



**DOLCE TWIN CREEKS PHASE II
B-NOTE INVESTMENT (ALLEN, TX)**

12%*
Coupon
(Annualized)

We have secured a real estate loan investment in Dolce Twin Creeks Phase II, a multifamily development project sponsored by Sovereign Properties, an experienced developer of multifamily properties and an affiliate of the developer that completed and stabilized the adjacent 374-unit Dolce Twin Creeks Phase I project. Located on a 10.89 acre site in Allen, Texas, an affluent suburb of Dallas, early construction has commenced on a 366-unit, garden style apartment complex and is estimated to be completed in January 2021.

Our investment is in a B-note secured by a first mortgage on a development property that is Phase II of a development project. The photo shown is of the completed Phase I of the project and is illustrative of what Phase II is expected to look like. Actual results could vary. We will not own the property shown.

AT A GLANCE

Our Investment:	Up to \$10 million (\$3,482,000 drawn as of 3/31/20)
Total Development Cost:	\$73.4 million
Term:	36 months with two 6-month extension options
Investment Type:	Series B-Note real estate loan investment
Distribution Frequency:	Monthly
Additional Security:	Developer has secured a construction bond for the project and provided a completion guaranty.

ALLEN, TEXAS
HIGHLIGHTS

17% Projected Job Growth (2016 - 2021) ¹	\$104K Median Household Income ¹	#2 "Best Place in the U.S. to Launch a Career" - Money Magazine ²	55% Have Bachelors Degree or Higher ³
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* Interest rate is 9.50% + 1-month LIBOR (with a floor of 12%). The 12% rate shown is not a measure of the REIT's investment performance nor is it necessarily indicative of distributions that the REIT may provide to investors. It should not be relied on to predict an investor's returns.

YOUNG, DIVERSE, HIGHLY EDUCATED POPULATION

✓ **STRONG RENTER DEMOGRAPHIC**

TOP OF THE MARKET AMENITIES

✓ **LUXURY CLASS A ASSET**

Allen School District well ranked in state and across the nation⁴

✓ **HIGHLY SOUGHT AFTER SCHOOL DISTRICT**

Adjacent to neighborhood shopping center, 3 miles south of the Allen Premium Outlets

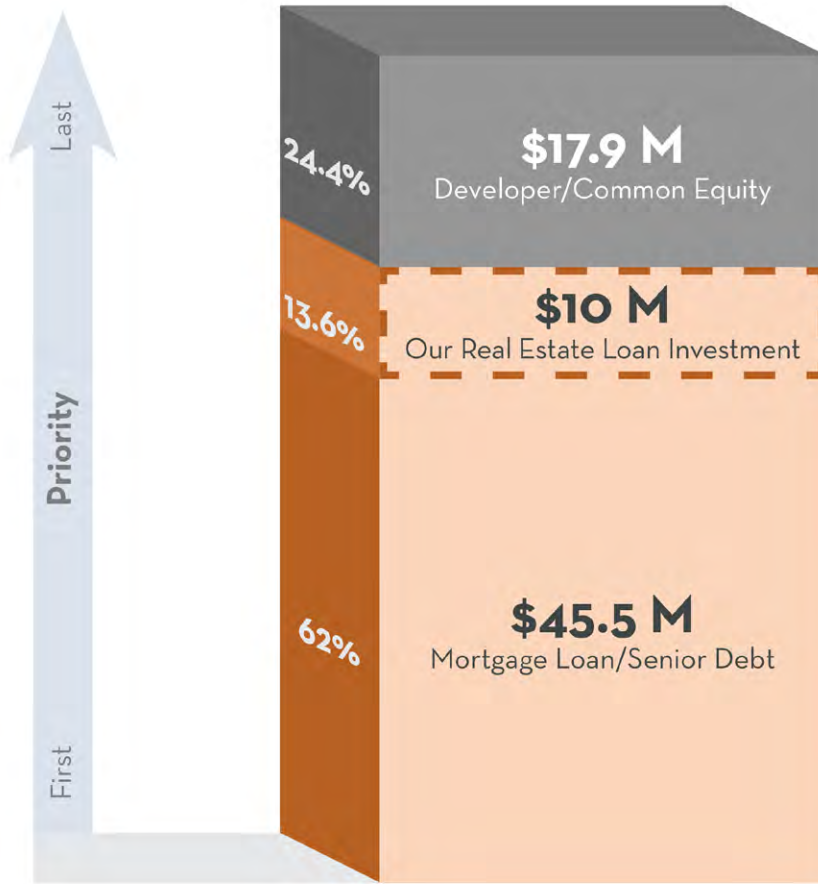
✓ **EASY ACCESS TO RETAIL DESTINATIONS**

