

UNDERWRITING AGREEMENT

June 2, 2017

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, Director and Chief Executive Officer

Dear Sirs/Mesdames:

CIBC World Markets Inc. ("**CIBC World Markets**") and National Bank Financial Inc. ("**National Bank**") and collectively with CIBC World Markets, the "**Co-Lead Underwriters**", TD Securities Inc. ("**TD Securities**"), Canaccord Genuity Corp. ("**Canaccord**"), BMO Nesbitt Burns Inc. ("**BMO**"), Scotia Capital Inc. ("**Scotia Capital**"), RBC Dominion Securities Inc. ("**RBC**"), Haywood Securities Inc. ("**Haywood**") 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 (i) 18,360,000 limited partnership units of the REIT (the "**Initial Units**"), and (ii) US\$42,500,000 aggregate principal amount of 5.00% convertible unsecured subordinated debentures of the REIT due June 30, 2022 (the "**Initial Debentures**" and, together with the Initial Units, the "**Initial Securities**"), which Initial Securities will have the material attributes described in and contemplated by the Supplemented Prospectus (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 create, authorize and issue the Initial Debentures and, if applicable, the Over-Allotment Debentures (as defined below) (collectively, the "**Offered Debentures**" and together with the Offered Units, the "**Offered Securities**"); and
3. to prepare and file, without delay, a prospectus supplement to the short form base shelf prospectus dated February 16, 2017 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).

The Underwriters may also offer and sell the Offered Securities 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 (i) the Initial Units at a price of \$10.35 per Initial Unit (the “**Unit Offering Price**”), for an aggregate price of \$190,026,000 (the “**Unit Purchase Price**”), and (ii) the Initial Debentures at a price of US\$1,000 per Initial Debenture (the “**Debenture Offering Price**”) for an aggregate price of US\$42,500,000 (the “**Debenture Purchase Price**”).

Subject to any required regulatory approval, the REIT hereby grants to the Underwriters the over-allotment options for the purpose of satisfying over-allotments, if any, and for market stabilization purposes by the Underwriters. The Over-Allotment Options (as defined below) shall entitle the Underwriters to purchase up to (i) an additional 2,754,000 limited partnership units of the REIT (the “**Over-Allotment Units**”) at a price per Over-Allotment Unit equal to the Unit Offering Price (the “**Unit Over-Allotment Option**”), and/or (ii) an additional US\$6,375,000 aggregate principal amount of 5.00% convertible unsecured subordinated debentures of the REIT due June 30, 2022 (the “**Over-Allotment Debentures**”) and together with the Over-Allotment Units, the “**Over-Allotment Securities**”) at a price per Over-Allotment Debenture equal to the Debenture Offering Price (the “**Debenture Over-Allotment Option**”) and together with the Unit Over-Allotment Option, the “**Over-Allotment Options**”). The Over-Allotment Options 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 CIBC World Markets 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 Securities in respect of which the Over-Allotment Options are exercised. The Over-Allotment Options may be exercised in accordance with paragraph 7.4 hereof.

The Offered Debentures will be issued pursuant to an indenture (the “**Trust Indenture**”) to be dated as of the Closing Date between the REIT and Computershare Trust Company of Canada (or such other Canadian trust company satisfactory to the Company and the Underwriters, acting reasonably), as indenture trustee (the “**Indenture Trustee**”), and shall be convertible into Units at the option of the holder at any time prior to the close of business on the earlier of the last business day prior to the business day preceding the Maturity Date (as defined below) and the business day immediately preceding the date specified by the REIT for redemption of the Offered Debentures, at a conversion price of US\$9.25 per Unit (“**Conversion Price**”), being a conversion rate of approximately 108.1081 Units for each US\$1,000 principal amount of Offered Debentures, subject to adjustment upon the occurrence of certain events in accordance with the provisions of the Trust Indenture.

In consideration of the Underwriters’ agreement to purchase the Initial Securities and, if applicable, the Over-Allotment Securities, 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 Securities, including the Prospectus Supplement (as defined below), distributing the Offered Securities to the public directly and through other investment dealers and brokers and performing any incidental administrative work in connection with the distribution of the Offered Securities, the REIT agrees to pay to CIBC World Markets, on behalf of the Underwriters, a fee (the “**Underwriting Fee**”) at the Closing Time (as defined below) equal to: (i) 4.0% of the gross proceeds of the Initial Units purchased by the Underwriters at the Closing Time (being \$7,601,040), and (ii) 3.75% of the gross proceeds of the Initial Debentures purchased by the Underwriters at Closing Time (being US\$1,593,750, C\$2,151,562.50 based on an exchange rate of US\$1.00 = C\$1.35 as at May 31, 2017), in each such case payable at the Closing Time, and at the Over-Allotment Closing Time the additional fee set forth in paragraph 7.4 (which fees shall be satisfied by way of set-off against

the purchase price payable for the Offered Securities). As sole bookrunner, CIBC World Markets shall be entitled to receive out of the Underwriting Fee an amount equal to 5% 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, 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 FL Ocala 3610 Enterprises LLC, AHIP FL Ocala 3712 Enterprises LLC, AHIP FL Ocala 4101 Enterprises LLC, IML Enterprises LLC, AHIP FL Jacksonville Enterprises LLC, AHIP FL Lake City Enterprises LLC, AHIP TN Chattanooga 2340 Enterprises LLC, AHIP TN Chattanooga 7010 Enterprises LLC, AHIP FL Fort Myers Enterprises LLC, AHIP FL Ocoee Enterprises LLC, AHIP FL Sarasota Enterprises LLC, AHIP FL Tampa 13575 Enterprises LLC, AHIP FL Tampa 3624 Enterprises LLC, AHIP FL Tampa 3751 Enterprises LLC, AHIP AZ EST Enterprises LLC, AHIP TX ESD Enterprises LLC, AHIP OH Cleveland Enterprises LLC, AHIP OH Columbus Enterprises LLC and AHIP KY Covington 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, 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, 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 FL Ocala 3610 Properties LLC, AHIP FL Ocala 3712 Properties LLC, AHIP FL Ocala 4101 Properties LLC, IML Properties LLC, AHIP PA Pitt Airport II Properties LLC, AHIP FL Jacksonville Properties LLC, AHIP FL Lake City Properties LLC, AHIP TN Chattanooga 2340 Properties LLC, AHIP TN Chattanooga 7010 Properties LLC, AHIP FL Fort Myers Properties LLC, AHIP FL Ocoee Properties LLC, AHIP FL Sarasota Properties LLC, AHIP

