



MULTIFAMILY REALTY ADVISORS, LLC

APARTMENT BROKERS AND ADVISORS

www.mra-apartments.com

RALEIGH, NORTH CAROLINA

WILMINGTON, NORTH CAROLINA

CONFIDENTIALITY AGREEMENT AND BUYER REGISTRATION

Multifamily Realty Advisors, LLC ("MRA") has been retained as advisor and exclusive listing broker regarding the sale of certain apartment properties in North Carolina (the "Property") appearing on MRA's website at www.mra-apartments.com and specifically designated as "Property Listings". You have informed us that the undersigned person or entity is a potential buyer of multifamily properties ("Buyer") and may be interested in the purchase of the Property. MRA has prepared a confidential offering memorandum ("Offering Memorandum") for informational purposes to assist potential buyers in determining whether or not to proceed with an in-depth investigation of the Property.

Buyer has requested that MRA furnish a copy of the Offering Memorandum, which is intended solely for Buyer's use in determining whether it has an interest in acquiring the Property. The Offering Memorandum and any other written materials or oral communications relating to the Property that is or may in the future be furnished to Buyer by MRA, is of a confidential nature. This information may include, without limitation, various papers, documents, legal instruments, studies, brochures, computer output, and other materials, and any discussions or Property visitations which are conducted with or by Buyer concerning the Property (all of the aforementioned information is collectively referred to as "Evaluation Material"). In this connection, MRA is prepared to consider the furnishing of the Evaluation Material to Buyer only upon the condition that Buyer agrees to treat the Evaluation Material confidentially as hereinafter provided. Therefore, as a prerequisite to MRA furnishing this Evaluation Material to Buyer, the undersigned hereby agrees as follows:

1. All Evaluation Material furnished to Buyer by MRA or the owner of the Property ("Seller") will not be used or duplicated by Buyer for any purpose other than evaluating a possible purchase of the Property by Buyer. Therefore, Buyer agrees to keep all Evaluation Material (other than information which is a matter of public record or is provided in other sources readily available to the public other than as a result of disclosure by Buyer or a Related Party) strictly confidential; provided, however, that the Evaluation Material may be disclosed to directors, officers, and employees of Buyer, and to Buyer's outside counsel and accounting firm (all of whom are collectively referred to as "Related Parties") who, in Buyer's judgment, need to know such information for the purpose of evaluating a possible purchase of the Property. These Related Parties shall be informed by Buyer of the confidential nature of such information and shall be directed by Buyer to keep such information in the strictest confidence and to use such information only for the purpose of evaluating a possible purchase by Buyer. Buyer will promptly, upon the request of MRA or Seller, deliver to MRA or Seller all written Evaluation Material furnished to it by MRA or Seller, whether furnished before or after the date of this letter, without retaining copies thereof.
2. Buyer agrees not to make any of the Evaluation Material available, or disclose any of the contents of the Evaluation Material, or disclose either the fact that discussions or negotiations are taking place concerning a possible sale of the Property to Buyer or any of the terms, conditions, or other facts with respect to any such investment proposal, including the status thereof, to any person other than as permitted by the preceding paragraph unless: (i) such person has been identified in writing to MRA; (ii) MRA has approved in writing the disclosure of the Evaluation Material to such person; and (iii) such person has entered into a written Confidentiality Agreement with MRA the provisions of which agreement shall be substantially the same as the provisions of this Agreement. The term "person" as used in this Agreement shall be interpreted broadly to include, without limitation, any corporation, partnership, association, or individual. Buyer will direct Related Parties to whom Evaluation Material is made available not to make similar disclosures and any such disclosure shall be deemed, made by, and be the responsibility of Buyer.

3. Although MRA has endeavored to include in the Evaluation Material information that it believes to be relevant to Buyer's investigation, Buyer understands and acknowledges that neither MRA nor Seller makes any representation or warranty as to the accuracy or completeness of the Evaluation Material. The financial information and projections contained in the Evaluation Material represent estimates based on assumptions considered reasonable under the circumstances although not independently verified by MRA. MRA and Seller make no representations or warranties, express or implied, that actual results of operations will conform to such projections. Seller and MRA expressly disclaim any and all liability for representations or warranties, express or implied, contained in the Evaluation Material or for omissions from the Evaluation Material, or in any other written or oral communications transmitted or made available to Buyer. Buyer agrees that neither MRA nor Seller nor any affiliate of MRA or Seller shall have any liability to Buyer or any of its representatives or Related Parties resulting from use of or reliance upon the Evaluation Material.

