a supplemental non-IFRS financial measure of operating performance widely used in the Canadian real estate industry. FFO is not defined under IFRS and should not be used as a substitute for net income, cash flow from operations, or any other operating or liquidity measure prescribed under IFRS. Instead, FFO has been included to provide readers and investors with additional information to improve their understanding of AHIP's operating results. AHIP calculates FFO in accordance with the *REALpac White Paper on Funds from* Operations as described in the "Non-IFRS Measures" section of this MD&A. Net income and comprehensive income to FFO is calculated as follows:

(US$000s unless otherwise noted and except per unit amounts)	**Three months ended Sept 30, 2014**	**Three months ended Sept 30, 2013**	**Nine months ended Sept 30, 2014**	**Nine months ended Sept 30, 2013**
Net income and comprehensive income	$ 2,029	$ 1,042	$ 1,920	$ 638
Add/(deduct):				
Depreciation and amortization	2,929	1,802	8,021	4,346
Loss on disposal of property and equipment	84	-	331	-
Business acquisition costs	703	271	1,615	1,754
Foreign exchange losses	-	-	181	-
Deferred income tax recovery	(337)	(369)	(222)	(368)
Funds from operations ("FFO")	$ 5,408	$ 2,746	$ 11,846	$ 6,370
Weighted average number of units outstanding – As Reported	19,467,547	10,405,000	16,608,741	8,904,252
FFO per Unit – As Reported	$ 0.28	$ 0.26	$ 0.71	$ 0.72
Weighted average number of units outstanding – Core	16,857,505	9,387,997		
Core FFO per Unit	$ 0.32	$ 0.29		

FFO was $5.4 million and $11.8 million for the three and nine months ended September 30, 2014, respectively compared to $2.7 million and $6.4 million for the same periods last year. The increase was due to higher NOI arising from new hotels being added to the portfolio. Business acquisition costs were higher in the current period due to higher transactional activity, namely the acquisition of the Southeastern Portfolio in July 2014, compared to the prior period.

A portion of the cash proceeds from the June 2014 Offering and initial public offering were unutilized as at September 30, 2014 and September 30, 2013, respectively and created a cash drag on the reported FFO per Unit. As a result, management believes that an adjustment for this dilutive item would result in a more accurate reflection of the operating performance for the three months ended September 30, 2014 and September 30, 2013.

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FFO per Unit – As Reported was $0.28 and $0.71 for the three and nine months ended September 30, 2014, respectively, compared to $0.26 and $0.72 for the same period last year. Core FFO per unit was $0.32 per unit for the three months ended September 30, 2014 compared to $0.29 for the same period last year.

ADJUSTED FUNDS FROM OPERATIONS (AFFO)

Hotel operations require maintenance capital expenditures to maintain the occupancy and revenue streams of the business. AFFO is a widely used non-IFRS measure in the Canadian real estate industry to indicate available cash flow after maintenance capital expenditures. AFFO is not defined under IFRS and the method applied by AHIP to calculate AFFO may differ from methods applied by other issuers and as a result may not be comparable with measures used by such other issuers.

In calculating AFFO, AHIP makes certain adjustments to FFO as described in the "Non-IFRS Measures" section of this MD&A.

(US$000s unless otherwise noted and except per unit amounts)	Three months ended Sept 30, 2014	Three months ended Sept 30, 2013	Nine months ended Sept 30, 2014	Nine months ended Sept 30, 2013
Funds from operations ("FFO")	$ 5,408	$ 2,746	$ 11,846	$ 6,370
Add/(deduct):				
Securities based compensation expense	55	-	445	-
Accretion of contingent consideration	56	49	156	119
Amortization of deferred financing costs	139	52	360	120
Amortization of mark-to-market adjustment	(18)	-	(18)	-
FF&E reserve	(771)	(339)	(1,918)	(794)
Adjusted Funds from operations ("AFFO")	$ 4,869	$ 2,508	$ 10,871	$ 5,815
Weighted average number of units outstanding – As Reported	19,467,547	10,405,000	16,608,741	8,904,252
AFFO per Unit – As Reported	$ 0.25	$ 0.24	$ 0.65	$ 0.65
Weighted average number of units outstanding – Core	16,857,505	9,387,997		
Core AFFO per Unit	$ 0.29	$ 0.26		

AFFO was $4.9 million and $10.9 million for the three and nine months ended September 30, 2014 compared to $2.5 million and $5.8 million for the same periods last year. The increase in AFFO reflects portfolio acquisitions and resulting higher NOI that has occurred between periods.

