UNDERWRITING AGREEMENT

July 28, 2015

American Hotel Income Properties REIT LP
- by its general partner -
American Hotel Income Properties REIT (GP) Inc.
1660-401 West Georgia Street
Vancouver, British Columbia V6B 5A1
Canada

Attention: Robert O'Neill, Chief Executive Officer

Dear Sirs/Mesdames:

Canaccord Genuity Corp. ("**Canaccord**") and National Bank Financial Inc. ("**National Bank**" and, collectively with Canaccord, the "**Co-Lead Underwriters**"), CIBC World Markets Inc. ("**CIBC World Markets**"), RBC Dominion Securities Inc. ("**RBC**"), Scotia Capital Inc. ("**Scotia Capital**"), TD Securities Inc. ("**TD Securities**"), Haywood Securities Inc. ("**Haywood**"), Dundee Securities Ltd. ("**Dundee**") and Industrial Alliance Securities Inc. ("**IAS**") (collectively with the Co-Lead Underwriters, the "**Underwriters**") understand that American Hotel Income Properties REIT LP (the "**REIT**") desires to issue and sell to the Underwriters 3,800,000 limited partnership units of the REIT (the "**Initial Units**"), which Initial Units will have the material attributes described in and contemplated by the Prospectuses (as defined below), all as more particularly described below, and is prepared:

1. to create, authorize and issue the Initial Units and, if applicable, the Over-Allotment Units (as defined below) (collectively, the "**Offered Units**");

2. to prepare and file, without delay, a preliminary short form prospectus and all necessary related documents and will file the same with the Securities Commissions (as defined below) as soon as possible after the execution of this Agreement (as defined below); and

3. to prepare and file a (final) short form prospectus and all necessary related documents in order to qualify the Offered Units for distribution in each of the Qualifying Jurisdictions (as defined below) on or before the Qualification Deadline (as defined below).

The Underwriters may also offer and sell the Offered Units in the United States on a private placement basis through their U.S. Affiliates (as defined in Schedule "A" to this Agreement) to Qualified Institutional Buyers (as defined in Schedule "A") pursuant to Rule 144A (as defined in Schedule "A") in the manner described in paragraph 2.1 of this Agreement and Schedule "A" hereto. The Underwriters make the representations, warranties and covenants applicable to them in Schedule "A" and agree, on behalf of themselves and their U.S. Affiliates, for the benefit of the REIT, to comply with the selling restrictions imposed by the laws of the United States and described in Schedule "A" hereto, which forms part of this Agreement. The REIT makes the representations, warranties and covenants applicable to it in Schedule "A" hereto.

Upon and subject to the terms and conditions contained in this Agreement, the Underwriters hereby severally offer to purchase from the REIT in their respective percentages set out in paragraph 12 hereof, and the REIT hereby agrees to sell to the Underwriters all but not less than all of the Initial Units at a price of $10.15 per Initial Unit (the "**Offering Price**"), for an aggregate price of $38,570,000 (the "**Purchase Price**").

Subject to any required regulatory approval, the REIT hereby grants to the Underwriters an over-allotment option (the "**Over-Allotment Option**") for the purpose of satisfying over-allotments, if any, and for market stabilization purposes by the Underwriters. The Over-Allotment Option shall entitle the Underwriters to purchase up to an additional 570,000 limited partnership units of the REIT (the "**Over-Allotment Units**") at a price per Over-Allotment Unit equal to the Offering Price. The Over-Allotment Option shall be exercisable, in whole or in part until 5:00 p.m. (Vancouver time) on the 30th day following the Closing Date (as defined below) (the "**Over-Allotment Expiry Date**"). Pursuant to a notice delivered by the Co-Lead Underwriters as set forth in paragraph 7.4(a), each Underwriter may purchase its respective percentage, as set out in paragraph 12 hereof, of the Over-Allotment Units in respect of which the Over-Allotment Option is exercised. The Over-Allotment Option may be exercised in accordance with paragraph 7.4 hereof.

In consideration of the Underwriters' agreement to purchase the Initial Units and, if applicable, the Over-Allotment Units, which will result from the REIT's acceptance of this offer, and in consideration of the services to be rendered by the Underwriters in connection therewith, including assisting in preparing documentation relating to the Offered Units, including the Preliminary Prospectus (as defined below) and the Prospectus (as defined below), distributing the Offered Units to the public directly and through other investment dealers and brokers and performing administrative work in connection with the distribution of the Offered Units, the REIT agrees to pay to Canaccord, on behalf of the Underwriters, at the Closing Time (as defined below) a fee (the "**Underwriting Fee**") equal to 4.0% of the gross proceeds of the Initial Units purchased by the Underwriters at the Closing Time (being $1,542,800), payable at the Closing Time, and at the Over-Allotment Closing Time the additional fee set forth in paragraph 7.4. As the Co-Lead Underwriters, Canaccord and National Bank shall be entitled to receive out of the Underwriting Fee, an amount equal to 5.0% of the aggregate Underwriting Fee.

Terms and Conditions

1. DEFINITIONS AND INTERPRETATION

1.1 Whenever used in this Agreement:

"**Acquisition Enterprises LLCs**" means, collectively, AHIP PA Cranberry II Enterprises LLC, AHIP PA Cranberry Enterprises LLC, AHIP PA Greentree Enterprises LLC, AHIP PA Pitt Airport Enterprises LLC, AHIP VA Emporia Enterprises LLC, AHIP VA South Hill Enterprises LLC, AHIP VA Harrisonburg Enterprises LLC, AHIP VA Harrisonburg II Enterprises LLC, AHIP OK Oklahoma Airport 4401 Enterprises LLC, AHIP OK Oklahoma Airport 4411 Enterprises LLC, AHIP OK Oklahoma Quail Enterprises LLC, AHIP OK Woodward Enterprises LLC, AHIP TX Amarillo 6915 Enterprises LLC, AHIP TX Amarillo 8231 Enterprises LLC, AHIP TX Amarillo Airport Enterprises LLC, AHIP FL Melbourne Enterprises LLC, AHIP FL Titusville Enterprises LLC, AHIP NC Statesville 1508 Enterprises LLC, AHIP NC Statesville 1530 Enterprises LLC, AHIP NC Asheboro Enterprises LLC, AHIP NC Asheboro II Enterprises LLC, AHIP NC Pinehurst Enterprises LLC and AHIP GA Kingsland Enterprises LLC, AHIP OK Bethany Enterprises LLC, AHIP OK Chickasha 2610 Enterprises LLC, AHIP OK Chickasha 3004 Enterprises

LLC, AHIP IA Dubuque Enterprises LLC, AHIP KS Emporia Enterprises LLC, AHIP IL Jacksonville Enterprises LLC, AHIP IL Mattoon Enterprises LLC, AHIP MO Nevada Enterprises LLC, AHIP OK Norman Enterprises LLC, AHIP FL Ocala 3610 Enterprises LLC, AHIP FL Ocala 3712 Enterprises LLC and AHIP FL Ocala 4101 Enterprises LLC;

"**Acquisition LLCs**" means, collectively, AHIP PA Pitt Airport Properties LLC, AHIP PA Greentree Properties LLC, AHIP PA Cranberry Properties LLC, AHIP PA Cranberry II Properties LLC, AHIP VA Emporia Properties LLC, AHIP VA Harrisonburg Properties LLC, AHIP VA South Hill Properties LLC, AHIP VA Harrisonburg II Properties LLC, AHIP OK Oklahoma Airport 4401 Properties LLC, AHIP OK Oklahoma Airport 4411 Properties LLC, AHIP OK Oklahoma Quail Properties LLC, AHIP OK Woodward Properties LLC, AHIP TX Amarillo 6915 Properties LLC, AHIP TX Amarillo 8231 Properties LLC, and AHIP TX Amarillo Airport Properties LLC, AHIP FL Melbourne Properties LLC, AHIP FL Titusville Properties LLC, AHIP NC Statesville 1508 Properties LLC, AHIP NC Statesville 1530 Properties LLC, AHIP NC Asheboro Properties LLC, AHIP NC Asheboro II Properties LLC, AHIP NC Pinehurst Properties LLC and AHIP GA Kingsland Properties LLC, AHIP OK Bethany Properties LLC, AHIP OK Chickasha 2610 Properties LLC, AHIP OK Chickasha 3004 Properties LLC, AHIP IA Dubuque Properties LLC, AHIP KS Emporia Properties LLC, AHIP IL Jacksonville Properties LLC, AHIP IL Mattoon Properties LLC, AHIP MO Nevada Properties LLC, AHIP OK Norman Properties LLC, AHIP FL Ocala 3610 Properties LLC, AHIP FL Ocala 3712 Properties LLC and AHIP FL Ocala 4101 Properties LLC;

"**Acquisition LPs**" means, collectively, AHIP PA Pitt Airport Properties LP, AHIP PA Greentree Properties LP, AHIP PA Cranberry Properties LP and AHIP PA Cranberry II Properties LP;

"**Affiliate**" and "**Associate**" means, where used to indicate a relationship with any person,

(a) a partner, other than a Unitholder, of that person;

(b) a trust or estate in which that person has a substantial beneficial interest or for which that person serves as trustee or in a similar capacity;

(c) an entity in respect of which that person beneficially owns or controls, directly or indirectly, voting securities carrying more than 10% of the voting rights attached to all outstanding voting securities of the entity; or

(d) a relative, including the spouse, of that person or a relative of that person's spouse, where the relative has the same home as that person, and for the purpose of this definition spouse includes a man or woman not married to that person but who is living with that person and has lived with that person as husband or wife for a period of not less than six months;

"**Agreement**" means the agreement resulting from the acceptance by the REIT of the offer contained in this letter in accordance with the terms of this letter;

"**AHIP Enterprises**" means AHIP Enterprises LLC;

"**AHIP Properties**" means AHIP Properties LLC;

"**Amendment**" means any amendment to the Prospectus;

"**Applicable Marketing Materials**" means the following written documents that each constitute a Template Version of Marketing Materials and was filed with the Securities Commissions in the Qualifying Jurisdictions in accordance with NI 44-101: the document dated July 23, 2015 entitled "American Hotel Income Properties REIT LP – Terms of Offering";

"**Auditors**" means, collectively, (i) KPMG LLP, the auditors of the REIT; (ii) Bonadio & Co. LLP, the auditors of the Pittsburgh Properties; and (iii) Keiter, the auditors of the Virginia Properties and the NC/GA Properties;

"**Borrowers**" means, collectively, AHIP VA Emporia Properties LLC, AHIP VA Emporia Enterprises LLC, AHIP VA South Hill Enterprises LLC, AHIP VA South Hill Properties LLC, AHIP VA Harrisonburg Properties LLC, AHIP VA Harrisonburg Enterprises LLC, AHIP VA Harrisonburg II Properties LLC and AHIP VA Harrisonburg II Enterprises LLC;

"**Business Day**" means any day other than a Saturday or a Sunday or statutory holiday in the Province of Ontario;

"**Canaccord**" has the meaning given to it above;

"**CIBC World Markets**" has the meaning given to it above;

"**Claims**" has the meaning given to it in paragraph 8.1;

"**Closing**" means the closing of the Offering;

"**Closing Date**" means August 11, 2015, or any earlier or later date as the REIT and the Co-Lead Underwriters, on behalf of the Underwriters, may mutually agree upon in writing as the date on which the transactions contemplated herein are completed, but in any event not later than August 31, 2015;

"**Closing Time**" means 5:00 a.m. (Vancouver time) on the Closing Date, or such other time on the Closing Date as the REIT and the Co-Lead Underwriters, on behalf of the Underwriters, may mutually agree upon;

"**Co-Lead Underwriters**" has the meaning given to it above;

"**Credit Agreement**" means the seventh amended and restated credit agreement among Lodging Properties, Lodging Enterprises and a U.S. chartered bank dated February 20, 2013, as amended December 23, 2013, May 1, 2014, December 5, 2014 and February 25, 2015;

"**Currently Owned Properties"** means the portfolio of hotel properties indirectly owned by the REIT as of the date hereof as described in the Prospectuses and "**Currently Owned Property**" means any one of the Currently Owned Properties;

"**Dundee**" has the meaning given to it above;

"**Employee Plan**" means each "employee benefit plan" and each retirement savings, bonus, pension, profit sharing, incentive or deferred compensation, life or accident insurance, hospitalization, health, medical or dental treatment or expenses, disability, unemployment insurance benefits, employee loans, vacation pay, severance, termination, retention, change of control, stock option, stock appreciation, stock purchase, phantom stock or other equity-based, performance or other employee or retiree benefit or compensation plan, program, arrangement,

agreement or policy maintained or, at the Closing Time, to be maintained, by any REIT Entity that provides benefits or compensation in respect of any current or former director, officer, trustee, partner, consultant, employee or service provider of any REIT Entity;

"**Environment**" means the natural environment, including, without limitation, the soil, ambient air, surface water, ground water, natural resources, land surface or subsurface strata and those living organisms that interact therewith;

"**Environmental Laws**" mean any Laws relating to the Environment, Hazardous Substances, or health and safety, including Laws with respect to the investigation or remediation of Hazardous Substances;

"**Environmental Permits**" mean any permits, licences, registrations or other approvals required or issued pursuant to Environmental Laws;

"**Escrow Agreement**" means the agreement dated February 20, 2013 among the REIT, the GP, Computershare Trust Company of Canada, certain investors and the underwriters of the IPO, as such agreement is amended, restated and/or supplemented from time to time;

"**Exchange**" means the Toronto Stock Exchange;

"**Financial Material**" means, collectively:

(a) the financial information referred to in items (b), (c), (d) and (e) under the heading "Documents Incorporated by Reference" in the Prospectuses;

(b) the consolidated capitalization of the REIT under the heading "Consolidated Capitalization of the REIT" in the Prospectuses; and

(c) the financial statements attached as Schedule A in the business acquisition report of the REIT dated August 13, 2014;

"**Governmental Authority**" has the meaning ascribed thereto in paragraph 6.1(cc);

"**GP**" means American Hotel Income Properties REIT (GP) Inc., a corporation incorporated under the laws of Canada, in its capacity as the general partner of the REIT, or any person which is from time to time admitted as the general partner of the REIT in accordance with the terms of the REIT LP Agreement;

"**Haywood**" has the meaning given to it above;

"**Hazardous Substances**" means any chemical, pollutant, contaminant, waste, toxic substance, hazardous substance or other substance or material defined in or regulated pursuant to Environmental Laws including asbestos, mould and petroleum hydrocarbons;

"**Hotel Management Agreements**" means the IPO Hotel Management Agreement and any other management agreement made between a Subsidiary of the REIT and the Master Hotel Manager or one of its Subsidiaries pursuant to the Master Hotel Management Agreement, as such agreements are amended, restated and/or supplemented from time to time;

