



# AMERICAN HOSPITALITY PROPERTIES REIT, INC.

## Investing in America's Business Select Hotels

American Hospitality Properties REIT, Inc. (the "Company") intends to invest in limited and upscale select-service hotels throughout the United States that are affiliated with premium hotel brands such as Marriott, Hilton and Hyatt. In addition to owning and operating these premium hotel brands, the fund's goal is to take a preferred interest and provide bridge capital to hotel owners that need to service their operating and debt service shortfalls caused by the COVID-19 pandemic.

### INVESTMENT OBJECTIVES

The Company's primary investment objectives are to<sup>1</sup>:

- 1 Preserve** stockholders' capital investment
- 2 Realize income** through the acquisition, operation, and sale of the properties
- 3 Make distributions** to our stockholders from cash generated by operations
- 4** Within approximately five years after the termination date of this offering, **enable our stockholders** to realize a return on their investment. There is no assurance that this objective will be achieved.

### FUND OVERVIEW

Offering Size	\$50 million
Offering Price	\$10.00 per share
Minimum Purchase	\$5,000 for both qualified and non-qualified accounts
Preferred Return <sup>2</sup>	8% annualized, plus return of capital. 80/20 split (shareholder/sponsor) until 12% return to shareholder, thereafter 60/40 split (shareholder/sponsor)
Investor Suitability <sup>3</sup>	Reg A+ Offering
Tax Reporting	1099

### INVESTMENT STRATEGY

The Company's investment strategy is to identify and acquire business select hotels that provide a value-add opportunity. The Company intends to seek investments that have one or more of the following characteristics<sup>4</sup>:

 <p><b>Expense Reduction</b> Aggressive cost reduction, increasing cash flow</p>	 <p><b>Location</b> Urban market, with business travel focus</p>	 <p><b>Occupancy</b> Increased business travel demands higher rates</p>
 <p><b>Strong Brand Affiliation</b> Hotels with worldwide brands and strong reservation systems</p>	 <p><b>Barriers to Entry</b> Greater market share due to limited available hotel franchises</p>	 <p><b>Pricing Opportunity</b> Acquire hotels below replacement cost</p>

**Investing in our shares is speculative and involves substantial risks. You should purchase these shares only if you can afford a complete loss of your investment.**

<sup>1</sup> There is no assurance that the Company's investment objectives will be achieved.

<sup>2</sup> There is no guarantee that the distribution rate or preferred return will be achieved.

<sup>3</sup> A non-accredited investor is limited to investing in no more than 10% of the greater of their income or net worth in a given offering. The securities are investments in American Hospitality Properties REIT, a Delaware limited liability company, formed for the purpose of purchasing, either directly or through special purpose entities and joint ventures, existing Full, Limited and Select Service Name Brand Hotels in the United States.

<sup>4</sup> There is no guarantee that the Company will be able to achieve its goal of identifying and acquiring hotels that meet specific characteristics.

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## KEY ATTRIBUTES



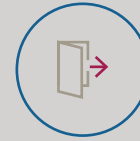
### Reg A+ Structure

Enables both accredited and non-accredited investors to invest, subject to certain limitations



### Fund Co-Investor

Partnering with institutional investors allows us access to better financing, greater diversification and additional due diligence screening



### Exit Strategy

Portfolio liquidation planned within five years following the conclusion of the offering

## SUMMARY OF RISK FACTORS:

- The offering is being made by means of the Offering Circular only to qualified investors who meet minimum requirements, as well as suitability standards as determined by a qualified financial advisor. Please read the Offering Circular in its entirety before considering investment.
- We depend on our board of directors and officers to select our investments and conduct our operations and this offering. Our board of directors and officers are also directors and officers of Phoenix American Hospitality, LLC, our manager. Our directors and officers will be subject to conflicts of interest.
- No public market exists for our Shares, and you may, for an indefinite period of time, be unable to convert your investment to cash easily and could suffer losses on your investment. If you are able to sell your Shares through secondary market purchases or otherwise, you would likely have to sell them at a substantial discount from their offering price.
- We are a recently formed company and have no operating history. As of the date of this Offering Circular, we have not made any investments, and prior to our initial closing, our total assets will consist of approximately \$25,000 in cash.
- There is no assurance that we will achieve our investment objectives.
- We are a blind pool because we have not identified any investments to make with the proceeds from this offering.
- Our board of directors and officers may sponsor other companies that compete with us, and our board does not have an exclusive management arrangement with us.
- If we raise substantially less than the maximum offering amount, we may not be able to invest in a diverse portfolio of hospitality properties and the value of your investment may vary more widely with the performance of certain assets.
- We have not established the offering price on an independent basis and it bears no relationship to the value of our assets.
- The Company expects to use leverage to acquire the Properties, which will subject the Company to risks associated with financing.
- Although our distribution policy is to use our cash flow from operations to make distributions, our organization documents do not prohibit us from paying distributions from any source, including borrowings or sales of assets. If we pay distributions from sources other than our cash flow from operations, we will have less funds available for investments and your overall return will be reduced.
- We may or may not elect to be taxed as a REIT, with differing tax consequences to us and our shareholders.
- If we fail to qualify as a REIT it could have economic consequences.
- Our Properties will be subject to the risks typically associated with real estate.
- Our Properties will be subject to operating risks associated with hotels.
- The hotel industry is highly volatile which could decrease our stockholders' overall return.
- Investing in our shares is speculative and involves substantial risks. You should purchase these shares only if you can afford a complete loss of your investment.

This is not an offer to sell or a solicitation of an offer to buy shares of American Hospitality Properties REIT, Inc., only the REIT's offering circular makes such an offer. The information set forth herein must be read in conjunction with the offering circular in order to understand fully all of the objectives, risks, charges and expenses associated with an investment and must not be relied upon to make an investment decision. To the extent information herein conflicts with the offering circular, the information in the offering circular governs. Neither the Securities and Exchange Commission, the Attorney General of the state of New York nor any other state securities regulator has approved or disapproved of these securities; passed on or endorsed the merits of the offerings; or determined if the offering circular is truthful or complete. The information set forth herein is only a brief description of the REIT. The offering circular, as amended and supplemented from time to time, contains information regarding the offering by the REIT and they should be read in their entirety. All transactions are illiquid and include risk. Please see the offering circular for a list of the significant risk factors associated with an investment in the REIT. The most recent offering circular related to these securities, which remains subject to potential update, is available at: <https://www.sec.gov>.

Securities offered through KCD Financial, Inc. member FINRA/SIPC. KCD Financial, Inc. and Phoenix American Hospitality, LLC are not affiliated companies.