AFFO per Unit – As Reported was $0.25 and $0.65 for the three and nine months ended September 30, 2014 compared to $0.24 and $0.65 for the same periods last year. After adjusting for the dilutive impact of partial cash proceeds from the June 2014 Offering and the initial public offering that were deployed after September 30, 2014 and September 30, 2013, respectively, Core AFFO per unit was $0.29 per unit for the three months ended September 30, 2014 compared to $0.26 for the same period last year.

SUMMARY OF QUARTERLY RESULTS

In accordance with Item 1.5 of Form 51-102F1 – Management's Discussion & Analysis, quarterly information has been presented for eight quarters since AHIP was formed on October 12, 2012. Prior to AHIP's acquisition of the Oak Tree Inn Hotels on February 20, 2013, AHIP did not have any operating activities. The results for the three month period ended March 31, 2013 reflect only 39 days of hotel operations.

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(US$000s except per Unit amounts)	Q3 2014	Q2 2014	Q1 2014	Q4 2013	Q3 2013	Q2 2013	Q1 2013	Q4 2012
Revenues	$25,529	$ 22,541	$ 17,223	$ 14,495	$ 14,343	$ 13,640	$ 5,574	$ -
Net income (loss) and comprehensive income (loss)	2,029	651	(760)	(955)	1,042	639	(1,043)	(455)
Basic and diluted net income (loss) per unit	$ 0.10	$ 0.04	$ (0.05)	$ (0.07)	$ 0.10	$ 0.06	$ (0.21)	$ (0.93)

The hospitality industry is subject to seasonality and other risks and uncertainties which result in fluctuations in financial results over reporting periods.

FINANCIAL CONDITION

Liquidity

The principal liquidity needs of AHIP are due to working capital requirements, debt servicing and repayment obligations, distributions to Unitholders, maintenance capital expenditures and future hotel acquisitions.

Cash flows from operations and cash on hand represent the primary sources of liquidity. Cash flows from operations are dependent on hotel operations including occupancy levels, room rates and operating costs.

The following table provides an overview of AHIP's cash flows from operating, financing and investing activities for the three months and nine months ended September 30, 2014 and September 30, 2013:

(US$000s)	Three months ended Sept 30, 2014	Three months ended Sept 30, 2013	Nine months ended Sept 30, 2014	Nine months ended Sept 30, 2013
Net change in cash flow related to:				
Operating activities	$ 4,986	$ 2,314	$ 11,506	$ 3,145
Investing activities	(7,558)	(2,404)	(71,967)	(63,185)
Financing activities	(132)	(3,073)	63,998	80,812
Increase (decrease) in cash flow	$ (2,704)	$ (3,163)	$ 3,537	$ 20,772

The increase (decrease) in cash flow for the three months and nine months ended September 30, 2014 compared to the same periods in 2013 was due to:

- Operating activities – higher net operating income due to Branded and Rail Hotel acquisitions
- Investing activities – investment in the Southeastern Portfolio that was completed in early July 2014; acquisition of the Santa Teresa property in May 2014 and the Virginia Portfolio transaction that occurred in March 2014 compared to the Oak Tree Inn portfolio acquisition in February 2013
- Financing activities – net proceeds realized from the completion of the June 2014 Offering compared to the initial public offering in February 2013 and additional loan proceeds from term loans offset by distribution payments and loan repayments

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The following table sets out AHIP's contractual obligations over the next five years and thereafter.