FL Tampa 13575 Properties LLC, AHIP FL Tampa 3624 Properties LLC, AHIP FL Tampa 3751 Properties LLC, AHIP AZ EST Properties LLC, AHIP TX ESD Properties LLC, AHIP OH Cleveland Properties LLC, AHIP OH Columbus Properties LLC and AHIP KY Covington Properties LLC;

“**Acquisition LPs**” means, collectively, AHIP PA Pitt Airport Properties LP, AHIP PA Greentree Properties LP, AHIP PA Cranberry Properties LP, AHIP PA Cranberry II Properties LP and AHIP PA Pitt Airport 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 Base Shelf Prospectus or the Prospectus Supplement;

“**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 44-102: the documents each dated May 31, 2017 entitled “American Hotel Income Properties REIT LP – Bought Treasury Offering of Limited Partnership Units – Term Sheet” and “American Hotel Income Properties REIT LP – Bought Treasury Offering of Convertible Unsecured Subordinated Debentures – Term Sheet”;

“**Auditors**” means KPMG LLP, the auditors of the REIT, Keiter CPAs, the auditors of Midwestern 3 Embassy Suites Portfolio and the Eastern Seaboard Portfolio, and any other auditor who assisted with the review or preparation of Financial Material;

“**Base Shelf Prospectus**” means the final short form base shelf prospectus of the REIT dated February 16, 2017 (in both the English and French languages) relating to the issue and sale of up to US\$500,000,000 (or its equivalent in Canadian dollars or any other currencies) in the aggregate of: (i) limited partnership units of the REIT; (ii) warrants to purchase other securities of the REIT; (iii) debt securities, which may consist of bonds, debentures, notes or other evidences

of indebtedness of any kind, nature or description and which may be issuable in series; and (iv) subscription receipts convertible into other securities of the REIT, including the documents or information incorporated or deemed to be incorporated therein by reference;

“**BMO**” has the meaning given to it above;

“**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 June 9, 2017, or any earlier or later date as the REIT and CIBC World Markets, 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 June 30, 2017;

“**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 CIBC World Markets, on behalf of the Underwriters, may mutually agree upon;

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

“**Conversion Price**” 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, February 25, 2015, December 18, 2015, June 21, 2016, December 1, 2016, December 20, 2016 and March 31, 2017;

“**Currently Owned Properties**” means the portfolio of hotel properties indirectly owned by the REIT as of the date hereof as described in the Supplemented Prospectus, and “**Currently Owned Property**” means any one of the Currently Owned Properties;

“**Debenture Offering Price**” has the meaning given to it above;

“**Debenture Over-Allotment Option**” has the meaning given to it above;

“**Debenture Purchase Price**” has the meaning given to it above;

“**Eastern Seaboard Portfolio**” means the 18 Marriott and Hilton branded hotels totalling 2,187 guestrooms located in Maryland, New Jersey, New York, Connecticut and Pennsylvania which the REIT intends to acquire, partially using the proceeds of the Offering;

“**Eastern Seaboard Properties**” means the properties comprising the Eastern Seaboard Portfolio;

“Eastern Seaboard PSA” means the conditional purchase and sale agreement dated May 3, 2017 among the Eastern Seaboard Sellers and the U.S. REIT, pursuant to which the REIT intends to indirectly acquire the Eastern Seaboard Portfolio, as such agreement is amended, restated and/or supplemented from time to time;

“Eastern Seaboard Sellers” means, collectively, MCRS Allentown LLC, MCRS Bethlehem LLC, MCRS Brookhaven LLC, MCRS Dover LLC, MCRS Egg Harbor LLC, MCRS Egg Harbor 2 LLC, MCRS Milford LLC, MCRS Mt. Laurel LLC, MCRS Neptune LLC, MCRS Wall LLC, MCRB Arundel 1 LLC, MCRB Arundel 2 LLC, MCRB Arundel 3 LLC, MCRB Arundel 4 LLC, MCRB White Marsh 1 LLC, MCRB White Marsh 2 LLC, MCRB White Marsh 3 LLC and MCRB White Marsh 4 LLC;

“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;

“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 Supplemented Prospectus or any Amendment;
- (b) the consolidated capitalization of the REIT under the heading “Consolidated Capitalization of the REIT” in the Supplemented Prospectus or any Amendment;
- (c) the financial statements incorporated by reference to the business acquisition report of the REIT dated January 31, 2017 with respect to the REIT’s indirect acquisition of the Midwestern 3 Embassy Suites Portfolio; and
- (d) any financial forecasts, financial statements, pro forma financial statements, auditors’ reports, management’s discussion and analysis of results of operations and other numerical data contained or incorporated by reference in the Supplemented Prospectus or any Amendment;

“Governmental Authority” has the meaning ascribed thereto in paragraph 6.1(gg);

“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 Rail 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 Rail 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;

“Indemnifying Party” has the meaning given to it in paragraph 8.1;

“Indenture Trustee” means Computershare Trust Company of Canada;

“Initial Debentures” has the meaning given to it above;

“Initial Securities” has the meaning given to it above;

“Initial Units” has the meaning given to it above;

“Knowledge” means, with respect to the REIT, information to the best of the knowledge, after due inquiry, of Robert O’Neill, Azim Lalani, Ian McAuley and Dan Miller;

“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;

“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 ONE Lodging Management, Inc. (formerly Tower Rock Hotels & Resorts Inc.), a wholly owned subsidiary of O’Neill Hotels & Resorts Ltd.;

“Material Contracts” means, collectively, the Master Hotel Management Agreement, the Rail Hotel Management Agreement, the Master Development Agreement, the REIT LP Agreement, the Nomination Agreement, the Voting Trust Agreement, the Credit Agreement, the Trust Indenture, this Agreement and any additional material agreement relating to a proposed acquisition by the REIT that has progressed to a state where a reasonable person would believe that the likelihood of the REIT completing the acquisition is high;

“Maturity Date” means June 30, 2022;

“Midwestern 3 Embassy Suites Portfolio” means the portfolio of three Embassy Suites by Hilton hotel properties located in proximity to Columbus, Cleveland and Cincinnati, Ohio indirectly acquired by AHIP on January 19, 2017;

“National Bank” has the meaning given to it above;

“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 44-102” means National Instrument 44-102 – *Shelf 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*;

“Offered Debentures” has the meaning given to it above;

“Offered Securities” has the meaning given to it above;

“Offered Units” has the meaning given to it above;

“Offering” means the offering of Offered Securities pursuant to the Supplemented Prospectus as described under the *“Plan of Distribution”* section of the Prospectus Supplement;

