

Edgar Filing: Stone Harbor Emerging Markets Income Fund - Form 40-17G/A

Stone Harbor Emerging Markets Income Fund
Form 40-17G/A
November 02, 2012
November 2, 2012

U.S. Securities and Exchange Commission

100 F Street N.E.

Washington, DC 20549

Re: Stone Harbor Emerging Markets Income Fund
Investment Company Act of 1940-Rule 17g-1(g)
Bonding of Officers and Employees
(Stone Harbor Emerging Markets Income Fund File No. 811-22473)

Dear Sir or Madam:

Pursuant to Rule 17g-1(g)(1) under the Investment Company Act of 1940, as amended (1940 Act), enclosed please find a copy of two riders to the financial institution bond (the Bond) in favor of Stone Harbor Emerging Markets Income Fund, a management investment company registered under the 1940 Act, and resolutions relating to the Bond.

The term of the Bond is December 22, 2011 through December 22, 2012, and the premium for the Bond has been paid through December 22, 2012.

Note this is a joint policy with the Stone Harbor Emerging Markets Total Income Fund. If the Fund were to maintain its own single insured bond instead of being a named insured in the joint bond, the limit of liability of such bond would have to be at least \$750,000.

Please call me at (303) 623-2577 if you have any questions.

Sincerely,

/s/ JoEllen L. Legg
JoEllen L. Legg
Assistant Secretary
Stone Harbor Emerging Markets Income Fund
Enclosures

FEDERAL INSURANCE COMPANY

Endorsement No: 4

Bond Number: 82302678

NAME OF ASSURED: STONE HARBOR EMERGING MARKETS INCOME FUND

AMEND NAME OF ASSURED ENDORSEMENT

It is agreed that NAME OF ASSURED of the DECLARATIONS for this Bond is amended to include the following:

STONE HARBOR EMERGING MARKETS INCOME FUND

STONE HARBOR EMERGING MARKETS TOTAL INCOME FUND

This Endorsement applies to loss discovered after 12:01 a.m. on August 30, 2012.

ALL OTHER TERMS AND CONDITIONS OF THIS BOND REMAIN UNCHANGED.

Date: September 21, 2012

By

Authorized Representative

ICAP Bond

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FEDERAL INSURANCE COMPANY

Endorsement No. 4

Bond Number: 82302678

NAME OF ASSURED: STONE HARBOR EMERGING MARKETS INCOME FUND

REVISE ITEM 2. ENDORSEMENT

It is agreed that this Bond is amended by deleting ITEM 2. in its entirety on the DECLARATIONS and substituting the following:

ITEM 2. LIMITS OF LIABILITY-DEDUCTIBLE AMOUNTS:

If **Not Covered** is inserted below opposite any specified INSURING CLAUSE, such INSURING CLAUSE and any other reference to such INSURING CLAUSE in this Bond shall be deemed to be deleted. **There shall be no deductible applicable to any loss under INSURING CLAUSE 1 sustained by any Investment Company.**

INSURING CLAUSE	SINGLE LOSS LIMIT OF LIABILITY	DEDUCTIBLE AMOUNT
1. Employee	\$ 1,500,000	\$ 0
2. On Premises	\$ 1,500,000	\$ 10,000
3. In Transit	\$ 1,500,000	\$ 10,000
4. Forgery or Alteration	\$ 1,500,000	\$ 10,000
5. Extended Forgery	\$ 1,500,000	\$ 10,000
6. Counterfeit Money	\$ 1,500,000	\$ 10,000
7. Threats to Person	\$ 1,500,000	\$ 10,000
8. Computer System	\$ 1,500,000	\$ 10,000
9. Voice Initiated Funds Transfer Instruction	\$ 1,500,000	\$ 10,000
10. Uncollectible Items of Deposit	\$ 1,500,000	\$ 10,000
11. Audit Expense	\$ 25,000	\$ 0

This Endorsement applies to loss discovered after 12:01 a.m. on October 24, 2012.

ALL OTHER TERMS AND CONDITIONS OF THIS BOND REMAIN UNCHANGED.

Date: October 24, 2012

By

Authorized Representative

Stone Harbor Emerging Markets Income Fund (the Fund)

Fidelity Bond Resolutions

October 17, 2012

Investment Company Blanket Bond

- VOTED: That the form, terms and provisions of the Investment Company Blanket Bond issued by Federal Insurance Company with a term of December 22, 2011 to December 22, 2012 (the Bond) naming the Fund and Stone Harbor Emerging Markets Total Income Fund as insured parties (the Insured Parties), in the form previously presented to the Board and with such changes as may be deemed necessary by the officers of the Fund, upon the advice of counsel, be and they hereby are, approved by the full Board and by a separate vote of a majority of the Trustees who are not interested persons (as that term is defined in Section 2(a)(19) of the Investment Company Act of 1940, as amended (the 1940 Act)) of the Fund (Independent Trustees).
- VOTED: That the amount of the Bond coverage is approved after consideration of all factors deemed relevant by the Board, including, but not limited to, the value of the aggregate assets of the Fund to which any covered person may have access, the amount of the premium for such bond, the type and terms of the arrangements made for the custody and safekeeping for such assets, and the nature of the securities held by the Fund.
- VOTED: That subject to the ratification of the Board, the officers of the Fund be, and hereby are, authorized to increase the amount of such bond as may be necessary to satisfy the requirements of Rule 17g-1(d) under the 1940 Act.
- VOTED: That any officer of the Fund be, and each of them hereby is, authorized, empowered and directed to make the filings and give the notices required by Rule 17g-1 under the 1940 Act, and to make any other filings necessary or advisable in connection with the Bond and to take all actions deemed necessary or advisable to carry out the intent of the foregoing resolutions.
- VOTED: That the portion of the premium to be paid by the Fund in respect of the Bond, taking all relevant factors into consideration including, but not limited to, the number of the other parties named as insured, the nature of the business activities of such other parties, the amount of the joint insured bond, and the amount of the premium for such bond, the ratable allocation of the premium among all parties named as insured, and the relationship of the share of the premium allocated to the Fund to the premium the Fund would have had to pay if it had provided and maintained a single insured bond, be and it hereby is, approved by the full Board and by a separate vote of a majority of the Independent Trustees.
- VOTED: That the form, terms and provisions of the Agreement Among Joint Insureds by and among the Insured Parties for the purpose of allocating recoveries under the Bond

in compliance with Rule 17g-1 under the 1940 Act, in substantially the form presented to the Board, and with such changes as may be deemed necessary or appropriate by the officers of the Fund, upon the advice of counsel, be, and they hereby are, approved by the full Board, and by a separate vote of a majority of the Independent Trustees; and that the President, any Vice President, the Treasurer, any Assistant Treasurer, the Secretary and any Assistant Secretary of the Fund be, and each of them acting singly hereby is, authorized, in the name and on behalf of the Fund, to execute and to deliver such Agreement in substantially the form presented to the Board, with such changes as the officer or officers so acting may deem necessary or desirable, the execution and delivery thereof to be conclusive evidence of its authorization hereby.

AGREEMENT AMONG JOINT INSUREDS

THIS AGREEMENT made as of October 17, 2012 between Stone Harbor Emerging Markets Income Fund and Stone Harbor Emerging Markets Total Income Fund (each, a Fund and together, the Funds).

WHEREAS, Stone Harbor Investment Partners LP (Stone Harbor) serves as the investment adviser for the Funds (Stone Harbor and any other advisory firm that is an affiliate of Stone Harbor, an Affiliated Manager);

WHEREAS, the Funds are named as insureds under a joint Investment Company Blanket Bond (the Bond) issued by Federal Insurance Company (the Insurer);

WHEREAS, the Funds desire to establish (i) the basis on which additional investment companies for which an Affiliated Manager may hereafter act as investment adviser may be added as named insureds under the Bond, and (ii) the criteria by which recoveries under the Bond shall be allocated among the parties;

NOW, THEREFORE, it is agreed as follows:

1. If the Insurer is willing without additional premium to add, as an insured under the Bond, any investment company not listed at the head of this agreement for which an Affiliated Manager hereafter is investment adviser, which may be included in the Bond pursuant to Rule 17g-1(b) under the Investment Company Act of 1940, as amended, and the rules and regulations thereunder (the Act), the Funds agree (a) that such addition may be made, provided that those trustees of each Fund who are not interested persons of such Fund shall approve such addition, and (b) that such investment company may become a party to this agreement and be included within the terms Trust, Fund, or party, provided that in each case such investment company shall have executed and delivered to the Funds its written agreement to become a party hereto and to be bound by the terms of this Agreement.
2. In the event that the claims of loss of two or more insureds under the Bond are so related that the Insurer is entitled to assert that the claims must be aggregated, each Fund shall receive an equitable and proportionate share of the recovery, but at least equal to the amount it would have received had it provided and maintained a single insured bond with the minimum coverage required under Rule 17g-1 under the Act.
3. A copy of the Agreement and Declaration of Trust or Trust Instrument of each Fund is on file with the Secretary of State of the state or commonwealth in which such Fund was organized, and notice is hereby given that this instrument is executed on behalf of the Trustees of each Fund as Trustees and not individually and that the obligations under this instrument are not binding upon any of the Trustees or holders of shares of beneficial interest of any Fund individually but are binding only upon the respective assets and property of each Fund.
4. This Agreement may be executed in two or more counterparts, all of which taken together shall be deemed one and the same instrument.

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IN WITNESS WHEREOF the parties have caused these presents to be executed by their officers hereunto duly authorized all as of the day and year first above written.

STONE HARBOR EMERGING MARKETS INCOME FUND

By: /s/ Jeffrey S. Scott
Name: Jeffrey S. Scott
Title: CCO

STONE HARBOR EMERGING MARKETS TOTAL INCOME FUND

By: /s/ Adam J. Shapiro
Name: Adam J. Shapiro
Title: Secretary

r and to any affiliate of our advisor by third parties doing business with us;

our total operating expenses, stated as a percentage of the average invested assets and as a percentage of net income;

a report from the independent directors that the policies, objectives and strategies we follow are in the best interests of our stockholders and the basis for such determination; and

separately stated, full disclosure of all material terms, factors and circumstances surrounding any and all transactions involving us, our directors, our advisor and any of their affiliates occurring in the year for which the annual report is made. Independent directors are specifically charged with the duty to examine and comment in the report on the fairness of such transactions.

It is the duty of our directors, including the independent directors, to take reasonable steps to insure that the foregoing requirements are met.

Within 60 days following the end of any calendar quarter during the period of the offering in which we have closed an acquisition of a property, we will submit a report to each stockholder containing:

the location and a description of the general character of the property acquired during the quarter;

the present or proposed use of the property and its suitability and adequacy for that use;

the terms of any material leases affecting the property;

the proposed method of financing, if any, including estimated down payment, leverage ratio, prepaid interest, balloon payment(s), prepayment penalties, due-on-sale or encumbrance clauses and possible adverse effects thereof and similar details of the proposed financing plan; and

a statement that title insurance has been or will be obtained on the property acquired.

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In addition, while this offering is pending, if we believe that a reasonable probability exists that we will acquire a property or group of properties, this prospectus will be supplemented to disclose the probability of acquiring such property or group of properties. A supplement to this prospectus will describe any improvements proposed to be constructed thereon and other information that we consider appropriate for an understanding of the transaction. Further data will be made available after any pending acquisition is consummated, also by means of a supplement to this prospectus, if appropriate. Note that the disclosure of any proposed acquisition cannot be relied upon as an assurance that we will ultimately consummate such acquisition or that the information provided concerning the proposed acquisition will not change between the date of the supplement and any actual purchase.

Within 90 days following the close of each of our fiscal years, each stockholder that is an ERISA Plan will be furnished with an annual statement of share valuation to enable it to file annual reports required by ERISA as they relate to its investment in us. For any period during which we are making a public offering of shares, the statement will report an estimated value of each share at the then public offering price per share. If no public offering is ongoing, and until we list the shares of our common stock on a national securities exchange, no later than 18 months after the closing of the offering, we will provide a statement that will report an estimated value of each share, based on (i) appraisal updates performed by us based on a review of the existing appraisal and lease of each property, focusing on a re-examination of the capitalization rate applied to the rental stream to be derived from that property, (ii) and a review of the outstanding loans and other investments, focusing on a determination of present value by a re-examination of the capitalization rate applied to the stream of payments due under the terms of each loan. We may elect to deliver such reports to all stockholders. Stockholders will not be forwarded copies of appraisals or updates. In providing such reports to stockholders, neither we nor our affiliates thereby make any warranty, guarantee or representation that (i) we or our stockholders, upon liquidation, will actually realize the estimated value per share or (ii) our stockholders will realize the estimated net asset value if they attempt to sell their shares.

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The accountants we regularly retain will prepare our U.S. federal tax return and any applicable state income tax returns. We will submit appropriate tax information to the stockholders within 30 days following the end of each of our fiscal years. We will not provide a specific reconciliation between GAAP and our income tax information to the stockholders. However, the reconciling information will be available in our office for inspection and review by any interested stockholder. Annually, at the same time as the dissemination of appropriate tax information (including a Form 1099) to stockholders, we will provide each stockholder with an individualized report on his or her investment, including the purchase date(s), purchase price(s), and number of shares owned, as well as the dates and amounts of distributions received during the prior fiscal year. The individualized statement to stockholders will include any purchases of shares under the distribution reinvestment program. Stockholders requiring individualized reports on a more frequent basis may request these reports. We will make every reasonable effort to supply more frequent reports, as requested, but we may, at our sole discretion, require payment of an administrative charge either directly by the stockholder, or through pre-authorized deductions from distributions payable to the stockholder making the request.

We may deliver to the stockholders each of the reports discussed in this section, as well as any other communications that we may provide them with, by e-mail or by any other means.

LITIGATION

We are not subject to any material pending legal proceedings.

RELATIONSHIPS AND RELATED TRANSACTIONS

Our advisor has purchased 20,000 shares of our common stock for \$10.00 per share in connection with our organization. Our advisor also made a capital contribution of \$2,000 to our operating partnership in exchange for 200 limited partnership units of the operating partnership. The 200 limited partnership units received by our advisor may be exchanged, at its option, for 200 shares identical to those being offered pursuant to the prospectus included in this registration statement, subject to our option to pay cash in lieu of such shares. No selling commission or other consideration was paid in connection with such sales, which were consummated without registration under the Securities Act, in reliance upon the exemption from registration in Section 4(2) of the Securities Act because the transactions did not involve any public offering. Resales of our common stock by our advisor are subject to Rule 144. Generally, a person (or persons whose shares are aggregated) who is deemed to be an affiliate (such as our advisor) and who has beneficially owned restricted securities within the meaning of Rule 144 for at least six months would be entitled to sell within any three-month period a number of shares that does not exceed the greater of 1% of the then outstanding shares of common stock or the average weekly trading volume of common stock during the four calendar weeks preceding such sale. As a result, our advisor is subject to limitations on the amount of our securities that it may resell. Such sales are also subject to certain manner of sale provisions (which provide that securities must be sold in unsolicited brokers' transactions or in transactions directly with a market maker), notice requirements (which provide that notice of a sale on Form 144 must be filed at the time the order to sell is placed with the broker or the securities are sold to a market maker) and the availability of current public information about us (which requires that we are current in our periodic reports under the Exchange Act).

Since our inception through December 31, 2010, we made five separate short term loans to Empire American Holdings, LLC in the principal aggregate amount of \$1,185,000. These loans had an average interest rate of 5.8% and were made to pay for certain expenses in connection with our organization and offering while maintaining our minimum capitalization of \$200,000. Each of these loans was timely repaid by during the period through December 31, 2010.

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We have entered into agreements to pay our advisor, our property manager, our dealer manager and their affiliates fees or other compensation for providing services to us, as more fully described in Compensation Table. See the section of this prospectus titled Operating Partnership Agreement for information about the partnership agreement among us, our advisor and RAIT NTR Holdings, LLC.

Our sponsor contributed to us six multifamily properties that meet the characteristics of the properties we seek to acquire, in exchange for our assumption of the indebtedness associated with those properties and limited partner interests in our operating partnership. See Initial Portfolio.

LEGAL MATTERS

Alston & Bird LLP has passed upon the legal matters in connection with our status as a REIT for U.S. federal income tax purposes. Alston & Bird LLP does not purport to represent our stockholders or potential investors, who should consult their own counsel. Alston & Bird LLP also provides legal services to our sponsor, advisor and their affiliates.

Alston & Bird LLP has reviewed the statements in the section of the prospectus titled Certain Material U.S. Federal Income Tax Considerations and elsewhere as they relate to U.S. federal income tax matters and the statements in the section in the prospectus titled ERISA Considerations.

Venable LLP has passed upon the legality of the common stock and certain matters of Maryland law in connection with our organization. Venable LLP does not purport to represent our stockholders or potential investors, who should consult their own counsel.

EXPERTS

The financial statements of Independence Realty Trust, Inc. included in this prospectus and elsewhere in the registration statement have been so included in reliance upon the report of Grant Thornton LLP, independent registered public accountants, upon the authority of said firm as experts in accounting and auditing in giving said report.

The audited combining statements of revenue and certain expenses for the years ended December 31, 2010 and 2009 and for the period from October 8, 2008 to December 31, 2008 of the Initial Portfolio included in this registration statement have been so included in reliance upon the report of Grant Thornton LLP, independent certified public accountants, upon the authority of said firm as experts in accounting and auditing in giving said report.

WHERE YOU CAN FIND ADDITIONAL INFORMATION

We have filed a registration statement on Form S-11 with the SEC in connection with this offering. This prospectus is part of the registration statement and does not contain all of the information included in the registration statement and all of its exhibits, certificates and schedules. Whenever a reference is made in this prospectus to any contract or other document of ours, the reference may not be complete and you should refer to the exhibits that are a part of the registration statement for a copy of the contract or document.

You may read and copy our registration statement and all of its exhibits and schedules which we have filed with the SEC, any of which may be inspected and copied at the Public Reference Room at 100 F. Street, N.E., Washington, D.C. 20549. This material, as well as copies of all other documents filed with the SEC, may be obtained from the Public Reference Section of the SEC, 100 F. Street, N.E., Washington D.C. 20549 upon payment of the fee prescribed by the SEC. The public may obtain information on the operation of the Public Reference Room by calling the SEC at 1-800-SEC-0330. The SEC maintains a web site that contains reports, proxies, information statements and other information regarding registrants that file electronically with the SEC, including us. The address of this website is <http://www.sec.gov>.