(US$000s)	2014	2015	2016	2017	2018	Thereafter
Term loans	$ 997	$ 4,181	$ 4,415	$ 5,232	$ 59,669	$ 79,901
Operating leases	105	313	240	87	-	-
Deferred compensation payable	-	-	500	-	-	-
Contingent consideration	-	-	5,500	-	-	-
	$ 1,102	$ 4,494	$ 10,655	$ 5,319	$ 59,669	$ 79,901

Debt Strategy

AHIP's overall borrowing policy is to obtain secured mortgage financing on a primarily fixed rate basis with terms to maturity that allow AHIP to:

i) achieve and maintain staggered debt maturities that reduce its exposure to interest rate fluctuations and re-financing risk in any particular period and

ii) fix rates and extend loan terms when borrowing conditions are favorable.

The fixed rate mortgages are expected to be primarily first charge mortgages. Subject to market conditions and AHIP's growth, management currently intends to maintain total indebtedness at approximately 50-55% of AHIP's gross book value. In accordance with AHIP's Limited Partnership Agreement, the maximum debt limit is 60% (65% including convertible debentures) of AHIP's gross book value. As at September 30, 2014, AHIP's debt-to-gross book value was 47.9%.

(US$000s unless otherwise noted)	September 30, 2014	September 30, 2013
Debt	$ 160,395	$ 74,820
Gross Book Value	$ 334,924	$ 167,624
Debt to Gross Book Value	47.9%	44.6%

(US$000s unless otherwise noted)	Three months ended Sept 30, 2014	Three months ended Sept 30, 2013	Nine months ended Sept 30, 2014	Nine months ended Sept 30, 2013
EBITDA	$ 7,638	$ 3,783	$ 17,278	$ 8,842
Interest expense(1)	$ 2,162	$ 976	$ 5,594	$ 2,401
Interest coverage ratio (times)	3.9x	4.3x	3.4x	4.1x

(1) – Interest expense is computed as finance costs adjusted for non-cash items including accretion of contingent consideration, amortization of deferred financing costs and amortization of mark-to-market adjustments on assumed term loans.

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The following table sets out the interest rates and terms of AHIP's current debt financing obligations:

(US$000s unless otherwise noted)	Balance at Sept. 30, 2014	Interest Rate	Initial Term (years)	Maturity Date
Construction facility(1)	$ -	4.00%	2	February 20, 2015
Oak Tree Hotel Loans	65,057	4.85%	5	February 20, 2018
Southeastern Portfolio Assumed Loan #1	5,640	5.69%	5	August 1, 2018
Oak Tree Hotel Loan Amendment	1,587	4.25%	5	May 1, 2019
Pittsburgh Portfolio Term Loans	38,000	5.02%	10	December 6, 2023
Oak Tree Hotel Loan Amendment	2,738	4.00%	10	January 1, 2024
Southeastern Portfolio Assumed Loan #2	7,681	5.28%	10	February 1, 2024
Virginia Portfolio Term Loan	24,500	4.97%	10	April 6, 2024
Oak Tree Hotel Loan Amendment	3,192	4.25%	10	May 1, 2024
Southeastern Portfolio Term Loan	6,000	4.72%	10	July 6, 2024
	$ 154,395			

(1) – The maximum available limit under this facility is $4.0 million.

Capital Resources

As at September 30, 2014, AHIP was in compliance with all of its lending covenants relating to the Oak Tree Hotel Loans, the Pittsburgh Portfolio Term Loans, Virginia Portfolio Term Loan and the three Southeastern Portfolio Term Loans.

Management intends to obtain additional equity financing and/or secured debt financing with similar interest rates and terms to meet AHIP's planned growth strategy. Management has not identified any unfavourable trends or fluctuations that may impact AHIP’s ability to obtain additional equity financing and/or secured debt financing. AHIP has not obtained or made use of any additional sources of financing that are not disclosed in its condensed consolidated interim financial statements.

Partners’ Capital

AHIP is authorized to issue an unlimited number of Units.