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

“Over-Allotment Debentures” has the meaning given to it above;

“Over-Allotment Expiry Date” has the meaning given to it above;

“Over-Allotment Options” has the meaning given to it above;

“Over-Allotment Securities” 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;

“Prospectus Supplement” means the shelf prospectus supplement of the REIT dated June 2, 2017 (in both the English and French languages) which, together with the Base Shelf Prospectus, will qualify the distribution of the Offered Securities in the Qualifying Jurisdictions, including the documents or information incorporated or deemed to be incorporated therein by reference;

“Qualifying Jurisdictions” mean, collectively, all of the provinces of Canada;

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

“Rail Hotel Manager” means TR Lodging Enterprises Inc., a wholly owned subsidiary of the Master Hotel Manager;

“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, Acquisition Enterprises LLCs, Sunstone Embassy Suites LPs and Sunstone Embassy Suites GPs;

“REIT LP Agreement” means the limited partnership agreement dated as of October 12, 2012, and subsequently amended, or amended and restated, as applicable, as of February 20, 2013 and June 9, 2015, as such agreement is further amended, restated and/or supplemented from time to time;

“Reports” means, collectively, any appraisals, environmental reports and/or building condition assessments relating to the Currently Owned Properties or the Eastern Seaboard Properties as further described in the Supplemented Prospectus or any Amendment;

“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;

“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(d);

“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;

“Sunstone Embassy Suites GPs” means, collectively, AHIP AZ GP LLC and AHIP TX GP LLC;

“Sunstone Embassy Suites LPs” means, collectively, EST 2011 L.P. and ESD DFW South 2011 L.P.;

“Supplemented Prospectus” means the Base Shelf Prospectus, as supplemented by the Prospectus Supplement;

“TD Securities” has the meaning given to it above;

“Template Version” has the meaning ascribed thereto in NI 41-101;

“Trust Indenture” has the meaning given to it above;

“Underlying Units” means the Units issuable on conversion or maturity of the Offered Debentures;

“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 other than a preferred unit;

“Unit Offering Price” has the meaning given to it above;

“Unit Over-Allotment Option” has the meaning given to it above;

“**Unit Purchase Price**” has the meaning given to it above;

“**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; 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 Securities to the public by or through the Underwriters, they will offer the Offered Securities 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 Securities 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 Supplemented Prospectus and any Amendment to each purchaser of Offered Securities 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 Securities 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

Securities are qualified for distribution in any province of Canada referred to in the final NP 11-202 receipt for the Base Shelf Prospectus obtained from the British Columbia Securities Commission following the filing of the Prospectus Supplement 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 Securities at the Offering Price, and if any such Offered Securities 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 Securities, trade in Offered Securities or otherwise do any act in furtherance of a trade of Offered Securities 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 Securities to the date such distribution ceases, they will: (i) not provide to any potential investors of the Offered Securities any Marketing Materials in respect of the Offered Securities that are or would be required to be incorporated by reference into the Prospectus Supplement 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 CIBC World Markets; provided, for greater certainty, that the Applicable Marketing Materials were approved by the REIT and CIBC World Markets pursuant to an agreement dated May 31, 2017; and (ii) provide a copy of the Base Shelf Prospectus and, if applicable, the Prospectus Supplement to each potential investor of the Offered Securities 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 Securities as promptly as possible at or after the Closing Time or Over-Allotment Closing Time, as applicable, and CIBC World Markets will (i) notify the REIT when, in its opinion, the distribution of the Offered Securities shall have ceased; and (ii) provide a breakdown of the number of Offered Securities 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 Securities 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 Offered Securities subscribed for by each purchaser of Offered Securities, 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 Securities other than as set forth in this Agreement, the Supplemented Prospectus or 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 Prospectus Supplement and any Amendment;
- (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; and
- (l) for certainty, all offers and sales of Offered Securities have been and shall be made in accordance with Schedule "A" hereto.

3. COVENANTS OF THE REIT

3.1 The REIT covenants and agrees with the Underwriters that:

- (a) the Offered Securities will be duly and validly created, authorized and issued on the payment therefor and such Offered Securities will have attributes corresponding in all material respects to the descriptions thereof in this Agreement and in the Supplemented Prospectus and any Amendment;
- (b) at the time of their issuance in accordance with the terms of the Trust Indenture, the Underlying Units will be duly and validly authorized and issued and such Underlying Units have attributes corresponding in all material respects to the descriptions thereof in this Agreement and in the Supplemented Prospectus and any Amendment;
- (c) the REIT has prepared and filed the Base Shelf Prospectus and it shall fulfill, to the satisfaction of the Underwriters, all legal requirements to be fulfilled by it to enable the Offered Securities 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 Prospectus Supplement in both the English and French languages in form and substance satisfactory to the Underwriters in each of the Qualifying Jurisdictions, such approval to be evidenced by the signing of the Prospectus Supplement by the REIT and the Underwriters; and for greater certainty, the REIT will, as soon as possible following the execution of this Agreement, and, in any event, not later than 8:00 p.m. (Vancouver time) on June 2, 2017 (or such other time and/or date as the REIT and CIBC World Markets, on behalf of the Underwriters, may in writing agree) prepare and file the Prospectus Supplement in form and substance

satisfactory to the Underwriters in each of the Qualifying Jurisdictions with the Securities Commissions under the Securities Laws;

- (d) until the completion of the distribution of the Offered Securities, it shall allow and assist the Underwriters to participate fully in the preparation of the Prospectus Supplement and any Amendment, the U.S. Private Placement Memorandum and any amendment to the U.S. Private Placement Memorandum, 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 Supplemented Prospectus, any Amendment, the U.S. Private Placement Memorandum or any amendment to the U.S. Private Placement Memorandum, 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 Prospectus Supplement 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;

- (e) 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 Prospectus Supplement by the Underwriters to the date of completion of distribution of the Offered Securities, 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 the Eastern Seaboard Properties, or of any change in any material fact contained or referred to in the Supplemented Prospectus, any Amendment, the U.S. Private Placement Memorandum or any amendment to the U.S. Private Placement Memorandum, and of the existence of any material fact which is, or may be, of such a nature as to render the Supplemented Prospectus, any Amendment, the U.S. Private Placement Memorandum or any amendment to the U.S. Private Placement Memorandum, 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 CIBC World Markets 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(e) and, in any event, prior to making any filing referred to in this paragraph 3.1(e). 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 Prospectus Supplement by the Underwriters to the date of completion of the distribution of the Offered Securities, 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 Supplemented Prospectus, in any Amendment, the U.S. Private Placement Memorandum or any amendment to the U.S. Private Placement Memorandum, or which may result in a misrepresentation, the REIT will:

