

# Report of Organizational Actions Affecting Basis of Securities

▶ See separate instructions.

## Part I Reporting Issuer

1 Issuer's name <b>AMERICAN HOTEL INCOME PROPERTIES REIT INC.</b>		2 Issuer's employer identification number (EIN) <b>98-1091240</b>	
3 Name of contact for additional information <b>ANNE YU</b>	4 Telephone No. of contact <b>604-633-2876</b>	5 Email address of contact <b>AYU@AHIPREIT.COM</b>	
6 Number and street (or P.O. box if mail is not delivered to street address) of contact <b>800-925 WEST GEORGIA STREET</b>		7 City, town, or post office, state, and ZIP code of contact <b>VANCOUVER, BC, CANADA V6C 3L2</b>	
8 Date of action <b>SEE PAYMENT DATES IN BOX 14 BELOW</b>	9 Classification and description <b>COMMON STOCK AND SERIES A PREFERRED SHARES</b>		
10 CUSIP number	11 Serial number(s)	12 Ticker symbol	13 Account number(s)

## Part II Organizational Action Attach additional statements if needed. See back of form for additional questions.

14 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**

15 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 97.56% OF THE TOTAL DISTRIBUTIONS PAID BY THE ISSUER TO AMERICAN HOTEL INCOME PROPERTIES REIT LP IN 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.**

16 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 2019 IS ESTIMATED TO REDUCE THE BASIS OF THE STOCK OF THE ISSUER. SEE APPENDIX A.**

**Part II** **Organizational Action** (continued)

**17** List the applicable Internal Revenue Code section(s) and subsection(s) upon which the tax treatment is based ▶ IRC SEC. 301(C)(2)  
PROVIDES THAT THE PORTION OF A DISTRIBUTION WHICH IS NOT A DIVIDEND SHALL BE APPLIED AGAINST AND REDUCE THE ADJUSTED BASIS OF THE STOCK OF THE ISSUER.

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

**18** Can any resulting loss be recognized? ▶ FOR US FEDERAL INCOME TAX PURPOSES, THE DISTRIBUTION WILL NOT RESULT IN ANY TAX LOSS FOR THE SHAREHOLDERS OF THE ISSUER.

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

**19** Provide any other information necessary to implement the adjustment, such as the reportable tax year ▶ N/A

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

<b>Sign Here</b>	Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than officer) is based on all information of which preparer has any knowledge.	
	Signature ▶ "Azim Lalani"	Date ▶ January 13, 2020
	Print your name ▶ Azim Lalani	Title ▶ Authorized Person
	_____	_____

AMERICAN HOTEL INCOME PROPERTIES REIT INC.  
FEIN: 98-1091240

FORM 8937  
TAX YEAR: 2019

THE CORPORATION PAID DISTRIBUTIONS AS FOLLOWS:

FOR THE MONTH	PAYABLE DATE	ESTIMATED RETURN OF CAPITAL ALLOCATED TO ONE LIMITED PARTNERSHIP UNIT OF AMERICAN HOTEL INCOME PROPERTIES REIT LP (NOTE A)
Jan-19	2/11/2019	0.05995
Feb-19	3/12/2019	0.05748
Mar-19	4/9/2019	0.05701
Apr-19	5/13/2019	0.05620
May-19	6/12/2019	0.05744
Jun-19	7/2/2019	0.05724
Jun-19	7/10/2019	0.05370
Jul-19	8/13/2019	0.01499
Aug-19	9/11/2019	0.05619
Sep-19	10/9/2019	0.05370
Oct-19	11/12/2019	0.01374
Nov-19	12/10/2019	0.09615
Dec-19	12/27/2019	0.05436

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 IS ESTIMATED TO CONSTITUTE 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.