"**Hotel Managers**" means the IPO Hotel Manager, the Master Hotel Manager, and any other hotel managers appointed from time to time by the Master Hotel Manager;

"**IAS**" has the meaning given to it above;

"**Indemnified Parties**" has the meaning given to it in paragraph 8.1; "**Indemnified Party**" has the meaning given to it in paragraph 8.1;

"**Initial Units**" has the meaning given to it above;

"**IPO**" means the REIT's initial public offering of Units of the REIT that was completed on February 20, 2013;

"**IPO Hotel Management Agreement**" means the agreement dated February 20, 2013 between Lodging Enterprises and the IPO Hotel Manager, as such agreement is amended, restated and/or supplemented from time to time;

"**IPO Hotel Manager**" means TR Lodging Enterprises Inc., a wholly owned subsidiary of the Master Hotel Manager;

"**Knowledge**" means, with respect to the REIT, information to the best of the knowledge, after due inquiry, of Robert O'Neill, Azim Lalani, Robert Hibberd, Dan Miller, Anne Yu and Martin Pinsker;

"**Laws**" mean any and all applicable federal, state, provincial, municipal or local laws in Canada and the United States of America, including all statutes, ordinances, decrees, regulations, by-laws, orders in council, Governmental Authority judgments, orders, decisions, decrees, directives, policies, guidelines, rulings, awards and general principles of common and civil law and equity;

"**Loan Agreement**" means the agreement dated as of March 12, 2014 among German American Capital Corporation and the Borrowers;

"**Lodging Enterprises**" means Lodging Enterprises, LLC;

"**Lodging Properties**" means Lodging Properties LLC;

"**Marketing Materials**" has the meaning ascribed thereto in NI 41-101;

"**Master Development Agreement**" means the agreement dated February 20, 2013 among the REIT, SunOne Developments Inc. and the Sponsor, as such agreement is amended, restated and/or supplemented from time to time;

"**Master Hotel Management Agreement**" means the agreement dated February 20, 2013 between the REIT and the Master Hotel Manager, as such agreement is amended, restated and/or supplemented from time to time;

"**Master Hotel Manager**" means Tower Rock Hotels & Resorts Inc., a wholly owned subsidiary of O'Neill Hotels & Resorts Ltd.;

"**Material Contracts**" means, collectively, the Unit Purchase Agreement, the Master Hotel Management Agreement, the IPO Hotel Management Agreement, the Master Development Agreement, the REIT LP Agreement, the Nomination Agreement, the Voting Trust Agreement, the Escrow Agreement, the Credit Agreement, the Virginia Properties Purchase and Sale Agreements, the Loan Agreement, the NC/GA Properties Purchase and Sale Agreement, the

Oklahoma Properties Purchase and Sale Agreement, the Texas Properties Purchase and Sale Agreement, the NC/FL Properties Purchase and Sale Agreement and this Agreement;

"**National Bank**" has the meaning given to it above;

"**NC/FL Properties**" means a portfolio of four hotel properties located in North Carolina and Georgia, indirectly acquired by the REIT on November 25, 2014;

"**NC/FL Properties Purchase and Sale Agreement**" means the purchase and sale agreement dated September 8, 2014 among the U.S. REIT and Cinema Drive Hotel Associates, LLC, Statesville 77 Hotel Associates, LLC, West Melbourne Hotel Associates, LLC and Space Coast Hotel Associates, LLC pursuant to which the REIT indirectly acquired the NC/FL Properties;

"**NC/GA Properties**" means a portfolio of three hotel properties located in North Carolina and one hotel property located in Georgia, three of which properties were indirectly acquired by the REIT on July 3, 2014, and the fourth hotel property which was indirectly acquired by the REIT on July 11, 2014;

"**NC/GA Properties Purchase and Sale Agreement**" means the purchase and sale agreement dated March 28, 2014 among Asheboro Hospitality, LLC, Krishna Kingsland Properties, Inc., Hotels at Executive Way, LLC, BPR Pinehurst, LLC and the U.S. REIT pursuant to which the REIT has indirectly acquired the NC/GA Properties;

"**NI 41-101**" means National Instrument 41-101 – *General Prospectus Requirements* of the Canadian Securities Administrators;

"**NI 44-101**" means National Instrument 44-101 – *Short Form Prospectus Distributions* of the Canadian Securities Administrators;

"**NI 51-102**" means National Instrument 51-102 – *Continuous Disclosure Obligations* of the Canadian Securities Administrators;

"**Nomination Agreement**" means the agreement dated February 20, 2013 between the GP and the Sponsor as such agreement is amended, restated and/or supplemented from time to time;

"**NP 11-202**" means National Policy 11-202 - *Process for Prospectus Reviews in Multiple Jurisdictions*;

"**Ocala Properties**" means the portfolio of three hotel properties in Ocala, Florida, to be indirectly acquired by the REIT;

"**Ocala Properties Purchase and Sale Agreement**" means the purchase and sale agreement dated May 7, 2015, as amended on May 27, 2015 and June 12, 2015, among U.S. REIT and Kinsman Hospitality of Ocala, Ltd., Kinsman Hotel Associates, Inc. and Minch Hospitality Corporation, pursuant to which the REIT intends to indirectly acquire the Ocala Properties;

"**Offered Units**" has the meaning given to it above;

"**Offering**" means the offering of Offered Units pursuant to the Prospectus as described under the "*Plan of Distribution*" section thereof;

"**Offering Price**" has the meaning given to it above;

"**Oklahoma Properties**" means the four hotel properties located in Oklahoma, indirectly acquired by the REIT on November 3, 2014;

"**Oklahoma Properties Purchase and Sale Agreement**" means the purchase and sale agreement dated August 29, 2014 among the U.S. REIT and Satya Sairam LLC, Premier Hospitality Group LLC, Premier Hospitality Group I LLC and Quail Springs Hotel LLC, pursuant to which the REIT indirectly acquired the Oklahoma Properties;

"**Over-Allotment Closing Time**" has the meaning given to it in paragraph 7.4(a);

"**Over-Allotment Expiry Date**" has the meaning given to it above;

"**Over-Allotment Option**" has the meaning given to it above;

"**Over-Allotment Units**" has the meaning given to it above;

"**person**" means and includes any individual, general partnership, limited partnership, joint venture, syndicate, sole proprietorship, company or corporation with or without share capital, joint stock company, association, trust, trust company, bank, pension fund, trustee, executor, administrator or other legal personal representative, regulatory body or agency, government or governmental agency, authority or other organization or entity, whether or not a legal entity, however designated or constituted;

"**Pittsburgh Properties**" means the four hotel properties located in metropolitan Pittsburgh, Pennsylvania, indirectly acquired by the REIT on November 21, 2013;

"**Preliminary Prospectus**" means the preliminary short form prospectus of the REIT relating to the qualification for distribution of the Offered Units in the Qualifying Jurisdictions to be dated and filed on the date hereof (in both the English and French languages), including the documents or information incorporated or deemed to be incorporated therein by reference;

"**Prospectus**" means the (final) short form prospectus of the REIT relating to the qualification for distribution of the Offered Units in the Qualifying Jurisdictions that is expected to be dated and filed on or about August 5, 2015 (in both the English and French languages), including the documents or information incorporated or deemed to be incorporated therein by reference;

"**Prospectuses**" means, collectively, the Preliminary Prospectus and the Prospectus and any Amendment;

"**Purchase Price**" has the meaning given to it above;

"**Qualification Deadline**" means 5:00 p.m. Vancouver time on August 5, 2015 or such later date and time as the REIT and the Co-Lead Underwriters, on behalf of the Underwriters, may mutually agree upon in writing;

"**Qualifying Jurisdictions**" mean, collectively, all of the provinces of Canada;

"**RBC**" has the meaning given to it above;

"**REIT Entities**" mean, collectively, the REIT, the GP and each of the corporations and partnerships directly or indirectly controlled by the REIT including, without limitation, Lodging

Properties, the U.S. REIT, Lodging Enterprises, AHIP Properties, AHIP Enterprises and each of the Acquisition LLCs, Acquisition LPs and Acquisition Enterprises LLCs;

"**REIT LP Agreement**" means the amended and restated limited partnership agreement of the REIT dated as of February 20, 2013, as further amended June 9, 2015;

"**Scotia Capital**" has the meaning given to it above;

"**Securities Commission**" means the applicable securities commission or regulatory authority in each of the Qualifying Jurisdictions;

"**Securities Laws**" mean, collectively, and, as the context may require, the applicable securities laws of each of the Qualifying Jurisdictions, and the respective regulations and rules made under those securities laws together with all applicable published policy statements, instruments, blanket orders and rulings of the Securities Commissions and all discretionary orders or rulings, if any, of the Securities Commissions made in connection with the transactions contemplated by this Agreement together with applicable published policy statements of the Canadian Securities Administrators, as the context may require;

"**Sellers**" means Kinsman Hospitality of Ocala, Ltd., Kinsman Hotel Associates, Inc. and Minch Hospitality Corporation;

"**Selling Firms**" has the meaning given to it in paragraph 2.1(a);

"**Sponsor**" means Sunstone O'Neill Hotel Management Inc.;

"**Standard Listing Conditions**" has the meaning given to it in paragraph 4.1(c)(iii);

"**Subsidiaries**" includes, with respect to any person, a company, partnership, limited partnership, trust or other entity controlled, directly or indirectly, by such person, company, partnership, limited partnership, trust or other entity;

"**TD Securities**" has the meaning given to it above;

"**Template Version**" has the meaning ascribed thereto in NI 41-101;

"**Texas Properties**" means the three hotel properties located in Amarillo, Texas, indirectly acquired by the REIT on October 27, 2014;

"**Texas Properties Purchase and Sale Agreement**" means the purchase and sale agreement dated August 29, 2014 among the U.S, REIT and I Ram Money Tree Investments, Ltd, 1011 Ram Fairfield AMA, LLC and Coulter Hospitality, LLC, pursuant to which the REIT indirectly acquired the Texas Properties;

"**Underwriters**" has the meaning given to it above;

"**Underwriters' Disclosure**" means disclosure in respect of one or more of the Underwriters provided to the REIT in writing by an Underwriter for inclusion in the applicable disclosure document;

"**Underwriting Fee**" has the meaning given to it above;

"**Unit**" means a limited partnership unit of the REIT;

"**Unit Purchase Agreement**" means the unit purchase agreement dated November 19, 2012 among Lodging Properties, Lodging Enterprises and various sellers;

"**United States**" or "**U.S.**" means the United States of America, its territories and possessions, any state of the United States and the District of Columbia;

"**U.S. Private Placement Memorandum**" has the meaning given to it in Schedule "A" to this Agreement;

"**U.S. REIT**" means American Hotel Income Properties REIT Inc., a Maryland corporation;

"**U.S. Securities Act**" means the United States Securities Act of 1933, as amended;

"**Virginia Properties**" means the four hotel properties located in Virginia, as indirectly acquired by the REIT on March 12, 2014;

"**Virginia Properties Purchase and Sale Agreements**" means the purchase and sale agreements dated January 15, 2014 among the U.S. REIT and each of Eighty Five LLC, Ninety Five LLC, Dominion Hotel Company and Valley Motel Company, pursuant to which the REIT has indirectly acquired the Virginia Properties; and

"**Voting Trust Agreement**" means the agreement dated February 20, 2013 among the GP, Maverick Management Corp., Triple E Investments Ltd., Darren Investments Inc. and Computershare Trust Company of Canada, as such agreement is amended, restated and/or supplemented from time to time.

1.2 Whenever used in this Agreement, the terms "Associate", "distribution", "misrepresentation", "material fact" and "material change" shall, except to the extent modified herein or as the context requires, have the meanings given to such terms, and "distribution" shall include a "distribution to the public" as defined, under applicable Securities Laws.

1.3 Whenever used in this Agreement, words importing the singular number only shall include the plural and vice versa and words importing the masculine gender shall include the feminine gender.

1.4 All references to monetary amounts in this Agreement are to the lawful money of Canada unless otherwise specified.

2. COVENANTS OF THE UNDERWRITERS

2.1 The Underwriters covenant and agree with the REIT that:

(a) during the course of the distribution of the Offered Units to the public by or through the Underwriters, they will offer the Offered Units for sale to the public on behalf of the REIT, directly and through other investment dealers and brokers (the Underwriters, together with such investment dealers and brokers, are referred to herein as the "**Selling Firms**") in the Qualifying Jurisdictions only and complete the distribution of the Offered Units only as permitted by and in accordance with applicable Securities Laws which, for greater certainty, shall

include delivery by the Underwriters of a copy of the Prospectus and any Amendment to each purchaser of Offered Units from the Underwriters, and only upon the terms and conditions set forth in this Agreement and that they will not, directly or indirectly, offer Offered Units for sale in any jurisdiction, other than the Qualifying Jurisdictions, that would require the filing of a prospectus, registration statement, offering memorandum or similar document or would result in the REIT having any reporting or other obligation in such jurisdiction, including, without limitation, the United States, and they shall ensure that each Selling Firm (other than the Underwriters), prior to its appointment as such, has delivered to the Underwriters an undertaking to the foregoing effect. For the purposes of this paragraph 2.1(a), the Underwriters shall be entitled to assume that the Offered Units are qualified for distribution in any province of Canada referred to in the final NP 11-202 receipt for the Prospectus obtained from the British Columbia Securities Commission following the filing of the Prospectus until the Underwriters receive written notice to the contrary from the REIT or the applicable Securities Commissions;

(b) they will use reasonable efforts to re-sell the Offered Units at the Offering Price, and if any such Offered Units remain unsold after such reasonable efforts, the Underwriters may sell such securities at such lower price as permitted by applicable law;

(c) they will not, except in accordance with Schedule "A", solicit subscriptions for the Offered Units, trade in Offered Units or otherwise do any act in furtherance of a trade of Offered Units outside of the Qualifying Jurisdictions or in any other jurisdiction outside Canada (including the United States);

(d) notwithstanding paragraph 2.1(a), no Underwriter will be liable to the REIT with respect to a default by another Underwriter or a Selling Firm appointed by another Underwriter;

(e) they will not make use of any "greensheet" in respect of the REIT and the Offering without the approval of the REIT, acting reasonably;

(f) from the date of commencement of distribution of the Offered Units to the date such distribution ceases, they will: (i) not provide to any potential investors of the Offered Units any Marketing Materials in respect of the Offered Units that are or would be required to be incorporated by reference into the Prospectus without the prior approval by the REIT of the Template Version of such Marketing Materials, such approval to be evidenced by a written agreement between the REIT and the Co-Lead Underwriters; provided, for greater certainty, that the Applicable Marketing Materials were approved by the REIT and the Co-Lead Underwriters pursuant to an agreement dated July 23, 2015; and (ii) provide a copy of the Preliminary Prospectus to each potential investor of the Offered Units who receives any Marketing Materials referred to in this paragraph 2.1(f);

(g) they will complete and will use their commercially reasonable efforts to cause their Selling Firms, if any, to complete the distribution of the Offered Units as promptly as possible at or after the Closing Time or Over-Allotment Closing Time, as applicable, and the Co-Lead Underwriters will (i) notify the REIT when, in their opinion, the distribution of the Offered Units shall have ceased and (ii) provide a breakdown of the number of Offered Units distributed in each Qualifying

Jurisdiction where such breakdown is required for the purpose of calculating fees payable to, or reimbursable by, a Securities Commission, provided that such breakdown shall be provided no later than 30 days following the date on which the distribution of the Offered Units shall have ceased;

(h) they will use commercially reasonable efforts to deliver forthwith to the GP, the name, residential address, business or corporation account number, as the case may be, and number of Units subscribed for by each purchaser of Offered Units, as well as the name and registered representative number of the representative of the Underwriters responsible for such subscription, in a form satisfactory to the GP, acting reasonably;

(i) they will not make any representations or warranties with respect to the REIT or the Offered Units other than as set forth in this Agreement, the Preliminary Prospectus, the Prospectus, any Amendment or otherwise without the written approval of the REIT, acting reasonably;

(j) provided that they are satisfied, in their sole discretion that it is responsible for them to do so, they will execute and deliver to the REIT the certificates required to be executed by the Underwriters under applicable Securities Laws in connection with the Preliminary Prospectus, the Prospectus and any Amendment; and

(k) the obligations of the Underwriters under this Agreement are several and not joint and several, and no Underwriter will be liable for any act, omission, default or conduct by any other Underwriter or any Selling Firm appointed by any other Underwriter.

