

SELECTED INVESTMENT ADVISOR AGREEMENT
PREFERRED APARTMENT COMMUNITIES, INC.

THIS SELECTED INVESTMENT ADVISOR AGREEMENT is made and entered into as of the date indicated on Exhibit A attached hereto (this “Agreement”), among Preferred Capital Securities, LLC, a Georgia limited liability company (the “Dealer Manager”), Preferred Apartment Communities, Inc., a Maryland corporation (the “Company”), and the selected investment advisor identified in Exhibit A hereto (the “SIA”).

WHEREAS, the Dealer Manager is acting as the dealer manager for an offering of up to an aggregate of 500,000 shares of the Company’s Series M Redeemable Preferred Stock, \$0.01 par value per share (the “mShares”) pursuant to that certain Dealer Manager Agreement dated December 2, 2016 (the “Dealer Manager Agreement”), between the Dealer Manager and the Company. The mShares are being offered to the general public in a public offering (the “Offering”) pursuant to a Prospectus (as defined below) filed with the Securities and Exchange Commission (the “SEC”);

WHEREAS, the SIA (i) is an entity, as designated in Exhibit A hereto, organized and presently in good standing in the state designated in Exhibit A hereto, (ii) is registered as an investment advisor under the Investment Advisers Act of 1940, as amended (the “Investment Advisers Act”) or if not registered under the Investment Advisers Act, then it is registered under the state securities acts in the states where it does business as an investment advisor, and (iii) has made such regulatory filings and obtained such regulatory approvals in each state in which the SIA is required to make such filings or obtain such approvals;

WHEREAS, the Company has a currently effective registration statement on Form S-3 (File No. 333-214531), as amended and including a final prospectus and the exhibits hereto, for the registration of the mShares under the Securities Act of 1933, as amended (the “Securities Act”) (such registration statement, including any post-effective amendments to such registration statement and any related registration statement filed under Rule 415 of the Securities Act being herein referred to as the “Registration Statement”, and any final prospectus or supplement thereto relating to the Registration Statement being herein referred to as the “Prospectus”);

WHEREAS, the offer and sale of the mShares shall be made pursuant to the terms and conditions of (i) the Registration Statement and the Prospectus, and (ii) all applicable federal securities laws and the applicable securities laws of all states in which the mShares are offered and sold;

WHEREAS, the Company will sell mShares using two closing services provided by the Depository Trust Company (“DTC”). The first service is DTC closing (“DTC Settlement”), and the second service is Direct Registration Service (“DRS Settlement”); and

WHEREAS, the SIA is willing and desires to provide its clients with information concerning the mShares and the procedures for subscribing for the mShares upon the terms and subject to the conditions contained herein;

NOW, THEREFORE, in consideration of the premises and upon the terms and subject to the conditions hereof, it is agreed among the Dealer Manager, the SIA and the Company as follows.

1. Purchase of mShares.

(a) The SIA hereby covenants, warrants and agrees that, in regard to any purchase of the mShares by its clients, it will comply with all the terms and conditions of the Registration Statement and the Prospectus, all applicable state and federal laws, including the Securities Act, the Investment Advisers Act and any and all regulations and rules pertaining thereto. Neither the SIA nor any other person shall have any authority to give any information or make any representations or warranties in connection with the mShares other than the information contained in the Registration Statement and Prospectus.

(b) Clients of the SIA may purchase the mShares according to all the terms and conditions as are contained in the Registration Statement and the Prospectus, including that the client buys the minimum number of mShares required by the Prospectus. The SIA shall comply with all requirements set forth in the Registration Statement and the Prospectus and shall use and distribute, in connection with the purchase of mShares by its clients, only the Prospectus and such sales literature supplied to the SIA by the Dealer Manager with the Prospectus. Each of the Company and the Dealer Manager reserves the right to establish such additional procedures as it may deem necessary to ensure compliance with the requirements of the Registration Statement, the Prospectus and applicable laws, and the SIA shall comply with all such additional procedures to the extent that it has received written notice thereof.

