

Report of Organizational Actions Affecting Basis of Securities

▶ See separate instructions.

Part I Reporting Issuer

1 Issuer's name		2 Issuer's employer identification number (EIN)	
Carey Watermark Investors, Inc.		26-2145060	
3 Name of contact for additional information	4 Telephone No. of contact	5 Email address of contact	
Nicole McCarthy	212-899-8255	nmccarthy@wpcarey.com	
6 Number and street (or P.O. box if mail is not delivered to street address) of contact		7 City, town, or post office, state, and Zip code of contact	
50 Rockefeller Plaza, 2nd Floor		New York, NY 10020	
8 Date of action		9 Classification and description	
1/15/15; 4/15/15; 7/15/15; 10/15/15		Common Stock	
10 CUSIP number	11 Serial number(s)	12 Ticker symbol	13 Account number(s)
14179A103	N/A	N/A	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 ▶

1) On January 15, 2015 - Common Stock Distributions paid \$0.1375 per share to shareholders of record October 1, 2014 to December 31, 2014

2) On April 15, 2015 - Common Stock Distributions paid \$0.1375 per share to shareholders of record January 1, 2015 to March 31, 2015.

3) On July 15, 2015 - Common Stock Distributions paid \$0.1375 per share to shareholders of record June 30, 2015.

4) On October 15, 2015 - Common Stock Distributions paid \$0.1425 per share to shareholders of record September 30, 2015.

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 ▶

1) January 15, 2015 Distributions - 72.0693% of each \$1 represents return of capital (i.e., reduction in basis in hands of U.S. taxpayer)

2) April 15, 2015 Distributions - 72.0693% of each \$1 represents return of capital (i.e., reduction in basis in hands of U.S. taxpayer)

3) July 15, 2015 Distributions - 72.0693% of each \$1 represents return of capital (i.e., reduction in basis in hands of U.S. taxpayer)

4) October 15, 2015 Distributions - 72.0693% of each \$1 represents return of capital (i.e., reduction in basis in hands of U.S. taxpayer)

For the first two quarters of 2015, the taxpayer declared a daily distribution but distributes quarterly. A U.S. shareholder should factor in the amount of its shares owned and the number of days held when determining the quantitative effect on 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 ▶

1) January 15, 2015 Distributions - The taxpayer's earnings and profits were calculated under IRC Sec. 312 (as modified by IRC Sec. 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. Earnings and profits were calculated as of the close of year and were apportioned to each distribution made during year in accordance with IRC Sec. 316(a) and Regs. 1.316-1(a)(1).

2) April 15, 2015 Distributions - Calculation is same as above.

3) July 15, 2015 Distributions - Calculation is same as above.

4) October 15, 2015 Distributions - Calculation is same as above.

Part II Organizational Action (continued)

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

- 1) January 15, 2015 Distributions - Internal Revenue Code Section 301(c) and 316(a).
- 2) April 15, 2015 Distributions - Internal Revenue Code Section 301(c) and 316(a).
- 3) July 15, 2015 Distributions - Internal Revenue Code Section 301(c) and 316(a).
- 4) October 15, 2015 Distributions - Internal Revenue Code Section 301(c) and 316(a).

18 Can any resulting loss be recognized? ▶

- 1) January 15, 2015 Distributions - No; non-taxable treatment governed by IRC Section 301(c)(2).
- 2) April 15, 2015 Distributions - No; non-taxable treatment governed by IRC Section 301(c)(2).
- 3) July 15, 2015 Distributions - No; non-taxable treatment governed by IRC Section 301(c)(2).
- 4) October 15, 2015 Distributions - No; non-taxable treatment governed by IRC Section 301(c)(2).

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

These actions are effective on the date(s) of the distributions identified above.

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 ▶ *Nicole McCarthy* Date ▶ 2/29/16

Print your name ▶ Nicole McCarthy Title ▶ SVP

Paid Preparer Use Only

Print/Type preparer's name	Preparer's signature	Date	Check <input type="checkbox"/> if self-employed	PTIN
Stephen J. Bertomaschi	<i>[Signature]</i>	2/26/16		P00747384
Firm's name ▶ FTI Consulting, Inc.	Firm's address ▶ 101 Eisenhower Parkway, Roseland, NJ 07068		Firm's EIN ▶	52-1261113
			Phone no.	973-364-0400