- (i) prepare and file promptly any Amendment or any amendment to the U.S. Private Placement Memorandum which in its opinion, acting reasonably, may be necessary or advisable, after consultation with the Underwriters; and
- (ii) contemporaneously with filing the Amendment or any amendment to the U.S. Private Placement Memorandum under the Laws of the Qualifying Jurisdictions, deliver to the Underwriters:
 - (A) a copy of the Amendment or any amendment to the U.S. Private Placement Memorandum, signed as required by the Securities Laws;
 - (B) a copy of all documents relating to the proposed distribution of the Offered Securities and file them with the Amendment or any amendment to the U.S. Private Placement Memorandum under the applicable Securities Laws; and
 - (C) such other documents as the Underwriters shall reasonably require; and
- (f) it will ensure that, when issued, the Offered Securities and Underlying 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 Securities, the REIT will promptly inform the Underwriters of the full particulars of:

- (a) any request of any Securities Commission for any amendment to the Supplemented 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 the REIT Entities from any Governmental Authority requesting information, a meeting or a hearing or commencing or threatening any investigation into any of the REIT Entities 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 agrees that it will not agree, and will cause the other REIT Entities not to agree, to (A) any change to the aggregate purchase price for the Eastern Seaboard Properties as set forth in the Eastern Seaboard PSA, (B) any material changes to the assets to be acquired or liabilities to be assumed by the REIT, directly or indirectly, pursuant to the Eastern Seaboard PSA, or (C) any material changes to the terms of the acquisition of the Eastern Seaboard Portfolio to the extent such terms are described in the Supplemented

Prospectus or any Amendment, in each case, without the consent of CIBC World Markets, on behalf of the Underwriters, which consent may not be unreasonably withheld or delayed.

- 3.4 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 Trust Indenture, the Eastern Seaboard PSA, the Supplemented Prospectus and the U.S. Private Placement Memorandum 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, by the Supplemented Prospectus and the U.S. Private Placement Memorandum.
- 3.5 The REIT will apply the net proceeds from the issue and sale of the Offered Securities substantially in accordance with the disclosure set forth under the heading "*Use of Proceeds*" in the Prospectus Supplement.

4. DELIVERIES

- 4.1 The REIT shall cause to be delivered to CIBC World Markets, 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 Supplemented 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 Supplemented 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 opinion(s) of KPMG LLP 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; and
 - (ii) opinion(s) of KPMG LLP 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;
 - (d) prior to the Closing Time, evidence satisfactory to the Underwriters of the approval of the listing and posting for trading on the Exchange of the Offered Securities and

up to 5,283,783 Underlying 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**”);

- (e) 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 Supplemented Prospectus or any Amendment, comfort letter(s) of the Auditors dated the Closing Date, the Over-Allotment Closing Time or the date of the Prospectus Supplement 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 Material, as the case may be, and matters involving changes or developments since the respective dates of which the Financial Material 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 report(s) of the Auditors contained or incorporated by reference in the Supplemented Prospectus or any 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;
- (f) 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 Prospectus Supplement has been duly filed on SEDAR, and thereafter from time to time during the distribution of the Offered Securities, as many commercial copies of the Supplemented 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 Securities; and
- (g) during the period commencing on the date hereof and ending on the date of completion of the distribution of the Offered Securities, 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, the Offering or the Eastern Seaboard Properties, for review and approval by the Co-Lead Underwriters and their counsel, such approval not to be unreasonably withheld or delayed, prior to issuance, other than any press release solely relating to the declaration of ordinary monthly distributions payable on the Units.

5. REPRESENTATIONS AND WARRANTIES – SUPPLEMENTED 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 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 Securities and the Underlying 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 Securities 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 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 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 Supplemented Prospectus or any Amendment, 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, AHIP Enterprises, IML Properties LLC and IML Enterprises LLC;
 - (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 and the direct or indirect owner of all of the outstanding securities of the Sunstone Embassy Suites GPs;
 - (f) U.S. REIT is the sole limited partner of each of the Sunstone Embassy Suites LPs;
 - (g) the ownership structure of the REIT Entities is as set out in the Supplemented Prospectus and, except as disclosed in the Supplemented Prospectus or any Amendment, 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 (i) sole membership interests in each of Lodging Properties and Lodging Enterprises, pursuant to a pledge agreement dated December 5, 2014; and (ii) sole membership interests in each of Lodging Properties and Lodging Enterprises, pursuant to a pledge and security agreement dated December 5, 2016;

- (h) other than as disclosed in the Supplemented Prospectus and any Amendment, 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;
- (i) the REIT is a reporting issuer or the equivalent not in default under the Securities Laws;
- (j) each of the REIT Entities (other than Lodging Enterprises for periods prior to February 20, 2013 and the Sunstone Embassy Suites LPs for period prior to January 6, 2017) has conducted and is conducting its affairs or business as contemplated in the Supplemented 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 direct or indirect acquisition thereof by the REIT in respect of the Eastern Seaboard Portfolio, 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 Supplemented 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 Eastern Seaboard Portfolio 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 Eastern Seaboard Portfolio 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);
- (k) all of the Currently Owned Properties are currently being operated in compliance with all Laws in all material respects;
- (l) 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 Eastern Seaboard 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);

- (m) except as described in the Supplemented Prospectus, no limitations were imposed by the REIT upon the scope of the review of any of the parties commissioned to prepare the Reports other than as set forth in their letters of engagement;
- (n) each of the Reports has been commissioned by the REIT upon ordinary commercial terms;
- (o) to the Knowledge of the REIT there are not any material facts that are contrary to any of the assumptions, conclusions or descriptions contained in the Reports;
- (p) the forward-looking statements (as such forward-looking statements are described in the Supplemented Prospectus under the caption "Forward-Looking Statements") included in the Supplemented Prospectus or any Amendment are based on or derived from sources which the REIT believes to be reliable and accurate or represent the REIT's good faith estimates;
- (q) 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 Supplemented Prospectus or any Amendment, 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;
- (r) other than as specifically disclosed in any environmental reports relating to the Currently Owned Properties and the Eastern Seaboard Properties (copies of which have previously been provided to counsel to the Underwriters), no REIT Entity has, or in respect of the Eastern Seaboard Properties will have at the time of their direct or 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 Eastern Seaboard Properties; or (ii) the presence of any Hazardous Substances on, in or under the Currently Owned Properties or the Eastern Seaboard Properties and the buildings constructed thereon;
- (s) all of the Currently Owned Properties and the buildings constructed thereon are, and the Eastern Seaboard Properties and the buildings constructed thereon will be at the time of their direct or indirect acquisition by the REIT, 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;
- (t) 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);