(c) If using DRS Settlement:

(i) Clients of the SIA shall complete the subscription agreement which accompanies the Prospectus in connection with the purchase of the mShares. The SIA will process the subscription agreement and payment according to the SIA's custodian's applicable procedures. If any subscription agreement is rejected, the subscription agreement and funds for the purchase of mShares will be returned to the rejected subscriber within ten (10) business days from the date of rejection. As used in this Agreement, "business day" means any day other than a Saturday, Sunday or a day on which banking institutions in the State of New York are authorized or obligated by law or executive order to close; and

(ii) Payment for the purchase of mShares shall be made by wire transfer or checks payable to "UMB Bank, National Association, Escrow Agent for Preferred Apartment Communities, Inc." All funds for payment of mShares will be deposited into an escrow account pursuant to the Escrow Agreement (as defined in the Dealer Manager Agreement) within one business day after receipt of such funds and the subscription agreement related thereto.

(d) If using DTC Settlement, the soliciting dealer that effects the sale will coordinate for payment in connection with their electronically placed orders.

(e) The mShares may be purchased by clients of the SIA only where the mShares may be legally offered and sold and only by such persons in such states in which the SIA has made such regulatory filings and obtained such regulatory approvals applicable to it.

(f) The SIA shall have no obligation under this Agreement to advise its clients to purchase any of the mShares.

(g) For mShares sold using DRS Settlement, the SIA shall retain in its files all subscription agreements for a period of time not less than required in order to comply with applicable federal and other regulatory requirements.

(h) The SIA hereby confirms that it is familiar with Securities Act Release No. 4968 and Rule 15c2-8 under the Securities Exchange Act of 1934, as amended, relating to the distribution of preliminary and final prospectuses, and confirms that it has complied and will comply therewith.

(i) For mShares sold using DRS Settlement, a sale of mShares shall be deemed to be completed only after the Company receives a properly completed subscription agreement for mShares from the SIA (together with payment of the full purchase price of each purchased Unit) on behalf of the buyer who satisfies each of the terms and conditions of the Registration Statement and Prospectus, and only after such subscription agreement has been accepted in writing by the Company.

(j) Clients of the SIA will not be charged any selling commissions in connection with their purchases of mShares and will purchase the mShares at a per Unit purchase price of \$1,000.

(k) It is understood and agreed that in connection with any completed sale of mShares to clients of the SIA, the Company shall pay the Dealer Manager a fee of \$30.00 per Unit sold as the Dealer Manager Fee (as defined in the Dealer Manager Agreement).

(l) The SIA will make the determinations required to be made by it pursuant to subparagraph (g) above based on information it has obtained from each prospective client, including, at a minimum, but not limited to, the prospective client's age, investment objectives, investment experience, income, net worth, financial situation, other investments of the prospective client, as well as any other pertinent factors deemed by the SIA to be relevant.

(m) In addition to any other obligations of the SIA to determine suitability imposed by state or federal law, the SIA agrees that it will comply fully with the following provisions:

(i) The SIA shall have reasonable grounds to believe, based upon information provided by the client concerning such client's investment objectives, other investments, financial situation and needs, and upon any other information known by the SIA, that (A) each client of the SIA that purchases mShares is or will be in a financial position appropriate to enable such client to realize to a significant extent the benefits (including tax benefits) of an investment in the mShares, (B) each client of the SIA that purchases mShares has a fair market net worth sufficient to sustain the risks inherent in an investment in the mShares, including potential loss of his entire investment, and (C) the mShares otherwise are or will be a suitable investment for each client of the SIA that purchases mShares, and the SIA shall maintain files disclosing the basis upon which the determination of suitability was made;

(ii) The SIA shall not execute any transaction involving the purchase of mShares in a discretionary account without prior written approval of the transaction by the client;

(iii) The SIA shall have reasonable grounds to believe, based upon the information made available to it, that all material facts are adequately and accurately disclosed in the Registration Statement and provide a basis for evaluating the mShares;

(iv) In making the determination set forth in subparagraph (iii) above, the SIA shall evaluate items of compensation, physical properties, tax aspects, financial stability and experience of the sponsor, conflicts of interest and risk factors, appraisals, as well as any other information deemed pertinent by it;

(v) The SIA shall inform each prospective nondiscretionary client of all pertinent facts relating to the liquidity and marketability of the mShares.