3. COVENANTS OF THE REIT

3.1 The REIT covenants and agrees with the Underwriters that:

(a) the Offered Units will be duly and validly created, authorized and issued on the payment therefor and such Offered Units will have attributes corresponding in all material respects to the descriptions thereof in this Agreement and in the Preliminary Prospectus, the Prospectus and any Amendment;

(b) it shall fulfill to the satisfaction of the Underwriters all legal requirements to be fulfilled by it to enable the Offered Units to be offered for sale and sold to the public in Canada by or through the Selling Firms who comply with all applicable Securities Laws in each of the Qualifying Jurisdictions; such fulfillment shall include, without limiting the generality of the foregoing, compliance with all applicable Securities Laws including, without limitation, the preparation and filing of the Preliminary Prospectus in both the English and French languages in form and substance satisfactory to the Underwriters in each of the Qualifying Jurisdictions, the preparation and filing of the Prospectus in both the English and French languages in such Qualifying Jurisdictions with such changes from the Preliminary Prospectus as the REIT and the Underwriters may approve, such approval to be evidenced by the signing of the Prospectus by the REIT and the Underwriters, and the obtaining of an NP 11-202 receipt therefor from the British Columbia Securities Commission as soon as possible after the filing but in any event on or before the Qualification Deadline, and the delivering of a copy thereof

to the Underwriters and their counsel; and for greater certainty, the REIT will, as soon as possible following the execution of this Agreement, and, in any event, not later than 2:00 p.m. (Vancouver time) on July 28, 2015 (or such other time and/or date as the REIT and the Co-Lead Underwriters, on behalf of the Underwriters, may in writing agree) prepare and file the Preliminary Prospectus in form and substance satisfactory to the Underwriters in each of the Qualifying Jurisdictions with the Securities Commissions under the Securities Laws and will obtain an NP 11-202 receipt for the Preliminary Prospectus from the principal regulator on behalf of the Securities Commissions in each of the Qualifying Jurisdictions therefor on the date of such filing and deliver a copy thereof to the Underwriters and their counsel; and for greater certainty, the REIT will use its commercially reasonable efforts to promptly satisfy or resolve all comments of the Securities Commissions regarding the Preliminary Prospectus and will, as soon as possible following the satisfaction or resolution of such comments, and, in any event, not later than the Qualification Deadline (or such other time and/or date as the REIT and the Co-Lead Underwriters, on behalf of the Underwriters, may in writing agree) prepare and file the Prospectus in accordance with NP 11-202;

(c) until the completion of the distribution of the Offered Units, it shall allow and assist the Underwriters to participate fully in the preparation of the Preliminary Prospectus, the Prospectus and any Amendment and shall allow the Underwriters to conduct all "due diligence" investigations which the Underwriters may reasonably require to fulfill the Underwriters' obligations as underwriters, to enable the Underwriters to avail themselves of a defence to any claim for misrepresentation in the Preliminary Prospectus, the Prospectus or any Amendment and to enable the Underwriters responsibly to execute any certificate required to be executed by the Underwriters in any such documentation. It shall be a condition precedent to the Underwriters' execution of any certificate in the Preliminary Prospectus, the Prospectus or any Amendment that the Underwriters be satisfied, acting reasonably, as to the form and content of the document and the execution thereby of such certificate shall be conclusive evidence of such satisfaction;

(d) it will comply with section 57 of the *Securities Act* (Ontario) and with the other comparable provisions of the applicable Securities Laws and during the period from the date of signing the Preliminary Prospectus to the date of completion of distribution of the Offered Units, will promptly notify the Underwriters in writing of the full particulars of any material change, actual, anticipated or threatened, in the business, financial condition, assets, liabilities (contingent or otherwise), results of operations or prospects of the REIT (on a consolidated basis) or of any change in any material fact contained or referred to in the Preliminary Prospectus, the Prospectus or in any Amendment, and of the existence of any material fact which is, or may be, of such a nature as to render the Preliminary Prospectus, the Prospectus or any Amendment, untrue, false or misleading in a material respect or result in a misrepresentation. It shall, to the satisfaction of the Underwriters and their counsel, acting reasonably, promptly comply with all applicable filing and other requirements under the Securities Laws in the Qualifying Jurisdictions as a result of such change. It shall, in good faith, first discuss with the Co-Lead Underwriters any change in circumstances (actual, proposed or, within the REIT's Knowledge, threatened) which is of such a nature that there is reasonable doubt whether notice need be given to the Underwriters

pursuant to this paragraph 3.1(d) and, in any event, prior to making any filing referred to in this paragraph 3.1(d). For greater certainty but not so as to limit the generality of the foregoing, it is understood and agreed that, during the period from the date of signing the Preliminary Prospectus to the date of completion of the distribution of the Offered Units, if the Underwriters reasonably determine, after consultation with the REIT, that a material change or change in a material fact has occurred which makes untrue or misleading any statement of a material fact contained in the Preliminary Prospectus, the Prospectus or in any Amendment, or which may result in a misrepresentation, the REIT will:

(i) prepare and file promptly any Amendment which in its opinion, acting reasonably, may be necessary or advisable, after consultation with the Underwriters; and

(ii) contemporaneously with filing the Amendment under the Laws of the Qualifying Jurisdictions, deliver to the Underwriters:

(A) a copy of the Amendment, signed as required by the Securities Laws;

(B) a copy of all documents relating to the proposed distribution of the Offered Units and file them with the Amendment under the applicable Securities Laws; and

(C) such other documents as the Underwriters shall reasonably require; and

(e) it will ensure that, when issued, the Offered Units issuable hereunder will be conditionally approved for listing on the Exchange, subject only to compliance with the Standard Listing Conditions.

3.2 During the period commencing on the date hereof and ending on the date the Underwriters notify the REIT of the completion of the distribution of the Offered Units, the REIT will promptly inform the Underwriters of the full particulars of:

(a) any request of any Securities Commission for any amendment to the Preliminary Prospectus, the Prospectus or any Amendment or for any additional information in connection with the Offering;

(b) the issuance by any Securities Commission, the Exchange or any other Governmental Authority of any order to cease or suspend trading of any securities of the REIT or of the institution or threat of institution of any proceedings for that purpose; or

(c) any notice or other correspondence received by any of them from any Governmental Authority requesting information, a meeting or a hearing or commencing or threatening any investigation into any of them or their business that could reasonably be expected to have a material adverse effect on the business, financial condition, assets, liabilities (contingent or otherwise), results of operations or prospects of the REIT (on a consolidated basis) or the completion of the Offering.

3.3 The REIT will use commercially reasonable efforts to promptly do, make, execute, deliver or cause to be done, made, executed or delivered, all such acts, documents and things as the Underwriters may reasonably require from time to time for the purpose of giving effect to the transactions contemplated by this Agreement, the Preliminary Prospectus and the Prospectus and take all such steps as may be reasonably within its power to implement to the full extent the provisions of this Agreement and the transactions contemplated thereby and the Preliminary Prospectus and the Prospectus.

3.4 The REIT will apply the net proceeds from the issue and sale of the Offered Units substantially in accordance with the disclosure set forth under the heading "*Use of Proceeds*" in the Prospectus.

4. DELIVERIES

4.1 The REIT shall cause to be delivered to the Co-Lead Underwriters on behalf of the Underwriters:

(a) contemporaneously with the filing thereof with the Securities Commissions in each of the Qualifying Jurisdictions, copies in the English language and in the French language of the Preliminary Prospectus, the Prospectus and any Amendment, a copy of any other document required to be filed (in the English or French language, as applicable) by the REIT under the Securities Laws in connection therewith, in each case, signed, where applicable, as required by the Securities Laws;

(b) as soon as they are available, copies of the U.S. Private Placement Memorandum prepared as contemplated herein and in accordance with Schedule "A" hereto, if applicable;

(c) at the time of the delivery to the Underwriters, pursuant to this paragraph 4, of the Prospectus (and, in the case of paragraphs 4.1(c)(i) and 4.1(c)(ii) only, the Preliminary Prospectus) or any Amendment, in each case, in the French language:

(i) an opinion of the REIT's counsel in Quebec, dated the date of such document, and reasonably acceptable in form and substance to the Underwriters' counsel, to the effect that the French version thereof (except for the Financial Material which is the subject of the opinions of the auditors referred to below, as to which no opinion need be expressed by the REIT's counsel) is in all material respects a complete and proper translation of the English version thereof;

(ii) opinion of KPMG reasonably acceptable in form and substance to the Underwriters' counsel, to the effect that the French language version of the Financial Material is a complete and proper translation of the English version thereof; and

(iii) evidence satisfactory to the Underwriters of the approval of the listing and posting for trading on the Exchange of the Offered Units subject only to satisfaction by the REIT of the conditions imposed by the Exchange in the letter of the Exchange granting conditional listing approval (the "**Standard Listing Conditions**");

(d) at the Closing Time, the Over-Allotment Closing Time and at the time of the delivery to the Underwriters, pursuant to this paragraph 4, of the Prospectus or any Amendment, a comfort letter of each KPMG, Bonadio & Co. LLP and Keiter dated the Closing Date, the Over-Allotment Closing Time or the date of the Prospectus or Amendment, as the case may be, and addressed to the Underwriters, in form and substance reasonably satisfactory to the Underwriters, relating to the financial information contained or incorporated by reference in the Prospectus or Amendment, as the case may be, and matters involving changes or developments since the respective dates of which the financial information is given to a date not more than two Business Days prior to the date of such letter, which letter shall be in addition to the Auditors' report contained or incorporated by reference in the Prospectus or Amendment; provided, however, that the form of letter delivered at the Closing Time and, if applicable, the Over-Allotment Closing Time, shall be in the form of a "bring-down" letter;

(e) without charge, at those delivery points in the Qualifying Jurisdictions as the Underwriters may reasonably request, as soon as possible and in any event to the City of Toronto no later than 12:00 noon (local time) on the first Business Day, and to other cities no later than 12:00 noon (local time) on the second Business Day after the final NP 11-202 receipt has been issued to the REIT for the Preliminary Prospectus and the Prospectus respectively, and thereafter from time to time during the distribution of the Offered Units, as many commercial copies of the Preliminary Prospectus and the Prospectus in the English language and French language, as the Underwriters may reasonably request. They shall similarly cause to be delivered commercial copies of any Amendment in the English and French languages, but only to the extent that, under applicable Securities Laws, copies thereof may be required to be delivered to purchasers or prospective purchasers of the Offered Units; and

(f) during the period commencing on the date hereof and ending on the date of completion of the distribution of the Offered Units, the REIT will promptly provide to the Co-Lead Underwriters and their counsel drafts of any press release of the REIT Entities relating to any of the REIT Entities or the Offering, for review and approval by the Co-Lead Underwriters and their counsel, such approval not to be unreasonably withheld or delayed, prior to issuance.

5. REPRESENTATIONS AND WARRANTIES - PROSPECTUS

5.1 The delivery to the Underwriters of the documents referred to in paragraphs 4.1(a) and 4.1(d) hereof shall constitute the representation and warranty of the REIT to the Underwriters that: (i) each such document at the time of its respective delivery fully complied with the requirements of the Securities Laws pursuant to which it was or is prepared, and, as applicable, filed and that all the information and statements contained therein (except information and statements relating solely to Underwriters' Disclosure) are at the respective dates thereof, true and correct in all material respects, contain no misrepresentation and constitute full, true and plain disclosure of all material facts relating to the REIT and its Subsidiaries, taken together, and the Offered Units as required by applicable Securities Laws.

5.2 The REIT consents to the use by the Underwriters of the documents referred to in paragraphs 4.1(a) and 4.1(d) hereof in connection with the distribution of the Offered Units in the Qualifying Jurisdictions.

