

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 2022.

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

DocuSigned by: Susan Hallenberg Date ► Feb 6, 2023
Signature ► E039609A5399441...

Print your name ► SUSAN HALLENBERG Title ► CHIEF ACCOUNTING OFFICER

Paid Preparer Use Only

Print/Type preparer's name <u>SUSAN STEELE</u>	Preparer's signature <u>Susan Steele</u>	Date <u>2/6/23</u>	Check <input type="checkbox"/> if self-employed	PTIN <u>P00852555</u>
Firm's name ► <u>DELOITTE TAX LLP</u>			Firm's EIN ► <u>86-1065772</u>	
Firm's address ► <u>12830 EL CAMINO REAL, STE 600, SAN DIEGO, CA 92130</u>			Phone no. <u>619-232-6500</u>	

COTTONWOOD COMMUNITIES. INC
61-1805524
TAX YEAR 2022

STATEMENT ATTACHED TO AND MADE PART OF
 FORM 8937 REPORT OF ORGANIZATIONAL ACTIONS AFFECTING BASIS OF SECURITIES
 FOR THE YEAR ENDED DECEMBER 31, 2022

SECURITY DESCRIPTION	DECLARATION DATE	RECORD DATE	PAYMENT DATE	PER SHARE DISTRIBUTION	PER SHARE REDUCTION IN BASIS
COMMON STOCK	12/24/2021	12/25/2021	1/8/2022	0.056666667	0.056666667
COMMON STOCK	1/24/2022	1/25/2022	2/8/2022	0.058333333	0.058333333
COMMON STOCK	2/24/2022	2/25/2022	3/8/2022	0.059166667	0.059166667
COMMON STOCK	3/24/2022	3/25/2022	4/8/2022	0.059166667	0.059166667
COMMON STOCK	4/24/2022	4/25/2022	5/8/2022	0.059166667	0.059166667
COMMON STOCK	5/24/2022	5/25/2022	6/8/2022	0.06	0.06
COMMON STOCK	6/24/2022	6/25/2022	7/8/2022	0.060833333	0.060833333
COMMON STOCK	7/24/2022	7/25/2022	8/8/2022	0.060833333	0.060833333
COMMON STOCK	8/24/2022	8/25/2022	9/8/2022	0.060833333	0.060833333
COMMON STOCK	9/24/2022	9/25/2022	10/8/2022	0.060833333	0.060833333
COMMON STOCK	10/24/2022	10/25/2022	11/8/2022	0.060833333	0.060833333
COMMON STOCK	11/24/2022	11/25/2022	12/8/2022	0.060833333	0.060833333
TOTAL PER SHARE				0.717500000	0.717500000
PREFERRED STOCK	12/24/2021	12/25/2021	1/9/2022	0.046712329	0.046712329
PREFERRED STOCK	1/24/2022	1/25/2022	2/9/2022	0.046712329	0.046712329
PREFERRED STOCK	2/24/2022	2/25/2022	3/12/2022	0.042191781	0.042191781
PREFERRED STOCK	3/24/2022	3/25/2022	4/9/2022	0.046712329	0.046712329
PREFERRED STOCK	4/24/2022	4/25/2022	5/10/2022	0.045205479	0.045205479
PREFERRED STOCK	5/24/2022	5/25/2022	6/9/2022	0.046712329	0.046712329
PREFERRED STOCK	6/24/2022	6/25/2022	7/10/2022	0.045205479	0.045205479
PREFERRED STOCK	7/24/2022	7/25/2022	8/9/2022	0.046712329	0.046712329
PREFERRED STOCK	8/24/2022	8/25/2022	9/9/2022	0.046712329	0.046712329
PREFERRED STOCK	9/24/2022	9/25/2022	10/10/2022	0.045205479	0.045205479
PREFERRED STOCK	10/24/2022	10/25/2022	11/9/2022	0.046712329	0.046712329
PREFERRED STOCK	11/24/2022	11/25/2022	12/10/2022	0.045205479	0.045205479
TOTAL PER SHARE				0.550000000	0.550000000
CLASS TX	12/24/2021	12/25/2021	1/8/2022	0.056666667	0.056666667
CLASS TX	1/24/2022	1/25/2022	2/8/2022	0.058333333	0.058333333
CLASS TX	2/24/2022	2/25/2022	3/11/2022	0.059166667	0.059166667
CLASS TX	3/24/2022	3/25/2022	4/8/2022	0.059166667	0.059166667
CLASS TX	4/24/2022	4/25/2022	5/9/2022	0.059166667	0.059166667
CLASS TX	5/24/2022	5/25/2022	6/8/2022	0.06	0.06
CLASS TX	6/24/2022	6/25/2022	7/9/2022	0.060833333	0.060833333
CLASS TX	7/24/2022	7/25/2022	8/8/2022	0.060833333	0.060833333
TOTAL PER SHARE				0.474166667	0.474166667
PREFERRED STOCK 2016	12/24/2021	12/25/2021	1/9/2022	0.058333333	0.058333333
PREFERRED STOCK 2016	1/24/2022	1/25/2022	2/9/2022	0.058333333	0.058333333
PREFERRED STOCK 2016	2/24/2022	2/25/2022	3/12/2022	0.058333333	0.058333333
PREFERRED STOCK 2016	3/24/2022	3/25/2022	4/9/2022	0.058333333	0.058333333
PREFERRED STOCK 2016	4/24/2022	4/25/2022	5/10/2022	0.035	0.035
TOTAL PER SHARE				0.268333333	0.268333333

