AGREEMENT CONCERNING DISBURSEMENT OF SALE PROCEEDS

This AGREEMENT CONCERNING DISBURSEMENT OF SALE PROCEEDS ("**Agreement**") is made and entered into as of October 24, 2018 ("**Effective Date**") by and between:

(a) Plantations at Haywood 1, LLC/5494 LLC ("**Plantations 1**"); Plantations at Haywood 2, LLC/1320 Enterprises, Inc. ("**Plantations 2**"); Plantations at Haywood 13, LLC/1746-1750 ½ North Kingsley Drive, LLC ("**Plantations 13**"); and Plantations at Haywood 23, LLC/Christine T. Russman, Trustee of the Christine T. Russman Revocable Trust dated February 26, 2005 ("**Plantations 23**") (individually, "**Plaintiff**," and collectively, "**Plaintiffs**"); and

(b) Cottonwood Residential O.P., LP ("**CROP**"), Cottonwood Capital Property Management II, LLC, Cottonwood Capital Management, Inc., and Daniel Shaeffer (collectively, "**Defendants**");

by and through their respective undersigned counsel.

Hereinafter, the above parties shall be referred to individually as a "Party" and collectively as the "Parties."

RECITALS

A. Plaintiffs claim that Plantations at Haywood, LLC ("TIC 0") and Plantations at Haywood Member, LLC ("Member") soon to be named, are or will be engaged in the Pending Litigation described below. Nothing herein is intended to waive, release, relinquish or modify the claims or defenses asserted or to be asserted by any of the Parties against the other Parties, third parties or future parties in the Pending Litigation. This Agreement is for the limited purpose of permitting the sale of the Plantations Property, described below to be sold while preserving the litigation position asserted or that may by amendment be asserted in the Pending Litigation or future litigation between the Parties.

B. Plaintiffs allege that (1) Plantations at Haywood O, LLC, a Delaware limited liability company ("**Plantations O**") is the disputed record owner of the real property known as the Plantations at Haywood Apartments located at 135 Haywood Crossing Drive, Greenville, SC (the "**Apartments**"), and (2) Haywood Storage, LLC, a Delaware limited liability company ("**Storage LLC**") is the disputed record owner of that certain self-storage facility adjacent to the Apartments (the "**Self Storage**"; Self Storage and the Apartments are collectively, the "**Plantations Property**"). Defendants deny and dispute all of Plaintiffs' allegations.

C. Plaintiffs allege that as a result of purported misconduct alleged in the Pending Litigation, Plaintiffs presently own certain indirect interests in the Plantations Property by virtue of: (i) their membership interests in Plantations at Haywood M, LLC, a Delaware limited liability company ("**Plantations M**") which holds disputed record title of membership interests in Plantations O; and (ii) their disputed membership interests in Storage LLC. Defendants deny and dispute all of Plaintiffs' allegations.

EXHIBIT CR-102

D. Plaintiffs dispute all of the CROP ownership of Plantations M. Defendants dispute all of Plaintiffs' claims and allegations.

E. Defendants contend that Plantations 1 own 3.745% indirect interest in the Plantations Property, Plantations 2 own 3.37% indirect interest in the Plantations Property, Plantations 13 owns 2.327% indirect interest in the Plantations Property, and Plantations 23 owns 2.932% indirect interest in the Plantations Property. Plaintiffs contend that they are entitled to own more indirect interests in the Plantations Property based on the claims asserted in the Pending Litigation. Further, Plaintiffs expressly reserve hereby the right to amend all complaints and claims prior to trial or hearing, or to assert new claims, based upon new claims or theories that may be asserted based upon that discovery in those cases and arbitrations, and Defendants expressly reserve the right hereby to oppose such amendment or assertion of alleged new claims based on new theories. Plaintiffs and Defendants dispute each other's contentions. Plaintiffs dispute the ownership of Plantations M as owner of Plantations O as set out the Pending Litigation and do not adopt the statements herein other than for purposes of completing the sale of the Plantations Property while preserving all of their rights. Defendants dispute all of Plaintiffs' claims and allegations in the Pending Litigation and statements herein and do not adopt such allegations or statements herein other than for purposes of completing the sale of the Plantations Property while preserving all of their rights.

