(December 2017 Department of the Treasury

Report of Organizational Actions Affecting Basis of Securities

▶ See separate instructions.

OMB No. 1545-0123

Internal Revenue Service Reporting Issuer Part I 2 Issuer's employer identification number (EIN) Issuer's name AMERICAN HOTEL INCOME PROPERTIES REIT INC 98-1091240 3 Name of contact for additional information 4 Telephone No. of contact 5 Email address of contact ANNE YU AYU@AHIPREIT.COM 6 Number and street (or P.O. box if mail is not delivered to street address) of contact 7 City, town, or post office, state, and ZIP code of contact 800-925 WEST GEORGIA STREET VANCOUVER, BC, CANADA V6C 3L2 9 Classification and description 8 Date of action SEE PAYMENT DATES IN BOX 14 BELOW COMMON STOCK AND SERIES A PREFERRED SHARES 10 CUSIP number 11 Serial number(s) 12 Ticker symbol 13 Account number(s) Organizational Action Attach additional statements if needed. See back of form for additional questions. Describe the organizational action and, if applicable, the date of the action or the date against which shareholders' ownership is measured for the action ► SEE APPENDIX A Describe the quantitative effect of the organizational action on the basis of the security in the hands of a U.S. taxpayer as an adjustment per share or as a percentage of old basis ► DIVIDENDS PAID IN EXCESS OF THE CURRENT AND ACCUMULATED EARNINGS AND PROFITS OF A CORPORATION REDUCE THE BASIS OF THE STOCK OF THE CORPORATION PURSUANT TO INTERNAL REVENUE CODE (IRC) SECTION 301(C)(2) AND SECTION 316(A). THE CORPORATION CURRENTLY ESTIMATES THAT 40% OF THE TOTAL DISTRIBUTIONS PAID IN EACH MONTH OF 2019 SHOULD CONSTITUTE A RETURN OF CAPITAL, WHICH WOULD REDUCE THE TAX BASIS OF THE STOCK OF THE ISSUER FOR U.S. FEDERAL INCOME TAX PURPOSES ON A PER SHARE BASIS Describe the calculation of the change in basis and the data that supports the calculation, such as the market values of securities and the valuation dates ► BASED ON THE ISSUER'S CURRENT AND ACCUMULATED EARNINGS AND PROFITS AND ESTIMATES FOR THE 2019 TAX YEAR, A PORTION OF THE TOTAL DISTRIBUTIONS PAID IN EACH MONTH OF 2019 IS ESTIMATED TO REDUCE THE BASIS OF THE STOCK OF THE ISSUER. SEE APPENDIX A.

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Part	Organization	nal Action (continued)				
		nal Revenue Code section(s) and subs				
ADJUS	TED BASIS OF THE S	STOCK OF THE ISSUER.				
		e recognized? FOR US FEDERAL HOLDERS OF THE ISSUER.	. INCOME TAX PURPOSES, TH	E DISTRIBU	TION WILL NOT RESUL	T IN ANY
19 P	rovide any other inforn	nation necessary to implement the adj	ustment, such as the reportable	tax year ► <u>N</u>	/A	
		ury, I declare that I have examined this retuand complete. Declaration of preparer (other				
Sign Here	Signature ▶	"Azim Lalani"	D	ate ►	May 13, 2019	
	Print your name ►	Azim Lalani	Т	tle►	Authorized Person	on

AMERICAN HOTEL INCOME PROPERTIES REIT INC.

FEIN: 98-1091240

FORM 8937 TAX YEAR: 2019

78119336

THE CORPORATION PAID DISTRIBUTIONS AS FOLLOWS:

RETURN OF CAPITAL ALLOCATED TO ONE LIMITED PARTNERSHIP UNIT OF AMERICAN HOTEL INCOME

 FOR THE MONTH	PAYABLE DATE	PROPERTIES REIT LP (NOTE A)	
Jan-19	2/11/2019		0.02458
Feb-19	3/12/2019		0.02355
Mar-19	4/9/2019		0.02337
Apr-19	5/13/2019		0.02304

NOTE A: DISTRIBUTIONS PAID EACH MONTH FROM AMERICAN HOTEL INCOME PROPERTIES REIT INC. TO AMERICAN HOTEL INCOME PROPERTIES REIT LP ALLOCATED TO EACH LIMITED PARTNERSHIP UNIT OF AMERICAN HOTEL INCOME PROPERTIES REIT LP WHICH CONSTITUTES A RETURN OF CAPITAL, WHICH REDUCES THE TAX BASIS OF AMERICAN HOTEL INCOME PROPERTIES REIT INC STOCK FOR U.S. FEDERAL INCOME TAX PURPOSES ON A PER UNIT BASIS.