- (u) all of the Currently Owned Properties are in compliance with all applicable building and zoning by-laws in all material respects;
- (v) the trust record, corporate books and minute books of each of the REIT Entities (excluding Lodging Enterprises and the Sunstone Embassy Suites LPs) 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 and the Sunstone Embassy Suites LPs) are complete and accurate;
- (w) 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;
- (x) 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);
- (y) 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;
- (z) 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);
- (aa) except as set forth in the Supplemented Prospectus and any Amendment, as applicable: (i) all of the Currently Owned Properties are beneficially owned 100%, directly or indirectly, by the REIT; (ii) other than with respect to the Brookhaven, New York property and the Fairfield, White Marsh, Maryland property, immediately following the time of their direct or indirect acquisition by the REIT (should such acquisition occur), the Eastern Seaboard Properties will be beneficially owned 100% indirectly by the REIT; (iii) other than with respect to the Glenwood, Minnesota property and the Low Moor, Virginia 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 Eastern Seaboard Properties or any of their respective assets; (iv) other than with respect to the Kentucky Rivercenter property, registered title to the Currently Owned Properties is held by REIT Entities that are owned 100%, directly or indirectly, by the REIT; (v) other than with respect to the Brookhaven, New York property and the Fairfield, White Marsh, Maryland property, immediately following the time of their acquisition by the REIT (should such acquisition occur), registered title to the Eastern Seaboard Properties will be held by REIT Entities that are owned 100% directly or indirectly by the REIT; (vi) other than with respect to the Kentucky Rivercenter property, 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 Supplemented Prospectus or that do not materially and adversely affect the value, use or operation of the Currently Owned Properties; (vii) other than with respect to the Brookhaven, New York property and the Fairfield, White Marsh, Maryland property, immediately following the time of their direct or indirect acquisition by the REIT (should such acquisition occur), the applicable REIT Entity will have good and marketable freehold title in fee simple to the Eastern Seaboard Properties, subject only to encumbrances disclosed in the Supplemented Prospectus or that do not materially and adversely affect the value, use or operation of the Eastern Seaboard Properties; (viii) except as disclosed in the Supplemented Prospectus or any Amendment, 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 Eastern Seaboard Properties, at the time of their direct or 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;

- (bb) 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 direct or indirect acquisition by the REIT (should such acquisition occur) will have sufficient right, title and interest in and to all assets necessary to operate the Eastern Seaboard 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);
- (cc) to the Knowledge of the REIT, the representations and warranties of the Eastern Seaboard Sellers contained in the Eastern Seaboard PSA are true and correct in all material respects;
- (dd) each of the Material Contracts described in the Supplemented Prospectus (including documents incorporated by reference therein) conforms in all material respects with the description thereof in the Supplemented Prospectus;

- (ee) 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, the Trust Indenture and any of the transactions contemplated thereby, including the issuance of the Offered Securities, 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;
- (ff) 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 Eastern Seaboard Properties, immediately following the time of their direct or indirect acquisition by the REIT (should such acquisition occur) 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, the Eastern Seaboard Properties and the operation of the business conducted thereat are, or in respect of the Eastern Seaboard Properties, immediately following the time of their direct or indirect acquisition by the REIT (should such acquisition occur) 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 Supplemented Prospectus and any Amendment, all mortgages against the Currently Owned Properties, the Eastern Seaboard Properties and related assets are in good standing and there is no default under any such mortgage and, immediately following the time of their direct or indirect acquisition by the REIT (should such acquisition occur), 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;
- (gg) there is (i) other than as disclosed in the Supplemented Prospectus and any Amendment, 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 or reassessments 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);

- (hh) 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;
- (ii) 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 and the Trust Indenture; (ii) issue and deliver the Offered Securities and the Underlying Units in accordance with the provisions of this Agreement and the Trust Indenture; and (iii) carry out all of the terms and provisions of this Agreement and the Trust Indenture;
- (jj) 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;
- (kk) at the Closing Time, the Trust Indenture will have been duly authorized, executed and delivered by the GP, in its capacity as general partner of the REIT, and will constitute 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;
- (ll) to the Knowledge of the REIT, 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;
- (mm) the REIT is authorized to issue an unlimited number of Units, of which, as of the date hereof, there are 58,623,606 Units issued and outstanding;
- (nn) 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 Supplemented 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;

- (oo) the outstanding Units of the REIT are listed and posted for trading on the Exchange;
- (pp) prior to the Closing Time, the Exchange will have conditionally approved for listing the Offered Securities and up to 5,283,783 Underlying Units on the Exchange, subject to the fulfillment of all of the Standard Listing Conditions;
- (qq) the form and terms of the certificates representing the Offered Securities and the Underlying Units, if applicable, have been or will when issued be 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;
- (rr) except as disclosed in the Supplemented Prospectus and any Amendment, 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;
- (ss) except as disclosed in the Supplemented Prospectus and any Amendment, 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 Eastern Seaboard Properties or an interest in any of them;
- (tt) the financial statements included in the Supplemented 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 and, if applicable, the Eastern Seaboard Portfolio, as at their respective dates. Any assumptions contained in the pro forma financial statements included in the Supplemented Prospectus or any Amendment are suitably supported and consistent with the operating results of the REIT, and such statements provide a reasonable basis for the compilation of such pro forma financial statements and such pro forma financial statements accurately reflect such assumptions;
- (uu) except as disclosed in the Supplemented Prospectus and any Amendment, 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, 2016;
- (vv) to the Knowledge of the REIT, the Auditors are independent with respect to the REIT, as required by applicable Securities Laws;
- (ww) 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 and the Sunstone Embassy Suites LPs);

- (xx) there are no outstanding audits or reviews by a Governmental Authority of any of the tax returns of any REIT Entity and all such tax returns have been properly filed when due;
- (yy) the Offered Securities as described herein and in the Supplemented 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;
- (zz) the Underlying Units to be issued as described herein and in the Supplemented Prospectus will be duly and validly authorized, allotted and reserved for issuance by the REIT at the Closing Time in accordance with the terms of this Agreement and the Trust Indenture and, upon their issuance in accordance with the Trust Indenture, the Underlying Units will be validly issued 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;
- (aaa) other than as disclosed in the Supplemented 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;
- (bbb) 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 Supplemented Prospectus and have not been previously filed with the regulatory authorities and, other than the proposed acquisition of the Eastern Seaboard Portfolio as described in the Prospectus Supplement, 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;
- (ccc) other than as described in the Supplemented Prospectus:
 - (i) except in the ordinary course of business and as approved by the board of directors of the GP for 2017, 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;
- (ddd) 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 Securities or the Underlying Units as contemplated by this Agreement;