6. REPRESENTATIONS AND WARRANTIES - GENERAL

6.1 The REIT represents and warrants to the Underwriters, and acknowledges that each Underwriter is relying upon such representations and warranties, that:

(a) the REIT is a limited partnership validly existing under the Laws of the Province of Ontario, and through the board of directors of the GP it has all requisite power and authority to carry on its business or activities and to indirectly own or lease and to indirectly operate its properties, assets and related business and operations, and to execute, deliver and carry out its obligations hereunder and under the other Material Contracts to which it is a party, as applicable;

(b) each of the REIT Entities (other than the REIT) is a corporation, partnership or limited liability company incorporated or created and existing and is validly subsisting under the Laws of its jurisdiction of incorporation, and each such REIT Entity has the corporate or equivalent power and authority to carry on its business or activities and to own or lease and to operate its assets and to execute, deliver and carry out its obligations under the Material Contracts to which it is a party, as applicable;

(c) other than disclosed in the Preliminary Prospectus and the Prospectus, the REIT is the owner of all of the outstanding securities of the U.S. REIT and the indirect owner of all of the outstanding securities of Lodging Properties, Lodging Enterprises, AHIP Properties and AHIP Enterprises;

(d) AHIP Properties is the owner of all of the outstanding securities of the Acquisition LLCs and the direct or indirect owner of all of the outstanding securities of the Acquisition LPs;

(e) AHIP Enterprises is the owner of all of the outstanding securities of the Acquisition Enterprises LLCs;

(f) the ownership structure of the REIT Entities is as set out in the Preliminary Prospectus and the Prospectus and, except as disclosed in the Preliminary Prospectus and the Prospectus, all securities of the REIT Entities held by the REIT or any other REIT Entity are held free and clear of all liens, charges, encumbrances and any other rights of others with the exception that U.S. REIT has granted a security interest to INTRUST Bank, N.A. of its sole membership interests in each of Lodging Properties and Lodging Enterprises, pursuant to a pledge agreement dated December 5, 2014;

(g) other than as disclosed in the Preliminary Prospectus and the Prospectus, there is no agreement to which any REIT Entity is a party in force or effect which in any manner affects or will affect the voting or control of any of the securities of the REIT Entities, other than the Voting Trust Agreement;

(h) the REIT is a reporting issuer or the equivalent not in default under the Securities Laws;

(i) each of the REIT Entities (other than Lodging Enterprises, for periods prior to February 20, 2013) has conducted and is conducting its affairs or business as contemplated in the Preliminary Prospectus and the Prospectus in compliance in

all material respects with all Laws and each of the REIT Entities is licensed, registered or qualified and has all necessary licences and permits in all jurisdictions in which it carries on its affairs or business and will immediately following the indirect acquisition thereof by the REIT in respect of the Ocala Properties, be so licensed, registered or qualified and will have such licences and permits, in order to carry on its affairs or business after giving effect to such acquisition, to enable its affairs or business to be conducted as contemplated in the Preliminary Prospectus and the Prospectus and to enable it to own or lease and operate its property and assets, except, in each case, where the failure to satisfy such a requirement could not reasonably be expected to have a material adverse effect on the business, financial condition, assets, liabilities (contingent or otherwise), results of operations or prospects of the REIT Entities (taken as a whole), and all such licences, registrations, qualifications and permits are, or in respect of the Ocala Properties will be, valid and existing and in good standing, except where the failure to satisfy such a requirement could not reasonably be expected to have a material adverse effect on the business, financial condition, assets, liabilities (contingent or otherwise), results of operations or prospects of the REIT Entities (taken as a whole) and none of them contains, or in respect of the Ocala Properties will contain, any term, provision, condition or limitation which has or could reasonably be expected to have a material adverse effect on the business, financial condition, assets, liabilities (contingent or otherwise), results of operations or prospects of the REIT Entities (taken as a whole);

(j) all of the Currently Owned Properties are currently being operated in compliance with all Laws in all material respects;

(k) the REIT has no Knowledge of any legislation, regulation, by-law or other lawful requirement currently in force or proposed to be brought into force by any Governmental Authority with which the REIT Entities will be unable to comply and/or which could reasonably be expected to have a material adverse effect on the business, financial condition, assets, liabilities (contingent or otherwise), results of operations or prospects of the REIT Entities (taken as a whole); no written notice has been received by any REIT Entity of any pending or threatened administrative, regulatory or judicial actions, suits, demands, demand letters, claims, liens, non-compliances or violations, investigations or proceeding relating to the actual or alleged breach of any licences, permits, legislation, regulations, by-laws or other requirements to which any REIT Entity, Currently Owned Property or any of the Ocala Properties is or will be subject which could reasonably be expected to have a material adverse effect on the business, financial condition, assets, liabilities (contingent or otherwise), results of operations or prospects of the REIT Entities (taken as a whole);

(l) the forward-looking statements (as such forward-looking statements are described in the Preliminary Prospectus and the Prospectus under the caption “Forward-Looking Statements”) included in the Preliminary Prospectus and the Prospectus are based on or derived from sources which the REIT believes to be reliable and accurate or represent the REIT’s good faith estimates;

(m) all of the Currently Owned Properties are currently being operated, and to the Knowledge of the REIT Entities have been operated, in compliance with Environmental Laws, including all Environmental Permits, in all material respects. The Environmental Permits are valid and existing and in good standing in all

material respects. There are no facts relating to the Currently Owned Properties that are likely to give rise to a violation of Environmental Laws in any material respect. To the Knowledge of the REIT and other than as disclosed in the Preliminary Prospectus and the Prospectus, there are no facts that would require any of the REIT Entities to make future material capital expenditures to comply with Environmental Laws now in force or currently proposed in respect of the Currently Owned Properties;

(n) other than as specifically disclosed in any environmental reports relating to the Currently Owned Properties and the Ocala Properties (copies of which have previously been provided to counsel to the Underwriters), no REIT Entity has, or in respect of the Ocala Properties, will have at the time of their indirect acquisition by the REIT, any liability (contingent or otherwise) of which the REIT has Knowledge in connection with: (i) any spill, discharge, release or threatened release of any Hazardous Substances on or into the Environment in connection with any of the Currently Owned Properties or the Ocala Properties; or (ii) the presence of any Hazardous Substances on, in or under the Currently Owned Properties or the Ocala Properties and the buildings constructed thereon;

(o) all of the Currently Owned Properties and the buildings constructed thereon are, and the Ocala Properties and the buildings constructed thereon will be at the time of their indirect acquisition by the RET, insured by the REIT against all loss from damage by hazards or risks normally insured against for properties and buildings of a similar type and usage, with reasonable deductibles;

(p) insurance coverage against such risks and in such amounts as are reasonable for owners of businesses similar to that carried on by the REIT is currently in place with responsible insurers and that coverage is in full force and effect; none of the REIT Entities is in default with respect to any of the provisions contained in policies of insurance of the REIT or the Currently Owned Properties or has failed to give any notice or pay any premium or present any claim under any such insurance policy that could reasonably be expected to have a material adverse effect on the business, financial condition, assets, liabilities (contingent or otherwise) or results of operations of the REIT Entities (taken as a whole);

(q) all of the Currently Owned Properties are in compliance with all applicable building and zoning by-laws in all material respects;

(r) the trust record, corporate books and minute books of each of the REIT Entities (excluding Lodging Enterprises) contain, or will contain by the date that is three days before the Closing Date, in all material respects, complete and accurate minutes of the meetings of the trustees, directors and committees thereof and shareholders and unitholders, as applicable, held since their respective dates of formation or incorporation, and all such meetings were duly called and held and the unit or share certificate books, register of unitholders and shareholders, registers of transfers and registers of trustees and directors of the REIT Entities (excluding Lodging Enterprises) are complete and accurate;

(s) no REIT Entity is a party to or bound by any contract with or commitment to any trade union, council of trade unions, employee bargaining agent or Affiliated bargaining agent and no REIT Entity has conducted negotiations with respect to any such future contracts or commitments, no labour representatives hold

bargaining rights with respect to any employees of any REIT Entity, the REIT or any Affiliate or Associate thereof, no strike, lock out or other labour action currently exists or, to the Knowledge of the REIT, is contemplated or threatened;

(t) none of the REIT Entities have any liability under any Employee Plans that, individually or in the aggregate, would reasonably be expected to have a material adverse effect on the business, financial condition, assets, liabilities (contingent or otherwise), results of operations or prospects of the REIT Entities (taken as a whole);

(u) the REIT has conducted and is conducting its business and affairs in compliance in all material respects with the terms and provisions of the REIT LP Agreement;

(v) the Currently Owned Properties and the business conducted thereat are not experiencing any significant difficulties that are operational in nature which could reasonably be expected to have a material adverse effect on the business, financial condition, assets, liabilities (contingent or otherwise), results of operations or prospects of the REIT Entities (taken as a whole);

(w) except as set forth in the Preliminary Prospectus and the Prospectus: (i) all of Currently Owned Properties and related assets are beneficially owned 100%, directly or indirectly, by the REIT, (ii) immediately following the time of their indirect acquisition by the REIT, the Ocala Properties and related assets will be beneficially owned 100% indirectly by the REIT, (iii) other than with respect to the Glenwood, Minnesota property, there are no co-ownership or joint venture arrangements in place or options in favour of third parties with respect to any of the Currently Owned Properties, any of the Ocala Properties or any of their respective assets; (iv) registered title to the Currently Owned Properties is held by REIT Entities that are owned 100%, directly or indirectly, by the REIT; (v) immediately following the time of their indirect acquisition by the REIT, registered title to the Ocala Properties will be held by REIT Entities that are owned 100% directly or indirectly by the REIT; (vi) the applicable REIT Entity has good and marketable freehold title in fee simple to the Currently Owned Properties, subject only to encumbrances disclosed in the Preliminary Prospectus and the Prospectus or that do not materially and adversely affect the value, use or operation of the Currently Owned Properties; (vii) immediately following the time of their indirect acquisition by the REIT, the applicable REIT Entity will have good and marketable freehold title in fee simple to the Ocala Properties, subject only to encumbrances disclosed in the Preliminary Prospectus and the Prospectus or that do not materially and adversely affect the value, use or operation of the Ocala Properties; (viii) except as disclosed in the Preliminary Prospectus or the Prospectus, and other than with respect to the Glenwood, Minnesota property and Low Moor, Virginia property, no person has any contract or any right or privilege capable of becoming a contract to purchase any of the Currently Owned Properties from a REIT Entity; and (ix) any and all material agreements pursuant to which any REIT Entity holds any such assets or interests are, or in respect of the Ocala Properties, at the time of their indirect acquisition by the REIT will be, valid and subsisting agreements in full force, and effect, enforceable by the applicable REIT Entity in accordance with their respective terms, except where enforceability may be limited by bankruptcy, insolvency, reorganization, moratorium or similar Laws affecting creditors' rights generally and by general

principles of equity where equitable remedies are sought and except as rights to indemnity and contribution may be limited by Laws;

(x) the REIT has sufficient right, title and interest in and to all assets necessary to operate the Currently Owned Properties, and immediately following the time of their indirect acquisition by the REIT will have sufficient right, title and interest in and to all assets necessary to operate the Ocala Properties, except in each case where such failure could not reasonably be expected to have a material adverse effect on the business, financial condition, assets, liabilities (contingent or otherwise), results of operations or prospects of the REIT Entities (taken as a whole);

(y) to the Knowledge of the REIT, the representations and warranties of the Sellers contained in the Ocala Properties Purchase and Sale Agreement are true and correct in all material respects;

(z) each of the Material Contracts described in the Preliminary Prospectus and the Prospectus (including documents incorporated by reference therein) conforms in all material respects with the description thereof in the Preliminary Prospectus and the Prospectus;

(aa) none of the REIT Entities is in default or in breach of, and the execution, delivery, performance, and compliance of or with the terms of this Agreement and any of the transactions contemplated thereby, including the issuance of the Offered Units, will not result in any breach of, or be in conflict with or constitute a default under, any term or provision of the REIT LP Agreement or any material mortgage, note, indenture, contract, agreement, instrument, lease, licence, permit or other document to which any REIT Entity is a party or by which any of the REIT Entities, or their property is bound or any judgment, decree, order, statute, rule or regulation applicable to any of the REIT Entities;

(bb) any and all material agreements (including the Material Contracts) pursuant to which the REIT Entities will carry on, directly or indirectly, their business are, or in respect of the Ocala Properties, immediately following the time of their indirect acquisition by the REIT will be, valid and subsisting agreements in full force and effect, enforceable in accordance with their respective terms, except where enforceability may be limited by bankruptcy, insolvency, reorganization, moratorium or similar Laws affecting creditors' rights generally and by general principles of equity where equitable remedies are sought and except as rights to indemnity and contribution may be limited by Laws, and the Currently Owned Properties and the Ocala Properties and the operation of the business conducted thereat are, or in respect of the Ocala Properties, immediately following the time of their indirect acquisition by the REIT will be, in good standing under the applicable statutes and regulations of the jurisdictions in which they are situated, except where the failure to be in good standing could not reasonably be expected to have had a material adverse effect on the business, financial condition, assets, liabilities (contingent or otherwise), results of operations or prospects of the REIT Entities (taken as a whole); other than as disclosed in the Preliminary Prospectus and the Prospectus, all mortgages against the Currently Owned Properties, the Ocala Properties and related assets are in good standing and there is no default under any such mortgage and, immediately following the time of their indirect acquisition by the REIT, all such mortgages will be in good standing and there

will be no default under any such mortgages and all realty, property or other taxes required to be paid with respect to such assets have been paid;

(cc) there is (i) other than as disclosed in the Preliminary Prospectus and the Prospectus, no litigation or governmental or other proceeding or investigation at law or in equity before any court or before or by any federal, provincial, state, municipal, local or other governmental or public department, commission, board, bureau, agency, instrumentality or body, domestic or foreign, any subdivision or authority of any of the foregoing or any quasi-governmental, self-regulatory organization or private body exercising any regulatory, expropriation or taxing authority under or for the account of its members or any of the above (collectively, "**Governmental Authority**"), is pending or, to the Knowledge of the REIT, threatened (and the REIT does not know of any reasonable basis therefor) against, or involving the assets, properties or business of the REIT Entities, including the Currently Owned Properties; and (ii) no matter under discussion with any Governmental Authority relating to taxes, governmental charges or assessments asserted by any such authority in respect of any REIT Entity or the Currently Owned Properties which, in each case, if determined adversely could reasonably be expected to have a material adverse effect on the business, financial condition, assets, liabilities (contingent or otherwise), results of operations or prospects of the REIT Entities (taken as a whole);

(dd) the trademarks used by the REIT Entities in respect of the Currently Owned Properties are solely owned or licensed by the REIT Entities and, to the Knowledge of the REIT, the REIT has the right to use them. To the Knowledge of the REIT, the conduct by the REIT Entities in respect of the Currently Owned Properties and the business thereat does not infringe upon the intellectual property of any other person and no such infringement has been alleged by any person. To its Knowledge, no other person is materially infringing upon the intellectual property of the REIT in respect of the Currently Owned Properties;

(ee) the REIT, through the GP in its capacity as such, has all requisite power and authority in compliance with the terms and provisions of the REIT LP Agreement to: (i) enter into this Agreement; (ii) issue and deliver the Offered Units in accordance with the provisions of this Agreement; and (iii) carry out all of the terms and provisions of this Agreement;

(ff) this Agreement has been duly authorized, executed and delivered by the GP, in its capacity as general partner of the REIT, and constitutes a legal, valid and binding obligation of the REIT, enforceable in accordance with its terms, except where enforceability may be limited by bankruptcy, insolvency, reorganization, moratorium or similar Laws affecting creditors' rights generally and by general principles of equity where equitable remedies are sought and except as rights to indemnity and contribution may be limited by Laws;

(gg) the Hotel Managers have the necessary resources, qualifications, expertise and financial wherewithal to professionally and competently carry out their duties and responsibilities under the Hotel Management Agreements;

(hh) the REIT is authorized to issue an unlimited number of Units, of which, as of the date hereof, there are 30,583,740 Units issued and outstanding;