F. The following proceedings are currently pending ("**Pending Litigation**"):

a. Plantations at Haywood 1, LLC, et al. v. Plantations at Haywood M, LLC, et al., Superior Court of California, County of Orange Case No. 30-2017-00901157 ("CA Lawsuit");

b. Plantations at Haywood 1, LLC, et al. v. Daymark Realty Advisors, Inc., et al.; American Arbitration Association Case No. 01-18-0002-4830-1-LP ("Arbitration"); and

c. Plantations at Haywood 1, LLC, et al. v. Cottonwood Residential O.P., LP, et al., Third Judicial District Court for Salt Lake County, Utah, Case No. 170904220 ("UT Lawsuit").

G. Haywood Plantations Property Owner, LLC, a Delaware limited liability company ("**Purchaser**") desires to purchase the Plantations Property for a purchase Price of $60,000,000 (the "**Sale**"). In connection with the Sale, Purchaser will obtain a first mortgage loan (the "**Loan**") from Holiday Fenoglio Fowler, L.P. (along with its successors and assigns "**Lender**").

H. Purchaser is willing to proceed with the sale if, among other things, Plaintiffs sign an Acknowledgment and Agreement requested by Purchaser's title company. Plaintiffs are willing to sign an Acknowledgment and Agreement if the Parties enter into this Agreement.

NOW, THEREFORE, in consideration of the Recitals set forth above and the mutual covenants, promises, and warranties set forth herein, the Parties agree as follows:

1. Payment of Net Proceeds from Escrow. Each Plaintiff will receive its undisputed pro rata share of the net proceeds from the Sale ("Net Proceeds") (Plantations 1 at 3.745%, Plantations 2 at 3.37%, Plantations 13 at 2.327% and Plantations 23 at 2.932%) directly from the escrow. CROP will also receive all of the disputed pro rata share directly from the escrow as well.

Each such distribution is without prejudice to Parties' right to pursue such distribution in a lawsuit, arbitration, or any other proceeding.

For example, based on the draft settlement statement from the title company attached hereto as Exhibit "1," (a) the current estimate of the Net Proceeds is $31,733,051.98, and (b) the only fee or charge payable to Defendant is the $600,000 disposition fee. Based on the attached draft settlement statement, it is anticipated that Plantations 1 will be paid 3.745% of the $31,733,051.98, Plantations 2 will be paid 3.37% of the $31,733,051.98, Plantations 13 will be paid 2.327% of the $31,733,042.20, and Plantations 23 will be paid 2.932% of the $31,733,051.98, subject to final adjustments and prorations.

2. Reservation of Rights. Notwithstanding anything to the contrary contained in this Agreement, the Parties hereby acknowledge and agree that each of the Parties is reserving all of its/his rights, claims, causes of action, defenses, and remedies relating to the Lawsuit, distribution of the Net Proceeds, or the disbursement of any fees or charges relating to the Sale payable to Defendants.

3. No Admission of Liability. Nothing contained herein, nor the execution of this Agreement, is to be construed or deemed an admission of liability by any Party, any and all liability having been denied by each and every Party.

4. Cooperation in Implementation. The Parties agree to execute such other commercially reasonable documents necessary or required to carry out the purposes of this Agreement including Plaintiffs' counsel's instructions to escrow solely as to Plaintiffs' distributable shares agreed to herein.

5. Governing Law. This Agreement shall be governed by and interpreted in accordance with the laws of the State of Utah.

6. Construction/Interpretation. The Parties agree that the terms and conditions of this Agreement are the result of negotiations between the Parties and/or their counsel, and that this Agreement shall not be construed in favor of or against either Party by reason of the extent to which either Party or its counsel participate in the drafting of this Agreement.

7. Integration Clause. The Parties each acknowledge and represent that no promise, representation, or inducement not contained in this Agreement has been made to them concerning the subject matter of this Agreement and that this Agreement contains the entire understanding between the Parties as to reservation of rights by each of the Parties and contains all terms and conditions pertaining to the subject matter referenced herein. No express or implied warranties, covenants, or representations have been made concerning the subject matter of this Agreement unless expressly stated herein. Any prior written or oral negotiations as to the subject matter of this Agreement not contained in this Agreement are of no force or effect whatsoever. In executing this Agreement, the Parties have not and do not rely on any statements, inducements, promises, or representations made by the other Party or their agents, representatives, or attorneys with regard to the subject matter, basis, or effect of this Agreement.

8. Binding on Assigns. This Agreement shall be binding upon and inure to the benefit of the heirs, trustees or executors, administrators, successors, and assigns of the respective Parties.

