

Cottonwood Multifamily REIT II, Inc. Fully Subscribes Regulation A+ Offering with No Upfront Fees

Cottonwood Multifamily REIT II, Inc. (the "REIT"), a Regulation A+ real estate investment trust, has fully subscribed its \$50 million offering.

"We are pleased with our capital raising efforts and believe our success is largely a result of our approach to long-term real estate investing, our track record and our investor-friendly no-load structure" said Daniel Shaeffer, CEO of Cottonwood.

The REIT's sponsor, Cottonwood Capital Property Management II, LLC is responsible for paying all selling commissions, the dealer manager fee and organizational and offering expenses without reimbursement.

Cottonwood Multifamily REIT II recently acquired its first asset, the Parc Westborough, a 249-unit, Class A multifamily development located in Westborough, Massachusetts for \$65.5 million. The REIT owns a 65 percent interest in the property, which was purchased in a joint venture, with affiliate Cottonwood Residential O.P LP.

In conjunction with the acquisition of the property, a Fannie Mae debt facility was put into place, providing financing for this acquisition and future acquisitions made by Cottonwood Multifamily REIT II. Terms of the initial borrowing of \$38 million, for purposes of acquiring Parc Westborough, include a ten-year loan term with full-term interest only at a rate of $\text{libor} + 1.48\%$, for a current all-in rate of 3.57% , as of closing. A libor rate hedging instrument was also purchased, providing a 2.75% cap on libor , resulting in a maximum effective interest rate of 4.23% .

The REIT partners with Cottonwood Residential, O.P., LP ("Cottonwood"). Cottonwood is a fully-integrated owner/operator of multifamily properties.