- (eee) 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 Securities, the issuance of the Underlying Units or the validity of any action taken or to be taken by the REIT in connection with this Agreement, the Trust Indenture and the Transactions contemplated hereby and thereby;
- (fff) Computershare Investor Services Inc. has been duly appointed as the registrar and transfer agent of the REIT with respect to the Offered Units;
- (ggg) at the Closing Time, Computershare Trust Company of Canada will be duly appointed as the indenture trustee, registrar and transfer agent with respect to the Offered Debentures in accordance with the Trust Indenture;
- (hhh) except as disclosed in the Supplemented 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;
- (iii) 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 Securities;
- (jjj) the Eastern Seaboard PSA has been executed and delivered by the parties thereto;
- (kkk) the REIT is not aware of any facts or circumstances that would cause it to believe that (i) the Eastern Seaboard PSA will be terminated and (ii) the acquisition of the Eastern Seaboard Properties will not be completed in all material respects in accordance with the Eastern Seaboard PSA and otherwise in accordance with the disclosure set forth in the Supplemented Prospectus, subject to any conditions in the Eastern Seaboard PSA being satisfied or waived by the board of directors of the GP;
- (III) to the Knowledge of the REIT, all of the Eastern Seaboard 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 Eastern Seaboard 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 Supplemented Prospectus or any Amendment, 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 Eastern Seaboard Properties; and
- (mmm) 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 Securities 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 CIBC World Markets, 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 Supplemented Prospectus and its ability to execute, deliver and perform its obligations under this Agreement and the Trust Indenture; the creation, authorization, issue, sale and distribution of the Offered Securities; that, upon the REIT receiving payment of the Unit Purchase Price and the Debenture Purchase Price for the Offered Securities, the Offered Securities will be outstanding as fully paid and non-assessable securities of the REIT; that the Underlying Units have been duly and validly authorized, allotted and reserved for issuance as fully paid and non-assessable Units; that the attributes of the Offered Securities and Underlying Units are consistent in all material respects with the descriptions thereof in the Supplemented Prospectus and comply with the REIT LP Agreement, the Trust Indenture, Laws and the rules of the Exchange; that the Offered Securities and up to 5,283,783 Underlying 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 appointment of Computershare Trust Company of Canada as indenture trustee, registrar and transfer agent of the Offered Debentures; the enforceability of this Agreement and the Trust Indenture; 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 Securities 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; that the issuance of the Underlying Units upon conversion or maturity of the Offered Debentures to the holders of such securities will be exempt from the prospectus and registration requirements of Securities Laws and no filing, proceeding, approval, consent, or authorization will be required to be made, taken or obtained pursuant to the Securities Laws in connections with such issuance; that the first trade of the Underlying Units in the Qualifying Jurisdictions will not be subject to the prospectus and registration requirements of Securities Laws and no filing, proceeding, approval,

consent, or authorization will be required to be made, taken or obtained under Securities Laws to permit such trade or distribution, through a person registered under an appropriate category under Securities Laws or pursuant to an exemption from the registration requirements under Securities Laws, provided that such trade does not constitute a “control distribution”, as that term is defined in National Instrument 45-102 – *Resale of Securities* of the Canadian Securities Administrators; 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 Québec, 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 Québec relating to the use of the French language in connection with the distribution of the Offered Securities;
- (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 Supplemented 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) and the regulations thereunder (the “**Tax Act**”) to the acquisition, holding and disposition of Offered Securities and Underlying Units by a person referred to therein, who acquires Offered Securities 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, Offered Debentures and Underlying 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, Offered Debentures and Underlying Units, respectively, 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 (except, in respect of the Offered Debentures, a deferred profit sharing plan to which the REIT has made a contribution) 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 Supplemented Prospectus;

- (vi) a favourable legal opinion of counsel to each of AHIP Properties, AHIP Enterprises, IML Properties LLC, IML Enterprises LLC 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 Supplemented Prospectus;
- (vii) if any of the Offered Securities are sold in the United States, a favourable legal opinion of Dorsey & Whitney LLP, special United States securities law counsel to the REIT, 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 Securities in the United States in accordance with the terms of Schedule "A" to this Agreement and that the Trust Indenture is not required to be qualified under the *Trust Indenture Act of 1939*, as amended;
- (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) unless otherwise agreed to by CIBC World Markets and the REIT, certificates of status (or the equivalent), where issuable under applicable law, for each of U.S. REIT, Lodging Properties, Lodging Enterprises, AHIP Properties, AHIP Enterprises, IML Properties LLC and IML Enterprises LLC, in each case in the applicable jurisdiction of incorporation or formation, each dated within two business days of the Closing Date;
- (x) the duly executed Trust Indenture in a form satisfactory to the Underwriters acting reasonably, and consistent with the Supplemented Prospectus and each of the parties thereto shall have performed their obligations thereunder that are to be performed or completed at the Closing Time to the satisfaction of the Underwriters, acting reasonably;
- (xi) 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 and the Trust Indenture 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 Securities 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 Supplemented 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 Supplemented 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 Supplemented Prospectus or any Amendment;

and such statements shall be true in fact;

- (xii) the comfort letter(s) from the Auditors required to be delivered at the Closing Time pursuant to paragraph 4.1(e);
- (xiii) evidence satisfactory to the Underwriters that the REIT has obtained all necessary approvals for the listing of the Offered Securities and up to 5,283,783 Underlying Units on the Exchange subject only to the Standard Listing Conditions;
- (xiv) evidence satisfactory to the Underwriters that the directors of the GP have authorized and approved this Agreement and the Trust Indenture and in each case, all matters relating thereto, and have authorized and approved the issuance of the Offered Securities and the Underlying Units and all matters relating thereto; and
- (xv) one or more global certificates or non-certificated entry in the register of the REIT, representing the Offered Securities registered in the name of CDS & Co. or its nominee, or in such name or names as CIBC World Markets or the Underwriters may direct, against payment to the REIT of the Unit Purchase Price and Debenture 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;