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	As of March 31, 2011	As of December 31, 2010
ASSETS:		
Cash	\$ 151,759	\$ 209,425
Related party receivable	4,457	
Total assets	\$ 156,216	\$ 209,425
LIABILITIES AND EQUITY:		
Related party payable	\$	\$ 1,000
Accounts payable and accrued expense	11,275	300
Income taxes payable	1,203	1,203
Total liabilities	12,478	2,503
Equity:		
Stockholder's equity:		
Preferred stock, \$0.01 par value; 50,000,000 shares authorized, no shares issued and outstanding		
Common stock, \$0.01 par value; 300,000,000 shares authorized, 20,000 shares issued and outstanding	200	200
Additional paid-in capital	199,800	199,800
Retained earnings (deficit)	(58,262)	4,922
Total stockholder's equity	141,738	204,922
Non-controlling interest	2,000	2,000
Total equity	143,738	206,922
Total liabilities and equity	\$ 156,216	\$ 209,425

The accompanying notes are an integral part of these consolidated financial statements.

Table of Contents**Independence Realty Trust, Inc. and Subsidiary****(A Development Stage Company)****Consolidated Statements of Operations****(Unaudited)**

	For the three months ended March 31,		Period from March 26,
	2011	2010	2009 (date of inception) through March 31, 2011
REVENUE:			
Interest income	\$	\$ 2,639	\$ 7,596
Total revenue		2,639	7,596
EXPENSES:			
Audit and professional fees	31,634		31,634
Trustee fees	25,000		25,000
Acquisition expenses	5,947		5,947
Filing fees	605		1,345
Total expenses	63,186		63,926
Operating income (loss)	(63,186)	2,639	(56,330)
Interest and other income	2		2
Income (loss) before taxes	(63,184)		(56,328)
Income tax provision		(125)	(1,934)
Net income (loss) allocable to common shares	\$ (63,184)	\$ 2,514	\$ (58,262)
Earnings (loss) Per Share:			
Basic	\$ (3.16)	\$ 0.13	\$ (2.91)
Diluted	\$ (3.16)	\$ 0.13	\$ (2.91)
Weighted-Average Shares:			
Basic	20,000	20,000	20,000
Diluted	20,000	20,000	20,000

The accompanying notes are an integral part of these consolidated financial statements.

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Independence Realty Trust, Inc. and Subsidiary
(A Development Stage Company)
Consolidated Statement of Cash Flows
For the Three Months Ended March 31, 2011 and 2010
(Unaudited)

	For the three months ended March 31,		Period from March 26,
	2011	2010	2009 (date of inception) through March 31, 2011
Cash flows from operating activities:			
Net income (loss)	\$ (63,184)	\$ 2,514	\$ (58,262)
Changes in assets and liabilities:			
Related party receivable and payable, net	(5,457)	(2,639)	(4,457)
Accounts payable and accrued expense	10,975		11,275
Income taxes payable		125	1,203
Net cash provided by operating activities	(57,666)		(50,241)
Cash flows from financing activities:			
Proceeds from repayment of short-term notes			1,185,000
Issuance of short-term notes		(200,000)	(1,185,000)
Proceeds from subscriptions			1,130,000
Refund of subscription proceeds			(1,130,000)
Proceeds from issuance of non-controlling interests			2,000
Proceeds from issuance of common stock			200,000
Net cash provided by financing activities		(200,000)	202,000
Net change in cash and cash equivalents	(57,666)	(200,000)	151,759
Cash and cash equivalents, beginning of period	209,425	205,667	
Cash and cash equivalents, end of period	\$ 151,759	\$ 5,667	\$ 151,759

The accompanying notes are an integral part of these consolidated financial statements.

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Independence Realty Trust, Inc. and Subsidiary

(A Development Stage Company)

Notes to Consolidated Financial Statements

As of March 31, 2011

(Unaudited)

NOTE 1: Organization

Independence Realty Trust, Inc. was formed on March 26, 2009 as a Maryland corporation that intends to qualify and elect to be taxed as a real estate investment trust, or REIT, beginning with the taxable year ending December 31, 2011. References to we, us and our refer to Independence Realty Trust, Inc. and its subsidiary, unless the context requires otherwise. We intend to offer a minimum of \$2,500,000 in shares and a maximum of \$1,000,000,000 in shares of common stock for sale to the public at a price of \$10 per share (exclusive of the 10,000,000 shares available pursuant to our distribution reinvestment program and a maximum of 1,000,000 shares reserved for issuance under our Employee and Director Incentive Restricted Share Plan), which we refer to as our offering. We intend to use substantially all of the net proceeds from our offering to acquire a diverse portfolio of multifamily properties located throughout the United States.

We sold 20,000 common shares to Independence Realty Advisors, LLC, or our advisor, on April 30, 2009, for \$10 per share. We invested the proceeds from this sale in the partnership units of Independence Realty Operating Partnership, LP, or our operating partnership, and as a result, we hold a 99.01% interest in our operating partnership. Our operating partnership is our sole subsidiary. Our advisor contributed \$2,000 to our operating partnership in exchange for 200 limited partner units in our operating partnership. On January 20, 2011, our advisor and other entities affiliated with us were acquired by an affiliate of RAIT Financial Trust (NYSE: RAS), or our sponsor, for approximately \$2.3 million. On January 20, 2011, our advisor transferred all of its interests in our operating partnership to RAIT NTR Holdings, LLC, a Delaware limited liability company and an indirect, wholly-owned subsidiary of our sponsor. The holders of the limited partner units have the right to redeem these units for cash in an amount equal to the value of an equivalent number of our common shares, or, at our option, we may purchase such units for cash or by issuing an equal number of our common shares, as permitted by the limited partnership agreement of our operating partnership. We have not commenced operations and, therefore, are in the development stage.

Subject to certain restrictions and limitations, we are externally managed by our advisor pursuant to an advisory agreement. We intend to use substantially all of the net proceeds from our offering to acquire a diversified portfolio of real estate. Independence Realty Management, LLC, or our property manager, will provide property management services to our multifamily portfolio under the terms of a management agreement, including services in connection with the rental, leasing, operation and management of our properties.

We have retained Independence Realty Securities, LLC, or our dealer manager, to serve as the dealer manager of our offering. Our dealer manager is responsible for marketing our common shares. Our advisor and our dealer manager are indirectly owned and controlled by our sponsor and are our affiliates. Our advisor and our dealer manager, each of which is considered to be a related party, will receive compensation and fees for services related to our offering or for the investment and management of our assets. The compensation levels during our offering, acquisition and operational stages are based on percentages of offering proceeds, the cost of properties acquired and the annual revenue earned from such properties, respectively.

NOTE 2: Summary of Significant Accounting Policies

a. Basis of Presentation

The accompanying unaudited interim consolidated financial statements have been prepared by management in accordance with U.S. generally accepted accounting principles, or GAAP. Certain information and footnote disclosures normally included in annual consolidated financial statements prepared in accordance with GAAP have been condensed or omitted pursuant to such rules and regulations, although we believe that the included disclosures are adequate to make the information presented not misleading. The unaudited interim consolidated financial statements should be read in conjunction with our audited financial statements as of and for the year ended

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Independence Realty Trust, Inc. and Subsidiary

(A Development Stage Company)

Notes to Consolidated Financial Statements

As of March 31, 2011

(Unaudited)

December 31, 2010 included in our Annual Report on Form 10-K. In the opinion of management, all adjustments, consisting only of normal recurring adjustments, necessary to present fairly our consolidated financial position and consolidated results of operations and cash flows are included. The results of operations for the interim periods presented are not necessarily indicative of the results for the full year.

b. Principles of Consolidation

The consolidated financial statements reflect our accounts and the accounts of our operating partnership. All intercompany accounts and transactions have been eliminated in consolidation.

c. Use of Estimates

The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting periods. Actual results could differ from those estimates.

d. Development Stage Company and Organization and Offering Costs

We comply with the reporting requirements of development stage enterprises. We expect to incur organizational, accounting and offering costs in pursuit of our financing. The offering and organization costs, which are primarily being incurred by our advisor, will be paid or reimbursed by us with offering proceeds. There can be no assurance that our plans will be successful.

Our advisor may advance or reimburse all of the organization and offering costs incurred on our behalf. These costs are not included in our consolidated financial statements because such costs are not a liability of ours until the subscriptions for the minimum number of our common shares are received and accepted. Organization and offering costs include items such as legal and accounting fees, marketing, promotional and printing costs. All organization and offering costs will be recorded as a reduction of additional paid-in-capital when incurred. Our advisor has incurred \$2,553,570 of organization and offering costs from our date of inception through March 31, 2011.

e. Revenue Recognition

Minimum rents will be recognized on an accrual basis, over the terms of the related leases on a straight-line basis. The capitalized above-market lease values and the capitalized below-market lease values will be amortized as an adjustment to rental income over the lease term. Recoveries from residential tenants for utility costs will be recognized as revenue in the period that the applicable costs are incurred.

f. Accounts Receivable and Allowance for Bad Debts

We will make estimates of the collectability of our accounts receivable related to base rents, expense reimbursements and other revenue. We will analyze accounts receivable and historical bad debt levels, tenant credit worthiness and current economic trends when evaluating the adequacy of the allowance for doubtful accounts. In addition, tenants experiencing financial difficulties will be analyzed and estimates will be made in connection with expected uncollectible receivables. Our reported operating results will be directly affected by management's estimate of the collectability of accounts receivable.

g. Investments in Real Estate

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Allocation of Purchase Price of Acquired Assets

We will account for acquisitions of properties in accordance with FASB ASC Topic 805, *Business Combinations*. The fair value of the real estate acquired will be allocated to the acquired tangible assets, consisting of land, building and tenant improvements, and identified intangible assets and liabilities, consisting of the value of above-market and below-market leases for acquired in-place leases and the value of tenant relationships, based in each case on their fair values. Purchase accounting will be applied to assets and liabilities related to real estate entities acquired. Transaction costs and fees incurred related to acquisitions will be expensed as incurred. Transaction costs and fees incurred related to the acquisition of a joint venture interest, accounted for under the equity method of accounting, will be capitalized as part of the cost of the investment.

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Independence Realty Trust, Inc. and Subsidiary

(A Development Stage Company)

Notes to Consolidated Financial Statements

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(Unaudited)

Upon the acquisition of real estate operating properties, we will estimate the fair value of acquired tangible assets (consisting of land, building and improvements) and identified intangible assets and liabilities (consisting of above and below-market leases, in-place leases and tenant relationships), and assumed debt at the date of acquisition, based on evaluation of information and estimates available at that date. Based on these estimates, we will allocate the initial purchase price to the applicable assets and liabilities. As final information regarding fair value of the assets acquired and liabilities assumed is received and estimates are refined, appropriate adjustments will be made to the purchase price allocation, in no case later than within twelve months of the acquisition date.

In determining the fair value of the identified intangible assets and liabilities of an acquired property, above-market and below-market in-place lease values will be recorded based on the present value (using an interest rate which reflects the risks associated with the leases acquired) of the differences between (i) the contractual amounts to be paid pursuant to the in-place leases and (ii) management's estimate of fair market lease rates for the corresponding in-place leases, measured over a period equal to the remaining term of the lease. The capitalized above-market lease values and the capitalized below-market lease values will be amortized as an adjustment to rental income over the lease term.

The aggregate value of in-place leases will be determined by evaluating various factors, including an estimate of carrying costs during the expected lease-up periods, current market conditions and similar leases. In estimating carrying costs, management includes real estate taxes, insurance and other operating expenses, and estimates of lost rental revenue during the expected lease-up periods based on current market demand. Management also estimates costs to execute similar leases including leasing commissions, legal and other related costs. The value assigned to this intangible asset will be amortized over the remaining lease terms.

Impairment of Long-Lived Assets

Management will evaluate the recoverability of its investment in real estate assets, including related identifiable intangible assets, in accordance with FASB ASC Topic 360, *Property, Plant and Equipment*. This statement requires that long-lived assets be reviewed for impairment whenever events or changes in circumstances indicate that recoverability of the assets is not assured.

Management will evaluate the long-lived assets on an ongoing basis and will record an impairment charge when there is an indicator of impairment with the undiscounted projected cash flows are less than the carrying amount for a particular property. The estimated cash flows used for the impairment analysis and the determination of estimated fair value are based on our plans for the respective assets and our views of market and economic conditions. The estimates consider matters such as current and historical rental rates, occupancies for the respective properties and comparable properties, and recent sales data for comparable properties. Changes in estimated future cash flows due to changes in our plans or views of market and economic conditions could result in recognition of impairment losses, which, under the applicable accounting guidance, could be substantial.

Depreciation and Amortization

Depreciation expense for real estate assets will be computed using a straight-line method based on a life of 30 years for buildings and improvements and five to ten years for equipment and fixtures. Expenditures for tenant improvements will be capitalized and amortized over the initial term of each lease.

h. Deferred Costs

We will capitalize initial direct costs in accordance with FASB ASC Topic 310, *Receivables*. The costs will be capitalized upon the execution of the loan or lease and amortized over the initial term of the corresponding loan or lease. Amortization of deferred loan costs begins in the period

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during which the loan was originated. Deferred leasing costs are not amortized to expense until the date the tenant's lease obligation begins.

i. Income Taxes

We expect that we will qualify and elect to be taxed as REIT beginning with the taxable year ending December 31, 2011. For the three months ended March 31, 2010, we recorded income tax expense of \$125. For the period from March 26, 2009 (date of inception) through March 31, 2011, we recorded income tax expense of \$1,934.

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Independence Realty Trust, Inc. and Subsidiary

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(Unaudited)

To qualify and maintain our status as a REIT, we must meet certain organizational and operational requirements, including a requirement to distribute at least 90% of our ordinary taxable income to stockholders. As a REIT, we generally will not be subject to federal income tax on taxable income that we distribute to our stockholders. If we fail to qualify as a REIT in any taxable year, we will be subject to federal income taxes on our taxable income at regular corporate rates and will not be permitted to qualify for treatment as a REIT for federal income tax purposes for four years following the year during which qualification is lost unless the Internal Revenue Service grants us relief under certain statutory provisions. Such an event could materially adversely affect our net income and net cash available for distribution to stockholders, however, we believe that we will be organized and operate in such a manner as to qualify and maintain treatment as a REIT and intend to operate in such a manner so that we will qualify and remain qualified as a REIT for federal income tax purposes.

j. Financial Instruments

The carrying amounts of cash, related party payable, net, accrued expense and income taxes payable, approximate its fair value because of the short maturity of these instruments.

k. Earnings Per Share

Earnings per share is computed in accordance with FASB ASC Topic 260, Earnings per Share, by dividing the net income by the weighted average number of common shares outstanding during the respective period.

NOTE 3: Equity Compensation Plans

We have adopted an Employee and Director Incentive Restricted Share Plan to provide for grants of awards to our directors, officers and full-time employees (in the event we ever have employees), full-time employees of our advisor and its affiliates, full-time employees of entities that provide services to our advisor, directors of our advisor or of entities that provide services to it, certain of our consultants and certain consultants to our advisor and its affiliates or to entities that provide services to our advisor. Such awards shall consist of restricted shares of our common stock.

Restricted share awards entitle the recipient to shares of our common stock under terms that may provide for vesting over a specified period of time or upon attainment of pre-established performance objectives. Such awards would typically be forfeited with respect to the unvested shares upon the termination of the recipient's employment or other relationship with us. Restricted shares may not, in general, be sold or otherwise transferred until restrictions are removed and the shares have vested. Holders of restricted shares may receive cash dividends prior to the time that the restrictions on the restricted shares have lapsed. Any dividends payable in common shares shall be subject to the same restrictions as the underlying restricted shares.

We will account for stock-based compensation in accordance with FASB ASC Topic 718, Compensation - Stock Compensation. Under the fair value recognition provisions of this statement, stock-based compensation cost is measured at the grant date based on the fair value of the award and is recognized as expense of the requisite service period, which is the vesting period. We have not granted any stock-based compensation to date. Stock-based compensation will be classified within general and administrative expense in the consolidated statements of operations. As stock-based compensation expense recognized in the consolidated statement of operations will be based on awards ultimately expected to vest, the amount of expense will be reduced for estimated forfeitures. Forfeitures will be estimated at the time of grant and revised, if necessary, in subsequent periods if actual forfeitures differ from those estimates. Forfeitures will be estimated on experience of other companies in the same industry until entity-specific information is available.

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Distribution Reinvestment Program

We have adopted a distribution reinvestment program, or the DRP, through which our stockholders may elect to reinvest an amount equal to the distributions declared on their shares of common stock in additional shares in lieu of receiving cash distributions. No selling commissions or dealer manager fees will be paid on shares sold under the DRP. Our board of directors may amend or terminate the DRP for any reason, provided that any amendment that adversely affects the rights or obligations of a participant shall only take effect upon ten days' written notice to participants.

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(A Development Stage Company)

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(Unaudited)

Share Repurchase Plan

Our board of directors has approved a share repurchase plan which allows for share repurchases when certain criteria are met. Share repurchases will be made at the sole discretion of our board of directors.

NOTE 4: Related Party Transactions and Arrangements

On April 6, 2011, we terminated our management agreement with Independence Realty Management, LLC and our board of directors approved a new management agreement with Jupiter Communities, LLC, or Jupiter, our new property manager. In addition, on April 7, 2011, we executed an amended and restated advisory agreement with our advisor and a new dealer manager agreement with our dealer manager. These agreements will entitle our advisor and its affiliates to specified fees upon the provision of certain services with regard to our offering and the investment of proceeds in real estate assets, among other services, as well as reimbursement of organization and offering costs incurred by our advisor and our dealer manager on behalf of us and certain costs incurred by our advisor in providing services to us. A summary of these fees and reimbursement obligations are as follows:

Type of Compensation	Determination of Amount
	<i>Offering Stage</i>
Selling Commissions	Payable to our dealer manager up to 7% of gross offering proceeds before reallowance of commissions earned by participating broker-dealers. Our dealer manager intends to reallow all or a portion of commissions earned for those transactions that involve participating broker dealers.
Dealer Manager Fee	Payable to our dealer manager up to 3% of gross offering proceeds before reallowance to participating broker-dealers. Our dealer manager, in its sole discretion, may reallow a portion of its dealer manager fee of up to 1.5% of the gross offering proceeds to be paid to such participating broker-dealers.
Organization and Offering Expenses	We will pay our advisor up to 1% of the gross offering proceeds for organizational and offering expenses (other than dealer manager fees and selling commissions). We currently estimate that \$7,261,880 of organizational and offering expenses will be incurred if the maximum offering is achieved. Our advisor and its affiliates are responsible for the payment of organization and offering expenses, other than selling commissions and the dealer manager fee, to the extent they exceed 1% of gross offering proceeds, without recourse against or reimbursement by us; provided, however, that in no event will we pay or reimburse organization and offering expenses (including dealer manager fees and selling commissions) in excess of 15% of the gross offering proceeds.
	<i>Operational Stage</i>
Acquisition Fees	None.
Acquisition Expenses	Expenses reimbursed to our advisor incurred in connection with the purchase of an asset. We have assumed that acquisition expenses will equal approximately 0.5% of the contract purchase price. The acquisition fees and expenses for any particular asset, including amounts payable to affiliates, will not exceed, in the aggregate, 6% of the contract purchase price (including any mortgage assumed) of the asset. Our advisor will be paid acquisition expenses and we will reimburse our advisor for acquisition expenses only to the extent

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that acquisition fees and acquisition expenses collectively do not exceed 6% of the contract price of our assets.