On February 20, 2013, AHIP closed its IPO of 9,570,000 Units, including the partial exercise of the over-allotment option, priced at Cdn$10.00 per Unit, for gross proceeds of Cdn$95.7 million (US$94.1 million). On March 1, 2013, the exercise of the remaining balance of the over-allotment option was completed, resulting in the issuance of an additional 435,000 Units at a price of Cdn$10.00 per Unit for gross proceeds of Cdn$4.4 million (US$4.2 million).

On October 31, 2013, AHIP completed an Offering of Subscription Receipts, including the exercise of the over-allotment option of 517,500 Subscription Receipts, issuing a total of 3,967,500 Subscription Receipts at a price of Cdn$10.15 per Subscription Receipt for gross proceeds of Cdn$40.3 million (US$38.3 million).

On November 21, 2013, upon completion of the acquisition of the Pittsburgh Portfolio hotels, one Unit of AHIP was issued in exchange for each outstanding Subscription Receipt without payment of additional consideration, which resulted in the issuance of 3,967,500 Units.

On December 30, 2013, AHIP issued 65,300 Units to certain employees for Unit grants that had vested during the quarter.

On May 1, 2014, as partial consideration for the purchase of a property in Santa Teresa, New Mexico, AHIP issued 101,247 Units at a price of Cdn$10.825.

On May 15, 2014, AHIP issued 28,500 Units to an officer for Unit grants that had vested during the quarter.

On June 4, 2014, AHIP completed a bought deal public offering of 4,900,000 Units, including the partial exercise of the over-allotment option of 552,000 Units, priced at Cdn$10.35 per Unit for gross proceeds of Cdn$50.7 million.

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As at September 30, 2014, there were 19,467,547 Units outstanding. On September 30, 2014, the units were traded on the TSX with a closing ask price of Cdn$10.61, and on the OTCQX with a closing ask price of $9.88. As at November 13, 2014, there were 24,320,563 Units outstanding.

DISTRIBUTION HISTORY

Distribution Policy

AHIP's current policy is to declare and pay monthly cash distributions using available cash to the maximum extent possible. Management's goal is to maintain a conservative AFFO payout ratio. Management has not identified any legal or practical restrictions on the ability of AHIP's properties to transfer funds within AHIP's structure. The declaration of distributions is subject to the discretion of the Board of Directors of the General Partner and will be evaluated periodically and may be revised. AHIP is currently paying monthly cash distributions of Cdn$0.075 per Unit to Unitholders. Distribution declarations will be paid to Unitholders of record at the close of business on the last business day of a month on or about the 15th day of the following month.

Distributions Summary

Distributions totaling Cdn$4.4 million were declared during the three months ended September 30, 2014 (September 30, 2013 – Cdn$2.3 million), of which Cdn$1.5 million was included in accounts payable and accrued liabilities at September 30, 2014 and subsequently paid on October 15, 2014.

AHIP declared and paid cash distributions to Unitholders of record from July 1, 2014 to September 30, 2014 as per the following table:

Month	Record Date	Payment Date	Distribution per Unit (Cdn$)	Amount (Cdn$000s)
July 2014	July 31, 2014	August 15, 2014	$ 0.075	$ 1,460
August 2014	August 29, 2014	September 15, 2014	$ 0.075	$ 1,460
September 2014	September 30, 2014	October 15, 2014	$ 0.075	$ 1,460
			$ 0.225	$ 4,380

OFF-BALANCE SHEET ARRANGEMENTS

AHIP does not have any off-balance sheet arrangements.

TRANSACTIONS WITH RELATED PARTIES

AHIP entered into a hotel management agreement with Tower Rock Hotels & Resorts Inc. ("Tower Rock"), a company controlled by a director of the General Partner, to manage and operate AHIP's hotel properties.