4. Seller and MRA expressly reserve the right, at their sole discretion, to reject any and all expressions of interest or offers to purchase the Property from Buyer or any other person or entity and or to terminate discussions with Buyer or any other person or entity at any time with or without notice. Seller shall have no legal commitment or obligation to Buyer, or any other person or entity reviewing the Evaluation Material or making an offer to purchase the Property unless and until such purchase of the Property is approved on whatever terms deemed desirable by the necessary officers and/or the Board of Directors of Seller, a written agreement for the purchase of the Property has been fully executed, delivered and approved by Seller and its legal counsel, any conditions to Seller's obligations thereunder have been satisfied or waived, and any conditions to Buyer's obligations thereunder have, in the opinion of the Seller, been satisfied.

5. Buyer is advised that MRA is acting on behalf of Seller in connection with the sale of the Property. If Buyer is represented by a licensed real estate broker ("Buyer's Broker"), then Buyer has engaged such Buyer's Broker as its exclusive agent or advisor in connection with its negotiation for the possible acquisition of the Property. Buyer agrees that it will pay Buyer's Broker any commission, fee or other compensation to which Buyer's Broker may be entitled as a result of any proposed or actual transaction relating to the Property unless MRA has agreed in writing pursuant to a separate co-broker agreement, to pay a share of its fee to Buyer's Broker. MRA shall be under no obligation to effect such an agreement with Buyer's Broker, and Buyer's Broker acknowledges and understands that it must otherwise look solely to Buyer for payment of any such commission, fee or other compensation in connection with any transaction involving the Property. Except as otherwise provided above, neither Seller nor MRA shall be liable to any broker, finder, agent or representative of Buyer, including Buyer's Broker, for any commission, fee or other compensation relating to or arising out of the sale or potential sale of the Property. Buyer and Buyer's Broker acknowledge that they are not engaged by Seller in any manner or in any capacity.

6. Buyer acknowledges and represents that it has not had any discussion regarding the Property with any other broker or agent other than MRA or an agent/broker properly identified through this registration process and Buyer has not contracted with or otherwise engaged any other broker, finder, agent or representative in connection with Buyer's possible acquisition of the Property. Therefore, Buyer agrees to pay all brokerage commissions, finder's fees, and other compensation to which any broker, finder or other person may be entitled in connection with the sale of the Property if such claim or claims for commissions, fees or other compensation are based in whole or in part on dealings with Buyer or any of its representatives (except MRA's compensation which is payable by Seller); and Buyer agrees to indemnify and hold harmless MRA and Seller, their respective affiliates, successors, and assigns, employees, officers, and directors against and from any loss, liability or expense, including reasonable attorney's fees, arising out of any claim or claims by any broker, finder or similar agent for commissions, fees or other compensation for bringing about any sale of the Property to Buyer if such claim or claims are based in whole or in part on dealings with Buyer or any of its representatives.

7. Buyer and Buyer's Broker agree that they will not contact the Seller or any of its employees or make site visits at the Property without the prior written approval of MRA and it is hereby acknowledged that doing so would be a violation of this Confidentiality Agreement. Any and all questions relating to the Evaluation Materials or the Property and/or requests for site visits shall be directed solely to MRA.

8. This Agreement shall be governed and construed in accordance with the laws of North Carolina. Any litigation arising out of this Agreement or the transactions contemplated hereby shall be brought in the courts of North Carolina, and the parties hereto consent to the jurisdiction of such courts. This Agreement may be amended only by a written agreement signed by all parties hereto. The terms of this Agreement will apply to Buyer and any related entities and to Buyer's Broker (if applicable).

If you are in agreement with the foregoing, please indicate your acceptance of the terms and conditions hereof. If Buyer is represented by a Buyer's Broker, this Confidentiality Agreement and Buyer Registration must be completed and signed by both Buyer and Buyer's Broker and returned to MRA. Additional information and the opportunity to inspect the Property will be made available to qualified prospective buyers upon request. If you have any questions, please contact Richard Cotton at (910) 431-7986.

AGREED TO AND ACCEPTED

BY BUYER:

BY BUYER'S AGENT (IF APPLICABLE):
(Please see Paragraph 5 and 6 above)

Buyer's Name _____

Buyer's Agent _____

Company _____

Company _____

Address _____

Address _____

City _____

City _____

State, Zip _____

State, Zip _____

Phone _____

Phone _____

Email _____

Email _____

Date _____

Date _____

Signature

Signature

APPROVED AND ACCEPTED BY BROKER:

Richard R. Cotton

Date

Please email entire Agreement to: RICHARD R. COTTON
rcotton@mra-apartments.com
(910) 431-7986