(n) The SIA agrees to retain in its files, for a period of at least six years, information which will establish that each purchaser of mShares falls within the permitted class of investors.

(o) The SIA either (i) shall not purchase mShares for its own account or (ii) shall hold for investment any mShares purchased for its own account.

2. Compensation to SIA.

The Dealer Manager shall pay no fees, commissions or other compensation to the SIA.

3. Association of the Dealer Manager with Other Advisors and Dealers.

It is expressly understood between the Dealer Manager and the SIA that the Dealer Manager may cooperate with broker-dealers who are registered as broker-dealers with the Financial Industry Regulatory Authority, Inc. (“FINRA”) or with other investment advisors registered under the Investment Advisers Act or, if not registered under the Investment Advisers Act, then the SIA is registered under the state securities acts in the states where it does business as an investment advisor. Such broker-dealers and investment advisors:

(a) may enter into agreements with the Dealer Manager on terms and conditions that may be identical or similar to, or materially different from, this Agreement; and

(b) shall receive such rates of commission or other fees as are agreed to between the Dealer Manager and the respective broker-dealers and investment advisors and as are in accordance with the terms of the Registration Statement.

4. Conditions of the SIA’s Obligations.

The SIA’s obligations hereunder are subject, during the term of this Agreement and the Offering, to:

(a) the performance by the Dealer Manager of its obligations (including compliance by the Dealer Manager with its covenants and agreements set forth in Section 7); and

(b) the conditions that (i) the Registration Statement shall become and remain effective, and (ii) no stop order shall have been issued suspending the effectiveness of the Offering.

5. Conditions to the Dealer Manager’s Obligations.

The obligations of the Dealer Manager hereunder are subject, during the term of this Agreement and the Offering, to the conditions that:

(a) at the effective date of the Registration Statement and thereafter during the term of this Agreement while any mShares remain unsold, the Registration Statement shall remain in full force and effect authorizing the offer and sale of the mShares;

(b) no stop order suspending the effectiveness of the Offering or other order restraining the offer or sale of the mShares shall have been issued nor proceedings therefor initiated or threatened by any state regulatory agency or the SEC; and

(c) the SIA shall have satisfactorily performed all its obligations hereunder (including Section 6).

6. Representations, Warranties, Covenants and Agreements of the SIA.

The SIA covenants, agrees, warrants and represents during the term of this Agreement, as follows:

(a) The SIA is and will continue to be registered as an investment advisor under the Investment Advisers Act or, if not registered under the Investment Advisers Act, then registered under the state securities acts in the states where it does business as an investment advisor, and will make or comply with any regulatory filings and other regulatory requirements applicable to it in each state in which the SIA is required to make such filings or comply with such other requirements.

(b) Neither the SIA nor any person associated with the SIA is registered as a broker-dealer or registered representative with FINRA.

(c) The SIA shall comply with all applicable federal and state securities laws, including without limitation the disclosure requirements of the Investment Advisers Act and the provisions thereof requiring disclosure of the existence of this Agreement.

(d) The SIA shall maintain the records required by Section 204 of the Investment Advisers Act and Rule 204-2 thereunder, in the form and for the periods required thereby.

(e) The SIA and any person associated with the SIA has complied, in all material respects, with the identification, verification and documentation sections of the Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism Act of 2001.

(f) With respect to any purchase of the mShares by a client of the SIA, such investment will be in conformity with all applicable provisions of the SIA's investment advisory agreement with such client (including without limitation any and all investment objectives, guidelines and restrictions applicable to the client's account), and the SIA shall have acted in conformity with the standard of care owed to the client under applicable law and any applicable provisions in the SIA's investment advisory agreement with the client.

7. Covenants and Agreements of the Dealer Manager.

The Dealer Manager covenants and agrees during the term of this Agreement as follows:

(a) It shall inform the SIA whenever and as soon as it receives or learns of any order issued by the SEC or any other regulatory agency which suspends the effectiveness of the Registration Statement or prevents the use of the Prospectus or which otherwise prevents or suspends the offering or sale of the mShares, or receives notice of any proceedings regarding any such order.