Asset Management Fees

Payable to our advisor in the amount of 0.75% of average invested assets. Average invested assets means the average of the aggregate book value of our assets invested in interests in, and loans secured by, real estate before reserves for depreciation or bad debt or other similar non-cash reserves. We will compute the average invested assets by taking the average of these book values at the end of each month during the quarter for which we are calculating the fee. The fee will be payable quarterly in an amount equal to 0.1875% of average invested assets as of the last day of such quarter. We will also reimburse our advisor for expenses that it pays on our behalf.

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Independence Realty Trust, Inc. and Subsidiary

(A Development Stage Company)

Notes to Consolidated Financial Statements

As of March 31, 2011

(Unaudited)

Type of Compensation	Determination of Amount
Property Management and Leasing Fees	We intend to enter into management agreements with our property manager on a property-by-property basis, pursuant to which we will pay a property management fee in an amount up to 4% of the gross revenues. Additionally, we may pay our property manager a separate fee for the one-time initial rent-up or leasing-up of newly constructed properties in an amount not to exceed the fee customarily charged in arm's length transactions by others rendering similar services in the same geographic area for similar properties as determined by a survey of brokers and agents in such area.
Operating Expenses	We will reimburse our advisor for all expenses paid or incurred by our advisor in connection with the services provided to us, subject to the limitation that we will not reimburse our advisor for any amount by which our operating expenses (including the asset management fee and the financing coordination fee) at the end of the four preceding fiscal quarters (commencing on the fourth fiscal quarter after we make our first investment) exceeds the greater of: (A) 2% of our average invested assets, or (B) 25% of our net income determined without reduction for any additions to reserves for depreciation, bad debts or other similar non-cash reserves and excluding any gain from the sale of our assets for that period. Notwithstanding the above, we may reimburse our advisor for expenses in excess of this limitation if a majority of the independent directors determines that such excess expenses are justified based on unusual and non-recurring factors. We will not reimburse our advisor or its affiliates for personnel employment costs incurred by our advisor or its affiliates in performing services under the advisory agreement to the extent that such employees perform services for which the advisor receives a separate fee.
Financing Coordination Fee	If our advisor provides services in connection with the refinancing of any debt that we obtain, we will pay the advisor a financing coordination fee equal to 1% of the amount available and/or outstanding under such financing, subject to certain limitations. We will not pay a financing coordination fee in connection with debt provided by our sponsor. The services our advisor may perform include, without limitation, searching for lenders in connection with a proposed refinancing and negotiating the terms of any proposed refinancing with such lenders. Our advisor may reallocate some or all of this fee to reimburse third parties that it retains to procure any such refinancing.
<i>Liquidation Distributions</i>	
Disposition Fee	We may pay our advisor a commission upon the sale of one or more of our properties in an amount equal to the lesser of (a) one-half of the commission that would be reasonable, customary and competitive in light of the size, type and location of the asset or (b) 1% of the sale price of the asset. Payment of such fee may be made only if the advisor provides a substantial amount of services in connection with the sale of the asset. In addition, the amount paid when added to all other commissions paid to unaffiliated parties in connection with such sale shall not exceed the lesser of the commission that would be reasonable, customary and competitive in light of the size, type and location of the asset or an amount equal to 6% of the sale price of such asset.
Subordinated Participation in Net Sale Proceeds	After investors have received a return of their capital contributions invested and a 7% annual cumulative, non-compounded return, then RAIT NTR Holdings, LLC as holder of the special units is entitled to receive 10% of the remaining net sale proceeds.
Subordinated Participation Upon a Listing	Upon listing our common stock on a national securities exchange, RAIT NTR Holdings, LLC as holder of the special units is entitled to a fee based on the redemption of the special units equal to 10% of the amount, if any, by which (a) the market value of our outstanding stock plus distributions paid by us prior to listing, exceeds (b) the aggregate remaining capital contributed by investors plus an amount equal to a 7% annual

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cumulative, non-compounded return to investors on their aggregate capital contributed. We have no intent to list our shares at this time.

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Independence Realty Trust, Inc. and Subsidiary

(A Development Stage Company)

Notes to Consolidated Financial Statements

As of March 31, 2011

(Unaudited)

Type of Compensation	Determination of Amount
Subordinated Participation Upon a Termination of Advisory Agreement	Upon termination of the advisory agreement, RAIT NTR Holdings, LLC as holder of the special units will be entitled to a subordinated participation payable in the form of an interest bearing promissory note. The subordinated participation, if any, will be equal to 10% of the amount, if any, by which (1) the appraised value of our assets on the termination date, less any indebtedness secured by such assets, plus total distributions paid through the termination date, less any amounts distributable as of the termination date to limited partners who received units in the operating partnership in connection with the acquisition of any assets upon the liquidation or sale of such assets (assuming the liquidation or sale of such assets on the termination date) exceeds (2) the sum of the total amount of capital raised from stockholders (less amounts paid to repurchase shares of our common stock pursuant to our share repurchase plan) and the total amount of cash that, if distributed to them as of the termination date, would have provided them a 7% annual cumulative, pre-tax, non-compounded return on the gross proceeds from the sale of shares of our common stock through the termination date. The subordinated participation will be payable solely from the net proceeds from the sale of properties.

During the three months ended March 31, 2010, we made a short-term loan, bearing a weighted-average interest rate of 5.6%, to our former sponsor in the aggregate principal amount of \$200,000. No such loans were made during the three-months ended March 31, 2011. For the period from March 26, 2009 (date of inception) through March 31, 2011, we made short-term loans, bearing a weighted-average interest rate of 5.8%, to our former sponsor in the aggregate principal amount of \$1,185,000. Each of these loans was repaid by our former sponsor. Our interest income was primarily related to these loans.

NOTE 5: Subsequent Events

On April 5, 2011, our board of directors determined to register a new offering of shares of common stock to the public at \$10.00 per share and shares of common stock at \$9.50 per share pursuant to our distribution reinvestment plan. Following this determination, on April 8, 2011, we filed with the Securities and Exchange Commission, or the SEC, a Registration Statement on Form S-11 (SEC File No. 333-173391) to register our new offering, which, together with any amendments thereto, we collectively refer to as our new registration statement. Our currently effective registration statement, declared effective by the SEC on May 14, 2010 (SEC File No. 333-160093) will be automatically terminated upon the SEC's declaration of effectiveness of our new registration statement.

On April 5, 2011, our board of directors terminated the Employee and Director Incentive Restricted Share Plan and approved and adopted the Long Term Incentive Plan, or our incentive plan, and the Independent Directors Compensation Plan. Our incentive plan provides for the grants of awards to our directors, officers and full-time employees (in the event we ever have employees), full-time employees of our advisor and its affiliates, full-time employees of entities that provide services to our advisor, directors of our advisor or of entities that provide services to it, certain of our consultants and certain consultants to our advisor and its affiliates or to entities that provide services to our advisor. The incentive plan authorizes the grant of restricted or unrestricted shares of our common stock, non-qualified and incentive stock options, restricted stock units, stock appreciation rights, dividend equivalents and other stock- or cash-based awards.

Under our Independent Directors Compensation Plan, which operates as a subplan of our incentive plan, each of our independent directors will receive 3,000 shares of common stock annually; provided, however, that no shares will be issued pursuant to our Independent Directors Compensation Plan until we have raised at least \$2,500,000 in gross offering proceeds from unaffiliated persons. In addition, our independent directors may elect to receive their annual fee in the form of our common shares or a combination of common shares and cash.

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On April 7, 2011, we executed a contribution agreement with six wholly-owned subsidiaries of our sponsor, whereby these entities agreed to contribute six multifamily properties to our operating partnership. The contribution transaction closed on April 29, 2011. The contribution value of the properties was \$103,790,000. In connection with the contribution of these properties, our operating partnership assumed \$64,575,000 of mortgage indebtedness and issued \$39,215,000 of limited partner interests, or 3,921,500 limited partner units, to our sponsor. In addition, our sponsor purchased an additional 125,000 limited partner units for \$1,250,000 in cash on April 29, 2011. We incurred customary closing expenses of \$536,851 and funded \$1,333,560 of real estate tax and insurance escrows at the time of closing. As we are wholly owned by our sponsor, the assets and liabilities of the properties will be recorded at our sponsor's carrying amount at the time of contribution.

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REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

The Board of Directors and Stockholder

Independence Realty Trust, Inc.

We have audited the accompanying consolidated balance sheets of Independence Realty Trust, Inc. (formerly Empire American Realty Trust, Inc.) (a Maryland corporation in the development stage) and subsidiary (the Company) as of December 31, 2010 and 2009 and the related consolidated statements of operations, changes in equity, and cash flows for the year ended December 31, 2010, for the period from March 26, 2009 (date of inception) through December 31, 2009 and for the period from March 26, 2009 (date of inception) through December 31, 2010. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in the accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. We were not engaged to perform an audit of the Company's internal control over financial reporting. Our audit included consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of the Company as of December 31, 2010 and 2009 and the consolidated results of its operations and its cash flows for the year ended December 31, 2010, for the period from March 26, 2009 (date of inception) through December 31, 2009 and for the period from March 26, 2009 (date of inception) through December 31, 2010, in conformity with accounting principles generally accepted in The United States of America.

/s/ Grant Thornton LLP

Philadelphia, Pennsylvania

March 25, 2011 (except for Note 4 and Note 5, as to which the date is April 7, 2011)

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Table of Contents**INDEPENDENCE REALTY TRUST, INC.****(A Development Stage Company)****CONSOLIDATED BALANCE SHEETS**

	As of December 31	
	2010	2009
ASSETS:		
Cash	\$ 209,425	\$ 205,667
Total Assets	\$ 209,425	\$ 205,667
LIABILITIES AND EQUITY:		
Related party payable, net	\$ 1,000	\$ 1,440
Accrued expense	300	300
Income taxes payable	1,203	731
Total Liabilities	2,503	2,471
Equity:		
Stockholder's Equity:		
Preferred stock, \$0.01 par value; 50,000,000 shares authorized		
Common stock, \$0.01 par value; 300,000,000 shares authorized, 20,000 shares issued and outstanding	200	200
Additional paid-in-capital	199,800	199,800
Retained earnings	4,922	1,196
Total stockholder's equity	204,922	201,196
Non-controlling interest	2,000	2,000
Total equity	206,922	203,196
Total liabilities and equity	\$ 209,425	\$ 205,667

The accompanying notes are an integral part of these consolidated financial statements.

Table of Contents**INDEPENDENCE REALTY TRUST, INC.**

(A Development Stage Company)

CONSOLIDATED STATEMENTS OF OPERATIONS

	Year Ended December 31, 2010	Period from March 26, 2009 (Date of Inception) Through December 31, 2009	Period from March 26, 2009 (Date of Inception) Through December 31, 2010
REVENUE:			
Interest income	\$ 5,369	\$ 2,227	\$ 7,596
Total revenue	5,369	2,227	7,596
EXPENSES:			
Filing fees	440	300	740
Total expenses	440	300	740
Income before income taxes	4,929	1,927	6,856
Income tax provision	(1,203)	(731)	(1,934)
Net income allocable to common shares	\$ 3,726	\$ 1,196	\$ 4,922
Earnings Per Share:			
Basic	\$ 0.19	\$ 0.06	\$ 0.25
Diluted	\$ 0.19	\$ 0.06	\$ 0.25
Weighted-Average Shares			
Basic	20,000	20,000	20,000
Diluted	20,000	20,000	20,000

The accompanying notes are an integral part of these consolidated financial statements.

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INDEPENDENCE REALTY TRUST, INC.

(A Development Stage Company)

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

For the Year Ended December 31, 2010 and for the Period from March 26, 2009 (date of inception)

through December 31, 2009

	Common Stock		Stockholder s Equity		Total Stockholder s Equity	Non-Controlling Interest	Total Equity
	Shares	Amount	Additional Paid-In Capital	Retained Earnings			
Balance, March 26, 2009 (date of inception)		\$	\$	\$	\$	\$	\$
Proceeds from issuance of common stock	20,000	200	199,800		200,000		200,000
Proceeds from issuance of limited partnership units						2,000	2,000
Net income				1,196	1,196		1,196
Balance, December 31, 2009	20,000	200	199,800	1,196	201,196	2,000	203,196
Net income				3,726	3,726		3,726
Balance, December 31, 2010	20,000	\$ 200	\$ 199,800	\$ 4,922	\$ 204,922	\$ 2,000	\$ 206,922

The accompanying notes are an integral part of these consolidated financial statements.

Table of Contents**INDEPENDENCE REALTY TRUST, INC.**

(A Development Stage Company)

CONSOLIDATED STATEMENTS OF CASH FLOWS

	Year Ended December 31, 2010	Period from March 26, 2009 (Date of Inception) to December 31, 2009	Period from March 26, 2009 (Date of Inception) Through December 31, 2010
Cash flows from operating activities:			
Net income	\$ 3,726	\$ 1,196	\$ 4,922
Changes in assets and liabilities:			
Related party payable, net	(440)	1,440	1,000
Accrued expense		300	300
Income taxes payable	472	731	1,203
Net cash provided by operating activities	3,758	3,667	7,425
Cash flows from financing activities:			
Proceeds from repayment of short-term notes	200,000	985,000	1,185,000
Issuance of short-term notes	(200,000)	(985,000)	(1,185,000)
Proceeds from subscriptions	1,130,000		1,130,000
Refund of subscription proceeds	(1,130,000)		(1,130,000)
Proceeds from issuance of limited partnership units		2,000	2,000
Proceeds from issuance of common stock		200,000	200,000
Net cash provided by financing activities		202,000	202,000
Net change in cash and cash equivalents	3,758	205,667	209,425
Cash and cash equivalents, beginning of period	205,667		
Cash and cash equivalents, end of period	\$ 209,425	\$ 205,667	\$ 209,425

The accompanying notes are an integral part of these consolidated financial statements.

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INDEPENDENCE REALTY TRUST, INC. AND SUBSIDIARY

(A Development Stage Company)

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

As of December 31, 2010

NOTE 1: Organization

Independence Realty Trust, Inc., formerly Empire American Realty Trust, Inc., was formed on March 26, 2009 as a Maryland corporation that intends to qualify and elect to be taxed as a real estate investment trust, or REIT, beginning with the taxable year ending December 31, 2011. References to we, us, and our refer to Independence Realty Trust, Inc. and its subsidiary, unless the context requires otherwise. We intend to offer a minimum of \$2,500,000 in shares and a maximum of \$1,000,000,000 in shares of common stock for sale to the public at a price of \$10 per share (exclusive of the 10,000,000 shares available pursuant to our distribution reinvestment program and a maximum of 1,000,000 shares reserved for issuance under our Employee and Director Incentive Restricted Share Plan), which we refer to as our offering.

We sold 20,000 common shares to Independence Realty Advisors, LLC, formerly Empire American Advisors, LLC, or our advisor, on April 30, 2009, for \$10 per share. We invested the proceeds from this sale in the partnership units of Independence Realty Operating Partnership, LP, formerly Empire American Operating Partnership, L.P., or our operating partnership, and as a result, we hold a 99.01% interest in our operating partnership. Our operating partnership is our sole subsidiary. Our advisor contributed \$2,000 to our operating partnership in exchange for 200 limited partner units in our operating partnership. On January 20, 2011, our Advisor transferred all of its interests in our operating partnership to RAIT NTR Holdings, LLC, formerly Empire American ALP, LLC, a Delaware limited liability company and an indirect, wholly-owned subsidiary of RAIT Financial Trust (NYSE: RAS), our sponsor. On January 20, 2011, our Advisor and other affiliated entities were acquired by RAIT Financial Trust for approximately \$2.3 million. The holders of the limited partnership units have the right to redeem these units for cash equal to the value of an equivalent number of our common shares, or at our option, we may purchase such units for cash or by issuing an equal number of our common shares, as permitted by the limited partnership agreement of our operating partnership. We have not commenced operations, and therefore, we are in the development stage.

Subject to certain restrictions and limitations, we are externally managed by our advisor pursuant to an advisory agreement. We intend to use substantially all of the net proceeds from our offering to acquire a diversified portfolio of real estate. Independence Realty Management, LLC, formerly Empire American Management, LLC, or our property manager, will provide property management services to our multifamily portfolio under the terms of a management agreement, including services in connection with the rental, leasing, operation and management of our properties.

We have retained Independence Realty Securities, LLC, formerly Empire American Realty, LLC, or our dealer manager, to serve as the dealer manager of our offering. Our dealer manager is responsible for marketing our common shares being offered pursuant to our offering. Our advisor and our dealer manager are indirectly owned and controlled by our sponsor and are our affiliates. Our advisor and our dealer manager, each of which is considered to be a related party, will receive compensation and fees for services related to our offering and for the investment and management of our assets. The compensation levels during our offering, acquisition and operational stages are based on percentages of offering proceeds, the cost of properties acquired and the annual revenue earned from such properties, respectively.

As of December 31, 2010, neither we nor our operating partnership had acquired or contracted to make any investments.

NOTE 2: Summary of Significant Accounting Policies

a. Basis of Presentation

The consolidated financial statements have been prepared by management in accordance with accounting principles generally accepted in the United States of America, or U.S. GAAP. In the opinion of management, all adjustments, consisting only of normal recurring adjustments, necessary to present fairly our consolidated financial position and consolidated results of operations, equity and cash flows are included.