The operating subsidiaries of AHIP are responsible for reimbursing Tower Rock for any operating expenses and direct costs incurred with respect to 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 agreements also provide for management fees equal to 3.5% of gross revenues to be paid. Tower Rock is also entitled to a capital expenditure fee equal to 5.0% of capital expenditures, including maintenance capital expenditures (but excluding repairs and maintenance expenses). In addition, commencing in fiscal 2014, the hotel manager is eligible to receive an incentive fee up to 15% of the amount by which the gross operating profit of all properties managed by Tower Rock, on an aggregate basis, exceeds the annual budgeted gross operating profit for all hotels 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.

In addition, an annual administration fee of $15,000 is payable for each property acquired on February 20, 2013 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. An annual fee of $25,000 per property is payable for properties acquired subsequent to February 20, 2013.

AHIP recorded the following fees charged by Tower Rock in corporate and administrative expenses for the three months and nine months ended September 30, 2014 and September 30, 2013.

(US$000s)	**Three months ended Sept 30, 2014**	**Three months ended Sept 30, 2013**	**Nine months ended Sept 30, 2014**	**Nine months ended Sept 30, 2013**
Management fees	$ 887	$ 497	$ 2,278	$ 1,174
Administration fees	210	125	554	298
	$ 1,097	$ 622	$ 2,832	$ 1,472

Capital management fees of approximately $48,000 and $78,000 have been capitalized to property, buildings and equipment for the three and nine months ended September 30, 2014 compared to approximately $47,000 and $163,000 for the three and nine months ended September 30, 2013.

During the three and nine months ended September 30, 2014, Tower Rock incurred $7.2 million and $19.5 million, respectively, in direct expenses on behalf of the hotel properties compared to $4.9 million and $11.8 million during the same periods in the prior year. The direct expenses consisted primarily of payroll costs and other general and administrative costs including travel and office expenses.

CRITICAL ACCOUNTING ESTIMATES AND ACCOUNTING STANDARDS

The preparation of the 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 condensed consolidated interim financial statements, and the reported amounts of income and expenses during the financial reporting period. Actual results may differ from these estimates.

Accounting estimates

Significant areas of estimates include the following:

i) Business combinations

The acquisition of a business is accounted for using the purchase method. The cost of the acquisition is measured at the aggregate of the fair values, at the date of exchange of assets given, liabilities incurred or assumed. The acquiree's identifiable assets, liabilities and contingent liabilities are recognized at their fair values at the acquisition dates. AHIP obtained third-party valuations to support management's determination of the fair value of property, buildings and equipment. Management evaluated the incremental earning stream attributable to the lodging or franchise agreements discounted at an expected rate of return to support the determination of the value of intangible assets. The fair values of loans assumed are determined based on various factors including AHIP's assessment of interest rates for comparable loans.

ii) Depreciation and amortization

Management has estimated the useful lives of property, buildings and equipment in the determination of depreciation. The estimated useful lives of property, buildings and equipment are determined based on various factors including historical data and AHIP's expected use of the assets. Intangible assets are amortized over the average remaining contractual term of the lodging or franchise agreements.

Accounting standards adopted in the period:

The following new accounting standards were adopted by AHIP effective January 1, 2014. The new accounting standard is also expected to be reflected in AHIP's annual audited consolidated financial statements as at and for the year ended December 31, 2014.

i) IFRIC 21 – Levies

IFRIC 21 provides an interpretation of the requirements in IAS 37 *Provisions, Contingent Liabilities and Contingent Assets* for the recognition of liabilities for obligations to pay levies that are within the scope of IFRIC 21. The effective date of this standard was January 1, 2014. The standard has no material impact on AHIP's condensed consolidated interim financial statements.