COTTONWOOD COMMUNITIES. INC
61-1805524
TAX YEAR 2022

SECURITY DESCRIPTION	DECLARATION DATE	RECORD DATE	PAYMENT DATE	PER SHARE DISTRIBUTION	PER SHARE REDUCTION IN BASIS
PREFERRED STOCK 2017	12/24/2021	12/25/2021	1/9/2022	0.062500000	0.062500000
PREFERRED STOCK 2017	1/24/2022	1/25/2022	2/9/2022	0.062500000	0.062500000
TOTAL PER SHARE				0.125000000	0.125000000
CLASS D	5/24/2022	5/25/2022	6/8/2022	0.055814921	0.055814921
CLASS D	6/24/2022	6/25/2022	7/8/2022	0.056531504	0.056531504
CLASS D	7/24/2022	7/25/2022	8/8/2022	0.056511872	0.056511872
CLASS D	8/24/2022	8/25/2022	9/8/2022	0.05652189	0.05652189
CLASS D	9/24/2022	9/25/2022	10/8/2022	0.056520278	0.056520278
CLASS D	10/24/2022	10/25/2022	11/8/2022	0.056519818	0.056519818
CLASS D	11/24/2022	11/25/2022	12/8/2022	0.05654755	0.05654755
TOTAL PER SHARE				0.394967834	0.394967834
CLASS I	12/24/2021	12/25/2021	1/8/2022	0.056666667	0.056666667
CLASS I	1/24/2022	1/25/2022	2/8/2022	0.058333333	0.058333333
CLASS I	2/24/2022	2/25/2022	3/8/2022	0.059166667	0.059166667
CLASS I	3/24/2022	3/25/2022	4/8/2022	0.059166667	0.059166667
CLASS I	4/24/2022	4/25/2022	5/8/2022	0.059166667	0.059166667
CLASS I	5/24/2022	5/25/2022	6/8/2022	0.06	0.06
CLASS I	6/24/2022	6/25/2022	7/8/2022	0.060833333	0.060833333
CLASS I	7/24/2022	7/25/2022	8/8/2022	0.060833333	0.060833333
CLASS I	8/24/2022	8/25/2022	9/8/2022	0.060833333	0.060833333
CLASS I	9/24/2022	9/25/2022	10/8/2022	0.060833333	0.060833333
CLASS I	10/24/2022	10/25/2022	11/8/2022	0.060833333	0.060833333
CLASS I	11/24/2022	11/25/2022	12/8/2022	0.060833333	0.060833333
TOTAL PER SHARE				0.717500000	0.717500000
CLASS T	1/24/2022	1/25/2022	2/8/2022	0.046090574	0.046090574
CLASS T	2/24/2022	2/25/2022	3/8/2022	0.046128308	0.046128308
CLASS T	3/24/2022	3/25/2022	4/8/2022	0.04571669	0.04571669
CLASS T	4/24/2022	4/25/2022	5/8/2022	0.04526039	0.04526039
CLASS T	5/24/2022	5/25/2022	6/8/2022	0.045777092	0.045777092
CLASS T	6/24/2022	6/25/2022	7/8/2022	0.04622063	0.04622063
CLASS T	7/24/2022	7/25/2022	8/8/2022	0.046156522	0.046156522
CLASS T	8/24/2022	8/25/2022	9/8/2022	0.04617147	0.04617147
CLASS T	9/24/2022	9/25/2022	10/8/2022	0.046170334	0.046170334
CLASS T	10/24/2022	10/25/2022	11/8/2022	0.046166863	0.046166863
CLASS T	11/24/2022	11/25/2022	12/8/2022	0.04626136	0.04626136
TOTAL PER SHARE				0.506120232	0.506120232

COTTONWOOD COMMUNITIES, INC.
61-1805524
TAX YEAR 2022

STATEMENT ATTACHED TO AND MADE PART OF
FORM 8937 REPORT OF ORGANIZATIONAL ACTIONS AFFECTING BASIS OF SECURITIES
FOR THE YEAR ENDED DECEMBER 31, 2022

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.