It should be noted that the information/metrics provided regarding the investment and the to be developed property are as of the transaction date and subject to change.

This is neither an offer to sell nor a solicitation of an offer to buy the securities described in the Cottonwood Communities prospectus, as amended and supplemented (the "Prospectus"). The offering is made only by the Prospectus and this material must be preceded or accompanied by the Prospectus. Neither the Securities and Exchange Commission nor any other state securities regulator has approved or disapproved of the securities or determined if the Prospectus is truthful or complete. In addition, the Attorney General of the State of New York has not passed on or endorsed the merits of the offering. Any representation to the contrary is unlawful. **Securities offered through Orchard Securities, LLC, a member of FINRA and SIPC. CW Markets Group is a Branch Office of Orchard Securities, LLC.**

\$73.4 Million Dolce Twin Creeks Phase II Project

At a 12% annualized coupon rate, we believe our \$10 million loan investment can offer significant risk-adjusted return potential.



Construction Progress

(as of May 2020)



Our investment is in a B-note loan investment on the development of the property. We will not own the developed property.

For illustrative purposes only. Figures are subject to change. Our real estate loan investment of up to \$10 million is expected to be drawn upon in stages throughout construction and therefore the 12% annualized coupon rate will be applied accordingly.

1) CNBC.com "Millennials are flock to the suburbs – here are 20 of the most desirable ones in America," February 7, 2018 (information can be accessed at: <https://www.cnbc.com/2018/02/06/the-best-suburbs-in-america.html>) 2) Money.com "These Are the Best Places in the U.S. to Launch a Career," March 12, 2018 (information can be accessed at: <http://money.com/money/5186414/best-places-to-live-start-career/>) 3) City of Allen Facts and Figures Highlights (information can be accessed at: CITYOFALLEN.ORG/FACTSANDFIGURES) 4) Niche.com School Rankings (information can be accessed at: <https://www.niche.com/k12/d/allen-independent-school-district-tx/rankings/>).

RISK FACTORS

An investment in our shares is speculative, illiquid and involves a high degree of risk and there is no guarantee that investors will receive any return or that they will not lose their entire investment. No public market exists for our shares; our board of directors is not required to provide shareholders with a liquidity event by a specified date or at all; the offering price is arbitrarily set and is unrelated to the value of our assets or our operating income; we have no operating history; you will not have the opportunity to evaluate our investments before we make them; we may not achieve our investment objectives; we depend on our advisor and its affiliates to select investments and conduct our operations; we pay substantial fees to our advisor and its affiliates, which increases the risk that you will not earn a profit; our officers and certain of our directors are also officers and directors of our sponsor and its affiliates and thus will be subject to conflicts of interest; we will use leverage to acquire multifamily apartment communities, which increases your investment risk; there are restrictions on the ownership and transferability of our shares; our charter permits us to pay distributions from any source, including offering proceeds or borrowings, without limitation; if we pay distributions from sources other than our cash flow from operations, we will have less funds to invest; it is likely that we will use sources of funds which may constitute a return of capital to fund distributions; we may not be able to acquire a diverse portfolio of multifamily apartment communities and as a result the value of your investment may vary more widely; if we fail to qualify as a REIT, our operations and our ability to make distributions to our shareholders would be adversely effected; and we will be subject to development and operating risks of our real estate including economic risks, legislative risks, tax risks, environmental risks, financing risks, liquidity risks and lack of diversification.

CONTACT US TO LEARN MORE

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A copy of the most recent version of the Cottonwood Communities Prospectus may be obtained at www.cottonwoodcommunities.com or by requesting a copy from:

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