(b) It shall deliver to the SIA such number of copies of the Registration Statement or the Prospectus, and any supplements and post-effective amendments thereto, as the SIA may reasonably request.

8. Payment of Costs and Expenses.

Each party shall pay all costs and expenses incident to the performance of its obligations under this Agreement.

9. Indemnification

(a) The SIA agrees to indemnify, defend and hold harmless the Company, the Dealer Manager, their affiliates and their or its officers, directors, trustees, employees and agents, against all losses, claims, demands, liabilities and expenses, joint or several, including reasonable legal and other expenses incurred in defending such claims or liabilities, whether or not resulting in any liability to the Company, the Dealer Manager, their affiliates and their or its officers, directors, trustees, employees or agents, which they or any of them may incur arising out of (i) the investment advice or the offer or sale (as such term is defined in the Securities Act of 1933, as amended) by the SIA, or any person acting on its behalf, of any mShares pursuant to this Agreement, if such loss, claim, demand, liability, or expense arises out of or is based upon an untrue statement or alleged untrue statement of a material fact, or any omission or alleged omission of a material fact, other than a statement, omission, or alleged omission by the SIA which is also, as the case may be, contained in or omitted from the Prospectus or the Registration Statement and which statement or omission was not based on information supplied to the Company or the Dealer Manager by such SIA; (ii) the breach by the SIA, or any person acting on its behalf, of any of the terms and conditions of this Agreement; or (iii) the negligence, malpractice or malfeasance of the SIA. This indemnity provision shall survive the termination of this Agreement.

(b) The Company agrees to indemnify, defend and hold harmless the SIA, its officers, directors, employees and agents, against all losses, claims, demands, liabilities and expenses, including reasonable legal and other expenses incurred in defending such claims or liabilities, which they or any of them may incur, including, but not limited to, alleged violations of the Securities Act of 1933, as amended, but only to the extent that such losses, claims, demands, liabilities and expenses shall arise out of or be based upon (i) any untrue statement of a material fact contained in the Registration Statement, at the time it became effective with the SEC or in the Prospectus (as from time to time amended or supplemented), or (ii) any omission or alleged omission to state therein a material fact required to be stated in the Prospectus or the Registration Statement at the time it became effective or necessary to make such statements, and any part thereof, not misleading; provided, further, that any such untrue statement, omission or alleged omission is not based on information included in any such document which was supplied to the Company or the Dealer Manager, or any officer of the Company or the Dealer Manager by such SIA; provided that in each case that such claims or liabilities did not arise from SIA's own negligence, malpractice or malfeasance. This indemnity provision shall survive the termination of this Agreement.

(c) No indemnifying party shall be liable under the indemnity provisions contained in subparagraphs (a) and (b) above unless the party to be indemnified shall have notified such indemnifying party in writing promptly after the summons or other first legal process giving information of the nature of the claim served upon the party to be indemnified, but failure to notify an indemnifying party of any such claim shall not relieve it from any liabilities which it may have to the indemnified party against whom action is brought other than on account of its indemnity provision contained in subparagraphs (a) and (b) above.

In the case of any such claim, if the party to be indemnified notified the indemnifying party of the commencement thereof as aforesaid, the indemnifying party shall be entitled to participate at its own expense in the defense of such claim. If it so elects, in accordance with arrangements satisfactory to any other indemnifying party or parties similarly notified, the indemnifying party has the option to assume the

entire defense of the claim, with counsel who shall be reasonably satisfactory to such indemnified party and all other indemnified parties who are defendants in such action, unless such indemnified parties reasonably objects to such assumption on the ground that there may be legal defenses available to it which are different from or in addition to those available to such indemnifying party. Any indemnified party shall have the right to employ a separate counsel in any such action and to participate in the defense thereof but the reasonable fees and expenses of such counsel shall be borne by such party unless such party has objected in accordance with the preceding sentence, in which event such fees and expenses shall be borne by the indemnifying parties. Except as set forth in the preceding sentence, if an indemnifying party assumes the defense of such action, the indemnifying party shall not be liable for any fees and expenses of separate counsel for the indemnified parties incurred thereafter in connection with such action.