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INDEPENDENCE REALTY TRUST, INC. AND SUBSIDIARY

(A Development Stage Company)

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

As of December 31, 2010

b. Principles of Consolidation

The consolidated financial statements reflect our accounts and the accounts of our operating partnership. All intercompany accounts and transactions have been eliminated in consolidation.

c. Use of Estimates

The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting periods. Actual results could differ from those estimates.

d. Development Stage Company and Organization and Offering Costs

We comply with the reporting requirements of development stage enterprises. We expect to incur organizational, accounting and offering costs in pursuit of our financing. The offering and organization costs, which are primarily being incurred by our advisor, will be paid or reimbursed by us with offering proceeds. There can be no assurance that our plans will be successful.

Our advisor may advance or reimburse all of the organization and offering costs incurred on our behalf. These costs are not included in our consolidated financial statements because such costs are not a liability of ours until the subscriptions for the minimum number of our common shares are received and accepted. Organization and offering costs include items such as legal and accounting fees, marketing, promotional and printing costs. All organization and offering costs will be recorded as a reduction of additional paid-in-capital when incurred. Our advisor has incurred \$2,206,874 of organization and offering costs through December 31, 2010.

e. Revenue Recognition

Minimum rents will be recognized on an accrual basis, over the terms of the related leases on a straight-line basis. The capitalized above-market lease values and the capitalized below-market lease values will be amortized as an adjustment to rental income over the lease term. Recoveries from residential tenants for utility costs will be recognized as revenues in the period that the applicable costs are incurred.

f. Accounts Receivable and Allowance for Bad Debts

We will make estimates of the uncollectability of our accounts receivable related to base rents, expense reimbursements and other revenue. We will analyze accounts receivable and historical bad debt levels, customer credit worthiness and current economic trends when evaluating the adequacy of the allowance for doubtful accounts. In addition, tenants experiencing financial difficulties will be analyzed and estimates will be made in connection with expected uncollectible receivables. Our reported operating results will be directly affected by management's estimate of the collectability of accounts receivable.

g. Investments in Real Estate

Allocation of Purchase Price of Acquired Assets

We will account for acquisitions of properties in accordance with FASB ASC Topic 805- Business Combinations . The fair value of the real estate acquired will be allocated to the acquired tangible assets, consisting of land, building and tenant improvements, and identified intangible assets and liabilities, consisting of the value of above-market and below-market leases for acquired in-place leases and the value of tenant relationships, based in each case on their fair values. Purchase accounting will be applied to assets and liabilities related to real estate entities

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acquired. Transaction costs and fees incurred related to acquisitions will be expensed as incurred. Transaction costs and fees incurred related to the acquisition of a joint venture interest, accounted for under the equity method of accounting, will be capitalized as part of the cost of the investment.

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As of December 31, 2010

Upon the acquisition of real estate operating properties, we will estimate the fair value of acquired tangible assets (consisting of land, building and improvements) and identified intangible assets and liabilities (consisting of above and below-market leases, in-place leases and tenant relationships), and assumed debt at the date of acquisition, based on evaluation of information and estimates available at that date. Based on these estimates, we will allocate the initial purchase price to the applicable assets and liabilities. As final information regarding fair value of the assets acquired and liabilities assumed is received and estimates are refined, appropriate adjustments will be made to the purchase price allocation, in no case later than within twelve months of the acquisition date.

In determining the fair value of the identified intangible assets and liabilities of an acquired property, above-market and below-market in-place lease values will be recorded based on the present value (using an interest rate which reflects the risks associated with the leases acquired) of the differences between (i) the contractual amounts to be paid pursuant to the in-place leases and (ii) management's estimate of fair market lease rates for the corresponding in-place leases, measured over a period equal to the remaining term of the lease. The capitalized above-market lease values and the capitalized below-market lease values will be amortized as an adjustment to rental income over the lease term.

The aggregate value of in-place leases will be determined by evaluating various factors, including an estimate of carrying costs during the expected lease-up periods, current market conditions and similar leases. In estimating carrying costs, management includes real estate taxes, insurance and other operating expenses, and estimates of lost rental revenue during the expected lease up periods based on current market demand. Management also estimates costs to execute similar leases including leasing commissions, legal and other related costs. The value assigned to this intangible asset will be amortized over the remaining lease terms.

Impairment of Long-Lived Assets

Management will evaluate the recoverability of its investment in real estate assets, including related identifiable intangible assets, in accordance with FASB ASC Topic 360- Property, Plant and Equipment . This statement requires that long-lived assets be reviewed for impairment whenever events or changes in circumstances indicate that recoverability of the assets is not assured.

Management will evaluate the long-lived assets on an ongoing basis and will record an impairment charge when there is an indicator of impairment with the undiscounted projected cash flows are less than the carrying amount for a particular property. The estimated cash flows used for the impairment analysis and the determination of estimated fair value are based on our plans for the respective assets and our views of market and economic conditions. The estimates consider matters such as current and historical rental rates, occupancies for the respective properties and comparable properties, and recent sales data for comparable properties. Changes in estimated future cash flows due to changes in our plans or views of market and economic conditions could result in recognition of impairment losses, which, under the applicable accounting guidance, could be substantial.

Depreciation and Amortization

Depreciation expense for real estate assets will be computed using a straight-line method using a life of 30 years for buildings and improvements and five to ten years for equipment and fixtures. Expenditures for tenant improvements will be capitalized and amortized over the initial term of each lease.

h. Deferred Costs

We will capitalize initial direct costs in accordance with FASB ASC Topic 310- Receivables . The costs will be capitalized upon the execution of the loan or lease and amortized over the initial term of the corresponding loan or lease. Amortization of deferred loan costs begins in the period during which the loan was originated. Deferred leasing costs are not amortized to expense until the date the tenant's lease obligation begins.

i. Income Taxes

We expect that we will qualify and elect to be taxed as REIT beginning with the taxable year ending December 31, 2011. For the year ended December 31, 2010, for the period from March 26, 2009 (inception) to December 31, 2009 and for the period from March 26, 2009 (inception) through December 31, 2010, we recorded income tax expense of \$1,203, \$731 and \$1,934, respectively.

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To qualify and maintain our status as a REIT, we must meet certain organizational and operational requirements, including a requirement to distribute at least 90% of our ordinary taxable income to stockholders. As a REIT, we generally will not be subject to federal income tax on taxable income that we distribute to our stockholders. If we fail to qualify as a REIT in any taxable year, we will be subject to federal income taxes on its taxable income at regular corporate rates and will not be permitted to qualify for treatment as a REIT for federal income tax purposes for four years following the year during which qualification is lost unless the Internal Revenue Service grants us relief under certain statutory provisions. Such an event could materially adversely affect our net income and net cash available for distribution to stockholders, however, we believe that we will be organized and operate in such a manner as to qualify and maintain treatment as a REIT and intend to operate in such a manner so that we will qualify and remain qualified as a REIT for federal income tax purposes.

j. Financial Instruments

The carrying amounts of cash, related party payable, net, accrued expense and income taxes payable, approximate its fair value because of the short maturity of these instruments.

k. Earnings Per Share

Earnings per share is computed in accordance with FASB ASC Topic 260- Earnings per Share , by dividing the net income by the weighted average number of common shares outstanding during the respective period. Earnings per share for all periods is presented.

NOTE 3: Equity Compensation Plans

We have adopted an Employee and Director Incentive Restricted Share Plan to provide for grants of awards to our directors, officers and full-time employees (in the event we ever have employees), full-time employees of our advisor and its affiliates, full-time employees of entities that provide services to our advisor, directors of our advisor or of entities that provide services to it, certain of our consultants and certain consultants to our advisor and its affiliates or to entities that provide services to our advisor. Such awards shall consist of restricted common shares.

Restricted share awards entitle the recipient to our common shares under terms that provide for vesting over a specified period of time or upon attainment of pre-established performance objectives. Such awards would typically be forfeited with respect to the unvested shares upon the termination of the recipient's employment or other relationship with us. Restricted shares may not, in general, be sold or otherwise transferred until restrictions are removed and the shares have vested. Holders of restricted shares may receive cash dividends prior to the time that the restrictions on the restricted shares have lapsed. Any dividends payable in common shares shall be subject to the same restrictions as the underlying restricted shares.

We will account for stock-based compensation in accordance with FASB ASC Topic 718- Compensation-Stock Compensation . Under the fair value recognition provisions of this statement, stock-based compensation cost is measured at the grant date based on the fair value of the award and is recognized as expense of the requisite service period, which is the vesting period. There were no restricted shares granted to date. Stock-based compensation will be classified within general and administrative expense in the consolidated statements of operations. As stock-based compensation expense recognized in the consolidated statement of operations will be based on awards ultimately expected to vest, the amount of expense will be reduced for estimated forfeitures. Forfeitures will be estimated at the time of grant and revised, if necessary, in subsequent periods if actual forfeitures differ from those estimates. Forfeitures will be estimated on experience of other companies in the same industry until entity-specific information is available.

Distribution Reinvestment Program

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We have adopted a distribution reinvestment program, or the DRP, through which our common stockholders may elect to reinvest an amount equal to the distributions declared on their shares in additional common shares in lieu of receiving cash distributions. No selling commissions or dealer manager fees will be paid on shares sold under the DRP. Our board of directors may amend or terminate the DRP for any reason, provided that any amendment that adversely affects the rights or obligations of a participant shall only take effect upon 10 days' written notice to participants.

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INDEPENDENCE REALTY TRUST, INC. AND SUBSIDIARY

(A Development Stage Company)

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

As of December 31, 2010

Share Repurchase Plan

Our board of directors has approved a share repurchase plan which allows for share repurchases when certain criteria are met. Share repurchases will be made at the sole discretion of our board of directors.

NOTE 4: Related Party Transactions and Arrangements

On April 7, 2011, we executed an amended and restated advisory agreement with our advisor and an amended and restated dealer manager agreement with our dealer manager. In addition, on April 6, 2011, we terminated our management agreement with Independence Realty Management, LLC and our board of directors approved a new management agreement with Jupiter Communities, LLC, or Jupiter, our new property manager that we will enter into on a property-by-property basis. These agreements will entitle our advisor and its affiliates to specified fees upon the provision of certain services with regard to our offering and the investment of proceeds in real estate assets, among other services, as well as reimbursement of organization and offering costs incurred by our advisor and our dealer manager on behalf of us and certain costs incurred by our advisor in providing services to us. A summary of these fees and reimbursement obligations are as follows:

Type of Compensation	Determination of Amount
	<i>Offering Stage</i>
Selling Commissions	Payable to our dealer manager up to 7% of gross offering proceeds before reallowance of commissions earned by participating broker-dealers. Our dealer manager intends to reallow all or a portion of commissions earned for those transactions that involve participating broker dealers.
Dealer Manager Fee	Payable to our dealer manager up to 3% of gross offering proceeds before reallowance to participating broker-dealers. Our dealer manager, in its sole discretion, may reallow a portion of its dealer manager fee of up to 1.5% of the gross offering proceeds to be paid to such participating broker-dealers.
Organization and Offering Expenses ⁽¹⁾	We will pay our advisor up to 1.0% of the gross offering proceeds for organizational and offering expenses (other than dealer manager fees and selling commissions). We currently estimate that \$7,261,880 of organizational and offering expenses will be incurred if the maximum offering is achieved. Our advisor and its affiliates are responsible for the payment of organization and offering expenses, other than selling commissions and the dealer manager fee, to the extent they exceed 1.0% of gross offering proceeds, without recourse against or reimbursement by us; provided, however, that in no event will we pay or reimburse organization and offering expenses (including dealer manager fees and selling commissions) in excess of 15% of the gross offering proceeds.
	<i>Operational Stage</i>
Acquisition Fees	None.
Acquisition Expenses	Expenses reimbursed to our advisor incurred in connection with the purchase of an asset. We have assumed that acquisition expenses will equal approximately 0.5% of the contract purchase price. The acquisition fees and expenses for any particular asset, including amounts payable to affiliates, will not exceed, in the aggregate, 6% of the

contract purchase price (including any mortgage assumed) of the asset. Our advisor will be paid acquisition expenses and we will reimburse our advisor for acquisition expenses only to the extent that acquisition fees and acquisition expenses collectively do not exceed 6% of the contract price of our assets.

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INDEPENDENCE REALTY TRUST, INC. AND SUBSIDIARY

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

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Type of Compensation	Determination of Amount
Asset Management Fees	Payable to our advisor in the amount of 0.75% of average invested assets. Average invested assets means the average of the aggregate book value of our assets invested in interests in, and loans secured by, real estate before reserves for depreciation or bad debt or other similar non-cash reserves. We will compute the average invested assets by taking the average of these book values at the end of each month during the quarter for which we are calculating the fee. The fee will be payable quarterly in an amount equal to 0.1875% of average invested assets as of the last day of such quarter. We will also reimburse our advisor for expenses that it pays on our behalf.
Property Management and Leasing Fees	We intend to enter into management agreements with our property manager on a property-by-property basis, pursuant to which we will pay a property management fee in an amount up to 4% of the gross revenue. Additionally, we may pay our property manager a separate fee for the one-time initial rent-up or leasing-up of newly constructed properties in an amount not to exceed the fee customarily charged in arm's length transactions by others rendering similar services in the same geographic area for similar properties as determined by a survey of brokers and agents in such area.
Operating Expenses	We will reimburse our advisor for all expenses paid or incurred by our advisor in connection with the services provided to us, subject to the limitation that we will not reimburse our advisor for any amount by which our operating expenses (including the asset management fee and the financing coordination fee) at the end of the four preceding fiscal quarters (commencing on the fourth fiscal quarter after we make our first investment) exceeds the greater of: (A) 2% of our average invested assets, or (B) 25% of our net income determined without reduction for any additions to reserves for depreciation, bad debts or other similar non-cash reserves and excluding any gain from the sale of our assets for that period. Notwithstanding the above, we may reimburse our advisor for expenses in excess of this limitation if a majority of the independent directors determines that such excess expenses are justified based on unusual and non-recurring factors. We will not reimburse our advisor or its affiliates for personnel employment costs incurred by our advisor or its affiliates in performing services under the advisory agreement to the extent that such employees perform services for which the advisor receives a separate fee.
Financing Coordination Fee	If our advisor provides services in connection with the refinancing of any debt that we obtain, we will pay the advisor a financing coordination fee equal to 1% of the amount available and/or outstanding under such financing, subject to certain limitations. We will not pay a financing coordination fee in connection with debt provided by our sponsor. The services our advisor may perform include, without limitation, searching for lenders in connection with a proposed refinancing and negotiating the terms of any proposed refinancing with such lenders. Our advisor may reallocate some or all of this fee to reimburse third parties that it retains to procure any such refinancing.
<i>Liquidation Distributions</i>	
Disposition Fee	We may pay our advisor a commission upon the sale of one or more of our properties in an amount equal to the lesser of (a) one-half of the commission that would be reasonable, customary and competitive in light of the size, type and location of the asset or (b) 1% of the sale price of the asset. Payment of such fee may be made only if the advisor provides a substantial amount of services in connection with the sale of the

asset. In addition, the amount paid when added to all other commissions paid to unaffiliated parties in connection with such sale shall not exceed the lesser of the commission that would be reasonable, customary and competitive in light of the size, type and location of the asset or an amount equal to 6% of the sale price of such asset.

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INDEPENDENCE REALTY TRUST, INC. AND SUBSIDIARY

(A Development Stage Company)

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Type of Compensation	Determination of Amount
Subordinated Participation in Net Sale Proceeds	After investors have received a return of their capital contributions invested and a 7% annual cumulative, non-compounded return, then RAIT NTR Holdings, LLC as holder of the special units is entitled to receive 10% of the remaining net sale proceeds.
Subordinated Participation Upon a Listing	Upon listing our common stock on a national securities exchange, RAIT NTR Holdings, LLC as holder of the special units is entitled to a fee based on the redemption of the special units equal to 10% of the amount, if any, by which (a) the market value of our outstanding stock plus distributions paid by us prior to listing, exceeds (b) the aggregate remaining capital contributed by investors plus an amount equal to a 7% annual cumulative, non-compounded return to investors on their aggregate capital contributed. We have no intent to list our shares at this time.
Subordinated Participation Upon a Termination of Advisory Agreement	Upon termination of the advisory agreement, RAIT NTR Holdings, LLC as holder of the special units will be entitled to a subordinated participation payable in the form of an interest bearing promissory note. The subordinated participation, if any, will be equal to 10% of the amount, if any, by which (1) the appraised value of our assets on the termination date, less any indebtedness secured by such assets, plus total distributions paid through the termination date, less any amounts distributable as of the termination date to limited partners who received units in the operating partnership in connection with the acquisition of any assets upon the liquidation or sale of such assets (assuming the liquidation or sale of such assets on the termination date) exceeds (2) the sum of the total amount of capital raised from stockholders (less amounts paid to repurchase shares of our common stock pursuant to our share repurchase plan) and the total amount of cash that, if distributed to them as of the termination date, would have provided them a 7% annual cumulative, pre-tax, non-compounded return on the gross proceeds from the sale of shares of our common stock through the termination date. The subordinated participation will be payable solely from the net proceeds from the sale of properties.

During the period March 26, 2009 (Date of Inception) through December 31, 2010, we made five separate short-term loans, bearing a weighted-average interest rate of 5.8%, to Empire American Holdings, LLC in the aggregate principal amount of \$1,185,000. These loans were made to pay for certain expenses in connection with our organization and offering while maintaining our minimum capitalization of \$200,000. Each of these loans was repaid during the period through December 31, 2010. Our interest income was primarily related to these loans.

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INDEPENDENCE REALTY TRUST, INC. AND SUBSIDIARY

(A Development Stage Company)

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As of December 31, 2010

NOTE 5: Subsequent Events

On April 7, 2011, we executed a contribution agreement with six wholly-owned subsidiaries of our sponsor, whereby these entities agreed to contribute six multifamily properties to our operating partnership. The contribution value of the properties is \$103,790,000. In connection with the contribution of these properties, our operating partnership will assume \$64,700,000 million of mortgage indebtedness and will issue \$39,090,000 of limited partner interests, or 3,909,000 limited partnership units. As we are majority owned by our sponsor, the assets and liabilities of the properties will be recorded at our sponsor's carrying amount at the time of contribution. The contribution is expected to close on or before May 1, 2011.

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REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS

Board of Directors

Independence Realty Trust, Inc.

