

### Report of Organizational Actions Affecting Basis of Securities

► See separate instructions.

#### Part I Reporting Issuer

<b>1</b> Issuer's name <b>COLONY STARWOOD HOMES (FKA STARWOOD WAYPOINT RESIDENTIAL TRUST)</b>		<b>2</b> Issuer's employer identification number (EIN) <b>80-6260391</b>	
<b>3</b> Name of contact for additional information <b>INVESTOR RELATIONS</b>	<b>4</b> Telephone No. of contact <b>510-982-5470</b>	<b>5</b> Email address of contact <b>IR@COLONYSTARWOOD.COM</b>	
<b>6</b> Number and street (or P.O. box if mail is not delivered to street address) of contact <b>8665 E HARTFORD DR, STE 200</b>		<b>7</b> City, town, or post office, state, and Zip code of contact <b>SCOTTSDALE, AZ 85255</b>	
<b>8</b> Date of action <b>SEE ATTACHMENT</b>	<b>9</b> Classification and description <b>CONVERTIBLE NOTES OF COLONY STARWOOD HOMES DUE 2019</b>		
<b>10</b> CUSIP number <b>85571WAB5</b>	<b>11</b> Serial number(s) <b>N/A</b>	<b>12</b> Ticker symbol <b>SFR</b>	<b>13</b> Account number(s) <b>N/A</b>

#### Part II Organizational Action Attach additional statements if needed. See back of form for additional questions.

**14** Describe the organizational action and, if applicable, the date of the action or the date against which shareholders' ownership is measured for the action ► **SEE ATTACHMENT**

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**15** Describe the quantitative effect of the organizational action on the basis of the security in the hands of a U.S. taxpayer as an adjustment per share or as a percentage of old basis ► **SEE ATTACHMENT**

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**16** Describe the calculation of the change in basis and the data that supports the calculation, such as the market values of securities and the valuation dates ► **SEE ATTACHMENT**

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**Part II Organizational Action** (continued)

17 List the applicable Internal Revenue Code section(s) and subsection(s) upon which the tax treatment is based ▶

**SEE ATTACHMENT**

18 Can any resulting loss be recognized? ▶ **N/A**

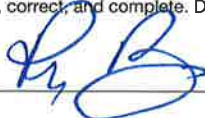
19 Provide any other information necessary to implement the adjustment, such as the reportable tax year ▶

**SEE ATTACHMENT**

**Sign Here**

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.

Signature ▶



Date ▶

4/13/17

Print your name ▶ **RYAN BERRY**

Title ▶ **EVP, GENERAL COUNSEL**

**Paid Preparer Use Only**

Print/Type preparer's name

Preparer's signature

Date

Check  if self-employed

PTIN

Firm's name ▶

Firm's EIN ▶

Firm's address ▶

Phone no.

## PART II

## LINE 14

IN ACCORDANCE WITH THE TERMS OF ITS CONVERTIBLE NOTES DUE 2019, COLONY STARWOOD HOMES, MADE ADJUSTMENTS TO THE CONVERSION RATES OF THE CONVERTIBLE NOTES AS A RESULT OF MAKING CASH DISTRIBUTIONS TO ITS COMMON SHAREHOLDERS. THE CONVERSION RATE ADJUSTMENTS RESULTED IN A DEEMED DISTRIBUTION TO ITS RESPECTIVE CONVERTIBLE DEBT HOLDERS IN THE AMOUNTS LISTED BELOW:

CONVERTIBLE NOTES DUE 2019 (85571WAB5)

EFFECTIVE DATE	DIVIDEND PAY DATE	OLD RATE	NEW RATE	SHARE PRICE	DEEMED DISTRIBUTION PER \$1,000 BOND	
9/26/2014	10/15/2014	-	-	-	-	*
12/29/2014	1/15/2015	29.9242	30.2485	26.35	\$8.55	
3/27/2015	4/15/2015	-	-	-	-	*
6/26/2015	7/15/2015	30.2485	30.5896	24.62	\$8.40	
9/28/2015	10/15/2015	-	-	-	-	*
12/8/2015	12/22/2015	30.5896	31.087	22.55	\$11.22	
3/29/2016	4/15/2016	-	-	-	-	*
6/28/2016	7/15/2016	31.087	31.6046	29.43	\$15.23	
9/28/2016	10/17/2016	-	-	-	-	*
12/28/2016	1/13/2017	31.6046	32.085	28.45	\$13.67	

\*THESE CASH DISTRIBUTIONS PAID TO HOLDERS OF COMMON SHARES DID NOT TRIGGER AN ADJUSTMENT IN THE RESPECTIVE INDENTURE AGREEMENTS FOR THE 2019 NOTES. ACCORDINGLY, THERE WAS NO ASSOCIATED ACTION AFFECTING BASIS FOR THESE DISTRIBUTIONS.

## LINE 15

OF THE CASH DISTRIBUTIONS PAID TO COMMON SHAREHOLDERS DURING 2015, 100% REPRESENTS A RETURN OF CAPITAL. ACCORDINGLY, 100% OF THE DEEMED DISTRIBUTIONS DESCRIBED ABOVE FOR 2015 REPRESENTS A DECREASE IN BASIS.

OF THE CASH DISTRIBUTIONS PAID TO COMMON SHAREHOLDERS DURING 2016, 59% REPRESENTS A RETURN OF CAPITAL AND 41% REPRESENTS A CAPITAL GAIN DISTRIBUTION. ACCORDINGLY, 59% OF THE DEEMED DISTRIBUTIONS DESCRIBED ABOVE FOR 2016 REPRESENTS A DECREASE IN BASIS.

**LINE 16**

THE CALCULATION OF THE DEEMED DISTRIBUTIONS ARE SET FORTH BELOW. THE SHARE PRICE FOR THE CALCULATION IS EQUAL TO THE LAST REPORTED SALES PRICE OF COMMON SHARES ON THE TRADING DAY IMMEDIATELY PRECEDING THE EX-DIVIDEND DATE FOR SUCH DIVIDEND OR DISTRIBUTION.

DEEMED DISTRIBUTION = (NEW CONVERSION RATE – OLD CONVERSION RATE) X SHARE PRICE

**LINE 17**

THE CONVERSION RATE ADJUSTMENT ON THE 2019 NOTES RESULTS IN A DISTRIBUTION UNDER SECTION 305(c).

**LINE 19**

FOR A CALENDAR YEAR TAXPAYER, THE REPORTABLE YEAR IS PRESUMABLY EQUAL TO THE CALENDAR YEAR IN WHICH THE DISTRIBUTIONS ON COMMON SHARES RESULTING IN THE ADJUSTMENT WERE PAID. PLEASE CONSULT YOUR TAX ADVISOR.