In no event shall the indemnifying parties be liable for the reasonable fees and expenses of more than one counsel for all indemnified parties in connection with any one action or separate but similar or related actions in the same jurisdiction arising out of the same general allegations or circumstances.

10. Term of Agreement.

This Agreement shall become effective on the date on which this Agreement is executed by all the parties hereto. After this Agreement becomes effective, any party may terminate it at any time for any reason by giving 30 days' prior notice to the other party; provided, however, that this Agreement shall in any event automatically terminate at the first occurrence of any of the following events:

- (a) the Registration Statement for offer and sale of the mShares shall cease to be effective;
- (b) the Offering shall be terminated; or
- (c) the SIA's license or registration to act as an investment advisor shall be revoked or suspended by any federal, self-regulatory or state agency and such revocation or suspension is not cured within ten days from the date of such occurrence.

Notwithstanding anything herein to the contrary, this Agreement shall be deemed suspended during any period for which the SIA's registration under the Investment Advisers Act is revoked or suspended or, if the SIA is not registered under the Investment Advisers Act, then under the state securities acts in the states where it does business as an investment advisor.

11. Notices.

All notices, requests, demands, approvals, consents, waivers and other communications required or permitted to be given under this Agreement (each, a "Notice") shall be in writing and shall be (a) delivered personally, (b) mailed by first-class, registered or certified mail, return receipt requested, postage prepaid, (c) sent by next-day or overnight mail or delivery, or (d) sent by facsimile transmission (provided, however, that the original copy thereof also is sent by one of the other means specified above in this Section 11):

If to the Company: Preferred Apartment Communities, Inc.
3284 Northside Parkway NW, Suite 150
Atlanta, Georgia 30327
Tel: (770) 818-4100
Fax: (770) 818-4105
Attention: Jeffrey R. Sprain, Esq.

with a copy to:

Proskauer Rose LLP
Eleven Times Square
New York, New York 10036
Facsimile No.: (212) 969-2900
Attention: Peter M. Fass, Esq.
James P. Gerkis, Esq.

If to the Dealer Manager: Preferred Capital Securities, LLC
3284 Northside Parkway NW, Suite 150
Atlanta, Georgia 30327
Tel: (470) 639-8383
Fax: (678) 705-8710
Attention: James P. Curtis

with a copy to:

Kunzman & Bollinger, Inc.
5100 N. Brookline Ave, Suite 600
Oklahoma City, Oklahoma 73112
Facsimile No.: (405) 942-3527

If sent to the SIA: To the person whose name and address are identified in Exhibit A hereto; or

to such other person or address as any party shall specify by Notice in writing to the other parties in accordance with this Section 11. Each Notice shall be deemed effective and given upon actual receipt or refusal of receipt.

12. Successors.

This Agreement shall be binding upon and inure to the benefit of the parties hereto, and shall not be assigned by the SIA, whether by contract, operation of law or otherwise.

13. Miscellaneous.

(a) This Agreement shall be construed, without regard to conflicts of law provisions, in accordance with the applicable laws of the State of Georgia.

(b) Nothing in this Agreement shall constitute the SIA as in association with or in partnership with the Dealer Manager or the Company.

(c) If any party hereto initiates any legal action arising out of or in connection with this Agreement, the prevailing party shall be entitled to recover from the other party all reasonable attorneys' fees, expert witness fees and other costs and expenses incurred by the prevailing party in connection therewith. If any party to this Agreement (the "First Party") becomes involved in a litigation, arbitration or other dispute proceeding (a "Proceeding") made or brought by any person who is not a party to this Agreement or an affiliate of a party to this Agreement and which arises out of or otherwise involves the acts or omissions of another party to this Agreement (the "Second Party"), and the First Party is dismissed from the Proceeding or otherwise found to have prevailed in the Proceeding, the Second Party shall be responsible for paying any and all costs and expenses (including without limitation reasonable attorneys' fees) incurred by the First Party in connection with defending itself in the Proceeding, including without limitation costs and expenses of investigation and expert witness fees.

