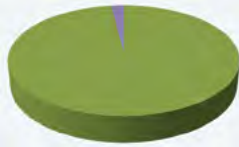


# Nontraded REIT Industry Review: Third Quarter 2012



## Apple REIT Seven, Inc.

Total Assets.....	\$851.7 Million
Real Estate Assets .....	\$828.2 Million
Cash.....	\$0.0 Million
Securities .....	\$0.0 Million
Other.....	\$23.6 Million



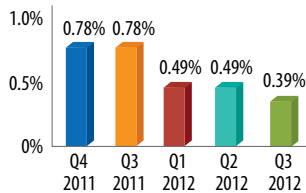
Initial Offering Date: .....	March 15, 2006
Offering Close Date: .....	July 16, 2007
Current Price per Share: .....	\$11.00
Reinvestment Price per Share: .....	\$11.00
Cumulative Capital Raised during Offering (including DRP).....	\$1,003.2 Million

Cash to Total Assets Ratio: .....	0.00%
Asset Type: .....	Hotels
Number of Properties: .....	51
Square Feet / Units / Rooms / Acres: .....	6,426 Rooms
Percent Leased: .....	76%
LifeStage.....	Liquidating
Investment Style .....	Core

### Historical Price

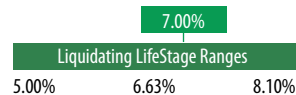


### Redemptions

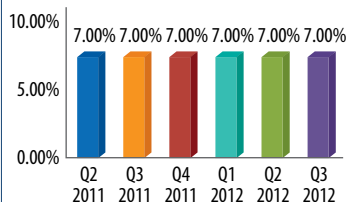


### Current Distribution

Current Distribution Yield: ... 7.00%



### Historical Distribution

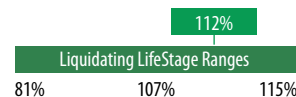


### Contact Information

**www.AppleREITSeven.com**  
**814 E. Main Street**  
**Richmond, VA 23219**  
**804-727-6321**

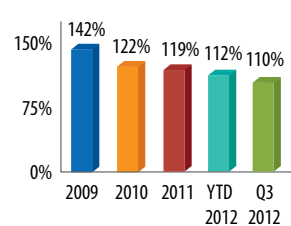
### Year to Date FFO Payout Ratio

FFO Payout Ratio:  
YTD Distributions/YTD FFO: ..... 112%



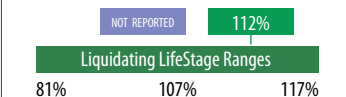
YTD Distributions Paid: \$52,484,000  
YTD FFO: ..... \$46,816,000

### Historical FFO Payout Ratio



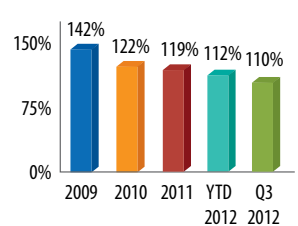
### Year to Date MFFO Payout Ratio

MFFO Payout Ratio:  
YTD Distributions/YTD MFFO: ... 112%

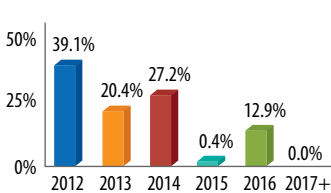


YTD Distributions Paid: \$52,484,000  
YTD MFFO: ..... \$46,816,000  
■ \*BVP Adjusted-See Notes ■ Company reported

### Historical MFFO Payout Ratio



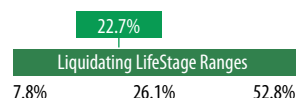
### Debt Repayment Schedule



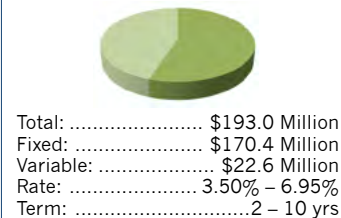
\*As of 12/31/11

### Current Debt Ratio

Debt to Total Assets Ratio: ... 22.7%

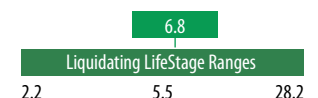


### Debt Breakdown



### Interest Coverage Ratio

YTD Interest Coverage Ratio: ..... 6.8



Adjusted EBITDA: ..... \$54,879,000  
Interest Expense: ..... \$8,063,000

### Lease Expirations

Not Reported

### Trends and Items of Note

- On October 22, 2012, the Financial Industry Regulatory Authority ("FINRA") issued an order against David Lerner Associates, Inc. ("DLA") and David Lerner, individually, requiring DLA to pay approximately \$12 million in restitution to certain investors in Units of Apple REIT Ten, Inc. In addition, David Lerner, individually, was fined \$250,000 and suspended for one year from the securities industry, followed by a two year suspension from acting as a principal. The Company relies on DLA for the administration of its Units and does not believe this settlement will affect the administration of its Units. The Company intends to continue to cooperate with regulatory or governmental inquiries.
- In October 2012, the Company redeemed approximately 364,000 Units in the amount of \$4.0 million. The Company redeemed Units on a pro-rata basis, whereby a percentage of each requested redemption was fulfilled at the discretion of the Company's Board of Directors. This redemption was approximately 3% of the total 13.0 million requested Units to be redeemed, with approximately 12.6 million requested Units not redeemed.
- The REIT's Interest Coverage Ratio remained at 6.8, above the median for Liquidating LifeStage REITs. The REIT's debt ratio at 22.7% remained below the 26.1% median for this LifeStage.
- The Company did not report MFFO in the 10-Q for 3Q 2012. As a result, Blue Vault Partners estimated these figures based upon public information.
- See additional notes on page 96 for information regarding the source of distributions.