

Nontraded REIT Industry Review: Third Quarter 2014



Apple REIT Ten, Inc.

Total Assets.....	\$926.2 Million
Real Estate Assets	\$801.2 Million
Cash	\$0.0 Million
Securities	\$100.3 Million
Other	\$24.7 Million



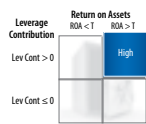
Cash to Total Assets Ratio: 0.0%
 Asset Type: Hospitality
 Number of Properties: 49
 Square Feet / Units / Rooms / Acres: 6,188 Rooms
 Percent Leased: 77.0%
 Weighted Average Lease Term Remaining: Not Applicable
 LifeStage: Maturing
 Investment Style: Core
 Weighted Average Shares Outstanding: 90,267,000

Initial Offering Date: January 19, 2011
 Offering Close Date: July 31, 2014
 Current Price per Share: \$11.00
 Reinvestment Price per Share: Not Applicable
 Cumulative Capital Raised during Offering (including DRP): \$1,052.1 Million



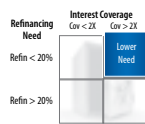
Performance Profiles

Operating Performance



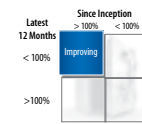
The REIT's recent 12-month average return on assets exceeds yields on 10-year Treasuries, indicating potential for positive risk-adjusted returns. At its current cost of debt and level of borrowing, its use of debt is contributing to increased returns for shareholders.

Financing Outlook



Interest coverage ratio exceeds the 2.0X benchmark and the REIT does not have over 20% of debt maturing within 2 years or at unhedged variable rates. The REIT does not face an immediate need to refinance a significant portion of its debt, and has sufficient earnings to cover interest expense.

Cumulative MFFO Payout



The REIT has not yet reached full coverage of cash distributions with an MFFO payout ratio below 100% since inception, but the last 12 months shows full coverage of distributions, a positive trend. If the 12-month trend continues, the distribution rate can be maintained.

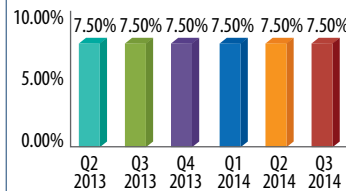
Summary

The REIT's 12-month return on assets of 8.74% greatly exceeds the 10-Year Treasury Yield, and it also provides positive leverage contribution given the 13.3% debt ratio and the estimated 6.01% average cost of debt. The REIT's trailing 12-month interest coverage ratio is a high 10.6X, and 8% of the REIT's debt matures within two years, suggesting no immediate need for refinancing. The REIT has made total cash distributions, excluding DRIP proceeds, equal to 112% of MFFO since inception, and 92% of MFFO over the past 12 months, trending toward sustainability.

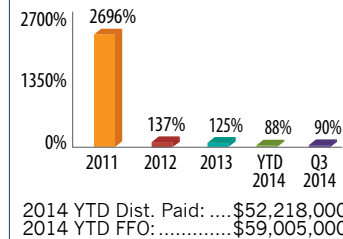
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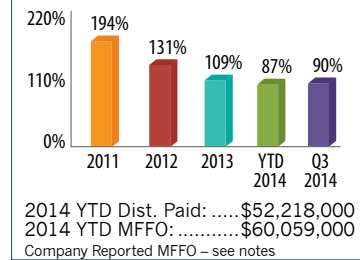
Historical Distribution



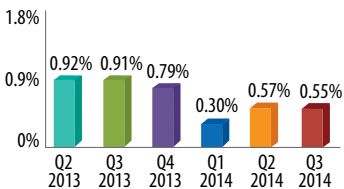
Historical FFO Payout Ratio



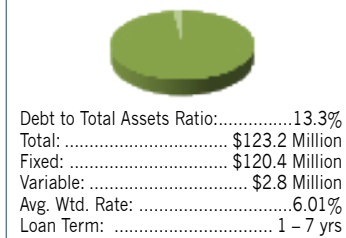
Historical MFFO Payout Ratio



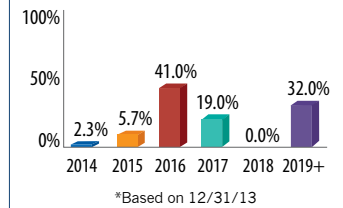
Redemptions



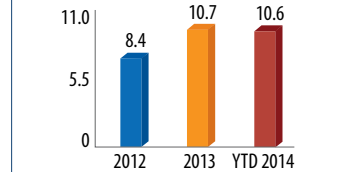
Debt Breakdown



Debt Repayment Schedule



Interest Coverage Ratio



Source of Distributions, Trends and Items of Note

- On July 31, 2014, the Company concluded its best-efforts offering of Units by David Lerner Associates, Inc., which received a selling commission and a marketing allowance base on proceeds. As of September 30, 2014, the Company had sold 91.7 million units or gross proceeds of \$1.0 billion and proceeds net of offering costs of \$900.1 million.
- During 3Q 2014 the Company did not acquire properties.
- As of September 30, 2014, the Company had outstanding contracts for the potential purchase of four additional hotels, which were under construction, for a total purchase price of \$89.6 million. The hotels are in Texas, Florida (2) and Illinois.
- Because the Company did not disclose details on debt principal repayments due and interest rates on debt as of September 30, 2014, BVP has estimated the repayment schedule and weighted average cost of debt using prior period disclosures.
- The REIT's Cash to Total Assets ratio remained at 0.0% as of 3Q 2014 compared to 0.0% as of 3Q 2013.
- The REIT's Debt to Total Assets ratio decreased to 13.3% as of 3Q 2014 compared to 14.5% as of 3Q 2013.
- The Company's calculated and reported MFFO appears to be consistent with the IPA Guidelines and as such, Blue Vault Partners did not make any adjustments.
- The Company's annual distribution rate as of September 30, 2014 was \$0.825 per common share, payable monthly. For the three months ended September 30, 2014 and 2013, the Company made distributions of \$0.20625 per common share for a total of \$18.6 million and \$15.4 million. Distributions during the first nine months of 2014 totaled approximately \$52.2 million. For the same period, cash generated from operations was approximately \$56.7 million.