

Report of Organizational Actions Affecting Basis of Securities

▶ See separate instructions.

Part I Reporting Issuer

1 Issuer's name ESH HOSPITALITY, INC.		2 Issuer's employer identification number (EIN) 27-3559821	
3 Name of contact for additional information WILLIAM HASHE	4 Telephone No. of contact (980) 345-1644	5 Email address of contact BHASHE@EXTENDEDSTAY.COM	
6 Number and street (or P.O. box if mail is not delivered to street address) of contact P.O. BOX 49550		7 City, town, or post office, state, and Zip code of contact CHARLOTTE, NC 28277	
8 Date of action 03/01/2017		9 Classification and description DEBT AGREEMENT AMENDMENT	
10 CUSIP number 26908BAH6	11 Serial number(s) N/A	12 Ticker symbol N/A	13 Account number(s) N/A

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 ATTACHED

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 ▶ SEE ATTACHED

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 ▶ SEE ATTACHED

Part II Organizational Action (continued)

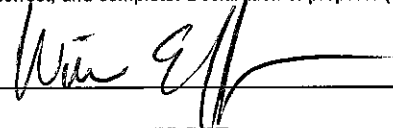
17 List the applicable Internal Revenue Code section(s) and subsection(s) upon which the tax treatment is based ► SEE ATTACHED

18 Can any resulting loss be recognized? ► SEE ATTACHED

19 Provide any other information necessary to implement the adjustment, such as the reportable tax year ► SEE ATTACHED

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.

Sign Here

Signature ►  Date ► 4/13/17

Print your name ► WILLIAM HASME Title ► VP OF TAX

Paid Preparer Use Only

Print/Type preparer's name	Preparer's signature	Date	Check <input type="checkbox"/> if self-employed	PTIN
Firm's name	Firm's EIN		Phone no.	
Firm's address				

Send Form 8937 (including accompanying statements) to: Department of the Treasury, Internal Revenue Service, Ogden, UT 84201-0054

ESH Hospitality, Inc.
FEIN: 27-3559821
Attachment to Form 8937
Report of Organizational Actions Affecting Basis of Securities
Debt Agreement Amendment

Disclaimer: The information contained in Form 8937 and this attachment does not constitute tax advice and does not purport to take into account any term loan holder's specific circumstances. Term loan holders are urged to consult their own tax advisors regarding the U.S. federal, state, local and non-U.S. tax consequences of the transaction described herein and the impact to tax basis resulting from the transaction.

ESH Hospitality, Inc.
FEIN: 27-3559821
Attachment to Form 8937
Report of Organizational Actions Affecting Basis of Securities
Debt Agreement Amendment

Form 8937, Part II, Line 14

On March 1, 2017, ESH Hospitality, Inc. ("ESH"), Deutsche Bank AG, New York Branch, as administrative agent, and the other parties thereto entered into the First Amendment to Credit Agreement (the "Amendment"), with respect to the Credit Agreement, dated as of August 30, 2016. The Amendment removed the LIBOR floor and reduced the spread from 300bps to 250bps with respect to the term loan facility that was outstanding under the Credit Agreement prior to the Amendment (the "Initial Term Loan"). For U.S. federal income tax purposes, the Initial Term Loan was deemed to be retired and reissued for a new term loan facility (the "Repriced Term Loan").

Form 8937, Part II, Line 15

The deemed receipt of the Repriced Term Loans by prior holders of Initial Term Loans should qualify as a tax-free recapitalization (within the meaning of Section 368(a)(1)(E) of the Internal Revenue Code of 1986, as amended (the "Code")) for U.S. federal income tax purposes if the Initial Term Loan and Repriced Term Loan each constitute "securities" of ESH for U.S. federal income tax purposes. The term "security" is not defined in the Code or in the Treasury Regulations issued thereunder for these purposes.

If the repricing transaction qualifies as a tax-free recapitalization for U.S. federal income tax purposes, the transaction generally defers the recognition of any gain or loss by holders. Each holder's aggregate tax basis in the Repriced Term Loan deemed to be issued as a result of the repricing transaction will generally equal such holder's aggregate adjusted tax basis in the Initial Term Loan immediately prior to the deemed exchange plus additional commitments made, if any.

If the repricing transaction is not a tax-free recapitalization for U.S. federal income tax purposes, each holder will recognize gain or loss upon the deemed receipt of the Repriced Term Loan for the Initial Term Loan. In that event, each holder's tax basis in the Initial Term Loan will be extinguished and the holder's tax basis in the Repriced Term Loan will equal the issue price of such Repriced Term Loan.

Holders of the Initial Term Loans should consult their tax advisors to determine the tax consequences of the repricing transaction to them.

Form 8937, Part II, Line 16

If the repricing transaction qualifies as a tax-free recapitalization for U.S. federal income tax purposes, each holder's aggregate tax basis in the Repriced Term Loan that was deemed to be issued as a result of the repricing transaction will generally equal such holder's aggregate adjusted tax basis in the Initial Term Loan immediately prior to the deemed exchange plus additional commitments made, if any.

If the repricing transaction is not a tax-free recapitalization for U.S. federal income tax purposes, each holder will recognize gain or loss upon the deemed receipt of the Repriced Term Loan for the Initial Term Loan. In that event, each holder's tax basis in the Initial Term Loan will be extinguished and the holder's tax basis in the Repriced Term Loan will equal the issue price of such Repriced Term Loan.

ESH Hospitality, Inc.
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Holders of the Initial Term Loans should consult their tax advisors to determine the tax consequences of the repricing transaction to them.

Form 8937, Part II, Line 17

IRC Sections 354, 358, 368, 1001, and 1012

Form 8937, Part II, Line 18

If the repricing transaction qualifies as a tax-free recapitalization for U.S. federal income tax purposes, the repricing transaction generally should not result in a loss to holders of the Initial Term Loans.

If the repricing transaction is not a tax-free recapitalization for U.S. federal income tax purposes, the repricing transaction may result in a loss to a holder to the extent (if any) such holder's tax basis in the Initial Term Loan exceeds the fair market value of the Repriced Term Loan.

Form 8937, Part II, Line 19

The reportable taxable year is 2017 with respect to calendar year taxpayers.