(ii) the REIT Entities have obtained or will, on or prior to the Closing Time, have obtained all required third party consents under the respective contracts to which any of them is a party and all consents of Governmental Authorities, in each case, as required in connection with the transactions contemplated by the Preliminary Prospectus and the Prospectus where the failure to obtain such consent would individually or in the aggregate, result in a material adverse effect on the REIT Entities taken as a whole;

(jj) the outstanding Units of the REIT are listed and posted for trading on the Exchange;

(kk) prior to the filing of the Prospectus, the Exchange will have conditionally approved for listing the Offered Units on the Exchange, subject to the fulfillment of all of the Standard Listing Conditions;

(ll) the form and terms of the certificates representing the Offered Units, if applicable, have been or will have been at Closing duly approved and adopted by the GP and comply with all legal requirements, including, without limitation, the by-laws, rules and regulations of the Exchange;

(mm) except as disclosed in the Preliminary Prospectus and the Prospectus, none of the REIT Entities has securities outstanding which are convertible into or exchangeable or exercisable for Units and there are no outstanding options on or rights to subscribe for any of the unissued Units;

(nn) except as disclosed in the Preliminary Prospectus and the Prospectus, and other than with respect to the Glenwood, Minnesota property or the Low Moor, Virginia property, no person has any written or oral agreement, option, understanding or commitment, or any right or privilege capable of becoming such under which any REIT Entity is, or may become, obligated to issue any of its securities or for the purchase of any security of a REIT Entity or for the purchase of any of the Currently Owned Properties, the Ocala Properties or an interest in any of them;

(oo) the financial statements included in the Preliminary Prospectus and the Prospectus have been prepared in accordance with IFRS or U.S. GAAP and Securities Laws and present fairly in all material respects the consolidated financial position, combined financial condition or pro forma financial position, as the case may be, of the REIT and the Currently Owned Properties as at their respective dates;

(pp) except as disclosed in the Prospectus, there has not occurred any material change, financial or otherwise, in the assets, liabilities (contingent or otherwise), business, financial condition, capital or prospects of the REIT Entities, taken as a whole, since December 31, 2014;

(qq) to the Knowledge of the REIT, the Auditors are independent with respect to the REIT, as required by applicable Securities Laws;

(rr) the REIT has not had any reportable event (within the meaning of NI 51-102) with the Auditors since the respective dates of formation or incorporation, as the case may be, of the REIT Entities (excluding Lodging Enterprises);

(ss) there are no outstanding audits or reviews by a Governmental Authority of any of the tax returns of any REIT Entity other than with respect to Lodging Enterprises which is currently undergoing an audit by the Internal Revenue Service for its fiscal year ended December 31, 2013;

(tt) the Offered Units to be issued as described herein and in the Preliminary Prospectus and the Prospectus will be duly and validly issued by the REIT at the Closing Time, as fully paid securities of the REIT and will not have been issued in violation of any pre-emptive rights or contractual rights to purchase securities of any REIT Entity;

(uu) other than as disclosed in the Preliminary Prospectus and the Prospectus, neither the REIT nor its agents acting on its behalf, have approved or entered into any binding agreement in respect of the purchase of any real property or the sale, transfer or other disposition of any real property to be owned, directly or indirectly, by the REIT, whether by asset sale, transfer of shares, or otherwise;

(vv) the REIT has not made any significant acquisition as such term is defined in Part 8 of NI 51-102 in its current financial year or prior financial years in respect of which historical and/or pro forma financial statements would be required to be included or incorporated by reference into the Prospectuses and have not been previously filed with the regulatory authorities (other than any significant acquisition disclosed by the REIT prior to the date hereof in respect of which the REIT has applied for an exemption under Section 13.1 of NI 51-102 from the requirement to file a business acquisition report under Part 8 of such instrument; provided that, the Prospectuses, as applicable, contain financial statements of or other information about each such acquisition as is necessary for the Prospectuses to contain full true and plain disclosure of all material facts relating to the Units since (a) the Prospectuses will contain disclosure about such proposed acquisition, (b) as a practical, commercial, business or financial matter, such proposed acquisition would not be significant to the REIT, and (c) a copy of appraisals (which may have certain information redacted) for the properties to be acquired pursuant to such proposed acquisition will be filed on SEDAR prior to the filing of the Prospectus), and there is no proposed acquisition by the REIT that: (A) has progressed to a state where a reasonable person would believe that the likelihood of the REIT completing the acquisition is high; and (B) that would be a significant acquisition for the purposes of Part 8 of NI 51-102 if completed as at the date hereof, other than any proposed acquisition for which the REIT believes that the inclusion of financial statements that would be required to be included in, or incorporated by reference into, a business acquisition report in respect of such proposed acquisition is not necessary in order for the Prospectuses to contain full, true and plain disclosure of all material facts relating to the Units since (a) the Prospectuses will contain disclosure about such proposed acquisition, (b) as a practical, commercial, business or financial matter, such proposed acquisition would not be significant to the REIT, and (c) a copy of appraisals (which may have certain information redacted) for the properties to be acquired pursuant to such proposed acquisition will be filed on SEDAR prior to the filing of the Prospectus;

(ww) other than as described in the Preliminary Prospectus and the Prospectus:

(i) no material capital expenditures or commitments therefor have been made by any of the REIT Entities nor are any such expenditures currently contemplated;

(ii) except for the REIT's regularly scheduled distributions, no distributions to holders of Units have been declared or paid by the REIT;

(iii) no REIT Entity has incurred any obligation or liability, direct, contingent or otherwise material to the REIT Entities (taken as a whole); and

(iv) no transactions of a nature material to the REIT Entities (taken as a whole) have been entered into or approved by any REIT Entity;

(xx) other than as may be required under the Securities Laws, and the rules and by-laws of the Exchange, no consent, approval, authorization, order, registration or qualification of or with any Governmental Authority is required for the creation, issue or sale of the Offered Units as contemplated by this Agreement;

(yy) there is no legal or governmental action, proceeding or investigation pending or, to the Knowledge of the REIT, threatened, which would question the validity of the creation, issuance or sale of the Offered Units or the validity of any action taken or to be taken by the REIT in connection with this Agreement;

(zz) Computershare Investor Services Inc. has been duly appointed as the registrar and transfer agent of the REIT with respect to the Units;

(aaa) except as disclosed in the Prospectus, none of the directors, officers or employees of any of the REIT Entities, had or has any material interest, direct or indirect, in any material transaction or any proposed material transaction with the REIT Entities;

(bbb) except as contemplated hereby, there is no person acting at the request of the REIT who is entitled to any brokerage or agency fee in connection with the sale of the Offered Units;

(ccc) the Ocala Properties Purchase and Sale Agreement has been executed and delivered by the parties thereto;

(ddd) the REIT is not aware of any facts or circumstances that would cause it to believe that (i) the Ocala Properties Purchase and Sale Agreement will be terminated and (ii) the acquisition of the Ocala Properties will not be completed in accordance with the Ocala Properties Purchase and Sale Agreement and otherwise in accordance with the disclosure set forth in the Preliminary Prospectus and the Prospectus;

(eee) to the Knowledge of the REIT, all of the Ocala Properties have been and are currently being operated in compliance with Environmental Laws including all Environmental Permits in all material respects. To the Knowledge of the REIT, the Environmental Permits are valid and existing and in good standing in all material respects. To the Knowledge of the REIT, there are no facts relating to the Ocala Properties that are likely to give rise to a violation of Environmental Laws in any material respect. To the Knowledge of the REIT and other than as

disclosed in the Preliminary Prospectus and the Prospectus, there are no facts that would require any of the REIT Entities to make future material capital expenditures to comply with future Environmental Laws in respect of the Ocala Properties; and

(fff) the REIT is eligible to file short form prospectuses under NI 44-101.

7. CLOSING OF THE OFFERING AND THE UNDERWRITING COMMISSION

7.1 The closing of the purchase and sale of the Initial Units provided for in this Agreement shall be completed at the offices of Farris, Vaughan, Wills & Murphy LLP, counsel to the REIT, at the Closing Time.

7.2 The following are conditions precedent to the obligations of the Underwriters under this Agreement, which conditions may be waived in writing in whole or in part by the Co-Lead Underwriters on behalf of the Underwriters:

(a) receipt by the Underwriters of the following documents:

(i) a favourable legal opinion, dated the Closing Date, from the REIT's counsel, Farris, Vaughan, Wills & Murphy LLP, with respect to all such matters as the Underwriters may reasonably request, including, without limiting the generality of the foregoing: the creation and existence of the REIT as a limited partnership under the Laws of the Province of Ontario; its power and capacity to own and lease property and assets and carry on business as described in the Prospectus and its ability to execute, deliver and perform its obligations under this Agreement; the creation, authorization, issue, sale and distribution of the Offered Units; that, upon the REIT receiving payment of the Purchase Price for the Offered Units, the Offered Units will be outstanding as fully paid and non-assessable securities of the REIT; that the attributes of the Offered Units are consistent in all material respects with the descriptions thereof in the Prospectus and comply with the REIT LP Agreement, Laws and the rules of the Exchange; that the Offered Units have been conditionally approved for listing by the Exchange, subject to the fulfillment of the Standard Listing Conditions; the appointment of Computershare Investor Services Inc. as registrar and transfer agent of the Units; the enforceability of this Agreement; that all documents have been filed and all requisite proceedings have been taken and all legal requirements have been fulfilled by the REIT under the Securities Laws to qualify the Offered Units for distribution and sale to the public in each of the Qualifying Jurisdictions through investment dealers registered under the Laws of the Qualifying Jurisdictions who have complied with the relevant provisions of such Laws; it is understood that such counsel may rely on the opinions of local counsel acceptable to them as to matters governed by the Laws of jurisdictions other than Canada and the Province of British Columbia and may rely, to the extent appropriate in the circumstances, as to matters of fact, on certificates of an officer of the REIT;

(ii) a favourable legal opinion of the REIT's counsel in Quebec, dated the Closing Date and acceptable in form and substance to the Underwriters'

counsel, acting reasonably, as to compliance with the Laws of the Province of Quebec relating to the use of the French language in connection with the distribution of the Offered Units;

(iii) a letter from KPMG LLP dated the Closing Date and in a form and substance acceptable to the Underwriters' counsel, acting reasonably, confirming its view that the summary in the Prospectus under the heading "Principal Canadian Federal Income Tax Considerations" is a summary of the principal Canadian federal income tax considerations generally applicable under the Income Tax Act (Canada) (the "**Tax Act**") and the regulations thereunder to a person referred to therein, who acquires Offered Units pursuant to the Offering, subject to specific limitations, qualifications, assumptions and understandings stated or referred to therein and based on, among other things, the facts set out in a certificate provided by the REIT and the GP;

(iv) a letter from KPMG LLP dated the Closing Date and in a form and substance acceptable to the Underwriters' counsel, acting reasonably, confirming its view that, provided that the Offered Units are listed on a "designated stock exchange" as defined in the Tax Act (which includes the Exchange) at a particular time, the Offered Units will be qualified investments under the Tax Act at that time for trusts governed by registered retirement savings plans, registered retirement income funds, registered disability savings plans, registered education savings plans, deferred profit sharing plans and tax-free savings accounts;

(v) a favourable legal opinion of counsel to each of Lodging Properties and Lodging Enterprises, dated the Closing Date, as to its authorized and issued capital and registered owner(s) thereof, as applicable, that it is validly subsisting under the Laws of its applicable jurisdiction of incorporation or formation, as applicable, and that it has the power and legal capacity to own the relevant Currently Owned Properties and conduct its business as described in the Prospectus;

(vi) a favourable legal opinion of counsel to each of AHIP Properties, AHIP Enterprises and U.S. REIT, dated the Closing Date, as to its authorized and issued capital and registered owner(s) thereof, as applicable, that it is validly subsisting under the Laws of its applicable jurisdiction of incorporation or formation, as applicable, and that it has the power and legal capacity to conduct its business as described in the Prospectus;

(vii) if any of the Offered Units are sold in the United States, a favourable legal opinion of Dorsey & Whitney LLP, the REIT's special United States counsel, in form and substance reasonably satisfactory to the Underwriters, which opinion may be subject to the usual and customary qualifications for opinions of this type, to the effect that no registration under the U.S. Securities Act is required for the offer and sale of the Offered Units in the United States in accordance with the terms of Schedule "A" to this Agreement;

(viii) a favourable legal opinion, dated the Closing Date, from Blake, Cassels & Graydon LLP, in form and content satisfactory to the Underwriters, as to such matters as the Underwriters may reasonably request;

(ix) certificates of status (or the equivalent), where issuable under applicable law, for each of U.S. REIT, Lodging Properties, Lodging Enterprises, AHIP Properties and AHIP Enterprises and each of the Acquisition LLCs, Acquisition LPs and Acquisition Enterprises LLC, in each case in the applicable jurisdiction of incorporation or formation and, with respect to each of the Acquisition LLCs and Acquisition LPs, in each jurisdiction where such entity carries on business, each dated within two business days of the Closing Date;

(x) a certificate or certificates, dated the Closing Date and signed by the chief executive officer and the chief financial officer of the GP, in its capacity as general partner of the REIT, certifying on behalf of the REIT, each without personal liability:

(A) that the REIT has complied with all terms and conditions of this Agreement to be complied with thereby at or prior to the Closing Time;

(B) that the representations and warranties of the REIT contained herein are true and correct in all material respects (except to the extent such representations and warranties are already qualified as to materiality or with respect to a material adverse effect in which case such representations and warranties will be true and correct in all respects) as of the Closing Time with the same force and effect as if made at and as of the Closing Time after giving effect to the transactions contemplated hereby;

(C) that no order, ruling or determination having the effect of ceasing or suspending trading in the Offered Units or Units has been issued and no proceedings for such purpose are pending or, to the best of the knowledge, information and belief of the persons signing such certificate, are contemplated or threatened;

(D) since the respective dates of the Prospectus and any Amendment there has been no material adverse change, financial or otherwise, in the business, affairs, operations, assets, liabilities (contingent or otherwise), capital or prospects of the REIT Entities (taken as a whole), or any development involving a prospective material adverse change, financial or otherwise, in the business affairs, operations, assets, liabilities (contingent or otherwise) on capital of the REIT Entities (taken as a whole), from that disclosed in the Prospectus or any Amendment, as the case may be (as they existed at the time of filing); and

(E) since the date of this Agreement, no transaction or agreement has been entered into by any REIT Entity which is material to the

REIT Entities (taken as a whole) other than as described in the Prospectus or any Amendment;

and such statements shall be true in fact;

(xi) the comfort letters from the Auditors required to be delivered at the Closing Time pursuant to paragraph 4.1(d);

(xii) evidence satisfactory to the Underwriters that the REIT has obtained all necessary approvals for the listing of the Offered Units on the Exchange subject only to the Standard Listing Conditions;

(xiii) evidence satisfactory to the Underwriters that the directors of the GP have authorized and approved this Agreement and in each case, all matters relating thereto, and have authorized and approved the issuance of the Offered Units and all matters relating thereto;

(xiv) one or more global certificates or non-certificated entry in the register of the REIT, representing the Offered Units registered in the name of CDS & Co. or its nominee, or in such name or names as the Co-Lead Underwriters or the Underwriters may direct, against payment to the REIT of the Purchase Price net of the Underwriting Fee and an amount equal to the Underwriters' expenses in connection with the Offering by wire transfer;

all in form and substance satisfactory to the Underwriters, acting reasonably; and

(b) the Underwriters not having previously terminated their obligations pursuant to paragraph 10 of this Agreement.