- (b) CIBC World Markets shall have received an executed copy of each of the Reports for the Eastern Seaboard Properties, and to the extent applicable, addressed to

the Underwriters, or with a reliance letter in favour thereof as if the Underwriters had each originally commissioned the Reports; and

- (c) 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 Offered Securities that:

- (a) the Underwriters shall have delivered or caused to be delivered to the REIT a wire transfer representing the Unit Purchase Price and a wire transfer representing the Debenture Purchase Price payable by the Underwriters for the Offered Securities, 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 Options 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 Options may be exercised by CIBC World Markets, on behalf of the Underwriters, by delivery of written notice to the REIT confirming the number of Over-Allotment Securities in respect of which the Over-Allotment Options are being exercised. Upon exercise of an 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 Securities 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 CIBC World Markets, 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 an Over-Allotment Option is exercised as to all or any portion of the Over-Allotment Securities, one or more global certificates for such Over-Allotment Securities (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 Securities and Closing Time shall be deemed, for the purposes of this paragraph 7.4, to refer to such Over-Allotment Securities 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 Securities), as applicable, in respect of the exercise of the Over-Allotment Option shall be equal to (i) the number of Over-Allotment Units in respect of which the Unit Over-Allotment Option is exercised multiplied by the Unit Offering Price, and the underwriting fee payable by the REIT to the Underwriters in respect of such exercise shall be equal to 4.0% of the aggregate Unit Offering Price in respect of such Over-Allotment Units, and (ii) the number of Over-Allotment Debentures in respect of which the Debenture Over-Allotment Option is exercised multiplied by the Debenture Offering Price, and the underwriting fee payable by the REIT to the Underwriters in respect of such

exercise shall be equal to 3.75% of the aggregate Debenture Offering Price in respect of such Over-Allotment Debentures.

- (c) If an Over-Allotment Option is exercised, the obligations of the Underwriters to purchase the applicable Over-Allotment Securities shall be conditional on the delivery by the REIT of the certificates referred to in paragraph 7.2(a)(xi) 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(s) from the Auditors required to be delivered at the Over-Allotment Closing Time pursuant to paragraph 4.1(e) 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 applicable Over-Allotment Securities.
- (d) The obligation of the Underwriters to close the exercise of an 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 Securities), 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 Supplemented Prospectus, any Amendment, the U.S. Private Placement Memorandum or any amendment thereto, 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 Supplemented Prospectus, any Amendment, the U.S. Private Placement Memorandum or any

amendment thereto (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 Securities or the Underlying Units in any of the Qualifying Jurisdictions or in the United States; 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 Securities or the distribution of the Underlying Units, or any alleged breach by the REIT of any Securities Laws relating to the offering of the Offered Securities or the distribution of the Underlying 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 Securities), 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 Securities 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 Securities (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 An Indemnified Party 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 Supplemented Prospectus or the U.S. Private Placement Memorandum or was not provided with a copy of any Amendment or any amendment to the U.S. Private Placement Memorandum which corrects any misrepresentation contained in the Supplemented Prospectus which is the basis for such Claim and which Supplemented Prospectus, any Amendment, the U.S. Private Placement Memorandum or any amendment thereto 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 such Indemnified Party may be subject have resulted from the gross negligence or wilful misconduct of such 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 Supplemented Prospectus or the U.S. Private Placement Memorandum 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 The fees and disbursements of counsel for the Underwriters and the Underwriters' "out of pocket" expenses shall be borne by the Underwriters except that the Underwriters will be reimbursed by the REIT for all such fees, disbursements and expenses, to the extent they are reasonable, if the Offering is not completed other than by reason of material breach of the terms of this Agreement by the Underwriters. All other expenses of or incidental to the Offering shall be borne by the REIT, whether or not the Offering is completed.

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, the Offered Securities or Underlying Units or the distribution of the Offered Securities or Underlying 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, the Offered Securities or Underlying Units, by giving the REIT and, if applicable, CIBC World Markets 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 Supplemented Prospectus, any Amendment, the U.S. Private Placement Memorandum or any amendment thereto or there shall exist any material fact which is, or may be, of such a nature as to render the Supplemented Prospectus, any Amendment, the U.S. Private Placement Memorandum or any amendment thereto, 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, the Offered Securities or Underlying Units, by giving the REIT and, if applicable, CIBC World Markets 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 Securities or Underlying Units, by giving the REIT and, if applicable, CIBC World Markets 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 Securities or Underlying Units, by giving the REIT and, if applicable, CIBC World Markets 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 CIBC WORLD MARKETS, ETC.

All steps or other actions which must or may be taken by the Underwriters in connection with this Agreement shall be taken by CIBC World Markets, 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 CIBC World Markets.

12. UNDERWRITERS' OBLIGATION TO PURCHASE OFFERED SECURITIES

- 12.1 The Underwriters' obligation to purchase the Offered Securities 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 Securities to be purchased at that time:

CIBC World Markets	23.0%
National Bank	17.0%
TD Securities	13.0%
Canaccord	12.0%
BMO	10.0%
Scotia Capital	10.0%
RBC	7.0%
Haywood	4.0%
IAS	4.0%

- 12.2 If one or more of the Underwriters fails to purchase its or their applicable percentages of the aggregate amount of the Offered Securities at the Closing Time or Over-Allotment Closing Time, as applicable, (such Offered Securities not being purchased being the "Defaulted Securities") 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 Securities. If no such arrangement has been made and the number of Defaulted Securities does not exceed 5% of the Offered Securities, the Continuing Underwriters will be obligated to purchase the Defaulted Securities on the terms set out in this Agreement in proportion to their obligations under this Agreement. If the number of Defaulted Securities exceeds 5% of the Offered Securities and the right to purchase the Defaulted Securities, 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 Securities 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 Securities 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 Securities. 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 Supplemented Prospectus or any 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 Securities and the termination of this Agreement and shall remain in full force and effect indefinitely.

15. SECURITIES SALES

Except for the issuance of Offered Securities, no REIT Entity shall, directly or indirectly, without the prior written consent of CIBC World Markets, 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) the Units issued in connection with the conversion of the Offered Debentures; (ii) any director or employee option or securities-based compensation plans; (iii) any distribution reinvestment plan adopted by the REIT; or (iv) any potential issuances

or payments in Units agreed between the parties hereto or contemplated by the Supplemented Prospectus.

