

**INSTRUCTIONS**

This form is only to be used if the warrants are currently held at Preferred Apartment Communities' transfer agent, Computershare. See below if warrants are held directly in a brokerage account.

Preferred Apartment Communities (PAC) will exercise warrants on a continual basis. Please allow approximately 5 business days for processing upon a submission of a warrant exercise request that is in good order. Requests will be processed in the same order in which they were received. For rules governing the warrants consult the prospectus dated October 11, 2013. To summarize, warrants initial exercise date is one year from issuance and they expire four years from issuance. Warrants are exercisable for twenty shares of common stock. The strike price of the warrant is set at the time of issuance. An investor may exercise from one to all warrants owned but one can not exercise a partial warrant. Warrants are not redeemable and will remain outstanding even after a preferred stock redemption, but not longer than four years from issuance. Exercise forms are specific to an account and CUSIP, so multiple forms would need to be submitted for multiple investments. Warrants are exercised separately from the preferred stock and are not redeemable. Please note that the preferred stock is not convertible to common stock.

To find warrant details including strike price for your specific CUSIP please consult your advisor or Preferred Apartment Communities' website; www.pacapt.com. Click on the investors tab in the center of the screen, then scroll down on the screen and click on the tab for Stock Information. Once you see the dropdown you will click on Series A Redeemable Preferred Stock & Warrant Information in the lower left hand column. Finally click on Warrant Information and please note to search for a specific CUSIP number, please use "Ctrl F" on your keyboard and enter the last three digits of the desired CUSIP number.

Computershare may coordinate further with the investor, based upon the information provided, to properly exercise the warrants.

Warrants held at Computershare:

Complete this form and send it with a check to the address on the form. The warrants will be exercised and the common shares will be held in the Computershare account. The common and preferred shares are transferable and can be held directly in a brokerage account. All new common shares will be issued in book entry form (aka electronically) and held at Computershare. You will receive a new statement of ownership for your common shares after the common shares are properly issued.

Warrants held in a Brokerage Account:

Consult the brokerage firm's operations department or investor services for their process for exercising warrants. The PAC warrants are fully detachable and transferable from the PAC preferred stock and are DRS and DTC eligible. The brokerage firm will generally want the investor to submit the warrants for exercise with the necessary cash. The formula to determine how much cash is needed to exercise the warrant is: # of warrants times 20 times strike price equals total proceeds needed. When Computershare receives the warrants and proceeds, common stock will be issued to the investor via the DWAC (Deposit/Withdrawal at Custodian) process.

For any help or questions regarding the warrant exercise process please call 855-320-1414.

EXERCISE EXECUTION REQUEST

Computershare
Account Number

Warrant CUSIP

Warrant Exercise Calculation

	X	20	X	=	
Number of warrants to be exercised		Each warrant is exercisable for 20 common shares	Warrant Strike Price		Total Purchased

INVESTOR INFORMATION

Investor Name
as it appears on
your warrants

Social Security
or Tax ID

Co-Investor
Name

Social Security
or Tax ID

Address

City, State & Zip

Daytime
phone number

Email Address

EXERCISE REQUEST ACKNOWLEDGMENTS & SIGNATURES

The undersigned hereby irrevocably elects to exercise the right, represented by the CUSIP number listed above, to purchase shares of Common Stock of Preferred Apartment Communities, Inc. and hereby tenders in payment for such shares by certified or official bank check made payable to the order of Preferred Apartment Communities, Inc. or by wire transfer in immediately available funds to an account arranged with Computershare.

The undersigned requests that the shares of Common Stock issuable upon exercise of the Warrant(s) be in registered form in the authorized denominations, registered in such names and delivered, all as specified in accordance with the instructions provided, however, that if the shares of Common Stock are evidenced by global securities, the shares of Common Stock shall be registered in the name of the record holder.

Investor Signature

Custodian
(if qualified account)

Co-Investor Signature

Custodian Signature

Date:

/ /

Date:

/ /

This form along with your check made payable to Preferred Apartment Communities, Inc. should be delivered to:
Computershare Trust Company, N.A. (800) 546-5141

If delivering by regular mail:

Computershare Trust Company, N.A.
Attention: Corporate Actions
P.O. Box 43011
Providence, RI 02940-3011

If delivering by overnight mail:

Computershare Trust Company, N.A.
Attention: Corporate Actions
150 Royall Street, Suite V
Canton, MA 02021

THIS EXERCISE NOTICE MUST BE DELIVERED TO THE WARRANT AGENT AT THE ADDRESS LISTED ABOVE, PRIOR TO 5:00 P.M., NEW YORK CITY TIME, ON THE EXPIRATION DATE. ALL CAPITALIZED TERMS USED HEREIN BUT NOT DEFINED HEREIN SHALL HAVE THE MEANINGS ASSIGNED TO THEM IN THE WARRANT AGREEMENT.