7.3 It shall be a condition precedent to the REIT's obligations to issue the Units that:

(a) the Underwriters shall have delivered or caused to be delivered to the REIT, a wire transfer representing the Purchase Price payable by the Underwriters for the Offered Units, less the Underwriting Fee and an amount equal to the Underwriters' expenses in connection with the Offering; and

(b) the Underwriters shall have complied with the covenants and satisfied all terms and conditions herein contained to be complied with and satisfied by them at or prior to the Closing Time.

7.4 (a) The Over-Allotment Option shall be exercisable, in whole or in part, at any time and from time to time until the Over-Allotment Expiry Date. The Over-Allotment Option may be exercised by the Co-Lead Underwriters, on behalf of the Underwriters, by delivery of written notice to the REIT confirming the number of Over-Allotment Units, as the case may be, in respect of which the Over-Allotment Option is being exercised. Upon exercise of the Over-Allotment Option, the REIT shall become obligated to issue and sell and the Underwriters shall become severally obligated to purchase the total number of the Over-Allotment Units, as the case may be, as to which the Underwriters are exercising the Over-Allotment Option in accordance with their respective percentages set out in paragraph 12 hereof. The Over-Allotment Option closing time (the "**Over-Allotment Closing**

Time") shall be determined by the Co-Lead Underwriters on behalf of the Underwriters but shall not be earlier than two Business Days or later than five Business Days after the exercise of the Over-Allotment Option and, in any event, shall not be earlier than the Closing Date.

(b) If the Over-Allotment Option is exercised as to all or any portion of the Over-Allotment Units, as the case may be, one or more global certificates for such Over-Allotment Units, as the case may be (or their equivalent in the non-certificated inventory system of the REIT's registrar and transfer agent), and payment therefor, shall be delivered at the Over-Allotment Closing Time in the manner, and upon the terms and conditions, set forth in paragraph 7.1, except that reference therein to the Initial Units and Closing Time shall be deemed, for the purposes of this paragraph 7.4, to refer to such Over-Allotment Units, as the case may be, and Over-Allotment Closing Time, respectively, and the amount payable by the Underwriters to the REIT (in the case of the issuance of Over-Allotment Units), as applicable, in respect of the exercise of the Over-Allotment Option shall be equal to the number of Over-Allotment Units, as the case may be, in respect of which the Over-Allotment Option is exercised multiplied by the Offering Price, and the underwriting fee payable by the REIT to the Underwriters in respect of such exercise shall be equal to 4% of the aggregate Offering Price in respect of such Over-Allotment Units (such fee, also the "**Underwriting Fee**").

(c) If the Over-Allotment Option is exercised, the obligations of the Underwriters to purchase the Over-Allotment Units shall be conditional on the delivery by the REIT of the certificates referred to in paragraph 7.2(a)(x) as of the Over-Allotment Closing Time as if references therein to the Closing Time were references to the Over-Allotment Closing Time, the comfort letter from the Auditors required to be delivered at the Over-Allotment Closing Time pursuant to paragraph 4.1(c) and such other certificates, opinions, agreements, materials or other documents in form and substance satisfactory to the Underwriters as they may reasonably request. In all other respects, the applicable terms, conditions and provisions of this Agreement shall apply mutatis mutandis to the Over-Allotment Units, as the case may be.

(d) The obligation of the Underwriters to close the exercise of the Over-Allotment Option at the Over-Allotment Closing Time shall be conditional on the Underwriters not having previously terminated their obligations pursuant to paragraph 10 of this Agreement, with reference therein to "Closing Time" being deemed, for the purposes hereof, to refer to the Over-Allotment Closing Time.

8. INDEMNITY

8.1 The REIT (the "**Indemnifying Party**") shall indemnify and hold harmless each of the Underwriters and their respective Subsidiaries and Affiliates, and each of their respective directors, officers, employees, shareholders, partners and agents (collectively, the "**Indemnified Parties**") from and against all losses (other than losses of profit in connection with the distribution of the Offered Units), claims, reasonable costs, reasonable expenses, actions, suits, proceedings, investigations, damages and liabilities (joint and several), including, without limitation, the reasonable fees and expenses of their counsel, all amounts paid to settle Claims (as defined below) if settled in accordance with the terms hereof or satisfy judgments or awards, and other reasonable out-of-pocket expenses incurred in investigating and defending any pending or

threatened action, suit, proceeding, investigation or claim that may be made or threatened against any of the Indemnified Parties or in enforcing this indemnity (collectively, the "**Claims**"), to which any of the Indemnified Parties may become subject or otherwise involved in any capacity insofar as the Claims arise out of, result from, are based upon, or arise directly or indirectly by reason of:

(a) any information or statement (except any information or statement relating to Underwriters' Disclosure) contained or incorporated by reference in the Preliminary Prospectus, the Prospectus or any Amendment, being or being alleged to be an untrue statement, omission of a material fact or misrepresentation; or

(b) any order made or any inquiry, investigation or proceeding announced, instituted or threatened by any court, securities regulatory authority, stock exchange or by any other competent authority, based upon any untrue statement, omission of a material fact or misrepresentation or alleged untrue statement, omission of a material fact or misrepresentation (except a statement, omission or misrepresentation relating solely to Underwriters' Disclosure) in the Preliminary Prospectus, Prospectus or any Amendment (except any document or material delivered or filed solely by the Underwriters) preventing or restricting the trading in or the sale or distribution of the Offered Units in any of the Qualifying Jurisdictions; or

(c) any breach or default under any representation, warranty, covenant or agreement of the REIT in this Agreement or any other documents, materials, instruments or certificates to be delivered pursuant hereto or the failure thereby to comply with any of its obligations hereunder or thereunder; or

(d) the REIT failing to comply with any requirement of any Securities Laws relating to the offering of the Offered Units, or any alleged breach by the REIT of any Securities Laws relating to the offering of the Offered Units.

8.2 If any Claim contemplated by this paragraph 8 shall be asserted against any of the Indemnified Parties, or if any potential Claim contemplated by this paragraph 8 shall come to the knowledge of any of the Indemnified Parties, the Indemnified Party concerned shall notify the Indemnifying Party, as soon as practicable, of the nature of such Claim (provided that any failure or delay to so notify shall not, except (and only) to the extent of actual prejudice to the Indemnifying Party therefrom, affect the Indemnifying Party's liability under this paragraph 8), and the Indemnifying Party shall, subject as hereinafter provided, promptly assume the defence on behalf of the Indemnified Party of any suit brought to enforce such Claim. Any such defence shall be through legal counsel acceptable to the Indemnified Party, and the Indemnifying Party shall pay the reasonable fees and disbursements of such counsel relating to such matter, and no admission of liability or settlement shall be made by the Indemnifying Party without, in each case, the prior written consent of the Indemnified Party, such consent not to be unreasonably withheld. Without limiting the generality of the foregoing, no Indemnifying Party shall, without the Underwriters' prior written consent, settle, compromise, consent to the entry of any judgment in or otherwise seek to terminate any Claim in respect of which indemnification may be sought hereunder (whether or not any Indemnified Party is a party thereto) unless such settlement, compromise, consent or termination includes an unconditional release of all Indemnified Parties from any liabilities arising out of such Claim without any admission of negligence, misconduct,

liability or responsibility by any Indemnified Party. An Indemnified Party shall have the right to employ separate counsel in any such suit and participate in the defence thereof but the fees and expenses of such counsel shall be at the expense of the Indemnified Party unless: (i) the Indemnifying Party fails to assume the defence of such suit on behalf of the Indemnified Party within 10 Business Days of receiving notice of such suit or having assumed such defense, fails to pursue it; (ii) the employment of such counsel has been authorized by the Indemnifying Party; or (iii) the named parties to any such suit (including any added or third parties) include both the Indemnified Party and the Indemnifying Party, and the Indemnified Party shall have been advised in writing by counsel that there may be one or more legal defences available to the Indemnified Party which are different from or in addition to those available to the Indemnifying Party or the Indemnified Party is advised by counsel that there is an actual or potential conflict in the Indemnifying Party's and its interests (in each of which cases the Indemnifying Party shall not have the right to assume the defence of such suit on behalf of the Indemnified Party, the Indemnified Party shall be required to keep the Indemnifying Party apprised of the developments of the Claim, including providing copies of any material documents related thereto to the Indemnifying Party, and the Indemnifying Party shall be liable to pay the reasonable fees and expenses of the counsel for the Indemnified Party); however, in no case shall the Indemnifying Party be liable for the fees of more than one firm acting as counsel to the Indemnified Parties at any given time. No admission of liability or settlement may be made by an Indemnified Party without, in each case, the prior written consent of the Indemnifying Party, such consent not to be unreasonably withheld. It is understood that the Indemnifying Party shall, in connection with any one Claim or separate but substantially similar or related Claims in the same jurisdiction arising out of the same general allegations or circumstances, be liable for the fees and expenses of only one separate law firm at any time for all Indemnified Parties not having actual or potential differing interests. It is the intention of the Indemnifying Party to constitute the Underwriters as trustees for the Underwriters' Subsidiaries and Affiliates and their respective directors, officers, employees, shareholders, partners and agents of the covenants of the Indemnifying Party under this paragraph 8 and the Underwriters agree to accept such trust and to hold and enforce such covenants on behalf of such persons.

8.3 The Indemnifying Party agrees to reimburse the Underwriters monthly for the time spent by the Underwriters' personnel in connection with any Claim at their normal *per diem* rates; provided, however, that no such *per diem* rates shall be payable where the relevant Underwriter is also a party (or expected to be a party) to any such Claim. The Indemnifying Party also agrees that if any Claim is brought against, or an investigation commenced in respect of, the Indemnifying Party or the Indemnifying Party and the Indemnified Party and personnel of the Underwriters will be required to testify, participate or respond in respect of or in connection with this Agreement, the Underwriters will have the right to employ their own counsel in connection therewith and the Indemnifying Party will reimburse the Underwriters monthly for the time spent by their personnel in connection therewith at their normal per diem rates together with such reasonable disbursements and out-of-pocket expenses as may be incurred, including reasonable fees and disbursements of the Underwriters' counsel.

8.4 If for any reason the indemnification provided for in paragraph 8.1 is unavailable or unenforceable, in whole or in part, to or by an Indemnified Party in respect of any losses, claims, damages, liabilities, costs or expenses (or Claims in respect thereof) for which indemnity is provided in paragraph 8.1, and subject to the restrictions and limitations referred to therein, the Indemnifying Party and the Underwriters shall contribute to the

amount paid or payable (or, if such indemnity is unavailable only in respect of a portion of the amount so paid or payable, such portion of the amount so paid or payable) by such Indemnified Party as a result of such losses (other than losses of profits in connection with the distribution of the Offered Units), claims, damages, liabilities, costs or expenses (or Claims in respect thereof) in such proportion as is appropriate to reflect the relative benefits received by the Indemnifying Party on the one hand and the Underwriters on the other hand from the sale of the Offered Units as well as their relative fault; provided, however, that each of the Underwriters shall not in any event be liable to contribute, in the aggregate, any amount in excess of that Indemnified Party's portion of the Underwriting Fee actually received under this Agreement.

8.5 The relative benefits received by the Indemnifying Party on the one hand and the Underwriters on the other hand shall be deemed to be in the proportion that the total proceeds received from the sale of the Offered Units (net of the Underwriting Fee (or any portion thereof) actually received) is to the Underwriting Fee (or any portion thereof) actually received. The amount paid or payable by an Indemnified Party as a result of such losses, claims, damages, liabilities, costs or expenses (or Claims in respect thereof) referred to above shall be deemed to include any reasonable legal or other expenses incurred by such Indemnified Party in connection with investigating or defending any such losses, claims, damages, liabilities, costs or reasonable expenses (or Claims in respect thereof), whether or not resulting in any such Claim.

8.6 The Underwriters shall cease to be entitled to the rights of indemnity and contribution contained in this paragraph 8 and shall reimburse any funds advanced by the Indemnifying Party pursuant to this paragraph 8:

(a) if the REIT has complied with the provisions of paragraph 3.1(d) and the person asserting any Claim for which indemnity would otherwise be available was not delivered a copy of the Prospectus or was not provided with a copy of any Amendment which corrects any misrepresentation contained in the Prospectus which is the basis for such Claim and which Prospectus or Amendment is required under Securities Laws to be delivered to such person by the Underwriters or members of any Selling Firm; and

(b) if and to the extent that a court of competent jurisdiction in a final judgment that has become non-appealable shall determine that such losses, expenses, claims, actions, damages or liabilities to which an Indemnified Party may be subject have resulted from the gross negligence or wilful misconduct of the Indemnified Party (provided that for greater certainty, an Underwriter's failure to conduct such reasonable investigations so as to provide reasonable grounds for a belief that the Prospectus or any Amendment contained no misrepresentation (or, colloquially, to permit the Underwriter to sustain a "due diligence defense" under Securities Laws) shall not automatically be deemed to constitute "gross negligence" or "wilful misconduct" for purposes of this paragraph (b) or otherwise automatically be deemed to disentitle an Indemnified Party from claiming indemnification or contribution).

8.7 The Underwriters shall be indemnified by the REIT to the extent and manner as set out herein. Such indemnity shall be in addition to, and not in derogation or substitution for, any other liability that any party may have, or any right that any of the Indemnified Parties may have, apart from that indemnity. The rights of contribution provided in this

paragraph 8 are in addition to and not in derogation or substitution of any other right to contribution which the Indemnified Parties may have by statute or otherwise at law.

8.8 The Indemnifying Party hereby waives any right it may have of first requiring an Indemnified Party to proceed against, enforce any other right, power, remedy or security or claim payment from, any other person before claiming against it (or either entity comprising the Indemnifying Party under this paragraph 8).

