

## 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)	
COTTONWOOD RESIDENTIAL II, INC.		83-1717458	
<b>3</b> Name of contact for additional information	<b>4</b> Telephone No. of contact	<b>5</b> Email address of contact	
AARON TORRIENTE	801-278-0700		
<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	
1245 BRICKYARD ROAD, SUITE 250		SALT LAKE CITY, UT 84106	
<b>8</b> Date of action		<b>9</b> Classification and description	
JANUARY 15, 2021		COMMON STOCK	
<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 ▶ COTTONWOOD RESIDENTIAL II, INC. MADE CASH DISTRIBUTIONS TO ITS COMMON SHAREHOLDERS IN EXCESS OF ITS CURRENT AND ACCUMULATED EARNINGS AND PROFITS. SEE THE ATTACHMENTS FOR THE AMOUNTS AND PAYMENT DATES OF THESE DISTRIBUTIONS.

**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 AMOUNT OF COMMON DISTRIBUTIONS IN 2020 ARE AS FOLLOWS:

	PER SHARE DISTRIBUTION	PER SHARE REDUCTION IN BASIS
COMMON	\$0.890000	\$0.890000

ANY NONTAXABLE INCOME IN EXCESS OF A SHAREHOLDER'S BASIS SHOULD BE TREATED AS A GAIN FROM THE SALE OR EXCHANGE OF PROPERTY.

**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 ▶ COTTONWOOD RESIDENTIAL II, INC. DETERMINES ITS ANNUAL EARNINGS AND PROFITS UNDER IRC SECTION 312 (AS MODIFIED BY IRC SECTION 857(d) FOR A REAL ESTATE INVESTMENT TRUST) AND THE REGULATIONS THEREUNDER. THE EARNINGS AND PROFITS DETERMINATION SUPPORTS THE CALCULATION OF THE RETURN OF CAPITAL AND TAXABLE PORTIONS OF THE CASH DISTRIBUTIONS ON COMMON STOCK PAID ON THE DATES LISTED IN THE ATTACHMENTS.

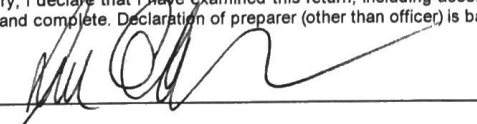
**Part II Organizational Action** (continued)

17 List the applicable Internal Revenue Code section(s) and subsection(s) upon which the tax treatment is based ► INTERNAL REVENUE CODE SECTION 316 DEFINES A "DIVIDEND" GENERALLY AS ANY DISTRIBUTION OF PROPERTY MADE BY A CORPORATION TO ITS SHAREHOLDERS OUT OF EARNINGS & PROFITS (AS DEFINED BY INTERNAL REVENUE CODE SECTION 312 AND THE REGULATIONS THEREUNDER). PURSUANT TO INTERNAL REVENUE CODE SECTION 301(C)(2), THE PORTION OF THE DISTRIBUTION WHICH IS NOT A DIVIDEND SHALL BE APPLIED AGAINST AND REDUCE THE ADJUSTED TAX BASIS OF THE STOCK. UNDER INTERNAL REVENUE CODE SECTION 301(C)(3), A DISTRIBUTION WHICH IS NOT A DIVIDEND, TO THE EXTENT THAT IT EXCEEDS THE SHAREHOLDER'S ADJUSTED TAX BASIS OF THE STOCK, SHALL BE TREATED AS GAIN FROM THE SALE OR EXCHANGE OF PROPERTY.

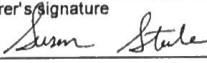
18 Can any resulting loss be recognized? ► THE ORGANIZATIONAL ACTION REPORTED HEREIN DOES NOT RESULT IN ANY LOSSES.

19 Provide any other information necessary to implement the adjustment, such as the reportable tax year ► THE AMOUNT OF NONTAXABLE DISTRIBUTIONS EITHER (I) REDUCES THE SHAREHOLDER'S ADJUSTED TAX BASIS IN HIS/HER STOCK OR (II) TO THE EXTENT THAT IT EXCEEDS THE SHAREHOLDER'S ADJUSTED TAX BASIS IN HIS/HER STOCK ON THE DATES OF THE DISTRIBUTIONS, IS TREATED AS GAIN FROM THE SALE OR EXCHANGE OF PROPERTY IN 2020.

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 ► 1/28/21

Print your name ► SUSAN HALLENBERG Title ► CHIEF FINANCIAL OFFICER

<b>Paid Preparer Use Only</b>	Print/Type preparer's name SUSAN STEELE	Preparer's signature 	Date 1/14/21	Check <input type="checkbox"/> if self-employed	PTIN P00852555
	Firm's name ► DELOITTE TAX LLP			Firm's EIN ► 86-1065772	
	Firm's address ► 12830 EL CAMINO REAL SUITE 600, SAN DIEGO, CA 92130			Phone no. 619-232-6500	

COTTONWOOD RESIDENTIAL II, INC.  
83-1717458  
TAX YEAR 2020

STATEMENT ATTACHED TO AND MADE PART OF  
FORM 8937 REPORT OF ORGANIZATIONAL ACTIONS AFFECTING BASIS OF SECURITIES  
FOR THE YEAR ENDED DECEMBER 31, 2020

SECURITY DESCRIPTION	DECLARATION DATE	RECORD DATE	PAYMENT DATE	DISTRIBUTION PER SHARE
Common Stock	12/24/2019	12/25/2019	1/8/2020	0.074167
Common Stock	1/24/2020	1/25/2020	2/7/2020	0.074167
Common Stock	2/24/2020	2/25/2020	3/10/2020	0.074167
Common Stock	3/24/2020	3/25/2020	4/8/2020	0.074167
Common Stock	4/24/2020	4/25/2020	5/8/2020	0.074167
Common Stock	5/24/2020	5/25/2020	6/8/2020	0.074167
Common Stock	6/24/2020	6/25/2020	7/8/2020	0.074167
Common Stock	7/24/2020	7/25/2020	8/8/2020	0.074167
Common Stock	8/24/2020	8/25/2020	9/8/2020	0.074167
Common Stock	9/24/2020	9/25/2020	10/8/2020	0.074167
Common Stock	10/24/2020	10/25/2020	11/8/2020	0.074167
Common Stock	11/24/2020	11/25/2020	12/8/2020	0.074167
<b>TOTAL PER SHARE</b>				<b>0.890000</b>

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**83-1717458**  
**TAX YEAR 2020**

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FOR THE YEAR ENDED DECEMBER 31, 2020

STATEMENT PURSUANT TO TREASURY REGULATION §§1.6045B-1(A)(3) and (B)(4)

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EFFECTIVE JANUARY 1, 2011, ISSUERS OF CORPORATE STOCK MUST BEGIN REPORTING CORPORATE ACTIONS THAT AFFECT STOCK BASIS, INCLUDING BUT NOT LIMITED TO MERGERS, STOCK SPLITS, STOCK DIVIDENDS, RECAPITALIZATIONS, AND PREFERRED STOCK DISTRIBUTIONS PAID IN EXCESS OF CUMULATIVE EARNINGS AND PROFITS. THIS INFORMATION IS INTENDED TO MEET THE REQUIREMENTS OF PUBLIC DISCLOSURE, PURSUANT TO TREASURY REGULATIONS §§1.6045B-1(A)(3) AND (B)(4) FOR COTTONWOOD RESIDENTIAL II, INC.