SUBSEQUENT EVENTS

a) Distributions

On October 15, 2014, AHIP announced a cash distribution of approximately Cdn$1.8 million (or Cdn$0.075 per unit), which is equivalent to Cdn$0.90 per Unit on an annualized basis, for the period of October 1, 2014 to October 31, 2014 to be paid to Unitholders of record on October 31, 2014. The distribution will be paid on November 14, 2014.

b) Acquisition of three hotel properties in Texas in October 2014 (the "Texas Portfolio")

On October 27, 2014, AHIP announced the acquisition of three hotels in Amarillo, Texas. The three properties include a 151-room Holiday Inn hotel (an Intercontinental Hotels Group brand), a 79-room Fairfield Inn & Suites hotel (a Marriott brand) and a 63-room Sleep Inn & Suites hotel (a Choice brand). The three hotels were acquired for an aggregate purchase price of $31.4 million (or $107,000 per room) before customary closing and post-acquisition adjustments and excluding up to $0.4 million for brand mandated property improvement plans. The acquisition was funded using a combination of cash on hand and a new $16.0 million, 10 year, interest only, CMBS mortgage with a fixed interest rate of 4.20%. The FF&E reserve will be waived for the first 12 months of the term.

c) Completion of Cdn$50.3 million Unit Issuance on October 28, 2014 ("October 2014 Offering")

On October 28, 2014, AHIP completed a bought deal public offering of 4,810,000 Units, including 500,000 Units from a partial exercise of the over-allotment option, at a price of Cdn$10.45 per Unit, for total gross proceeds of Cdn$50,264,500. As described in the short form prospectus dated October 21, 2014, AHIP intends to use the net proceeds of the offering to: (i) partially fund the acquisition of a high quality nationally-branded hotel portfolio in Oklahoma (the "Oklahoma Portfolio"); (ii) partially fund the potential acquisition of another portfolio of hotels in the southeast United States that is under preliminary review and subject to various conditions (the "Southeast Portfolio II"); and (iii) fund working capital and/or other potential acquisitions.

d) Acquisition of the Oak Tree Inn Glendive, Montana on October 28, 2014

On October 28, 2014, AHIP acquired the new 50-room Oak Tree Inn hotel and Penny's Diner from SunOne pursuant to the Master Development Agreement for $4.9 million. The property is secured by a long term railway contract and the acquisition was funded by a combination of cash, advances from the construction facility and 43,016 Units, which were issued at Cdn$10.45.

e) Acquisition of four hotel properties in Oklahoma in November 2014 (the "Oklahoma Portfolio")

On November 3, 2014, AHIP announced the acquisition of four hotels in and around Oklahoma City, Oklahoma. Three of the four properties are located in Oklahoma City and include the 147-room Holiday Inn Oklahoma City Airport, the 103-room Staybridge Suites Oklahoma City Airport and the 109-room Holiday Inn Oklahoma City Quail Springs North (all three are leading Intercontinental Hotels Group brands). The fourth hotel is an 81-room Hampton Inn hotel (a Hilton brand) located in Woodward, Oklahoma. The four hotels were acquired for an aggregate purchase price of $48.0 million (or $109,000 per room) before customary closing and post-acquisition

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adjustments and excluding $0.7 million for brand mandated property improvement plans. The acquisition was funded using a combination of cash from AHIP's October 2014 Offering and a new $25.5 million, 10 year, interest only, CMBS mortgage with a fixed interest rate of 4.20%. The FF&E reserve will be waived for the first 12 months of the term.

INTERNAL CONTROLS

National Instrument 52-109 "Certification of Disclosure in Issuers' Annual and Interim Filings" ("NI 52-109") requires the Chief Executive Officer ("CEO") and Chief Financial Officer ("CFO") to be responsible for establishing and maintaining disclosure controls and procedures ("DC&P") and internal controls over financial reporting ("ICFR"), as defined in the instrument. DC&P are designed to provide reasonable assurance that material information required to be disclosed by AHIP in annual filings, interim filings or other reports filed or submitted under securities legislation is recorded, processed, summarized and reported within the time periods specified in the securities legislation. Furthermore, DC&P are designed to ensure that material information required to be disclosed by AHIP in annual filings, interim filings or other reports filed or submitted under securities legislation is accumulated and communicated to AHIP's management, including its CEO and CFO, as appropriate to allow timely decisions regarding required disclosure. ICFR is designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with IFRS.

AHIP's ICFR may not prevent or detect all misstatements because of the inherent limitations of any control system. Additionally, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions or deterioration in the degree of compliance with AHIP's policies and procedures.

