

# AMERICAN HOTEL INCOME PROPERTIES REIT LP

## *BOUGHT TREASURY OFFERING OF LIMITED PARTNERSHIP UNITS*

### TERM SHEET

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<b>Issuer:</b>	American Hotel Income Properties REIT LP (“AHIP” or the “REIT”).
<b>Issue:</b>	Treasury offering of 8,696,000 limited partnership units (the “Units”).
<b>Amount:</b>	\$90,003,600, prior to the over-allotment option.
<b>Over-Allotment Option:</b>	The REIT has granted the underwriters an option, exercisable at the Issue Price, in whole or in part, at any time until 30 days following the Closing Date, to purchase up to an additional 15% of the Issue to cover over-allotments, if any, and for market stabilization purposes.
<b>Issue Price:</b>	\$10.35 per Unit.
<b>Use of Proceeds:</b>	The net proceeds of the Issue will be used to: (i) partially fund the potential acquisitions of two Embassy Suites by Hilton branded hotels; (ii) partially fund the potential acquisition of a nine-property, branded hotel portfolio; (iii) partially fund the potential acquisitions of two rail crew lodging hotel facilities; and (iv) fund working capital and for general trust purposes. In the event that one or more of the acquisitions do not close, the net proceeds will be used for general trust purposes, which may include other potential future acquisitions.
<b>Distributions:</b>	Distributions are payable on a monthly basis. The first distribution that purchasers of the Units offered hereunder will be eligible to receive, provided they continue to hold such Units on the record date, is the distribution expected to be paid on or about August 15, 2016 to unitholders of record on or about July 29, 2016. The payment of distributions is not guaranteed and the amount and timing of any distributions payable will be at the discretion of the board of directors of the General Partner of the REIT.
<b>Form of Offering:</b>	Bought public offering by way of a short form prospectus to be filed in all provinces of Canada. Offered in the United States on a private placement basis pursuant to Rule 144A of the U.S. Securities Act of 1933 and internationally pursuant to applicable private placement exemptions. A copy of the preliminary short form prospectus and final short form prospectus will each be available at <a href="http://www.sedar.com">www.sedar.com</a> .
<b>Listing:</b>	Application will be made to list the Units on the TSX. The existing units of AHIP are listed on the TSX under the symbol “HOT.UN”.
<b>Eligibility:</b>	Eligible for RRSPs, RRIFs, RESPs, DPSPs, RDSPs and TFSAs.
<b>Bookrunner:</b>	CIBC Capital Markets.
<b>Underwriting Fee:</b>	4.0%
<b>Closing Date:</b>	July 26, 2016.