

Form **8937**
(December 2017)
Department of the Treasury
Internal Revenue Service

Report of Organizational Actions Affecting Basis of Securities

OMB No. 1545-0123

▶ See separate instructions.

Part I Reporting Issuer

1 Issuer's name		2 Issuer's employer identification number (EIN)	
COTTONWOOD COMMUNITIES, INC.		61-1805524	
3 Name of contact for additional information	4 Telephone No. of contact	5 Email address of contact	
AARON TORRIENTE	801-278-0700		
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	
1245 BRICKYARD ROAD, SUITE 250		SALT LAKE CITY, UT 84106	
8 Date of action		9 Classification and description	
JANUARY 27, 2022		COMMON, PREFERRED AND CLASS TX 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 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, PREFERRED AND CLASS TX DISTRIBUTIONS IN 2021 AS FOLLOWS:

	PER SHARE DISTRIBUTION	PER SHARE REDUCTION IN BASIS
COMMON	\$0.498515982	\$0.498515982
PREFERRED	\$0.550000000	\$0.275000000
CLASS TX	\$0.498515982	\$0.498515982
PREFERRED 2016	\$0.408333333	\$0.204166667
PREFERRED 2017	\$0.437500000	\$0.218750000

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 ▶ THE TAXPAYER'S EARNINGS AND PROFITS WERE CALCULATED UNDER IRC SECTION 312 AS MODIFIED BY IRC SECTION 857(D) FOR A REAL ESTATE INVESTMENT TRUST AND THE REGULATIONS THEREUNDER. DISTRIBUTIONS IN EXCESS OF THE PORTION OF THE EARNINGS AND PROFITS ALLOCABLE TO THE COMMON SHARES REDUCE THE SHAREHOLDERS TAX BASIS IN ITS SHARES TO THE EXTENT OF BASIS.

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 A 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 2021.

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.

DocuSigned by:
Sign Here Signature ► *Susan Hallenberg* Date ► Feb 3, 2022
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Print your name ► SUSAN HALLENBERG Title ► CHIEF ACCOUNTING OFFICER

Paid Preparer Use Only	Print/Type preparer's name	Preparer's signature	Date	Check <input type="checkbox"/> if self-employed	PTIN
	SUSAN STEELE	<i>Susan Steele</i>	2/2/22		P00852555
	Firm's name ► DELOITTE TAX LLP	Firm's EIN ► 86-1065772		Phone no. 619-232-6500	
	Firm's address ► 12830 EL CAMINO REAL, STE 600, SAN DIEGO, CA 92130				

COTTONWOOD COMMUNITIES, INC.
61-1805524
TAX YEAR 2021

STATEMENT ATTACHED TO AND MADE PART OF
FORM 8937 REPORT OF ORGANIZATIONAL ACTIONS AFFECTING BASIS OF SECURITIES
FOR THE YEAR ENDED DECEMBER 31, 2021