We have audited the accompanying combining statement of revenue and certain expenses (the Combining Historical Summary) of certain properties commonly referred to as Crestmont Apartments, Cumberland Glen Apartments, Copper Mill Apartments, Heritage Trace Apartments, Belle Creek Apartments and Tresa at Arrowhead (the Initial Portfolio), for the years ended December 31, 2010 and 2009 and for the period from October 8, 2008 to December 31, 2008. This Combining Historical Summary is the responsibility of the Initial Portfolios' management. Our responsibility is to express an opinion on the Combining Historical Summary based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America, as established by the American Institute of Certified Public Accountants. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the Combining Historical Summary is free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Initial Portfolio's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the Combining Historical Summary, assessing the accounting principles used, and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

As described in Note 1 to the Combining Historical Summary, the accompanying Combining Historical Summary was prepared for the purpose of complying with the rules and regulations of the Securities and Exchange Commission and is not intended to be a complete presentation of the Initial Portfolio's revenue and expenses.

In our opinion, the Combining Historical Summary referred to above presents fairly, in all material respects, the revenue and certain expenses for the years ended December 31, 2010 and 2009 and for the period from October 8, 2008 through December 31, 2008 of the Initial Portfolio on the basis of accounting described in Note 1 to the Combining Historical Summary.

/s/ Grant Thornton LLP

Philadelphia, Pennsylvania

April 7, 2011

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Table of Contents**THE INITIAL PORTFOLIO****COMBINING STATEMENTS OF REVENUE AND CERTAIN EXPENSES****FOR THE THREE MONTHS ENDED MARCH 31, 2011****(Unaudited)**

	Crestmont Apartments	Cumberland Glen Apartments	Copper Mill Apartments	Heritage Trace Apartments	Belle Creek Apartments	Tresa at Arrowhead	Total
REVENUE:							
Rental income	\$ 383,077	\$ 393,617	\$ 517,154	\$ 379,437	\$ 337,835	\$ 732,079	\$ 2,743,199
Reimbursement income	28,736	24,290	36,861	18,777	22,261	41,082	172,007
Lease termination and late fees	7,752	7,644	12,176	7,037	5,207	14,637	54,453
Other income	15,648	10,286	25,168	18,985	14,611	43,400	128,098
Total revenue	435,213	435,837	591,359	424,236	379,914	831,198	3,097,757
CERTAIN EXPENSES:							
Operating and maintenance	145,586	173,692	317,680	169,769	123,357	217,623	1,147,707
Taxes and insurance	44,150	62,572	76,019	50,711	41,727	91,479	366,658
Management fees	13,205	12,411	16,762	12,188	13,319	27,059	94,944
Bad debt expenses	7,755	13,838	20,003	14,943		7,372	63,911
Total certain expenses	210,696	262,513	430,464	247,611	178,403	343,533	1,673,220
Revenue in excess of certain expenses	\$ 224,517	\$ 173,324	\$ 160,895	\$ 176,625	\$ 201,511	\$ 487,665	\$ 1,424,537

The accompanying notes are an integral part of this combining financial statement.

Table of Contents**THE INITIAL PORTFOLIO****COMBINING STATEMENTS OF REVENUE AND CERTAIN EXPENSES****FOR THE THREE MONTHS ENDED MARCH 31, 2010****(Unaudited)**

	Crestmont Apartments	Cumberland Glen Apartments	Copper Mill Apartments	Heritage Trace Apartments	Belle Creek Apartments	Tresa at Arrowhead	Total
REVENUE:							
Rental income	\$ 357,478	\$ 335,159	\$ 498,210	\$ 377,305	\$ 292,281	\$ 695,195	\$ 2,555,628
Reimbursement income	25,201	24,689	13,444	16,111	17,355	35,770	132,570
Lease termination and late fees	23,216	28,541	68,008	29,881	5,295	8,079	163,020
Other income	35,929	32,151	47,570	20,293	13,536	58,069	207,548
Total revenue	441,824	420,540	627,232	443,590	328,467	797,113	3,058,766
CERTAIN EXPENSES:							
Operating and maintenance	159,246	154,106	257,910	158,822	123,476	284,387	1,137,947
Taxes and insurance	54,503	70,194	72,726	36,745	42,655	150,119	426,942
Management fees	15,816	15,963	21,773	16,444	12,116	20,356	102,468
Bad debt expenses	37,614	34,383	112,212	31,727	9,197	6,829	231,962
Total certain expenses	267,179	274,646	464,621	243,738	187,444	461,691	1,899,319
Revenue in excess of certain expenses	\$ 174,645	\$ 145,894	\$ 162,611	\$ 199,852	\$ 141,023	\$ 335,422	\$ 1,159,447

The accompanying notes are an integral part of this combining financial statement.

Table of Contents**THE INITIAL PORTFOLIO****COMBINING STATEMENTS OF REVENUE AND CERTAIN EXPENSES****FOR THE YEAR ENDED DECEMBER 31, 2010**

	Crestmont Apartments	Cumberland Glen Apartments	Copper Mill Apartments	Heritage Trace Apartments	Belle Creek Apartments	Tresa at Arrowhead	Total
REVENUE:							
Rental income	\$ 1,514,584	\$ 1,482,548	\$ 2,049,063	\$ 1,503,229	\$ 1,297,276	\$ 2,713,665	\$ 10,560,365
Reimbursement income	110,323	110,785	103,162	64,252	86,102	152,899	627,523
Lease termination and late fees	114,271	117,218	285,261	121,951	31,974	43,982	714,657
Other income	105,804	140,145	168,206	130,439	40,381	170,811	755,786
Total revenue	1,844,982	1,850,696	2,605,692	1,819,871	1,455,733	3,081,357	12,658,331
CERTAIN EXPENSES:							
Operating and maintenance	734,077	725,037	1,275,706	784,251	494,435	1,019,627	5,033,133
Taxes and insurance	212,338	243,076	283,612	178,137	179,381	400,231	1,496,775
Management fees	83,778	82,214	108,307	77,740	51,188	89,298	492,525
Bad debt expenses	159,376	166,489	388,005	154,934	15,812	11,193	895,809
Total certain expenses	1,189,569	1,216,816	2,055,630	1,195,062	740,816	1,520,349	7,918,242
Revenue in excess of certain expenses	\$ 655,413	\$ 633,880	\$ 550,062	\$ 624,809	\$ 714,917	\$ 1,561,008	\$ 4,740,089

The accompanying notes are an integral part of this combining financial statement.

Table of Contents**THE INITIAL PORTFOLIO****COMBINING STATEMENTS OF REVENUE AND CERTAIN EXPENSES****FOR THE YEAR ENDED DECEMBER 31, 2009**

	Crestmont Apartments	Cumberland Glen Apartments	Copper Mill Apartments	Heritage Trace Apartments	Belle Creek Apartments (a)	Tresa at Arrowhead (b)	Total
REVENUE:							
Rental income	\$ 1,518,638	\$ 1,464,270	\$ 2,066,925	\$ 1,388,261	\$ 1,084,149	\$ 459,585	\$ 7,981,828
Reimbursement income	94,716	84,963	174,362	41,513	23,949	19,507	439,010
Lease termination and late fees	146,892	105,493	164,038	69,505	7,679	5,454	499,061
Other income	105,748	61,078	102,202	55,528	24,435	39,740	388,731
Total revenue	1,865,994	1,715,804	2,507,527	1,554,807	1,140,212	524,286	9,308,630
CERTAIN EXPENSES:							
Operating and maintenance	897,545	971,801	1,799,078	1,098,635	439,564	189,596	5,396,219
Taxes and insurance	208,624	262,320	278,186	163,430	134,569	108,346	1,155,475
Management fees	67,502	63,381	87,229	59,329	39,325	16,603	333,369
Bad debt expenses	204,118	133,801	301,171	82,756	13,068	3,006	737,920
Total certain expenses	1,377,789	1,431,303	2,465,664	1,404,150	626,526	317,551	7,622,983
Revenue in excess of certain expenses	\$ 488,205	\$ 284,501	\$ 41,863	\$ 150,657	\$ 513,686	\$ 206,735	\$ 1,685,647

(a) For the period from February 19, 2009 (the date of acquisition by RAIT Financial Trust) through December 31, 2009.

(b) For the period from October 13, 2009 (the date of acquisition by RAIT Financial Trust) through December 31, 2009.

The accompanying notes are an integral part of this combining financial statement.

Table of Contents**THE INITIAL PORTFOLIO****COMBINING STATEMENTS OF REVENUE AND CERTAIN EXPENSES****FOR THE PERIOD FROM OCTOBER 8, 2008 THROUGH DECEMBER 31, 2008**

	Crestmont Apartments	Cumberland Glen Apartments	Copper Mill Apartments	Heritage Trace Apartments	Total
REVENUE:					
Rental income	\$ 365,887	\$ 390,488	\$ 527,796	\$ 294,705	\$ 1,578,876
Reimbursement income	20,622	13,594	21,618	5,236	61,070
Lease termination and late fees	27,831	17,527	14,621	15,388	75,367
Other income	18,324	12,281	46,664	12,602	89,871
Total revenue	432,664	433,890	610,699	327,931	1,805,184
CERTAIN EXPENSES:					
Operating and maintenance	167,494	153,618	218,191	122,394	661,697
Taxes and insurance	51,923	57,372	81,957	44,657	235,909
Management fees	16,189	16,773	22,777	12,235	67,974
Bad debt expenses	18,416	15,015	12,070	31,560	77,061
Total certain expenses	254,022	242,778	334,995	210,846	1,042,641
Revenue in excess of certain expenses	\$ 178,642	\$ 191,112	\$ 275,704	\$ 117,085	\$ 762,543

The accompanying notes are an integral part of this combining financial statement.

Table of Contents**THE INITIAL PORTFOLIO****NOTES TO COMBINING STATEMENTS OF REVENUE AND CERTAIN EXPENSES****For the Three-Month Periods Ended March 31, 2011 and 2010 (unaudited),****for the Years Ended December 31, 2010 and 2009 and****for the Period from October 8, 2008 through December 31, 2008****NOTE 1: ORGANIZATION AND BASIS OF PRESENTATION**

The accompanying combining statements of revenue and certain expenses (the Combining Historical Summary) include the revenue and certain expenses of the following properties (hereinafter referred to as the Initial Portfolio):

Property Name	Type	Units	Location	Date Acquired⁽¹⁾
Crestmont Apartments	Multifamily	228	Marietta, GA	October 8, 2008
Cumberland Glen Apartments	Multifamily	222	Smyrna, GA	October 8, 2008
Copper Mill Apartments	Multifamily	320	Austin, TX	October 8, 2008
Heritage Trace Apartments	Multifamily	200	Newport News, VA	October 8, 2008
Belle Creek Apartments	Multifamily	162	Henderson, CO	February 19, 2009
Tresa at Arrowhead	Multifamily	360	Phoenix, AZ	October 13, 2009

⁽¹⁾ The Properties were acquired by RAIT Financial Trust (RAIT) pursuant to certain UCC sales or foreclosure proceedings as holder of the first mortgage on the Properties.

On April 7, 2011, a definitive contribution agreement was entered into for the contribution of the Initial Portfolio to Independence Realty Operating Partnership, LP for a purchase price equal to \$103.8 million. Each property is to be contributed subject to an existing mortgage loan.

The Combining Historical Summary has been prepared for the purpose of complying with the provisions of Article 3-14 of Regulation S-X promulgated by the Securities and Exchange Commission (the "SEC"), which requires certain information with respect to real estate operations to be included with certain filings with the SEC. The Combining Historical Summary includes the historical revenue and certain operating expenses of the Initial Portfolio, exclusive of items which may not be comparable to the proposed future operations of the Initial Portfolio. Material amounts that would not be directly attributable to future operating results of the Properties are excluded, and the Combining Historical Summary is not intended to be a complete presentation of the Initial Portfolio revenue and expenses. Items excluded consist of interest on mortgages and depreciation for all properties.

The Combining Historical Summary presents the revenue and certain expenses of the Initial Portfolio during RAIT's ownership period and may not be comparable to future periods. Management is not aware of any material factors relating to the Properties other than those already described above that would cause the reported financial information not to be necessarily indicative of future operating results. In the opinion of Management, all adjustments, consisting only of normal recurring adjustments, necessary to present fairly the interim periods results of operations are included. The results of operations for the interim periods presented are not necessarily indicative of the results for the full year.

In the preparation of the accompanying Combining Historical Summary, subsequent events were evaluated through April 7, 2011, the date the financial statements were available to be issued.

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**a. Revenue Recognition**

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Rental income attributable to residential leases is recorded when due from residents, generally upon the first day of the month. Leases are for periods of up to one year, with rental payments due monthly. Other income results from fees for late payments, cleaning, damages, storage, parking, and laundry facilities and is recorded when earned.

b. Property Management Fees

The Initial Portfolio was managed by Jupiter Communities LLC and third party property managers during RAIT's ownership period (collectively, the Management Company). The Management Company receives fees in amounts of 4% of the monthly gross receipts, or gross revenue as defined, of the properties. The Management Company also receives asset management fees in the amount of 5% of construction costs for projects in excess of certain thresholds. For the three-month periods ended March 31, 2011 and 2010, property and construction

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Table of Contents**THE INITIAL PORTFOLIO****NOTES TO COMBINING STATEMENTS OF REVENUE AND CERTAIN EXPENSES (Continued)**

For the Three-Month Periods Ended March 31, 2011 and 2010 (unaudited),

for the Years Ended December 31, 2010 and 2009 and

for the Period from October 8, 2008 through December 31, 2008

management fees, across all properties, were \$94,944 and \$102,467, respectively (unaudited). For the three years ended December 31, 2010, 2009 and 2008, property and construction management fees, across all properties, totaled \$492,525, \$333,369, and \$67,974, respectively.

c. Bad Debt Expense

The Initial Portfolio recognizes bad debt expense for uncollectible receivables. Management's estimate of bad debt expense is based on expected and inherent risks of collectability for receivables from tenants. For the three-month periods ended March 31, 2011 and 2010, bad debt expenses, across all properties, were \$63,911 and \$231,961, respectively (unaudited). For the three years ended December 31, 2010, 2009 and 2008, bad debt expenses, across all properties, were \$895,809, \$737,920, and \$77,060, respectively.

d. Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reported periods. Actual results could differ from those estimates.

NOTE 3: MORTGAGE DEBT

Each of the Properties is encumbered by a first mortgage held by RAIT. A summary of each mortgage, as of March 31, 2011 and as of December 31, 2010, is as follows:

Property	Outstanding Principal	Current Interest Rate	Maturity Date	Interest Terms
Crestmont Apartments	\$ 13,666,778	7.00%	February 15, 2012	Interest only is payable monthly at a rate of 5.875% through the loan's maturity date. Interest accrues at a fixed rate of 7.00%.
Cumberland Glen Apartments	13,536,085	7.00%	February 28, 2012	Interest only is payable monthly at a rate of 5.875% through the loan's maturity date. Interest accrues at a fixed rate of 7.00%.
Copper Mill Apartments	14,709,492	7.00%	February 15, 2012	Interest only is payable monthly at a rate of 5.875% through the loan's maturity date. Interest accrues at a fixed rate of 7.00%.
Heritage Trace Apartments	11,026,582	7.00%	February 14, 2012	Interest only is payable monthly at a rate of 5.875% through the loan's

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				maturity date. Interest accrues at a fixed rate of 7.00%.
Belle Creek Apartments	15,224,074	5.00%	November 1, 2015	Interest payments are required monthly in an amount equal to the excess cash flow of the property, up to the interest due at the fixed rate of 5%. Interest accrues monthly at a fixed rate of 5.00%.
Tresa at Arrowhead	36,675,000	5.00%	December 7, 2013	Floating rate; interest only is payable monthly at a rate of 400 basis points over LIBOR (effective rate of 4.26%), subject to a 5.00% floor.

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THE INITIAL PORTFOLIO

NOTES TO COMBINING STATEMENTS OF REVENUE AND CERTAIN EXPENSES (Continued)

For the Three-Month Periods Ended March 31, 2011 and 2010 (unaudited),

for the Years Ended December 31, 2010 and 2009 and

for the Period from October 8, 2008 through December 31, 2008

NOTE 4: COMMITMENTS AND CONTINGENCIES

Litigation

The Initial Portfolio may be subject to various claims and legal proceedings that arise in the ordinary course of its business activities. Management believes that any liability that may ultimately result from the resolution of these matters will not have a material adverse effect on the financial condition or results of operations of the Initial Portfolio.

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INDEPENDENCE REALTY TRUST, INC. AND SUBSIDIARY

PRO FORMA CONSOLIDATED FINANCIAL INFORMATION

The following sets forth our unaudited pro forma consolidated balance sheet as of March 31, 2011 and our unaudited pro forma consolidated statement of income for the three-month period ended March 31, 2011 and for the year ended December 31, 2010. The unaudited pro forma financial information is presented as if we acquired the Initial Portfolio as of March 31, 2011 for balance sheet purposes and as of the beginning of the respective periods for income statement purposes.

Although pro forma financial information is not a measurement of performance, we believe that pro forma financial information is important because it gives effect to the acquisition of the Initial Portfolio as if it had become effective at the beginning of the period presented. The manner in which we calculate pro forma financial information may differ from similarly titled measures reported by other companies.

The unaudited pro forma consolidated financial statements included in this registration statement are presented for informational purposes only. This information includes various estimates and may not necessarily be indicative of the financial condition or results of operations that would have occurred if the acquisition of the Initial Portfolio had been completed on the date or at the beginning of the period indicated or which may be obtained in the future. The unaudited pro forma consolidated balance sheet and income statements and accompanying notes should be read in conjunction with our historical consolidated financial statements included in this registration statement.

The statements contained in this filing may include forward-looking statements within the meaning of the U.S. federal securities laws. Although we believe that the expectations reflected in such forward-looking statements are based on reasonable assumptions, it can give no assurance that our expectations will be achieved. As forward-looking statements, these statements involve risks and uncertainties that could cause actual results to differ materially from the expected results. These risks and uncertainties include, but are not limited to, uncertainties affecting real estate businesses generally, risks relating to acquisition activities and risks relating to leasing and re-leasing activities.