9. EXPENSES

9.1 Whether or not the transactions herein contemplated shall be completed, all expenses of or incidental to the Offering and the transactions herein or in the Prospectus contemplated including, without limitation: all reasonable fees and disbursements of counsel, including counsel to the Underwriters (up to a maximum of $75,000, in respect of the fees of Underwriters' counsel, excluding all taxes and disbursements on such fees), the Auditors' fees and disbursements, transfer agents, outside consultants and experts (including appraisers, engineers and credit reports), filing fees, the costs and expenses of qualifying the Prospectus in each of the provinces of Canada and in any other jurisdictions, translation, printing costs, the preparation and holding of information meetings, the reasonable out-of-pocket costs related to information meetings and travel, and the Underwriter's reasonable out-of-pocket expenses including the Underwriters' reasonable travel expenses in connection with due diligence (including hotel accommodations and meals) together with all applicable taxes thereon, shall be borne by and be for the account of the REIT.

9.2 All fees and expenses incurred by the Underwriters or on their behalf shall be payable by the REIT immediately upon receiving an invoice from the Underwriters. At the option of the Underwriters, such fees and expenses may be deducted from the gross proceeds from the sale of the Offered Units otherwise payable to the REIT at the Closing and Over-Allotment Option, as applicable.

10. TERMINATION

10.1 In addition to any other remedies which may be available to the Underwriters, an Underwriter shall be entitled, at its option, to terminate and cancel, without any liability on the Underwriter's part, that Underwriter's obligations under this Agreement if, prior to the Closing Time:

(a) any inquiry, action, suit, investigation or other proceeding is instituted, announced or threatened or any order is issued by any Governmental Authority or otherwise (other than an inquiry, investigation, proceeding or order based upon the activities or alleged activities of the Underwriters or the Selling Firms), or there is any change of Law, or the interpretation or administration thereof, which in the reasonable opinion of the Underwriter operates to prevent or restrict the trading in the Units or the Offered Units or the distribution of the Offered Units or which in the reasonable opinion of the Underwriter, acting in good faith, could be expected to have a material adverse effect on the market price or value of the Units or the Offered Units, by giving the REIT and, if applicable, Co-Lead Underwriters written notice to that effect not later than the Closing Time;

(b) there shall occur or be discovered by any Underwriter any material change in the business, financial condition, assets, liabilities (contingent or otherwise), results

of operations or prospects of the REIT Entities (taken as a whole) or any change in any material fact contained or referred to in the Prospectus or any Amendment or there shall exist any material fact which is, or may be, of such a nature as to render the Prospectus or, any Amendment, untrue, false or misleading in a material respect or result in a misrepresentation (other than a change or fact related solely to the Underwriters or the Selling Firms), which in the reasonable opinion of the Underwriter, acting in good faith, could be expected to have a material adverse effect on the market price or value of the Units or the Offered Units, by giving the REIT and, if applicable, Co-Lead Underwriters written notice to that effect not later than the Closing Time;

(c) there should develop, occur or come into effect or existence any event, action, state, condition or occurrence of national or international consequence, acts of hostilities or escalation thereof or other calamity or crisis or any change or development involving a prospective change in national or international political, financial or economic conditions or any action, law, regulation or inquiry which, in the reasonable opinion of the Underwriter, acting in good faith, materially adversely affects or involves, or may materially adversely affect or involve, the financial markets in Canada or the United States, or the business, operations or affairs of the REIT Entities (taken as a whole), or the market price or value of the Units or the Offered Units, by giving the REIT and, if applicable, Co-Lead Underwriters written notice to that effect not later than the Closing Time; or

(d) there shall occur or have been announced any change or proposed change in the federal income tax laws of Canada or the United States, the regulations thereunder or the interpretation or administration thereof which, in any such case, in the reasonable opinion of the Underwriter, acting in good faith and after consultation with the REIT, could reasonably be expected to have a material adverse effect on the market price or value of the Units or the Offered Units, by giving the REIT and, if applicable, Co-Lead Underwriters written notice to that effect prior to the Closing Time.

10.2 If an Underwriter terminates its obligations hereunder pursuant to this paragraph 10, the REIT's liability hereunder to that Underwriter shall be limited to the REIT's obligations under paragraph 8 and payment of expenses referred to in paragraph 9 hereof.

11. RELIANCE ON THE CO-LEAD UNDERWRITERS, ETC.

All steps or other actions which must or may be taken by the Underwriters in connection with this Agreement shall be taken by the Co-Lead Underwriters, with the exception of the matters contemplated by paragraphs 8, 10, 12 and 13 on the Underwriters' behalf, and the execution of this Agreement by the Underwriters shall constitute the authority of the REIT for accepting notification of any such steps or other actions from the Co-Lead Underwriters.

12. UNDERWRITERS' OBLIGATION TO PURCHASE OFFERED UNITS

12.1 The Underwriters' obligation to purchase the Offered Units at the Closing Time or Over-Allotment Closing Time, as applicable, shall be several and not joint, and the Underwriters' respective obligations in this respect shall be as to the following percentages of the aggregate amount of Offered Units to be purchased at that time:

Canaccord	25.0%
National Bank	25.0%
CIBC World Markets	13.0%
RBC	8.5%
Scotia Capital	8.5%
TD Securities	8.5%
Haywood	5.5%
Dundee	3.0%
IAS	3.0%

12.2 If one or more of the Underwriters fails to purchase its or their applicable percentages of the aggregate amount of the Offered Units at the Closing Time or Over-Allotment Closing Time, as applicable, (such Offered Units not being purchased being the "**Defaulted Units**") the other Underwriter or Underwriters (the "**Continuing Underwriters**") shall have the right, but shall not be obligated, to purchase on a pro-rata basis (or in such other proportion as the remaining Underwriters may mutually agree) all, but not less than all, of the Defaulted Units. If no such arrangement has been made and the number of Defaulted Units does not exceed 5% of the Offered Units, the Continuing Underwriters will be obligated to purchase the Defaulted Units on the terms set out in this Agreement in proportion to their obligations under this Agreement. If the number of Defaulted Units exceeds 5% of the Offered Units and the right to purchase the Defaulted Units, as described above, is not exercised, the Underwriter or Underwriters which are able and willing to purchase shall be relieved of all obligations to the REIT on submission to the REIT of reasonable evidence of its or their ability and willingness to fulfill its or their obligations hereunder at the Closing Time or Over-Allotment Closing Time, as applicable. Nothing in this paragraph 12.2 shall oblige the REIT to sell to any or all of the Underwriters less than all of the aggregate amount of the Offered Units or shall relieve any of the Underwriters in default hereunder from liability to the REIT.

13. CONDITIONS

All of the terms and conditions contained in this Agreement to be satisfied by the REIT prior to the Closing Time or Over-Allotment Closing Time, as applicable, shall be construed as conditions, and any breach or failure by the REIT to comply with any of such terms and conditions shall entitle any Underwriter to terminate its obligations hereunder by written notice to that effect given to the REIT prior to the Closing Time or Over-Allotment Closing Time, as applicable. It is understood and agreed that the Underwriters may waive in whole or in part, or extend the time for compliance with, any of such terms and conditions without prejudice to their rights in respect of any such terms and conditions or any other or subsequent breach or non-compliance; provided, however, that to be binding, any such waiver or extension must be in writing and signed by all the Underwriters. If an Underwriter elects to terminate its obligations hereunder the obligations of the REIT hereunder shall be limited to the indemnity referred to in paragraph 8 hereof and the payment of expenses referred to in paragraph 9 hereof.

14. SURVIVAL

All warranties, representations, covenants and agreements of the REIT herein contained (including their obligations under paragraphs 8 and 9) shall survive the purchase by the Underwriters of the Offered Units and shall continue in full force and effect for the period hereinafter described, regardless of any investigation which the Underwriters may carry out or which may be carried out on behalf of the Underwriters or otherwise and notwithstanding any subsequent disposition by the Underwriters of the Offered Units. Such warranties, representations, covenants and agreements of the REIT shall survive for such maximum period of time as the Underwriters may be entitled to commence an action, or exercise a right of rescission, with respect to a misrepresentation contained in the Prospectus or an Amendment or either of them, pursuant to applicable Securities Laws in any of the Qualifying Jurisdictions, including Section 138 of the *Securities Act* (Ontario). Notwithstanding the foregoing, in the case of any fraud or fraudulent misrepresentation of the REIT, the representations, warranties and covenants of such party contained in this Agreement or in agreements, certificates or other documents referred to in this Agreement or delivered pursuant to this Agreement shall survive the purchase and sale of the Offered Units and the termination of this Agreement and shall remain in full force and effect indefinitely.

15. SECURITIES SALES

Except for the issuance of Offered Units, no REIT Entity shall, directly or indirectly, without the prior written consent of the Co-Lead Underwriters, on behalf of the Underwriters, such consent not to be unreasonably withheld, offer, sell or issue for sale or resale (or agree to, or announce, any intention to do so) any Units or any securities convertible into, or exchangeable or exercisable for Units, for a period commencing on the date hereof and ending on the date that is 90 days after the Closing Date, other than in connection with (i) any director or employee option or securities-based compensation plans; or (ii) any potential issuances or payments in Units agreed between the parties hereto or contemplated by the Prospectuses.

16. NOTICE

Any notice or other communication required or permitted to be given hereunder shall be in writing and shall be personally delivered or sent by facsimile on a Business Day to the following addresses:

(a) in the case of the REIT:

c/o American Hotel Income Properties REIT (GP) Inc.
1660 – 401 West Georgia Street
Vancouver, British Columbia V6B 5A1

Attention: Robert O'Neill, Chief Executive Officer
Fax Number: (800) 215-6645

with a copy to:

Farris, Vaughan, Wills & Murphy LLP
2500 – 700 West Georgia Street
Vancouver, BC V7Y 1B3
Attention: B.R. (Brian) Canfield
Fax Number: (604) 661-9349

(b) in the case of Canaccord:

Brookfield Place, 161 Bay Street
Suite 3100, P.O. Box 516
Toronto, ON M5J 2S1

Attention: Justin Bosa, Managing Director, Investment Banking
Fax Number: (416) 869-3876

(c) in the case of National Bank:

The Exchange Tower
130 King Street West, Suite 3200
Toronto, ON M5X 1J9

Attention: Glen Hirsh, Managing Director, Investment Banking
Fax Number: (416) 869-6411

(d) in the case of CIBC World Markets:

Brookfield Place
161 Bay Street, 7th Floor
Toronto, ON M5J 2S8

Attention: Jeff Appleby, Managing Director, Investment Banking
Fax Number: (416) 956-6320

(e) in the case of RBC:

200 Bay Street, North Tower
4th Floor
Toronto, Ontario M5J 2W7

Attention: William Wong, Managing Director
Fax Number: (416) 842-8910

(f) in the case of Scotia Capital:

40 King Street West
66th Floor
Scotia Plaza
P.O. Box 4085, Station A
Toronto, Ontario M5W 2X6

Attention: Charles Vineberg, Director, Investment Banking
Fax Number: (416) 350-5785

(g) in the case of TD Securities:

66 Wellington Street West
9th Floor
TD Bank Tower
Toronto, Ontario M5K 1A2

Attention: Armen Farian, Managing Director, Investment Banking
Fax Number: (416) 982-2172

(h) in the case of Haywood:

Suite 700-200 Burrard Street
Vancouver, British Columbia V6C 3L6

Attention: Frank Stronach, Vice President, Corporate Finance
Fax Number: (604) 697-7495

(i) in the case of Dundee:

1 Adelaide Street East Suite 2000
Toronto, ON M5C 2V9

Attention: Michael Kraft, Director, Investment Banking
Fax Number: (416) 350-3312

(j) in the case of IAS:

26 Wellington East, Suite 900
Toronto, ON M5E 1S2

Attention: Richard Legault, President
Fax Number: (416) 864-7359

in respect to paragraphs (b) through (j), with a copy to:

Blake Cassels & Graydon LLP
Commerce Court West, Suite 4000
199 Bay Street
Toronto, ON M5L 1A9

Attention: Will Fung
Fax Number: (416) 863-2653

The REIT or any of the Underwriters may change its address by notice given in the manner aforesaid. Any such notice or other communication shall be deemed to have been given on the day on which it was delivered or sent by facsimile if received during normal business hours; otherwise it shall be deemed to have been received by 9:00 a.m. on the next Business Day.

17. TIME OF ESSENCE

Time shall be of the essence of this Agreement.

18. GOVERNING LAW

This Agreement shall be governed by and construed in accordance with the Laws of the Province of British Columbia and the Laws of Canada applicable therein and the courts of Ontario shall have non-exclusive jurisdiction over any dispute hereunder.

19. COUNTERPARTS

This Agreement may be executed in several counterparts, including by facsimile, each of which when so executed shall be deemed to be an original and such counterparts together shall constitute one and the same instrument.

20. PUBLICITY

Neither the REIT nor the Underwriters shall make any public announcement concerning the appointment of the Underwriters or the Offering without the consent of the other parties, acting reasonably, and any public announcements shall be made in compliance with applicable Securities Laws. After completion of the Offering, the Underwriters shall be entitled to place advertisements in financial and other newspapers and journals at their own expense describing their services hereunder.

21. ACKNOWLEDGEMENT BY THE REIT

The REIT hereby acknowledges that (i) the purchase and sale of the Offered Units pursuant to this Agreement, including the determination of the Offering Price, is an arm's-length commercial transaction between the REIT on the one hand, and each of the Underwriters and any Affiliate through which it may be acting, on the other; (ii) each of the Underwriters is acting as principal and not as an agent or fiduciary of the REIT; (iii) the engagement by the REIT of each of the Underwriters in connection with the offering and sale of the Offered Units and the process leading up to the offering and sale thereof is as independent contractors and not in any other capacity; (iv) the Underwriters and their respective Affiliates may be engaged in a broad range of transactions that involve interests that differ from those of the REIT; and (v) the Underwriters have not provided any legal, accounting, regulatory or tax advice with respect to the Offering and the REIT has consulted its own legal, accounting, regulatory and tax advisors to the extent it deemed appropriate. Furthermore, the REIT agrees that it is solely responsible for making its own judgments in connection with the offering and sale of the Offered Units (irrespective of whether any of the Underwriters has advised or is currently advising the REIT on related or other matters) and no Underwriter has any obligation to the REIT with respect to the Offering except the obligations expressly set forth in this Agreement. The REIT agrees that it will not claim that the Underwriters have rendered advisory services of any nature or respect, or owe an agency, fiduciary or similar duty to the REIT, in connection with the offering and sale of the Offered Units.

22. UNDERWRITERS' ACTIVITIES

The REIT acknowledges that the Underwriters and their Affiliates carry on a range of businesses, including providing institutional and retail brokerage, investment advisory, research, investment management, securities lending and custodial services to clients and trading in financial products as agent or principal. It is possible that the Underwriters and other entities in their respective groups that carry on those businesses may hold long or short positions in securities of companies or other entities, which are or may be involved in the transactions contemplated in this Agreement and effect transactions in those securities for their own account

or for the account of their respective clients. The REIT agrees that these divisions and entities may hold such positions and effect such transactions without regard to the REIT's interest under this Agreement.