As at September 30, 2014, AHIP's management, under the supervision of its CEO and CFO, has conducted an evaluation of the design of AHIP's DC&P and ICFR, with the exception of the scope of design of DC&P and ICFR as noted below. Management used the criteria set forth by the Committee of Sponsoring Organizations of the Treadway Commission ("COSO") in Internal Control – Integrated Framework (2013). Based on this evaluation, the CEO and CFO concluded that as at September 30, 2014, AHIP's DC&P was designed to provide reasonable assurance that information required to be disclosed by AHIP in reports filed or submitted under securities legislation is recorded, processed, summarized and reported within the time periods specified therein and AHIP's ICFR was designed to provide reasonable assurance regarding the reliability of the financial reporting and preparation of financial statements for external purposes in accordance with IFRS.

In accordance with Section 3.3(1) (b) of NI 52-109, AHIP's CEO and CFO have limited the scope of design of DC&P and ICFR to exclude the controls, policies and procedures related to the Branded Hotel Portfolio, as it was acquired less than 365 days before the last day of the three months ended September 30, 2014. The results of the Branded Hotel Portfolio constitutes approximately 52% and 48% of AHIP's income from operating activities for the three and nine months ended September 30, 2014, respectively, included in the condensed consolidated interim financial statements and related notes. AHIP intends to complete the design of DC&P and ICFR for the Pittsburgh Portfolio by December 31, 2014 the Virginia Portfolio by March 31, 2015 and the Southeastern Portfolio by September 30, 2015.

CURRENCY SWAP ARRANGEMENTS

A substantial portion of AHIP's investments and operations are conducted in U.S. dollars and AHIP pays distributions to Unitholders in Canadian dollars. Therefore, AHIP has exposure to fluctuations in currency exchange rates. For the three months ended September 30, 2014, AHIP did not enter into any currency swap arrangements. Management will continue to explore currency swap arrangements as a risk management tool.

RISKS AND UNCERTAINTIES

For a full list and explanation of AHIP's risks and uncertainties, please refer to AHIP's 2013 Annual Information Form (the "AIF") dated March 26, 2014, which is available on SEDAR at www.sedar.com. Although AHIP believes

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that the risk factors in the AIF 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 believes 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 its 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 AIF 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, including the company's AIF, is available on SEDAR at www.sedar.com.

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DETAILS OF PROPERTY PORTFOLIO AS AT NOVEMBER 13, 2014

Hotel Address	Location	Number of Rooms	Restaurant
Oak Tree Inn Hotels			
2407 East Holland Avenue	Alpine, TX	40	Yes
3522 N. Highway 59	Bill, WY	112	Yes
3475 Union Road	Buffalo, NY	56	-
1625 Stillwater Avenue	Cheyenne, WV	60	Yes
2300 Valley West Ct.	Clinton, IA	123	-
21233 Coal River Road	Comfort, WY	25	-
1608 W U.S. Business 60	Dexter, MO	109	Yes
4000 Siskiyou Avenue	Dunsmuir, CA	21	Yes
95 Spruce Road	Elko, NV	120	-
2700 N Diers Parkway	Fremont, NE	100	Yes
2006 North Merrill Avenue(4)	Glendive, MT	50	Yes
220 15th Street SE	Glenwood, MN	56	Yes
1170 W. Flaming Gorge Way	Green River, WY	191	Yes
1051 North Market Street	Hearne, TX	116	Yes
1110 SE 4th Street	Hermiston, OR	62	-
1710 Jefferson Street(2)	Jefferson City, MO	77	-
501 SW Boulevard	Kansas City, KS	111	-
7875 Airline Highway	Livonia, LA	42	Yes
8233 Airline Highway(1)	Livonia, LA	60	-
123 Westvaco Road	Low Moor, VA	30	Yes
1127 Pony Express Highway	Marysville, KS	139	Yes
528 S. George Nigh Expressway	McAlester, OK	61	-
777 W Center Street	Milford, UT	75	Yes
128 S. Willow Road	Missouri Valley, IA	41	Yes
707 E. Webster Street	Morrill, NE	97	Yes
451 Halligan Drive	North Platte, NE	111	Yes
22 N. Frontage Street	Pecos, TX	61	-
2005 E. Daley Street	Rawlins, WY	62	Yes
K27 & Commerce Street	Sharon Springs, KS	50	Yes
12 Kitty Hawk Road(3)	Santa Teresa, NM	56	Yes
U.S. 285 & 2nd Street	Vaughn, NM	60	Yes
1177 E. 16th Street	Wellington, KS	80	Yes
1706 N. Park Drive	Winslow, AZ	72	-
98 Moffat Avenue	Yampa, CO	37	Yes
35450 Yermo Road	Yermo, CA	65	Yes
1731 S. Sunridge Drive	Yuma, AZ	119	Yes
TOTAL OAK TREE INN HOTELS	**36 properties**	**2,747**	**25**