Table of Contents**INDEPENDENCE REALTY TRUST, INC.****(A Development Stage Company)****UNAUDITED PRO FORMA CONSOLIDATED BALANCE SHEET****AS OF MARCH 31, 2011**

	Historical (A)	Initial Portfolio	Pro Forma
ASSETS:			
Investments in real estate	\$	\$ 101,895,623(B)	\$ 101,895,623
Cash	151,759	68,165(C)	219,924
Escrowed cash		1,333,560(C)	1,333,560
Related party receivable	4,457		4,457
 Total Assets	 \$ 156,216	 \$ 103,297,348	 \$ 103,453,564
LIABILITIES AND EQUITY:			
Mortgage notes payable	\$	\$ 64,575,000(D)	\$ 64,575,000
Accrued expense and other liabilities	11,275	673,906(E)	685,181
Income taxes payable	1,203		1,203
 Total Liabilities	 12,478	 65,248,906	 65,261,384
Equity:			
Stockholder s Equity:			
Preferred stock, \$0.01 par value; 50,000,000 shares authorized			
Common stock, \$0.01 par value; 300,000,000 shares authorized, 20,000 shares issued and outstanding	200		200
Additional paid-in-capital	199,800		199,800
Retained earnings	(58,262)		(58,262)
 Total stockholder s equity	 141,738		 141,738
Non-controlling interest	2,000	38,048,442(F)	38,050,442
 Total equity	 143,738	 38,048,442	 38,192,180
 Total liabilities and equity	 \$ 156,216	 \$ 103,297,348	 \$ 103,453,564

The accompanying notes are an integral part of this pro forma consolidated financial statement.

Table of Contents**INDEPENDENCE REALTY TRUST, INC.**

(A Development Stage Company)

UNAUDITED PRO FORMA CONSOLIDATED STATEMENTS OF OPERATIONS**FOR THE THREE-MONTH PERIOD ENDED MARCH 31, 2011**

	Historical (G)	Initial Portfolio (H)	Adjustments	Pro Forma
REVENUE:				
Rental revenue	\$	\$ 2,743,199	\$	\$ 2,743,199
Reimbursement and other income		354,558		354,558
Interest income				
Total revenue		3,097,757		3,097,757
EXPENSES:				
Property operating		1,673,220		1,673,220
Interest			615,593(D)	615,593
Asset management fees			(K)	
Acquisition expenses	5,947		536,851(C)	542,798
General & administrative	57,239			57,239
Depreciation			555,814(L)	555,814
Total expenses	63,186	1,673,220	1,708,258	3,444,664
Operating income (loss)	(63,186)	1,424,537	(1,708,258)	(346,907)
Interest and other income	2			2
Income (loss) before income taxes	(63,184)	1,424,537	(1,708,258)	(346,905)
Income tax provision				
Net income (loss)	(63,184)	1,424,537	(1,708,258)	(346,905)
Net (income) loss allocable to non-controlling interests			283,721(M)	283,721
Net income (loss) allocable to common shares	\$ (63,184)	\$ 1,424,537	\$ (1,424,537)	\$ (63,184)
Earnings Per Share:				
Basic	\$ (3.16)			\$ (3.16)
Diluted	\$ (3.16)			\$ (3.16)
Weighted-Average Shares:				
Basic	20,000			20,000
Diluted	20,000			20,000

The accompanying notes are an integral part of this pro forma consolidated financial statement.

Table of Contents**INDEPENDENCE REALTY TRUST, INC.****(A Development Stage Company)****UNAUDITED PRO FORMA CONSOLIDATED STATEMENTS OF OPERATIONS****FOR THE YEAR ENDED DECEMBER 31, 2010**

	Historical (I)	Initial Portfolio (J)	Adjustments	Pro Forma
REVENUE:				
Rental revenue	\$	\$ 10,560,365	\$	\$ 10,560,365
Reimbursement and other income		2,097,966		2,097,966
Interest income	5,369			5,369
Total revenue	5,369	12,658,331		12,663,700
EXPENSES:				
Property operating		7,918,242		7,918,242
Interest			2,462,375(D)	2,462,375
Asset management fees			(K)	
Acquisition expenses			536,851(C)	536,851
General & administrative	440			440
Depreciation			2,223,254(L)	2,223,254
Total expenses	440	7,918,242	5,222,480	13,141,162
Income (loss) before income taxes	4,929	4,740,089	(5,222,480)	(477,462)
Income tax provision	(1,203)			(1,203)
Net income (loss)	3,726	4,740,089	(5,222,480)	(478,665)
Net (income) loss allocable to non-controlling interests			482,391(M)	482,391
Net income (loss) allocable to common shares	\$ 3,726	\$ 4,740,089	\$ (4,740,089)	\$ 3,726
Earnings Per Share:				
Basic	\$ 0.19			\$ 0.19
Diluted	\$ 0.19			\$ 0.19
Weighted-Average Shares:				
Basic	20,000			20,000
Diluted	20,000			20,000

The accompanying notes are an integral part of this pro forma consolidated financial statement.

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INDEPENDENCE REALTY TRUST, INC.

(A Development Stage Company)

NOTES TO UNAUDITED PRO FORMA FINANCIAL INFORMATION

The following notes discuss the pro forma adjustments to our unaudited pro forma consolidated balance sheet as of March 31, 2011 associated with our acquisition of the Initial Portfolio.

(A) Represents our historical consolidated financial information as previously filed on Form 10-Q as of March 31, 2011 and included herein starting on page F-2 of this registration statement.

(B) The acquisition of properties from our sponsor will be accounted for at our sponsor's historical cost as our sponsor owns all of our outstanding common shares and all of our operating partnership's limited partnership units.

The following table summarizes our sponsor's historical cost of the Initial Portfolio as of March 31, 2011:

	Historical Cost
Land	\$ 21,514,630
Building	86,592,113
Furniture, fixtures and equipment	292,257
Total investment in real estate	108,399,000
Accumulated depreciation	(6,503,377)
Investments in real estate, net	\$ 101,895,623

(C) Represents the net cash effect from our acquisition of the Initial Portfolio from our sponsor. In connection with the acquisition, we issued 125,000 additional limited partner units to our sponsor in exchange for \$1,250,000 in cash. Upon closing of the acquisition, we used \$1,181,835 in cash to fund required escrows totaling \$1,333,560, closing costs totaling \$536,851 received \$673,906 of proration adjustment for security deposits and real estate taxes and received net proration items for rent and operating expenses totaling \$14,670. Closing costs will be expensed as acquisition expenses in accordance with accounting principles generally accepted in the United States.

(D) In connection with the acquisition of the Initial Portfolio, our operating partnership assumed \$64,575,000 of mortgage notes payable on the six properties. The terms of the mortgages vary but have maturity dates of April 2021 and interest rates ranging from 2.5% to 5.7%. The weighted-average coupon is 3.8%. The pro forma annual interest expense, based on these assumptions, will be \$2,462,375 annually or \$615,593 quarterly.

(E) Represents liabilities assumed upon the acquisition of the Initial Portfolio related to security deposits and real estate taxes owed by the properties. We received proration adjustments upon closing for these assumed liabilities.

(F) In consideration for contributing properties to us, our sponsor received limited partnership interests in our operating partnership based on the difference between the agreed-upon contribution value of the Initial Portfolio and the mortgage notes assumed. The computation is as follows:

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Contribution Value	\$ 103,790,000
Less: Mortgage notes assumed	(64,575,000)
Value of Limited Partnership Units issued	39,215,000
Per unit value	\$ 10.00
Number of Limited Partnership Units issued	3,921,500

The issuance of limited partner units will be treated as a non-controlling interest in our consolidated financial statements equal to the value of the units issued. However, as the acquisition of the Initial Portfolio will be accounted for at our sponsor's historical cost, the value of the 3,921,500 limited partner units issued to our sponsor will be less than the value determined in the preceding table because the carrying amount of the Initial Portfolio by our sponsor is less than the Contribution Value indicated above.

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Immediately after the closing of the Initial Portfolio acquisition, the value of our non-controlling interest can be calculated as follows:

Limited partner units issued for the Initial Portfolio		\$ 39,215,000
Limited partner units issued for cash		1,250,000
Difference between contribution value and carry-over basis:		
Carrying value of the Initial Portfolio by our sponsor	\$ 101,895,623	
Contribution value	103,790,000	
Difference		(1,894,377)
Closing items that are charged to earnings at closing (see (c) above):		
Acquisition expenses	\$ (536,851)	
Revenue and expense pro-rations at closing	14,670	
Net closing items		(522,181)
Pro forma Adjustment to non-controlling interest from the contribution of the Initial Portfolio		\$ 38,048,442

The following notes discuss the pro forma adjustments to our unaudited pro forma consolidated statement of income for the year ended December 31, 2010 associated with our acquisition of the Initial Portfolio.

- (G) Represents our historical consolidated financial information as previously filed on Form 10-Q as of March 31, 2011 and presented on page F-2 of this registration statement.
- (H) Reflects the operations of the Initial Portfolio for the three months ended March 31, 2011 as presented on pages F-25 to F-28 of this registration statement.
- (I) Represents our historical consolidated financial information as previously filed on Form 10-K as of December 31, 2010 and for the year then ended presented on page F-13 of this registration statement.
- (J) Reflects the operations of the Initial Portfolio for the year ended December 31, 2010 as presented on pages F-25 to F-28 of this registration statement.
- (K) Asset management fees are payable to our advisor based at a rate of 0.75% of our average assets. As part of the acquisition of the Initial Portfolio, our Advisor agreed to waive any asset management fees on the Initial Portfolio for the first two years of our ownership.
- (L) Reflects the estimated depreciation expense on the Initial Portfolio based on a 40 year useful life for buildings and a 5 year useful life for furniture, fixtures and equipment.
- (M) Represents the allocation of our net income to non-controlling interests, or limited partnership units of our operating partnership. This adjustment is computed by summing the operations of the Initial Portfolio as well as all adjustments contemplated above and multiplying the result by the percentage of our operating partnership owned by others. Our sponsor owns 99.51% of our operating partnership after the contribution of the Initial Portfolio.

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APPENDIX A

PRIOR PERFORMANCE TABLES

The following prior performance tables provide information relating to the prior performance of our sponsor, RAIT Financial Trust (the Sponsor). Other than its own operations, the Sponsor has not sponsored any other real estate investment programs. The Sponsor has focused its investments on (i) commercial mortgages, mezzanine loans and preferred equity investments, (ii) investments in real estate, and (iii) investments in debt securities, including TruPS and subordinated debentures. The Sponsor's investment objectives are to provide its shareholders with total returns over time while managing the risks associated with its investment strategy.

This information should be read together with the summary information included in the Prior Performance of our Sponsor section of this prospectus.

INVESTORS SHOULD NOT CONSTRUE INCLUSION OF THE FOLLOWING TABLES AS IMPLYING, IN ANY MANNER, THAT WE WILL HAVE RESULTS COMPARABLE TO THOSE REFLECTED IN SUCH TABLES. DISTRIBUTABLE CASH FLOW, FEDERAL INCOME TAX DEDUCTIONS OR OTHER FACTORS COULD BE SUBSTANTIALLY DIFFERENT. INVESTORS SHOULD NOTE THAT, BY ACQUIRING OUR SHARES, THEY WILL NOT BE ACQUIRING ANY INTEREST IN THE SPONSOR.

Description of the Tables

All information contained in the Tables in this Appendix A is as of December 31, 2010. The following tables are included herein:

Table III. Annual Operating Results of Prior Real Estate Programs. Table III summarizes the operating results for the Sponsor during the previous five years. The information in Table III is unaudited.

Table V. Sales or Dispositions of Property. Table V includes all sales or disposals of properties by the Sponsor within the most recent three years. The information in Table V is unaudited.

Additional information relating to the acquisition of properties by the Sponsor is contained in Table VI, which is included in Part II of the registration statement, which we have filed with the SEC. Copies of Table VI will be provided to prospective investors at no charge upon request.

We have not included in this prospectus Table I (Experience in Raising and Investing Funds), Table II (Compensation to Sponsor) or Table IV (Results of Completed Programs) because the Sponsor has not sponsored any prior real estate investment programs and therefore such tables are inapplicable.

As noted above, the Sponsor's investment objectives are to provide its shareholders with total returns over time while managing the risks associated with its investment strategy. Our investment objectives are to (i) pay attractive and consistent cash distributions, (ii) preserve invested capital and (iii) provide a diversified direct investment in multifamily properties. Therefore, the Sponsor's investment objectives are not the same as or similar to our investment objectives.

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Our stockholders will not own any interest in the Sponsor and should not assume that they will experience returns, if any, comparable to those experienced by investors in the Sponsor. Due to the risks involved in the ownership of and investment in real estate, there is no guarantee of any level of return on your investment in us and you may lose some or all of your investment.

These tables are presented on a GAAP basis, except for specific references to taxable income and distributions thereof which are prepared on a tax basis.

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TABLE III
OPERATING RESULTS OF PRIOR PROGRAMS

(Unaudited and in Thousands)

Table III sets forth the unaudited operating results of the Sponsor during the five years ended December 31, 2010. All amounts are as of and for the year ended December 31 for the year indicated.

	2010	2009	2008	2007	2006
Net Interest Margin	\$ 62,813	126,375	206,001	194,621	76,806
Rental Income	\$ 72,373	44,637	17,425	11,291	12,639
Total Revenue	153,428	197,510	244,783	231,637	103,832
Real Estate Operating Expenses	(56,824)	(41,399)	(14,781)	(9,958)	(9,198)
Provision for Losses	(38,307)	(226,567)	(162,783)	(21,721)	(2,499)
Asset Impairments		(46,015)	(67,052)	(517,452)	
Total Expenses	(170,749)	(384,451)	(319,623)	(686,660)	(34,720)
Change in Fair Value of Financial Instruments	45,840	1,563	(552,437)		
Income (Loss) from Continuing Operations	110,590	(440,141)	(617,130)	(435,991)	74,704
Net Income (Loss)	110,913	(440,981)	(619,185)	(437,478)	80,586
Net Income (Loss) Allocable to Common Shares	98,152	(441,203)	(443,246)	(379,588)	67,839
REIT Taxable Income (1):					
From Operations	11,331	(35,501)	93,716	149,638	95,244
From Gain on Sale					
Cash Generated From Operating Activities	15,448	65,013	141,998	183,043	74,641
Cash Generated from Investing Activities	62,898	253,004	542,525	(1,524,252)	(511,350)
Cash Generated from Financing Activities	(76,150)	(320,446)	(785,047)	(1,369,829)	464,656
Total Cash Generated	2,196	(2,429)	(100,524)	28,620	27,947
Less Cash Distributions to Investors:					
From Operating Cash Flow	(13,641)	(13,641)	(121,782)	(180,948)	(64,391)
From Sales and Refinancing					
From Other					
Cash Generated (Deficiency) After Cash Distributions to Investors	(11,445)	(16,070)	(222,306)	(152,328)	(36,444)
Less Special Items (Not Including Sales and Refinancing)					
Cash Generated (Deficiency) After Cash Distributions and Special Items	(11,445)	(16,070)	(222,306)	(152,328)	(36,444)
Tax and Distribution Data Per \$1,000 Invested:					
Federal Income Tax Results:					
Ordinary Income (Loss):					
From Operations	8		69	110	53
From Recapture					
Capital Gain (Loss)					
Cash Distributions to Investors:					
Source (on GAAP Basis)					
Operations	8				53
Return of Capital		8	75	112	
Source (on Cash Basis):					
Sales					
Refinancing					
Operations	8	8	75	112	53
Other					

- (1) REIT Taxable Income is before any dividends paid deductions for dividends declared or paid on our common shares and before the application of any net operating loss carryforwards.

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TABLE V
SALE OR DISPOSITION OF PROPERTIES

(Unaudited and in Thousands)

This Table sets forth summary information on the results of the sale or disposals of properties during the most recent three years ended December 31, 2010 by the Sponsor. All figures are through December 31, 2010.

Property	Location	Date Acquired	Date of Sale	Selling Price, Net of Closing Costs and GAAP Adjustments				Cost of Properties Including Closing and Soft Costs		Excess (Deficiency) of Property Operating Cash Receipts Over Cash Expenditures	
				Cash Received Net of Closing Costs	Mortgage Balance at Time of Sale	Adjustments Purchased From Mortgage Application	GAAP	Total	Original Mortgage Financing		Total Acquisition Cost, Closing and Soft Costs
Orchid Tree	Scottsdale, AZ	2/3/09	7/2/09	\$	\$ 15,679	\$		\$ 15,679	\$ 28,000	\$ 15,500	\$ (65)
North Park Place	Detroit, MI	3/6/09	10/1/09	694				694		1,600	(340)
8600 Burton Way	Los Angeles, CA	11/2/09	3/12/10		4,756			4,756	7,500	4,818	(74)
Riverview Gardens	Yonkers, NY	3/25/10	7/8/10		1,939			1,939	3,800	2,497	119
Stonecreek	Ft Collins, CO	2/27/09	12/6/10	2,547	10,310			12,857	10,310	12,000	887
Peppermill	Jackson, MS	2/9/10	12/20/10	431				431		780	(87)

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APPENDIX B

DISTRIBUTION REINVESTMENT PROGRAM

INDEPENDENCE REALTY TRUST, INC.

Independence Realty Trust, Inc., a Maryland corporation (*REIT*), has adopted this Distribution Reinvestment Program (the *Program*), effective as of the date of effectiveness by the Securities and Exchange Commission, to be administered by Independence Realty Securities, LLC (the *Dealer Manager*) or an unaffiliated third party (the *Administrator*) as agent for participants in the Program (*Participants*), on the terms and conditions set forth below.

1. *Election to Participate.* Any purchaser of shares of common stock of REIT, par value \$.01 per share (the *Shares*), may become a Participant by making a written election to participate on such purchaser's subscription agreement at the time of subscription for Shares. Any stockholder who has not previously elected to participate in the Program may so elect at any time by completing and executing an authorization form obtained from the Administrator or any other appropriate documentation as may be acceptable to the Administrator. Participants are generally required to have the full amount of their cash distributions with respect to their Shares, including their fractional Shares (the *Distributions*), reinvested pursuant to the Program. However, the Administrator shall have the sole discretion, upon request by the Participant, to accommodate the Participant's request for less than all of the Participant's Shares to be subject to participation in the Program.

2. *Distribution Reinvestment.* The Administrator will receive all Distributions paid by REIT. Participation will commence with the next Distribution payable after acceptance of the Participant's election pursuant to Paragraph 1 hereof, provided it is received at least ten (10) days prior to the date on which such Distribution is payable.

3. *General Terms of Program Investments.*

(a) Distributions reinvested pursuant to the Program will be applied to the purchase of Shares at a price equal to \$9.50 per Share until not more than 18 months following the completion of REIT's offering stage when REIT's advisor, or another firm it chooses for that purpose, establishes, and REIT discloses, an estimate of REIT's net asset value per Share. REIT will consider the offering stage complete when it is no longer publicly offering equity securities in a continuous offering, whether through the initial public offering or any future offerings. Thereafter, Distributions reinvested pursuant to the Program will be applied to the purchase of Shares at a price equal to 95% of the then current net asset value per Share, regardless of the price per Share paid by the Participant. A stockholder may not participate in the Program through distribution channels that would be eligible to purchase Shares in the public offering of Shares pursuant to REIT's prospectus outside of the Program at prices below \$9.50 per Share.

