

## Report of Organizational Actions Affecting Basis of Securities

▶ See separate instructions.

**Part I Reporting Issuer**

<b>1</b> Issuer's name		<b>2</b> Issuer's employer identification number (EIN)	
PURE US APARTMENTS REIT INC.		45-5260731	
<b>3</b> Name of contact for additional information	<b>4</b> Telephone No. of contact	<b>5</b> Email address of contact	
SCOTT SHILLINGTON	1-888-681-5959	sshillington@sunstoneadvisors.com	
<b>6</b> Number and street (or P.O. box if mail is not delivered to street address) of contact		<b>7</b> City, town, or post office, state, and Zip code of contact	
SUITE 910, 925 WEST GEORGIA STREET		VANCOUVER, BC CANADA V6C 3L2	
<b>8</b> Date of action		<b>9</b> Classification and description	
SEE PAYMENT DATES IN BOX 14 BELOW		COMMON STOCK & SERIES A PREFERRED SHARE	
<b>10</b> CUSIP number	<b>11</b> Serial number(s)	<b>12</b> Ticker symbol	<b>13</b> 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 54.98% OF THE TOTAL DISTRIBUTIONS PAID EACH MONTH 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, 54.98% OF THE TOTAL DISTRIBUTION PAID EACH MONTH SHOULD REDUCE THE STOCK OF THE ISSUER.

**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 ▶ <u>Scott Shillington</u>	Date ▶ <u>15/1/14</u>
	Print your name ▶ <u>Scott Shillington</u>	Title ▶ <u>Vice President</u>

PURE US APARTMENTS REIT INC.  
FEIN: 45-5260731

APPENDIX A

FORM 997  
TAX YEAR: 2013

THE CORPORATION PAID DISTRIBUTIONS AS FOLLOWS:

RECORD DATE	PAYABLE DATE	RETURN OF CAPITAL ALLOCATED TO CLASS A UNIT OF PURE MULTI-FAMILY REIT LP (NOTE A)
1/31/2013	2/15/2013	\$0.01649
2/28/2013	3/15/2013	\$0.01649
3/28/2013	4/15/2013	\$0.01649
4/30/2013	5/15/2013	\$0.01649
5/31/2013	6/17/2013	\$0.01649
6/28/2013	7/15/2013	\$0.01649
7/31/2013	8/15/2013	\$0.01649
8/30/2013	9/16/2013	\$0.01883
9/30/2013	10/15/2013	\$0.01999
10/31/2013	11/15/2013	\$0.02008
11/29/2013	12/16/2013	\$0.01999
12/31/2013	1/15/2014	\$0.02008

NOTE A: DISTRIBUTIONS PAID EACH MONTH FROM PURE US APARTMENTS REIT INC. TO PURE MULTI-FAMILY REIT LP ALLOCATED TO EACH CLASS A UNIT OF PURE MULTI-FAMILY REIT LP SHOULD CONSTITUTE A RETURN OF CAPITAL, WHICH WOULD REDUCE THE TAX BASIS FOR U.S. FEDERAL INCOME TAX PURPOSES ON A PER UNIT BASIS.