(d) The terms of this Agreement may be extended to cover additional offerings of mShares or other securities of the Company by the execution by the parties hereto of an addendum identifying the mShares or other securities of the Company and registration statement relating to such additional offering. Upon execution of such addendum, the terms "mShares", "Offering", "Registration Statement" and "Prospectus" set forth herein shall be deemed to be amended as set forth in such addendum.

(e) This Agreement, including Exhibit A hereto, embodies the entire agreement and understanding, and supersedes all prior agreements and understanding (whether written or oral), among the parties hereto with respect to the subject matter hereof.

(f) No amendment to, or waiver of, any provision of this Agreement shall be deemed valid or effective unless it is in writing and signed by all the parties hereto.

(g) If any provision of this Agreement shall be deemed void, invalid or ineffective for any reason, the remainder of the Agreement shall remain in full force and effect.

(h) This Agreement may be executed (including by facsimile transmission) with counterpart signature pages or in counterpart copies, each of which shall be deemed an original but all of which together shall constitute one and the same instrument comprising this Agreement.

[Signatures on following page]

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date and year indicated on Exhibit A hereto.

Dealer Manager:

PREFERRED CAPITAL SECURITIES, LLC

By: _____

Print Name: _____

Title: _____

Witness: _____

Company:

PREFERRED APARTMENT COMMUNITIES, INC.

By: _____

Print Name: _____

Title: _____

Witness: _____

Selected Investment Advisor:

By: _____

Print Name: _____

Title: _____

Witness: _____

EXHIBIT A
TO
SELECTED INVESTMENT ADVISOR AGREEMENT
PREFERRED APARTMENT COMMUNITIES, INC.

This Exhibit A is attached to and made a part of that certain Selected Investment Advisor Agreement (the "Agreement"), among Preferred Capital Securities, LLC, Preferred Apartment Communities, Inc., and _____.

1. Date of Agreement: _____

2. Identity of Advisor: _____

Name: _____

Type of Entity: _____

(To be completed by the Advisor, e.g., corporation, limited liability company, partnership or sole proprietorship.)

State Organized in: _____

(To be completed by Advisor.)

Qualified to Do Business and in Good Standing in the Following Jurisdictions (including your state of organization). (Note: Qualification to do business in any jurisdiction is generally a requirement imposed by the secretary of state or other authority of jurisdictions in which you do business, and is not related to your holding a license as an investment advisor in such jurisdictions. Questions concerning this matter should be directed to your legal counsel.)

(To be completed by Advisor)

(a) Are you registered as an Investment Advisor with the Securities and Exchange Commission? If no, complete Section 2(b).

Yes [] No []

(b) Registered as an Investment Advisor in the following States:

(To be completed by Advisor)

3. Name and Address for Notice Purposes (see Section 11 of the Agreement):

Name: _____

Title: _____

Company: _____

Address: _____

City, State and Zip Code: _____

Telephone Number (including area code): _____

4. Please complete the following for our records:

(a) How many registered investment advisors are with your firm? _____

PLEASE ATTACH A CURRENT LIST. ALL INFORMATION WILL BE HELD IN CONFIDENCE.

(b) Does your firm publish a newsletter?

Yes [] No []

What is/are the frequency of the publication(s)?

_____ Weekly _____ Monthly _____ Quarterly

_____ Bi-weekly _____ Bi-monthly _____ Other (please specify)

PLEASE PLACE PREFERRED CAPITAL SECURITIES, LLC AND PREFERRED APARTMENT COMMUNITIES, INC. ON YOUR MAILING LIST AND PROVIDE A SAMPLE OF THE PUBLICATION IF AVAILABLE.

(c) Does your firm have regular internal mailings, or bulk package mailings to its registered investment advisors?

Yes [] No []

PLEASE PLACE PREFERRED CAPITAL SECURITIES, LLC AND PREFERRED APARTMENT COMMUNITIES, INC. ON YOUR MAILING LIST AND PROVIDE A SAMPLE OF THE PUBLICATION IF AVAILABLE.

(d) Does your firm have a computerized electronic mail (E-Mail) system for your registered investment advisors?

Yes [] No []

If so, please provide e-mail address: _____

(e) Website address: _____

Person responsible: _____