(b) Selling commissions will not be paid for the Shares purchased pursuant to the Program.

(c) Dealer manager fees will not be paid for the Shares purchased pursuant to the Program.

(d) For each Participant, the Administrator will maintain an account which shall reflect for each month in which Distributions are paid (a *Distribution Period*) the Distributions received by the Administrator on behalf of such Participant. A Participant's account shall be reduced as purchases of Shares are made on behalf of such Participant.

(e) Distributions shall be invested in Shares by the Administrator promptly following the payment date with respect to such Distributions to the extent Shares are available for purchase under the Program. If sufficient Shares are not available, any such funds that have not been invested in Shares within thirty (30) days after receipt by the Administrator and, in any event, by the end of the fiscal quarter in which they are received, will be distributed to Participants. Any interest earned on such accounts will be paid to REIT and will become property of the company.

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(f) Participants may acquire fractional Shares, computed to four decimal places. The ownership of the Shares shall be reflected on the books of REIT or its transfer agent.

(g) A Participant will not be able to acquire Shares under the Program to the extent such purchase would cause it to exceed the Ownership Limit or other Share ownership restrictions imposed by REIT's Amended and Restated Charter. For purposes of this Program, **Ownership Limit** shall mean the prohibition on beneficial ownership of no more than 9.8%, in number of Shares or value, of any class or series of outstanding equity securities of REIT.

(h) Shares to be distributed by REIT in connection with the Program may (but are not required to) be supplied from: (i) the Shares which are registered with the Securities and Exchange Commission (the **SEC**) in connection with the initial public offering, (ii) Shares to be registered with the SEC in a future offering for use in the Program (a **Future Registration**), or (iii) Shares purchased by REIT for the Program in a secondary market (if available) or on a stock exchange (if listed) (collectively, the **Secondary Market**).

Shares purchased in any Secondary Market will be purchased at the then-prevailing market price, which price will be utilized for purposes of issuing Shares in the Program. Shares acquired by REIT in any Secondary Market or registered in a Future Registration for use in the Program may be at prices lower or higher than the Share price which will be paid for the Shares pursuant to the initial public offering.

If REIT acquires Shares in any Secondary Market for use in the Program, REIT shall use its reasonable efforts to acquire Shares at the lowest price then reasonably available. However, REIT does not in any respect guarantee or warrant that the Shares so acquired and purchased by the Participant in the Program will be at the lowest possible price. Further, irrespective of REIT's ability to acquire Shares in any Secondary Market or to make a future offering for Shares to be used in the Program, REIT is in no way obligated to do either, in its sole discretion.

4. **Absence of Liability.** REIT, the Dealer Manager and the Administrator shall not have any responsibility or liability as to the value of the Shares or any change in the value of the Shares acquired for the Participant's account. REIT, the Dealer Manager and the Administrator shall not be liable for any act done in good faith, or for any good faith omission to act hereunder. To the extent that indemnification may apply to liabilities arising under the Securities Act of 1933, as amended, or the securities laws of a particular state, REIT has been advised that, in the opinion of the SEC and certain state securities commissioners, such indemnification is contrary to public policy and, therefore, unenforceable.

5. **Suitability.** Each Participant shall notify the Administrator in the event that, at any time during his or her participation in the Program, there is any material change in the Participant's financial condition or inaccuracy of any representation under the subscription agreement for the Participant's purchase of Shares. A material change shall include any anticipated or actual decrease in net worth or annual gross income or any other change in circumstances that would cause the Participant to fail to meet the suitability standards set forth in REIT's prospectus for the Participant's initial purchase of Shares.

6. **Reports to Participants.** Within ninety (90) days after the end of each calendar year, the Administrator will provide to each Participant a statement of account describing, as to such Participant, the purchase date, purchase price and number of Shares owned, as well as the dates of distribution and amount of distributions received pursuant to the Program during the prior calendar year. Each statement also shall advise the Participant that, in accordance with Paragraph 5 hereof, the Participant is required to notify the Administrator in the event there is any material change in the Participant's financial condition or if any representation made by the Participant under the subscription agreement for the Participant's purchase of Shares becomes inaccurate. Tax information regarding a Participant's participation in the Program will be sent to each Participant by REIT or the Administrator at least annually.

7. **Taxes.** Taxable Participants may incur a tax liability for Distributions even though they have elected not to receive their Distributions in cash but rather to have their Distributions reinvested in Shares under the Program.

8. **Termination by Participant.**

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(a) A Participant may terminate or modify his or her participation in the Program at any time by written notice to the Administrator. To be effective for any Distribution, such notice must be received by the Administrator at least ten (10) days prior to the date on which the next Distribution is payable.

(b) Prior to the listing of the Shares on a national securities exchange, a Participant's transfer of Shares will terminate participation in the Program with respect to such transferred Shares, unless the transferee of such Shares in connection with such transfer demonstrates to the Administrator that such transferee meets the requirements for participation hereunder and affirmatively elects participation by delivering an executed authorization form or other instrument required by the Administrator.

9. Amendment to or Termination of the Program by REIT.

(a) The terms and conditions of this Program may be amended by a majority vote of REIT's board of directors (including a majority of the independent directors) at any time, including but not limited to an amendment to the Program to substitute a new Administrator to act as agent for the Participants, upon at least ten (10) days' prior written notice to each Participant.

(b) The Administrator may terminate a Participant's individual participation in the Program and REIT may terminate the Program itself, at any time by providing ten (10) days' prior written notice to a Participant, or to all Participants, as the case may be.

(c) After termination of the Program or termination of a Participant's participation in the Program, the Administrator will send to each Participant a check for the amount of any Distributions in the Participant's account that have not been invested in Shares. Any future Distributions with respect to such former Participant's Shares made after the effective date of the termination of the Participant's participation will be sent directly to the former Participant.

10. Governing Law. This Program and the Participants' election to participate in the Program shall be governed by the laws of the State of Maryland.

11. Notice. Any notice or other communication required or permitted to be given by any provision of this Program shall be in writing and, if to the Administrator, addressed to 25 Philips Parkway, Montvale, NJ 07645, or such other address as may be specified by the Administrator by written notice to all Participants. Notices to a Participant may be given by letter addressed to the Participant at the Participant's last address of record with the Administrator. Each Participant shall notify the Administrator promptly in writing of any changes of address.

12. Certificates. The ownership of the Shares will be in book-entry form prior to the issuance of certificates. REIT will not issue share certificates except to stockholders who make a written request to the Administrator.

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APPENDIX C

FORM OF SUBSCRIPTION AGREEMENT

INDEPENDENCE REALTY TRUST, INC.

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INDEPENDENCE REALTY TRUST, INC.

INSTRUCTION PAGE

In no event may a subscription of shares be accepted until at least five business days after the date the subscriber receives the final prospectus. You will receive a confirmation of your purchase.

PLEASE MAIL the properly completed and executed ORIGINALS of the subscription agreement with your check made payable to: UMB Bank, N.A. Escrow Agent for Independence Realty Trust to:

Overnight Delivery:

Independence Realty Trust, Inc.

c/o DST Systems, Inc.
430 West 7th Street
Kansas City, Missouri 64105

After the initial proceeds are released from escrow, checks should be made payable to Independence Realty Trust, **except that Tennessee and Pennsylvania** investors should continue to make checks payable to UMB Bank, N.A., Escrow Agent for Independence Realty Trust until the REIT has received and accepted subscriptions for \$25 million and \$50 million, respectively, at which point checks should be made payable to Independence Realty Trust, Inc. The completed Subscription Agreement and check should be sent to the address set forth above.

Regular Mail:

Independence Realty Trust, Inc.

c/o DST Systems, Inc.
P. O. Box 219098
Kansas City, Missouri 64121-9098

* For IRA Accounts, send investor signed documents to the IRA Custodian for signatures.
If you have any questions, please call your registered representative or Independence Realty Securities, LLC at 215-243-9000.

Instructions to Subscribers

Section 1: Indicate investment amount (Make all checks payable to UMB Bank, N.A. Escrow Agent for Independence Realty Trust).

Section 2: Indicate type of ownership.

Non-Custodial Ownership

Accounts with more than one owner must have **ALL PARTIES SIGN** where indicated on Page 3.

For Pension Plans, Trusts or Corporate Partnerships, you must attach copies of all plan documents required in section 2.
Custodial Ownership

For New IRA/Qualified Plan Accounts, please complete the form/application provided by your custodian of choice in addition to this subscription document and forward to the custodian for processing.

For existing IRA Accounts and other Custodial Accounts, information must be completed BY THE CUSTODIAN. Have all documents signed by the appropriate officers as indicated in the Corporate Resolution (which are also to be included).

Section 3: Provide all Names, Addresses, Dates of Birth, Social Security or Tax ID numbers of all Investors or Trustees.

Section 4: Choose Distribution Allocation option.

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Section 5: To be signed and completed by your Financial Advisor (remember to include CRD number for FA and BD Firm and the Branch Manager's signature).

Section 6: Have ALL owners initial and sign where indicated on Page 3.

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INDEPENDENCE REALTY TRUST, INC.

SUBSCRIPTION AGREEMENT

For Prospectus Dated []/[]/2011

1. YOUR INITIAL INVESTMENT

Investment Amount \$ _____

The minimum initial investment is 200 shares (\$2,000)

The minimum purchase for Tennessee and New York residents is \$2,500.

Cash, cashier's check/official bank checks in bearer form, foreign checks, money orders, third party checks, or traveler's checks, will not be accepted.

“ I/WE AM/ARE EMPLOYEE(S) OF INDEPENDENCE REALTY SECURITIES, LLC. A FAMILY MEMBER OF ONE OF THE ABOVE, AN AFFILIATE AND/OR A FRIEND .

“ REGISTERED REPRESENTATIVE NAV (NET ASSET VALUE) PURCHASE REPRESENTATIVE WILL **NOT BE PAID A COMMISSION** FOR THIS PURCHASE, **BUT WILL RECEIVE ADDITIONAL SHARES OR FRACTIONS THEREOF.**

“ CHECK HERE IF ADDITIONAL PURCHASE AND COMPLETE NUMBER 3 BELOW. Existing Account Number _____

—

2. FORM OF OWNERSHIP (Select only one)

Non-Custodial Ownership

Custodial Ownership

“ **Individual**

Send all paperwork and make check payable to Custodian.

“ **Joint Tenant** *(Joint accounts will be registered as joint tenants with rights of survivorship unless otherwise indicated.)*

“ **IRA** “ **ROTH/IRA** “ **SEP/IRA**

“ **SIMPLE** “ **OTHER**

“ **Tenants in Common**

Name of Custodian _____

“ **TOD** *Optional designation of beneficiaries for individual, joint owners with rights of survivorship or tenants by the entities. (Please complete Transfer on Death Registration Form. Please contact the dealer manager for this form)*

Mailing Address _____

City, State Zip _____

“ **Uniform Gift / Transfer to Minors (UGMA/UTMA)** of the State of _____

Custodian Information (To be completed by Custodian above)

“ **Pension Plan** *(Include Plan Documents)*

Custodian Tax ID # _____

“ **Trust** *(Include title and signature pages of Trust Documents)*

Custodian Account # _____

“ **Partnership** *(Include Agreement)*

Custodian Phone _____

“ **Corporate Ownership** *(Include Corporate Resolution)*

“ **S-corp** “ **C-corp** *(will default to S-corp if nothing is marked)*

“ **Other** _____ *(Include title and signature pages)*

3. INVESTOR INFORMATION (Please print name(s) in which Shares are to be registered)

A. Individual / Trustee / Beneficial Owner

First Name: _____ Middle Name: _____

Last Name: _____ Tax ID or SS#: _____

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State Address: _____

City: _____ State: _____ Zip: _____

Date of Birth (mm/dd/yyyy): _____

If Non-U.S. Citizen, specify Country of Citizenship: _____

Daytime Phone #: _____

If non-resident alien, Investor must submit an original of the appropriate W-8 form.

Email Address: _____

U.S. Driver's License # (if available): _____ State of Issue: _____

Any subscriber seeking to purchase shares pursuant to a discount offered by us must submit such request in writing and set forth the basis for the request. Any such request will be subject to our verification.

B. Joint Owner / Co-Trustee / Minor

First Name: _____ Middle Name: _____

Last Name: _____ **Tax ID or SS#:** _____

State Address: _____

City: _____ State: _____ Zip: _____

Date of Birth (mm/dd/yyyy): _____

If Non-U.S. Citizen, specify Country of Citizenship: _____

Daytime Phone #: _____

If non-resident alien, Investor must submit an original of the appropriate W-8 form.

Email Address: _____

U.S. Driver's License # (if available): _____ State of Issue: _____

C. Trust / Corporation / Partnership / Other

(Trustee's information must be provided in sections 3A and 3B)

Date of Trust (mm/dd/yyyy): _____ Entity Name / Title of Trust: _____ Tax ID number: _____

4. DISTRIBUTIONS *(Select only one)*

Complete this section to enroll in the Distribution Reinvestment Plan or to elect how you wish to receive your dividend distributions.

A. " Reinvest/Distribution Reinvestment Plan *(see the final prospectus for details)*

B. " Mail Check *to the address of record*

C. " Credit Dividend to my IRA or Other Custodian Account

D. " Cash/Direct Deposit *(Please attach a pre-printed voided check (Non-Custodian Investor only) I authorize Independence Realty Trust, Inc or its agent to deposit my distribution/dividend to my checking or savings account. This authority will remain in force until I notify Independence Realty Trust, Inc. in writing to cancel it. In the event that Independence Realty Trust, Inc. deposits funds erroneously into my account they are authorised to debit my account for an amount not to exceed the amount of the erroneous deposit)*

Name / Entity Name / Financial Institution: _____

Account Number: _____

Your Bank's ABA/Routing Number: _____

Checking Account: _____

Saving Account: _____

PLEASE ATTACH COPY OF VOIDED CHECKS TO THIS FORM IF FUNDS ARE TO BE SENT TO A BANK

**The above services cannot be established without a pre-printed voided check. For electronic funds transfers, signature of bank account owners are required exactly as they appear on the bank records. If the registration at the bank differs from that on this Subscription Agreement, all parties must sign below.*

Signature: _____

Signature: _____

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5. BROKER-DEALER / FINANCIAL ADVISOR INFORMATION *(All fields must be completed)*

The financial advisor must sign below to complete order. The financial advisor hereby warrants that he/she is duly licensed and may lawfully sell shares in the state designated at the investor's legal residence.

Broker Dealer: _____	Financial Advisor Name / RIA: _____
Advisor Mailing Address: _____	City: _____ State: _____ Zip: _____
Advisor Number: _____ Branch Number: _____	Telephone #: _____ Email Address: _____
Fax Number: _____	Broker Dealer CRD Number: _____ Financial Advisor CRD Number: _____

AFFILIATED REGISTERED INVESTMENT ADVISOR (RIA): *All sales of securities must be made through a Broker Dealer. If an RIA introduces a sale, the sale must be conducted through the RIA in his or her capacity as a Registered Representative of Broker-Dealer (Section 5 must be filed in)* **I acknowledge that by checking the above box, I WILL NOT RECEIVE A COMMISSION.**

The undersigned **FINANCIAL ADVISOR** further represents and certifies that in connection with this subscription for Shares, he/she has complied with and has followed all applicable policies and procedures under his firm's existing Anti-Money Laundering Program and Customer Identification Program.

Financial Advisor and/or RIA Signature: _____	Date: _____
Branch Manager Signature: _____	Date: _____

6. SUBSCRIBER SIGNATURES

A. The undersigned further acknowledges and/or represents (or in the case of fiduciary accounts, the person authorized to sign on such subscriber's behalf) the following: (you must initial each of the representations below)

- | | | |
|--------------|--------------------|---|
| Owner | Joint-Owner | a) I/We have a minimum net worth (not including home, home furnishings and personal automobiles) of at least \$70,000 and estimate that (without regard to Independence Realty Trust, Inc.) I/We have a gross income due in the current year of at least \$70,000; or I/We have a net worth (excluding home furnishings and automobiles) of at least \$250,000 in the case of sales to fiduciary accounts, the suitability standards must be met by the beneficiary, the fiduciary account or by the donor or grantor who directly or indirectly supplies the funds for the purchase of the shares. |
| Owner | Joint-Owner | b) I/We have received the final prospectus of Independence Realty Trust, Inc. not less than five business day prior to the date hereof. |
| Owner | Joint-Owner | c) I/We have am/are purchasing shares for my/our own account. |
| Owner | Joint-Owner | d) I/We acknowledge that shares are not liquid. |
| Owner | Joint-Owner | e) If an affiliate of Independence Realty Trust, Inc., I/we represent that the shares are being purchased for investment purposes only and not for immediate resale. |
| Owner | Joint-Owner | f) My/our tax identification number(s) set forth in this Subscription Agreement is accurate and I/we am/are not subject to backup withholding. |

B. You MUST initial one of the representations below if you are a resident of Alabama, California, Iowa, Kansas, Kentucky, Maine, Massachusetts, Michigan, Missouri, Nebraska, Ohio, Oregon, Pennsylvania, Tennessee, Vermont or Washington. If you are not a resident of any of these states then you should leave these blank. In the case of sales to fiduciary accounts, the suitability standards must be met by the beneficiary, the fiduciary account or by the donor or grantor who directly or indirectly supplies the funds for the purchase of the shares. Please carefully read and separately initial one of the representations below if applicable. In each case, net worth excludes home, home furnishings and automobiles

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Owner	Joint-Owner	I am a resident of Kentucky or Ohio and the amount invested in this offering does not exceed 10% of my liquid net worth.
Owner	Joint-Owner	I am a resident of California and have either (a) a net worth of at least \$250,000 or (b) an annual gross income of at least \$70,000 and a minimum net worth of at least \$100,000, and acknowledge that it is recommended that my maximum investment in the RET and other real estate investment trusts does not exceed 10% of my liquid net worth.
Owner	Joint-Owner	I am a resident of Iowa and have either (a) a net worth of at least \$350,000 or (b) an annual gross income of at least \$70,000 and a minimum net worth of at least \$100,000, and I have a combined liquid net worth of at least 10 times the amount of my investment in this real estate investment program and other similar programs.
Owner	Joint-Owner	I am a resident of Maine, Michigan, North Dakota, Oregon, Pennsylvania, Tennessee, Vermont or Washington and the maximum amount invested in the REIT and its affiliates does not exceed 10% of my net worth.
Owner	Joint-Owner	I am a resident of Massachusetts and the maximum amount invested in the REIT, affiliates of the REIT and other real estate investment trust does not to exceed 10% of my liquid net worth.
Owner	Joint-Owner	I am a resident of Alabama and I have a liquid net worth of at least 10 times the amount of my investment in this real estate investment program and other similar programs.
Owner	Joint-Owner	I am a resident of Kansas or Missouri and acknowledge that it is recommended that my aggregate investment in the REIT and other real estate investment trusts does not exceed 10% of my liquid net worth. Liquid net worth is defined as that portion of net worth (total assets minus total liabilities) that is comprised of cash, cash equivalents and readily marketable securities.
Owner	Joint-Owner	I am a resident of Nebraska and have either (a) a minimum net worth of \$100,000 and an annual income of \$70,000 or (b) a minimum net worth of \$350,000. In addition, the total investment in the REIT does not exceed 10% of my liquid net worth.

