

Report of Organizational Actions Affecting Basis of Securities

OMB No. 1545-0123

► See separate instructions.

Part I Reporting Issuer

1 Issuer's name NW PROSPECT HILL REIT LLC		2 Issuer's employer identification number (EIN) 47-5603444	
3 Name of contact for additional information CHARLES VAUGHAN	4 Telephone No. of contact 303-293-7140	5 Email address of contact	
6 Number and street (or P.O. box if mail is not delivered to street address) of contact 1819 WAZEE STREET		7 City, town, or post office, state, and ZIP code of contact DENVER, CO 80202	
8 Date of action SEE BELOW		9 Classification and description PREFERRED STOCK	
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 ► **THE TAXPAYER MADE CASH DISTRIBUTIONS TO ITS SHAREHOLDERS IN EXCESS OF ITS CURRENT AND ACCUMULATED EARNINGS AND PROFITS. SEE PART II, LINE 15 FOR THE AMOUNT OF THESE DISTRIBUTIONS PER SHARE.**

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 ► **THE DISTRIBUTIONS REDUCED THE BASIS OF THE SECURITY OF THE U.S. TAXPAYER AS FOLLOWS:**

DATE	PER SHARE REDUCTION OF BASIS PREFERRED STOCK
6/26/2019	\$59.52
12/19/2019	\$59.52

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 ► **THE TAXPAYER'S EARNINGS AND PROFITS WERE CALCULATED UNDER IRC 312 (AS MODIFIED BY THE IRC 857 (d) FOR A REAL ESTATE INVESTMENT TRUST), AND THE REGULATIONS THEREUNDER. AMOUNTS IN EXCESS OF EARNINGS AND PROFITS REDUCE THE SHAREHOLDER'S TAX BASIS IN ITS SHARES TO THE EXTENT OF BASIS. THEREAFTER, GAIN WOULD BE RECOGNIZED.**

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 301 (c) (2)

18 Can any resulting loss be recognized? ► **NO**

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

THESE ACTIONS ARE EFFECTIVE ON THE DATE OF DISTRIBUTION IDENTIFIED ABOVE IN PART II, LINE 15.

**Sign
Here**

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 ► *Jacob Reingardt* Date ► 1/22/2020

Print your name ► Jacob Reingardt Title ► Chief Financial officer

**Paid
Preparer
Use Only**

Print/Type preparer's name	Preparer's signature	Date	Check ☐ if self-employed	PTIN
Firm's name ►			Firm's EIN ►	
Firm's address ►			Phone no.	