Footnotes:

(1) – Opened in May 2013
(2) – Opened on February 4, 2014
(3) – Opened on May 2, 2014
(4) – Acquired on October 28, 2014

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DETAILS OF PROPERTY PORTFOLIO CONTINUED AS AT NOVEMBER 13, 2014

Hotel Address	Location	Number of Rooms	Restaurant
Branded Hotels			
1308 Freedom Road (Residence Inn) (5)	Cranberry Township, PA	96	-
210 Executive Drive (Hampton Inn) (5)	Cranberry Township, PA	116	-
8514 University Boulevard (Hampton Inn) (5)	Moon, PA	127	-
555 Trumbull Drive (Hampton Inn) (5)	Pittsburgh, PA	132	-
150 Arnold Drive (Fairfield Inn & Suites)(6)	South Hill, VA	90	-
898 Wiggins Road (Hampton Inn) (6)	Emporia, VA	85	-
85 University Boulevard (Hampton Inn) (6)	Harrisonburg, VA	160	-
43 Covenant Drive (Hampton Inn) (6)	Harrisonburg, VA	68	-
1319 East King Avenue (Fairfield Inn & Suites) (7)	Kingsland, GA	82	-
1137 E. Dixie Drive (Hampton Inn) (7)	Asheboro, NC	111	-
920 Executive Way (Fairfield Inn & Suites) (7)	Asheboro, NC	87	-
10024 US Highway 15 & 501 (Springhill Suites) (8)	Pinehurst, NC	107	-
8231 Amarillo Boulevard West (Holiday Inn)(9)	Amarillo, TX	151	Yes
6915 I-40 West (Sleep Inn & Suites) (9)	Amarillo, TX	63	-
1740 Airport Boulevard (Fairfield Inn & Suites) (9)	Amarillo, TX	79	-
4401 SW 15th Street (Holiday Inn)(10)	Oklahoma, OK	147	Yes
4411 SW 15th Street (Staybridge Suites) (10)	Oklahoma, OK	103	-
13800 Quail Springs Parkway (Holiday Inn) (10)	Oklahoma, OK	109	Yes
2814 Williams Avenue (Hampton Inn) (10)	Woodward, OK	81	-
TOTAL BRANDED HOTELS	**19 properties**	**1,994**	**3**
GRAND TOTAL	**55 properties**	**4,741**	**28**

Footnotes:

(5) – Acquired on November 21, 2013
(6) – Acquired on March 12, 2014
(7) – Acquired on July 3, 2014
(8) – Acquired on July 11, 2014
(9) – Acquired on October 27, 2014
(10) – Acquired on November 3, 2014

DETAILS OF SUNONE HOTELS UNDER DEVELOPMENT AS OF NOVEMBER 13, 2014

Hotel Address	Location	Number of Rooms	Restaurant
620 Souder Road	Brunswick, MD	25	Yes
1004 E 16th Street	Wellington, KS	110	-
TOTAL SUNONE DEVELOPMENTS	**2 Properties**	**135**	**1**

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