9. Signatories' Representations. Each signatory hereto declares and represents that he has the power and authority to sign and enter into this Agreement.

10. Counterparts and Facsimile Signatures. This Agreement may be executed in one or more counterparts with the same force and effect as if executed in a single, complete document. Facsimile and electronically scanned signatures of the undersigned Parties will have the same force and effect as original signatures.

11. Effective Date. This Agreement shall be effective on and as of the Effective Date.

12. Time of the Essence. Time is of the essence with respect to all provisions of this Agreement that specify a time for performance.

[SIGNATURES ON THE FOLLOWING PAGES]

IN WITNESS WHEREOF, the Parties, by and through their counsel, have caused this Agreement to be executed.

PLAINTIFFS

By: Catanzarite Law Corporation

By: _____
Kenneth J. Catanzarite

DEFENDANTS

By: Shumener, Odson & Oh LLP

By: _____
Henry H. Oh

EXHIBIT 1

First Nationwide Title
An AmTrust Financial Company

220 East 42nd Street, 24th Floor
New York, New York 10017
Phone: (212) 499-0100 Fax: (212) 499-0600

SETTLEMENT STATEMENT

SELLER(S): Cottonwood Residential, Inc. Cottonwood Acquisition LLC		**FILE/ESCROW NO.:**	FNTA-32017-Multi-1
BUYER(S): AREG Sunbelt Residential LLC		**CLOSING OFFICER:**	Michael Scott, Esq
		CLOSING DATE:	October 26, 2018
		PROPERTY DESCRIPTION:	Plantations at Haywood 135 Haywood Crossing Dr Greenville, South Carolina 29607

Buyer Debit	Buyer Credit		DESCRIPTION		Seller Debit	Seller Credit
$ 60,000,000.00		1	Purchase Price			$ 60,000,000.00
		2				
		3	Post-closing Escrow Funding Proceeds from CROP			$ 2,087,774.41
		4				
	$ 45,743,546.53	5	Net Loan Proceeds			
		6				
		7	**Prorations**			
	$ 99,983.20	8	Monthly Rents		$ 99,983.20	
	$ 118,719.99	9	Security Deposits		$ 118,719.99	
	$ 12,578.53	10	Prepaid Rent		$ 12,578.53	
	$ 438,831.36	11	2018 Real Property Tax Bills		$ 438,831.36	
	$ 247.30	12	2018 Personal Property Tax Bill		$ 247.30	
$ 140,546.11		13	Vendor Adjustments			$ 140,546.11
		14				
		15				
		16	**Title Insurance Fees**			
$ 74,947.50		17	Owner's Policy Premium			
$ 1,550.00		18	Search & Exam Fees			
		19	Transfer Tax		$ 5,955.15	
		20	Transfer Tax		$ 216,046.70	
		21	Withholding to the South Carolina Department of Revenue		$ 15,178.00	
		22	Withholding to the South Carolina Department of Revenue		$ 550,748.00	
		23	Recording Fee		$ 400.00	
		24				
		25	**Loan Payoffs**			
		26	Capital One Bank		$ 26,346,805.90	
		27	Outstanding Principal Balance	$ 26,506,840.63		
		28	Interest	$ 85,042.78		
		29	Prepayment Penalty	$ 1,590,410.44		
		30	Escrow Credit	$ (1,835,487.95)		
		31				
		32	**Disbursements**			
$ 1,750.00		33	Escrow Fee to	First Nationwide Title Agency LLC	$ 1,750.00	
		34	UCC Filing Fees	First Nationwide Title Agency LLC	$ 250.00	
		35	Post-closing Escrow Funding	First Nationwide Title Agency LLC	$ 2,087,774.41	
		36	Legal Fees	Levenfeld Pearlstein		
		37	Disposition Fee	Cottonwood Capital Property Management II, LLC	$ 600,000.00	
		38				
		39				
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$ 60,218,793.61	$ 46,413,906.91	54	**SUB-TOTAL DEBITS & CREDITS**		$ 30,495,268.54	$ 62,228,320.52
		55	**NET SALE PROCEEDS DUE TO SELLER**			$ 31,733,051.98
		56				
$ 13,804,886.70		57	**EQUITY FUNDS DUE FROM BUYER**			

This statement was prepared using information provided by the parties named above. First Nationwide Title Agency LLC makes no representation as to the accuracy of this information