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 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

- (c) in the case of National Bank:

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

Attention: Andrew Wallace, Managing Director
Fax Number: (416) 869-6411

- (d) in the case of TD Securities:

TD Tower
66 Wellington St. West
9th Floor
Toronto, ON M5K 1A2

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

- (e) in the case of Canaccord:

Brookfield Place
161 Bay Street, Suite 3100
Toronto, ON M5J 2S1

Attention: Dan Sheremeto, Managing Director, Investment Banking
Fax Number: (416) 869-3876

- (f) in the case of BMO:

100 King Street West
1 First Canadian Place
5th Floor
Toronto, ON M5X 1H3

Attention: Jonathan Li, Managing Director
Fax Number: (416) 359-4639

- (g) in the case of Scotia Capital:

40 King Street West
66th Floor
Toronto, ON M5W 2X6

Attention: Justin Bosa, Managing Director
Fax Number: (416) 350-5785

- (h) in the case of RBC:

Royal Bank Plaza, North Tower
4th Floor, 200 Bay Street
Toronto, ON M5J 2W7

Attention: David Holden, Director
Fax Number: (416) 842-8910

- (i) in the case of Haywood:

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

Attention: Beng Lai, Managing Director
Fax Number: (604) 697-7499

(j) in the case of IAS:

900 – 26 Wellington St. E.
Toronto, ON M5E 1S2

Attention: Vilma Jones, Managing Director & Co-Head of Equity Capital
Markets

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 or e-mail, 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 Securities 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 Securities 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 Securities (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 Securities.

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 CIBC World Markets, National Bank, 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 June 2, 2017, 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 CIBC World Markets on behalf of the Underwriters.

Yours very truly,

CIBC WORLD MARKETS INC.

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

NATIONAL BANK FINANCIAL INC.

by: "Andrew Wallace"
Name: Andrew Wallace
Title: Managing Director

TD SECURITIES INC.

by: "Armen Farian"
Name: Armen Farian
Title: Managing Director

CANACCORD GENUITY CORP.

by: "Dan Sheremeto"
Name: Dan Sheremeto
Title: Managing Director, Investment Banking

BMO NESBITT BURNS INC.

by: "Jonathan Li"
Name: Jonathan Li
Title: Managing Director

SCOTIA CAPITAL INC.

by: "Justin Bosa"
Name: Justin Bosa
Title: Managing Director

RBC DOMINION SECURITIES INC.

by: "David Holden"
Name: David Holden
Title: Director

HAYWOOD SECURITIES INC.

by: "Beng Lai"
Name: Beng Lai
Title: Managing Director

INDUSTRIAL ALLIANCE SECURITIES INC.

by: "Vilma Jones"
Name: Vilma Jones
Title: Managing Director
& Co-Head of Equity Capital Markets

Accepted and agreed to as of June 2, 2017.

**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 or the Underlying Units 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 or the Underlying Units;

"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 on the internet or broadcast over television, radio or the internet, or any seminar or meeting whose attendees had been invited by general solicitation or general advertising;

"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 Securities;

"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 Supplemented 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 and the Underlying Units have not been and will not be registered under the U.S. Securities Act or the applicable U.S. state securities laws and the Securities 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 with which the Underwriter or such U.S. Affiliate has a pre-existing relationship and that 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 U.S. Private Placement Memorandum to each offeree in the United States and each U.S. Purchaser. 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 U.S. Private Placement Memorandum;
- (j) immediately prior to transmitting the U.S. Private Placement Memorandum to an offeree of Securities in the United States, each Underwriter or U.S. Affiliate, as applicable, and any person acting on its or their behalf had reasonable grounds to believe and did believe that each such offeree was a Qualified Institutional Buyer, and at the time of completion of each sale to a person in the United States, the Underwriter or the U.S. Affiliate, as applicable, and any person acting on its or their behalf will have reasonable grounds to believe and will believe, that each U.S. Purchaser that is purchasing Securities from such Underwriter or its U.S. affiliate is a Qualified Institutional Buyer;
- (k) prior to completion of any sale of Securities to a U.S. Purchaser, it will obtain from each U.S. Purchaser a Qualified Institutional Buyer Letter, in the form attached to the U.S. Private Placement Memorandum;
- (l) it has caused and shall cause each U.S. Affiliate to agree, for the benefit of the REIT, and to comply with the same provisions of this Schedule “A” as apply to the Underwriter;
- (m) at least one business day prior to the Closing Date and, if applicable, any Over-Allotment Options closing dates, it shall cause each U.S. Affiliate to provide the transfer agent designated by the REIT with a list of all U.S. Purchasers;
- (n) 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 any closing of the Over-Allotment Options, 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;
- (o) neither it nor any of its U.S. Affiliate nor any person acting on its or their behalf will take an action that would cause the exemption provided by Section 3(a)(9) of the U.S. Securities Act to be unavailable for the conversion of the Offered Debentures; and
- (p) none of it, its affiliates or any person acting on any of its or their behalf will solicit the conversion of the Offered Debentures and will not pay, give or receive any commission or other remunerations, directly or indirectly, for soliciting the conversion of the Offered Debentures.

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 (i) the limited partnership units of the REIT or (ii) the Offered Debentures;
 - (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 Supplemented 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 or the Underlying Units 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 and provided that the holder of such securities is contractually permitted to sell such 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;
 - (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;

- (h) 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) will take an action that would cause the exemption provided by Section 3(a)(9) of the U.S. Securities Act to be unavailable for the conversion of the Offered Debentures; and
- (i) it will not pay or give any commission or other remuneration, directly or indirectly, for soliciting the conversion of the Offered Debentures.

**EXHIBIT 1 TO SCHEDULE “A”
FORM OF UNDERWRITERS’ CERTIFICATE**

In connection with the offer and sale of the limited partnership units (the “**Units**”) of American Hotel Income Properties REIT LP (the “**REIT**”) and 5.00% convertible unsecured subordinated debentures of the REIT due June 30, 2022 (the “**Debentures**”) and, together with the Units, the “**Securities**”) to one or more Qualified Institutional Buyers pursuant to the Underwriting Agreement (the “**Underwriting Agreement**”) dated as of June 2, 2017 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 or Directed Selling Efforts;
- (c) we provided each offeree of Securities that was in the United States and, prior to the sale of Securities to a U.S. Purchaser, to each U.S. Purchaser, with a copy of the U.S. Private Placement Memorandum and no other written material was used in connection with the offer and sale of the Securities in the United States;
- (d) prior to any sale of Securities to a U.S. Purchaser, we caused each such U.S. Purchaser to complete, sign and deliver a Qualified Institutional Buyer Letter in the form attached to the U.S. Private Placement Memorandum;
- (e) immediately prior to transmitting the 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]

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

By: _____

Name:
Title:

By _____

:

Name:
Title: