

Dear Cottonwood Residential, Inc. (“CRI”) Non-Voting Common Stockholders:

Over the course of the last six months, we have diligently worked on a recapitalization plan (the “Plan”) which will allow us to repay and redeem the various interests in the company held by FrontRange Capital Partners (“FrontRange”) and Equity Resource Investments (“ERI”).

On August 1, 2018, we executed an agreement to sell approximately \$440 million of assets (12 properties) as the first step to achieving this objective. Additionally, we intend to liquidate five additional properties as part of the Plan. We believe these five properties currently have an estimated market value of between \$284 million and \$296 million. We are pursuing these transactions to allow the company to take advantage of today’s favorable real estate market conditions and to sell these properties at attractive valuations.

In addition to the redemption and repayment of FrontRange and ERI interests in the company, we also plan to redeem 100% of the interests held by the non-voting common stockholders of CRI. Assuming that the five properties mentioned above are sold within the expected market value range, we anticipate that the proceeds from the combined asset sales and recapitalization will, when all distributions are made, result in distributions to the CRI non-voting common stockholders of between \$18.75 to \$19.57 per share in the aggregate.

The specifics of the complete restructuring Plan and related transactions are laid out in the attached Information Statement. If you have any questions about the Information Statement or generally about the transactions, please reach out to our information agent, DST Systems, Inc., at (844) 422-2584.

We are proud of the business we have built and appreciate the support of each of our non-voting common stockholders over the last few years.

We look forward to completing these transactions.

Daniel Shaeffer
Chief Executive Officer