SECURITY DESCRIPTION	DECLARATION DATE	RECORD DATE	PAYMENT DATE	DISTRIBUTION PER SHARE
COMMON STOCK	12/24/2020	12/25/2020	1/8/2021	0.042466
COMMON STOCK	1/24/2021	1/25/2021	2/8/2021	0.042466
COMMON STOCK	2/24/2021	2/25/2021	3/8/2021	0.038356
COMMON STOCK	3/24/2021	3/25/2021	4/8/2021	0.042466
COMMON STOCK	4/24/2021	4/25/2021	5/8/2021	0.041096
COMMON STOCK	5/24/2021	5/25/2021	6/8/2021	0.041667
COMMON STOCK	6/24/2021	6/25/2021	7/8/2021	0.041667
COMMON STOCK	7/24/2021	7/25/2021	8/8/2021	0.041667
COMMON STOCK	8/24/2021	8/25/2021	9/8/2021	0.041667
COMMON STOCK	9/24/2021	9/25/2021	10/8/2021	0.041667
COMMON STOCK	10/24/2021	10/25/2021	11/8/2021	0.041667
COMMON STOCK	11/24/2021	11/25/2021	12/8/2021	0.041667
TOTAL PER SHARE				0.498516
PREFERRED STOCK	12/24/2020	12/25/2020	1/8/2021	0.046712329
PREFERRED STOCK	1/24/2021	1/25/2021	2/8/2021	0.046712329
PREFERRED STOCK	2/24/2021	2/25/2021	3/8/2021	0.042191781
PREFERRED STOCK	3/24/2021	3/25/2021	4/8/2021	0.046712329
PREFERRED STOCK	4/24/2021	4/25/2021	5/8/2021	0.045205479
PREFERRED STOCK	5/24/2021	5/25/2021	6/8/2021	0.046712329
PREFERRED STOCK	6/24/2021	6/25/2021	7/8/2021	0.045205479
PREFERRED STOCK	7/24/2021	7/25/2021	8/8/2021	0.046712329
PREFERRED STOCK	8/24/2021	8/25/2021	9/8/2021	0.046712329
PREFERRED STOCK	9/24/2021	9/25/2021	10/8/2021	0.045205479
PREFERRED STOCK	10/24/2021	10/25/2021	11/8/2021	0.046712329
PREFERRED STOCK	11/24/2021	11/25/2021	12/8/2021	0.045205479
TOTAL PER SHARE				0.550000
CLASS TX	12/24/2020	12/25/2020	1/8/2021	0.042465753
CLASS TX	1/24/2021	1/25/2021	2/8/2021	0.042465753
CLASS TX	2/24/2021	2/25/2021	3/8/2021	0.038356164
CLASS TX	3/24/2021	3/25/2021	4/8/2021	0.042465753
CLASS TX	4/24/2021	4/25/2021	5/8/2021	0.04109589
CLASS TX	5/24/2021	5/25/2021	6/8/2021	0.041666667
CLASS TX	6/24/2021	6/25/2021	7/8/2021	0.041666667
CLASS TX	7/24/2021	7/25/2021	8/8/2021	0.041666667
CLASS TX	8/24/2021	8/25/2021	9/8/2021	0.041666667
CLASS TX	9/24/2021	9/25/2021	10/8/2021	0.041666667
CLASS TX	10/24/2021	10/25/2021	11/8/2021	0.041666667
CLASS TX	11/24/2021	11/25/2021	12/8/2021	0.041666667
TOTAL PER SHARE				0.498516
PREFERRED STOCK 2016	5/24/2021	5/25/2021	6/8/2021	0.058333333
PREFERRED STOCK 2016	6/24/2021	6/25/2021	7/8/2021	0.058333333
PREFERRED STOCK 2016	7/24/2021	7/25/2021	8/8/2021	0.058333333
PREFERRED STOCK 2016	8/24/2021	8/25/2021	9/8/2021	0.058333333
PREFERRED STOCK 2016	9/24/2021	9/25/2021	10/8/2021	0.058333333
PREFERRED STOCK 2016	10/24/2021	10/25/2021	11/8/2021	0.058333333
PREFERRED STOCK 2016	11/24/2021	11/25/2021	12/8/2021	0.058333333
TOTAL PER SHARE				0.408333
PREFERRED STOCK 2017	5/24/2021	5/25/2021	6/8/2021	0.0625
PREFERRED STOCK 2017	6/24/2021	6/25/2021	7/8/2021	0.0625
PREFERRED STOCK 2017	7/24/2021	7/25/2021	8/8/2021	0.0625
PREFERRED STOCK 2017	8/24/2021	8/25/2021	9/8/2021	0.0625
PREFERRED STOCK 2017	9/24/2021	9/25/2021	10/8/2021	0.0625
PREFERRED STOCK 2017	10/24/2021	10/25/2021	11/8/2021	0.0625
PREFERRED STOCK 2017	11/24/2021	11/25/2021	12/8/2021	0.0625
TOTAL PER SHARE				0.437500

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TAX YEAR 2021

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FOR THE YEAR ENDED DECEMBER 31, 2021

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

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 COMMUNITIES, INC.