23. INTEREST IN TMX GROUP

Each of National Bank, CIBC World Markets, TD Securities and Scotia Capital, or an Affiliate thereof, owns or controls an equity interest in TMX Group Limited ("**TMX Group**") and has a nominee director serving on the TMX Group's board of directors. As such, each such investment dealer may be considered to have an economic interest in the listing of securities on any exchange owned or operated by TMX Group, including the Exchange, the TSX Venture Exchange and the Alpha Exchange. No person or company is required to obtain products or services from TMX Group or its affiliates as a condition of any such dealer supplying or continuing to supply a product or service.

24. ENTIRE AGREEMENT

This Agreement constitutes the entire agreement among the Underwriters and the REIT relating to the subject matter of this Agreement and supersedes all prior agreements between those parties with respect to their respective rights and obligations in respect of the transactions contemplated under this Agreement.

25. EFFECTIVE DATE

The parties hereto acknowledge and agree that this Agreement shall be effective as of July 28, 2015, notwithstanding its actual date of execution by any party.

[signatures on the next following page]

If the foregoing is in accordance with your understanding and is agreed to by you, please confirm your acceptance by signing the enclosed copies of this letter at the place indicated and returning the same to Canaccord on behalf of the Underwriters.

Yours very truly,

CANACCORD GENUITY CORP.

by: *"Justin Bosa"*
Name: Justin Bosa
Title: Managing Director, Investment Banking

NATIONAL BANK FINANCIAL INC.

by: *"Glen Hirsh"*
Name: Glen Hirsh
Title: Managing Director, Investment Banking

CIBC WORLD MARKETS INC.

by *"Jeff Appleby"*
Name: Jeff Appleby
Title: Managing Director, Investment Banking

RBC DOMINION SECURITIES INC.

by: *"William Wong"*
Name: William Wong
Title: Managing Director

SCOTIA CAPITAL INC.

by: *"Charles Vineberg"*
Name: Charles Vineberg
Title: Director, Investment Banking

TD SECURITIES INC.

by: *"Armen Farian"*
Name: Armen Farian
Title: Managing Director, Investment Banking

HAYWOOD SECURITIES INC.

by: *"Frank Stronach"*
Name: Frank Stronach
Title: Vice President, Corporate Finance

DUNDEE SECURITIES LTD.

by: *"Michael Kraft"*
Name: Michael Kraft
Title: Director, Investment Banking

INDUSTRIAL ALLIANCE SECURITIES INC.

by: *"Richard Legault"*
Name: Richard Legault
Title: President

Accepted and agreed to as of July 28, 2015.

AMERICAN HOTEL INCOME PROPERTIES REIT LP, by its general partner, American Hotel Income Properties REIT (GP) Inc.

by: *"Robert O'Neill"*
Name: Robert O'Neill
Title: Chief Executive Officer

by: *"Azim Lalani"*
Name: Azim Lalani
Title: Chief Financial Officer

We have authority to bind the REIT.

SCHEDULE "A"

TERMS AND CONDITIONS FOR UNITED STATES OFFERS AND SALES

As used in this Schedule "A", the terms listed below have the meanings set forth below. Capitalized terms not otherwise defined herein have the meanings ascribed thereto in the Agreement to which this Schedule "A" is appended.

"**Directed Selling Efforts**" means directed selling efforts as that term is defined in Regulation S. Without limiting the foregoing, but for greater clarity in this Schedule "A", it means, subject to the exclusions from the definition of directed selling efforts contained in Regulation S, any activity undertaken for the purpose of, or that could reasonably be expected to have the effect of, conditioning the market in the United States for any of the Securities and shall include, without limitation, the placement of any advertisement in a publication with a general circulation in the United States that refers to the offering of any of the Securities;

"**General Solicitation**" and "**General Advertising**" means "general solicitation" and "general advertising", respectively, as used in Rule 502(c) of Regulation D, including, without limitation, advertisements, articles, notices or other communications published in any newspaper, magazine or similar media or broadcast over television, radio or the internet, or any seminar or meeting whose attendees had been invited by general solicitation or general advertising;

"**Preliminary U.S. Private Placement Memorandum**" means the preliminary private placement memorandum, including the Preliminary Prospectus, prepared for use in connection with offers and sales of Securities in the United States;

"**Qualified Institutional Buyer**" means a "qualified institutional buyer" as defined in Rule 144A;

"**Regulation D**" means Regulation D under the U.S. Securities Act;

"**Regulation S**" means Regulation S under the U.S. Securities Act;

"**Rule 144**" means Rule 144 under the U.S. Securities Act;

"**Rule 144A**" means Rule 144A under the U.S. Securities Act;

"**SEC**" means the United States Securities and Exchange Commission;

"**Securities**" means the Offered Units;

"**Selling Dealer Group**" means any dealers and brokers other than the Underwriters who participate in the offer and sale of the Securities pursuant to the Agreement;

"**Substantial U.S. Market Interest**" means "substantial U.S. market interest" as that term is defined in Regulation S;

"**U.S. Affiliate**" means a U.S. registered broker-dealer affiliate of an Underwriter;

"**U.S. Exchange Act**" means the United States Securities Exchange Act of 1934, as amended; and

"**U.S. Private Placement Memorandum**" means the private placement memorandum, including the Prospectus, prepared for use in connection with offers and sales of Securities in the United States.

1. Each Underwriter represents and warrants to and covenants and agrees with the REIT that:

   (a) it acknowledges that the Securities have not been and will not be registered under the U.S. Securities Act and may not be offered or sold within the United States except pursuant to the exemption from the registration requirements of the U.S. Securities Act provided by Rule 144A and similar exemptions under applicable state securities laws. It has not offered or sold, and will not offer or sell, any of the Securities constituting part of its allotment except in accordance with Rule 903 of Regulation S or Rule 144A and in accordance with all applicable state securities laws;

   (b) it has not entered and will not enter into any contractual arrangement with respect to the distribution of the Securities, except with its affiliates, any Selling Dealer Group members or with the prior written consent of the REIT;

   (c) it has required and shall require each Selling Dealer Group member to agree, for the benefit of the REIT, to comply with, and shall use its best efforts to ensure that each Selling Dealer Group member complies with, the applicable provisions of this Schedule "A" as if such provisions applied to such Selling Dealer Group member;

   (d) all offers and sales of the Securities in the United States have been and will be effected through one or more U.S. Affiliates in accordance with all applicable U.S. federal and state securities laws and laws governing the registration and conduct of broker-dealers;

   (e) each U.S. Affiliate is a Qualified Institutional Buyer, is a duly registered broker or dealer under the U.S. Exchange Act and under the securities laws of each applicable state (unless exempted from the respective state's broker-dealer registration requirements), and is a member of, and in good standing with, the Financial Industry Regulatory Authority, Inc.;

   (f) it has not and will not, either directly or through a U.S. Affiliate or any other affiliate or person acting on its or their behalf, solicit offers for, or offer to sell, the Securities in the United States by means of any form of General Solicitation or General Advertising or in any manner involving a public offering within the meaning of Section 4(a)(2) of the U.S. Securities Act, and neither it nor its affiliate(s), nor any persons acting on its or their behalf have engaged or will engage in any Directed Selling Efforts with respect to the Securities;

   (g) it has solicited and will solicit, and has caused and will cause, each U.S. Affiliate to solicit offers for the Securities in the United States only from, and has offered and will offer the Securities only to, persons it reasonably believes to be Qualified Institutional Buyers in accordance with Rule 144A;

(h) it will inform, and cause each U.S. Affiliate to inform, (i) all purchasers of the Securities in the United States and (ii) all purchasers of the Securities that were offered Securities in the United States (each such purchaser, a "**U.S. Purchaser**") that the Securities have not been and will not be registered under the U.S. Securities Act and are being sold to them without registration under the U.S. Securities Act in reliance upon Rule 144A;

(i) it has delivered and will deliver, through a U.S. Affiliate, a copy of the Preliminary U.S. Private Placement Memorandum and/or the U.S. Private Placement Memorandum to each offeree in the United States, and it will deliver, through a U.S. Affiliate, a copy of the U.S. Private Placement Memorandum to each U.S. Purchaser purchasing securities from it. In connection with offers and sales of the Securities in the United States, it has not used and will not use any written material other than the Preliminary U.S. Private Placement Memorandum and the U.S. Private Placement Memorandum;

(j) prior to completion of any sale of Securities to a U.S. Purchaser, it will obtain from each U.S. Purchaser a U.S. Qualified Institutional Buyer Letter, in the form attached to the U.S. Private Placement Memorandum;

(k) it has caused and shall cause each U.S. Affiliate to agree, for the benefit of the REIT, to the same provisions as are contained in this paragraph 1 of this Schedule "A";

(l) at least one business day prior to the Closing Date and, if applicable, the Over-Allotment Option closing date, it shall cause each U.S. Affiliate to provide the transfer agent designated by the REIT with a list of all U.S. Purchasers; and

(m) if it or any of its U.S. Affiliates have offered or sold Securities in the United States, at the Closing and, if applicable, at the closing of the Over-Allotment Option, it, together with each such U.S. Affiliate, will provide a certificate, substantially in the form of Exhibit 1 to this Schedule "A", or if it does not do so will be deemed to have represented that neither it nor any of its U.S. Affiliates offered or sold Securities in the United States.

2. The REIT represents, warrants to and covenants and agrees to and with the Underwriters that:

(a) it is a "foreign issuer" (as such term is defined in Regulation S) and reasonably believes that there is no Substantial U.S. Market Interest in the Units;

(b) it is not, and after giving effect to the offering and sale of the Securities and the application of the proceeds thereof as described in the Prospectus, will not be, registered or required to register as an "investment company" pursuant to the provisions of the United States Investment Company Act of 1940, as amended;

(c) at the date hereof and as of the Closing Time and, if applicable, the Over-Allotment Closing Time, the Securities are not and will not be (i) part of a class listed on a national securities exchange registered under Section 6 of the U.S. Exchange Act, (ii) quoted in a "U.S. automated inter-dealer quotation system" (within the meaning of Rule 144A), or (iii) convertible, exchangeable or

exercisable at an effective conversion premium or effective exercise premium (calculated as specified in paragraph (a)(6) or (a)(7), as applicable, of Rule 144A) of less than ten percent for securities so listed or quoted;

(d) for so long as any of the Securities are outstanding and are "restricted securities" within the meaning of Rule 144(a)(3) under the U.S. Securities Act and may not be resold pursuant to Rule 144(b)(1) under the U.S. Securities Act, it shall either: (A) comply with the requirements of Rule 12g3-2(b) under the U.S. Exchange Act; (B) file reports and other information with the SEC under Section 13 or 15(d) of the U.S. Exchange Act; or (C) provide to any holder of Securities and any prospective purchaser of Securities designated by such holder, upon the request of such holder, the information required to be provided by paragraph (d)(4), of Rule 144A (so long as such information is required to be provided in order to permit the resale of securities pursuant to Rule 144A);

(e) none of it, its affiliates or any person acting on its or their behalf (other than the Underwriters, their affiliates, any Selling Dealer Group member and any person acting on their behalf, as to which no representation, warranty, covenant or agreement is made) has offered or will offer to sell the Securities by means of any form of General Solicitation or General Advertising or in any manner involving a public offering within the meaning of Section 4(a)(2) of the U.S. Securities Act;

(f) none of it, its affiliates or any person acting on its or their behalf (other than the Underwriters, their affiliates, any Selling Dealer Group member and any person acting on their behalf, as to which no representation, warranty, covenant or agreement is made) has engaged or will engage in any Directed Selling Efforts with respect to the Securities; and

(g) during the period in which the Securities are offered for sale, neither the REIT nor any of its affiliates, nor any person acting on its or their behalf (other than the Underwriters, their affiliates, any Selling Dealer Group member and any person acting on their behalf, as to which no representation, warranty, covenant or agreement is made), has taken or will take any action that would cause the exemption or exclusion from registration provided by Rule 144A or Rule 903 of Regulation S, respectively, to be unavailable with respect to offers and sales of the Securities pursuant to this Schedule "A" and the Agreement to which it is appended.

EXHIBIT 1 TO SCHEDULE "A"
FORM OF UNDERWRITERS' CERTIFICATE

In connection with the offer and sale of the limited partnership units (the "**Securities**") of American Hotel Income Properties REIT LP (the "**REIT**") to one or more Qualified Institutional Buyers pursuant to the Underwriting Agreement (the "**Underwriting Agreement**") dated as of July 28, 2015 among the REIT and the underwriters named therein (each an "**Underwriter**"), each of the undersigned Underwriter and its undersigned broker-dealer affiliate who has signed below in its capacity as placement agent in the United States for the Underwriter (the "**U.S. Affiliate**"), do hereby certify that:

(a) the U.S. Affiliate is a duly registered broker or dealer under the U.S. Exchange Act and under the securities laws of each applicable state (unless exempted from the respective state's broker-dealer registration requirements), and is and was a member of, and in good standing with, the Financial Industry Regulatory Authority, Inc. on the date hereof and on the date of each offer and sale of Securities made by it, and all offers and sales of Securities in the United States have been and will be effected by the U.S. Affiliate in accordance with all U.S. federal and state securities laws and laws and regulations governing the registration and conduct of broker-dealers;

(b) neither we nor our representatives have utilized, and neither we nor our representatives will utilize, any form of General Solicitation or General Advertising;

(c) we provided each offeree of Securities that was in the United States a copy of one or both of the Preliminary U.S. Private Placement Memorandum and the U.S. Private Placement Memorandum, and we provided each U.S. Purchaser, prior to the sale of Securities to such U.S. Purchaser, with a copy of the U.S. Private Placement Memorandum;

(d) prior to any sale of Securities to a U.S. Purchaser, we have caused each such U.S. Purchaser to complete, sign and deliver a U.S. Qualified Institutional Buyer Letter in the form attached to the U.S. Private Placement Memorandum;

(e) immediately prior to transmitting the Preliminary U.S. Private Placement Memorandum and/or U.S. Private Placement Memorandum to offerees, we had reasonable grounds to believe and did believe that each offeree was a Qualified Institutional Buyer and, on the date hereof, we continue to believe that each U.S. Purchaser is a Qualified Institutional Buyer; and

(f) the offering of the Securities has been conducted by us in accordance with the Underwriting Agreement (including Schedule "A" thereto).

Capitalized terms used herein but not defined have the meanings ascribed thereto in the Underwriting Agreement, including Schedule "A" thereto.

Dated: _____

[UNDERWRITER]

By: _____
Name:
Title:

[U.S. BROKER-DEALER AFFILIATE OF UNDERWRITER]

By: _____
Name:
Title: