

INSTRUCTIONS

Preferred Apartment Communities (PAC) will redeem shares on a continual basis. Please allow 10 business days for processing upon a submission of a redemption request that is in good order. Requests will be processed in the same order in which they were received. By prospectus, Preferred Apartment Communities has the option to redeem shares in cash or common stock and that decision will be made on an individual redemption basis. Cash redemption proceeds will be remitted based upon instructions provided on the redemption form. The default payment method is via check. A wire can be requested but a \$100 fee will be deducted from the payment to the shareholder, ACH however is not permitted. If proceeds are in the form of common stock, a DWAC (Deposit/Withdrawal at Custodian) of shares will be remitted based upon instructions provided on the redemption form. On the redemption form, please check an option for both stock and cash payments. Physical certificates will not be remitted to the redeeming investor.

PAC's transfer agent Computershare may coordinate further with the investor, based upon the information provided, to properly deliver redemption proceeds or shares. Individual redemption forms are specific to an account, so multiple forms would need to be submitted for multiple accounts.

All redemptions are completed at par, which is \$1,000 per share. A redemption fee may apply based upon original purchase date and the length of time the shares were owned. The redemption fee schedule is as follows:

- **During year 1 for 100% of Stated Value less 2% redemption fee**
- **During year 2 for 100% of Stated Value less 1% redemption fee**

To find the redemption schedule for your specific CUSIP please consult with your advisor or Preferred Apartment Communities' website; www.pacapt.com. Click on the investors tab in the upper right-hand corner, then scroll down on the screen and click on the tab for Stock Information. Once you see the drop-down you will click on Series M Redeemable Preferred Stock in the lower left hand column. Finally click on Series M Redeemable Preferred Stock 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.

Trust redemptions: Include a copy of the trust document with redemption submission.

For all redemptions include a completed redemption form and a recent statement showing ownership of the PAC preferred shares if held in a brokerage account. A medallion guarantee stamp is required for all redemption forms.

Please send all paperwork to the following address:

Preferred Apartment Communities
3284 Northside Parkway NW, Suite 150 Atlanta, GA 30327
Attn: Investor Services

For assistance or with questions, please call 855-320-1414.