Owner Signature: _____ **Date:** _____

Joint-Owner Signature: _____ **Date:** _____

Signature or Custodian(s) or Trustee(s) (If applicable). Current Custodian must sign if Investment is for an IRA Account.

Authorized Signature (Custodian or Trustee): _____ **Date:** _____

INDEPENDENCE REALTY TRUST, INC. OR ITS DESIGNEE WILL SEND YOU A CONFIRMATION OF YOUR PURCHASE.

WE INTEND TO ASSERT THE FOREGOING REPRESENTATIONS AS A DEFENSE IN ANY SUBSEQUENT LITIGATION WHERE SUCH ASSERTION WOULD BE RELEVANT. WE HAVE THE RIGHT TO ACCEPT OR REJECT THIS SUBSCRIPTION IN WHOLE OR IN PART SO LONG AS SUCH PARTIAL ACCEPTANCE OR REJECTION DOES NOT RESULT IN AN INVESTMENT OF LESS THAN THE MINIMUM AMOUNT SPECIFIED IN THE PROSPECTUS. AS USED ABOVE, THE SINGULAR INCLUDES THE PLURAL IN ALL RESPECTS IF SHARES ARE BEING ACQUIRED BY MORE THAN ONE PERSON. THIS SUBSCRIPTION AGREEMENT AND ALL RIGHTS HEREUNDER SHALL BE GOVERNED BY ANY INTERPRETED IN ACCORDANCE WITH THE LAWS OF THE STATE OR MARYLAND WITHOUT GIVING EFFECT TO THE PRINCIPLES OF CONFLICT OF LAWS.

By executing this Subscription Agreement, the subscriber is not waiving any rights under federal or state law

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INDEPENDENCE REALTY TRUST, INC.

Common Stock

\$2,500,000 IN SHARES MINIMUM OFFERING

\$1,095,000,000 IN SHARES MAXIMUM OFFERING

PROSPECTUS

[____], 2011

You should rely only on the information contained in this prospectus. No dealer, salesperson or other person is authorized to make any representations other than those contained in the prospectus and supplemental literature authorized by Independence Realty Trust, Inc. and referred to in this prospectus, and, if given or made, such information and representations must not be relied upon. This prospectus is not an offer to sell nor is it seeking an offer to buy these securities in any jurisdiction where the offer or sale is not permitted. The information contained in this prospectus is accurate only as of the date of this prospectus, regardless of the time of delivery of this prospectus or any sale of these securities. You should not assume that the delivery of this prospectus or that any sale made pursuant to this prospectus implies that the information contained in this prospectus will remain fully accurate and correct as of any time subsequent to the date of this prospectus.

Until [__], 2011 (90 days after the date of this prospectus), all dealers that effect transactions in these securities, whether or not participating in this offering, may be required to deliver a prospectus. This is in addition to the dealer's obligation to deliver a prospectus when acting as soliciting dealers with respect to their unsold allotments or subscriptions.

Table of Contents**PART II****INFORMATION NOT REQUIRED IN PROSPECTUS****Item 31. Other Expenses of Issuance and Distribution (Assuming Sale of Maximum Offering⁽¹⁾).**

Seminars	\$ 150,000
Securities and Exchange Commission Registration Fee	61,380
FINRA Filing Fee	75,500
Printing Expenses	750,000
Mailing Expenses	200,000
Blue Sky Filing Fees and Expenses	400,000
Legal Fees and Expenses	1,300,000
Accounting Fees and Expenses	375,000
Advertising and Sales Literature	1,000,000
Due Diligence	1,000,000
Miscellaneous	1,950,000 ⁽²⁾
 Total	 \$ 7,261,880

⁽¹⁾ Estimated expenses assuming a two year offering period and participation in the offering by our dealer manager.

⁽²⁾ Includes an estimated (i) \$1,225,000 for overhead, and salaries and wages of persons involved in the preparation of the registration statement and offering securities of the registrant and overhead, (ii) \$590,000 for the transfer agent and related services, (iii) \$110,000 for technology and (iv) \$25,000 for consulting fees.

Item 32. Sales to Special Parties

Stockholders will be allowed to purchase shares pursuant to our distribution reinvestment program for \$9.50 per share. Subscribers to shares which are entitled to volume discounts will pay reduced selling commissions. We may sell shares to certain persons directly without the participation of our dealer manager for \$9.00 per share. RAIT NTR Holdings, LLC has received special units of our operating partnership. We may compensate certain individuals with grants of stock pursuant to our long term incentive plan.

Item 33. Recent Sale of Unregistered Securities

In connection with our organization, Independence Realty Advisors, LLC purchased from us 20,000 common shares for \$10.00 per share, for an aggregate purchase price of \$200,000. We made a capital contribution to Independence Realty Operating Partnership, LP, our operating partnership, in the amount of \$200,000 in exchange for 20,000 general partner units of the operating partnership. Our advisor also made a capital contribution to our operating partnership in the amount of \$2,000 in exchange for 200 limited partnership units of the operating partnership. These units were transferred by our advisor to RAIT NTR Holding, LLC on January 20, 2011. These 200 limited partnership units may be exchanged, at its option, for 200 shares identical to those being offered pursuant to the Prospectus included in this Registration Statement, subject to our option to pay cash in lieu of such shares. Six wholly owned subsidiaries of RAIT Financial Trust, our sponsor, received \$39,215,000 in limited partner interests in our operating partnership at \$10.00 per unit as consideration for its contribution of six properties to us on April 29, 2011. In addition, two subsidiaries of our sponsor received \$1,250,000 in limited partner interests in our operating partnership at \$10.00 per unit in exchange for cash on April 29, 2011. No sales commission or other consideration was paid in connection with such sales, which were consummated without registration under the Securities Act of 1933, as amended, in reliance upon the exemption from registration in Section 4(2) of the Act as transactions not involving any public offering.

Item 34. Indemnification of Directors and Officers

The Maryland General Corporation Law permits a Maryland corporation to include in its charter a provision limiting the liability of its directors and officers to the corporation and its stockholders for money damages except for liability resulting from (a) actual receipt of an improper benefit or profit in money, property or services or (b) active and deliberate dishonesty established by a final judgment as being material to the cause of action. Our charter contains such a provision.

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The Maryland General Corporation Law requires a corporation (unless its charter provides otherwise, which our charter does to the extent described above) to indemnify a director or officer who has been successful, on the merits or otherwise, in the defense of any proceeding to which he is made or threatened to be made a party by reason of his service in that capacity. The Maryland General Corporation Law permits a corporation to indemnify its present and former directors and officers, among others, against judgments, penalties, fines, settlements and reasonable expenses actually incurred by them in connection with any proceeding to which they may be made or threatened to be made a party by reason of their service in those or other capacities unless it is established that (a) the act or omission of the director or officer was material to the matter giving rise to the proceeding and (i) was committed in bad faith or (ii) was the result of active and deliberate dishonesty, (b) the director or officer actually received an improper personal benefit in money, property or services or (c) in the case of any criminal proceeding, the director or officer had reasonable cause to believe that the act or omission was unlawful. However, under the Maryland General Corporation Law, a Maryland corporation may not indemnify for an adverse judgment in a suit by or in the right of the corporation or for a judgment of liability on the basis that personal benefit was improperly received, unless in either case a court orders indemnification and then only for expenses.

In addition, the Maryland General Corporation Law permits a corporation to advance reasonable expenses to a director or officer upon the corporation's receipt of (a) a written affirmation by the director or officer of his good faith belief that he has met the standard of conduct necessary for indemnification by the corporation and (b) a written undertaking by him or on his behalf to repay the amount paid or reimbursed by the corporation if it shall ultimately be determined that the standard of conduct was not met.

Subject to these restrictions, our charter and bylaws obligate us to indemnify and to pay or reimburse reasonable expenses in advance of final disposition of a proceeding to (a) any individual who is our present or former director or officer, (b) any individual who, while our director or officer and at our request, serves or has served as a director, officer, partner, or trustee of another corporation, real estate investment trust, partnership, joint venture, trust, employee benefit plan or any other enterprise, and (c) our advisor and its officers, directors and Affiliates (such persons and the advisor and its officers, directors and Affiliates being referred to herein as an Indemnitee) from and against any claim or liability to which an Indemnitee may become subject or which the Indemnitee may incur by reason of his, her or its service in such capacities. Our charter and bylaws also permit us to indemnify and advance expenses to any person who served a predecessor of our company in any of the capacities described above and to any employee or agent of our company or a predecessor of our company.

However, we may not indemnify any director, our advisor or any affiliate of our advisor for any loss or liability suffered by such Indemnitee or hold such Indemnitee harmless for any loss or liability suffered by us unless (a) the Indemnitee has determined in good faith that the course of conduct which caused the loss, liability or expense was in our best interests, (b) the Indemnitee was acting on our behalf or performing services for us, (c) the liability, loss or expense was not the result of negligence or misconduct on the part of the Indemnitee, except that if the Indemnitee is or was an independent director, the liability, loss or expense was not the result of gross negligence or willful misconduct, and (d) the indemnification or agreement to hold harmless is recoverable only out of our net assets and not from stockholders. Further, we may not indemnify such Indemnitee for losses, liabilities or expenses arising from or out of an alleged violation of federal or state securities laws unless (y) each claim or count involving alleged material violations of federal or state securities has been adjudicated in favor of the Indemnitee, or (z) each such claim or count has been dismissed with prejudice by a court of competent jurisdiction, or a court of competent jurisdiction approves a settlement of each such claim or count and finds that indemnification of the settlement and related costs should be made, and the court considering the matter has been advised of the position of the Securities and Exchange Commission and the published position of any applicable state securities regulatory authority as to indemnification for securities law violations.

We may advance amounts to such Indemnitee only if (w) the proceeding relates to acts or omissions relating to the performance of duties or services for us or on our behalf, (x) the proceeding is initiated by a third party who is not a stockholder or is initiated by a stockholder acting in his or her capacity as such, and a court of competent jurisdiction specifically approves the advancement, (y) the Indemnitee provides us with written affirmation of his, her or its good faith belief that he, she or it has met the standard of conduct necessary for indemnification, and (z) the Indemnitee undertakes in writing to repay the advanced funds to us, together with interest at the applicable legal rate of interest if the Indemnitee is found not to be entitled to indemnification.

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Our charter and bylaws provide that neither the amendment, nor the repeal, nor the adoption of any other provision of the charter or bylaws will apply to or affect, in any respect, an indemnified person's right to indemnification for any act or failure to act which occurred prior to such amendment, repeal or adoption.

To the extent that the indemnification may apply to liabilities arising under the Securities Act of 1933, as amended, we have been advised that, in the opinion of the Securities and Exchange Commission, such indemnification is contrary to public policy and, therefore, unenforceable.

Item 35. Treatment of Proceeds from Stock Being Registered

Inapplicable.

Item 36. Financial Statements and Exhibits

(a) Financial Statements:

See page F-1 for an index of the financial statements included in this Registration Statement.

(b) Exhibits:

The list of exhibits filed with or incorporated by reference in this Registration Statement is set forth in the Exhibit Index following the signature page herein.

Item 37. Undertakings

(a) The registrant undertakes to file, during any period in which offers or sales are being made, a post-effective amendment to this Registration Statement: (i) to include any prospectus required by Section 10(a)(3) of the Securities Act; (ii) to reflect in the prospectus any facts or events arising after the effective date of this Registration Statement (or the most recent post-effective amendment thereof) which, individually or in the aggregate, represent a fundamental change in the information set forth in the Registration Statement; and (iii) to include any material information with respect to the plan of distribution not previously disclosed in the Registration Statement or any material change to such information in the Registration Statement.

(b) The registrant undertakes (i) that, for the purpose of determining any liability under the Securities Act, each such post-effective amendment may be deemed to be a new registration statement relating to the securities offered therein and the offering of such securities at that time shall be deemed to be the initial *bona fide* offering thereof, (ii) that all post-effective amendments will comply with the applicable forms, rules and regulations of the Securities and Exchange Commission in effect at the time such post-effective amendments are filed, and (iii) to remove from registration by means of a post-effective amendment any of the securities being registered which remain unsold at the termination of the offering.

(c) The registrant undertakes to send to each stockholder, at least on an annual basis, a detailed statement of any transactions with the advisor or its affiliates, and of fees, commissions, compensation and other benefits paid, or accrued to the advisor or its affiliates, for the fiscal year completed, showing the amount paid or accrued to each recipient and the services performed.

(d) The registrant undertakes to file a sticker supplement pursuant to Rule 424(c) under the Securities Act during the distribution period describing each property not identified in the prospectus at such time as there arises a reasonable probability that such property will be acquired and to consolidate all such stickers into a post-effective amendment filed at least once every three months, with the information contained in such amendment provided simultaneously to the existing stockholders. Each sticker supplement should disclose all compensation and fees received by the advisor and its affiliates in connection with any such acquisition. The post-effective amendment shall include audited financial statements meeting the requirements of Rule 3-14 of Regulation S-X only for properties acquired during the distribution period.

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(e) The registrant undertakes to file, after the end of the distribution period, a current report on Form 8-K containing the financial statements and any additional information required by Rule 3-14 of Regulation S-X, to reflect each commitment (*i.e.*, the signing of a binding purchase agreement) made after the end of the distribution period involving the use of 10% or more (on a cumulative basis) of the net proceeds of the offering and to provide the information contained in such report to the stockholders at least once each quarter after the distribution period of the offering has ended.

(f) The registrant undertakes that, for the purposes of determining liability under the Securities Act to any purchaser, each prospectus filed pursuant to Rule 424(b) under the Securities Act as part a registration statement relating to an offering, other than registration statements relying on Rule 430B under the Securities Act or other than prospectuses filed in reliance on Rule 430A under the Securities Act, shall be deemed to be part of and included in the registration Statement as of the date it is first used after effectiveness; provided, however, that no statement made in a registration statement or prospectus that is part of the registration Statement or made in a document incorporated or deemed incorporated by reference into the registration Statement or prospectus that is part of the registration Statement will, as to a purchaser with a time of contract of sale prior to such first use, supersede or modify any statement that was made in the registration Statement or prospectus that was part of the registration Statement or made in any such document immediately prior to such date of first use.

(g) For the purpose of determining liability of the registrant under the Securities Act to any purchaser in the initial distribution of the securities, the undersigned registrant undertakes that in a primary offering of securities of the undersigned registrant pursuant to this Registration Statement, regardless of the underwriting method used to sell the securities to the purchaser, if the securities are offered or sold to such purchaser by means of any of the following communications, the undersigned registrant will be a seller to the purchaser and will be considered to offer or sell such securities to such purchaser: (i) any preliminary prospectus or prospectus of the undersigned registrant relating to the offering required to be filed pursuant to Rule 424 under the Securities Act; (ii) any free writing prospectus relating to the offering prepared by or on behalf of the undersigned registrant or used or referred to by the undersigned registrant; (iii) the portion of any other free writing prospectus relating to the offering containing material information about the undersigned registrant or its securities provided by or on behalf of the undersigned registrant; and (iv) any other communication that is an offer in the offering made by the undersigned registrant to the purchaser.

(h) The registrant undertakes to provide to the stockholders the financial statements as required by Form 10-K for the first full fiscal year of the registrant's operations.

(i) Insofar as indemnification for liabilities arising under the Securities Act may be permitted to directors, officers and controlling persons of the registrant pursuant to the foregoing provisions, or otherwise, the registrant has been advised that in the opinion of the Securities and Exchange Commission such indemnification is against public policy as expressed in the Securities Act and is, therefore, unenforceable. In the event that a claim for indemnification against such liabilities (other than the payment by the registrant of expenses incurred or paid by a director, officer or controlling person of the registrant in the successful defense of any action, suit or proceeding) is asserted by such director, officer or controlling person in connection with the securities being registered, the registrant will, unless in the opinion of its counsel the matter has been settled by controlling precedent, submit to a court of appropriate jurisdiction the question whether such indemnification by it is against public policy as expressed in the Securities Act and will be governed by the final adjudication of such issue.

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Table VI presents summary information on properties acquired during the most recent three years ended December 31, 2010 by the Sponsor. This table provides information regarding the general type and location of the properties and the manner in which the properties were acquired. All figures are through December 31, 2010.

Property	Ownership	Location	Type of Property	Gross Leasable Space or Number of Units and Total Square Feet of Units	Date of Purchase	Mortgage Financing	Contract Price	Other Cash	Other Cash	Total
Stonecrest	Fee	Birmingham, AL	Multifamily	315 / 370,386	8/7/2008	\$ 22,500	\$ 22,500			\$ 29,291
Crestmont	Fee	Marietta, GA	Multifamily	228 / 201,200	10/3/2008	13,038	13,038			16,036
Copper Mill	Fee	Austin, TX	Multifamily	320 / 261,897	10/3/2008	13,955	13,955			17,101
Cumberland	Fee	Smyrna, GA	Multifamily	222 / 216,600	10/3/2008	12,811	12,811			15,970
Heritage Trace	Fee	Newport News, VA	Multifamily	200 / 179,148	10/3/2008	10,514	10,514			13,210
Mandalay Bay	Fee	Austin, TX	Multifamily	300 / 247,470	10/3/2008	21,545	21,545			26,816
Oyster Pt	Fee	Newport News, VA	Multifamily	278 / 260,900	10/3/2008	15,658	15,658			19,599
Tuscany Bay	Fee	Orlando, FL	Multifamily	396 / 340,440	10/3/2008	28,043	28,043			35,011
Autumn Grove	Fee	Downers Grove, IL	Multifamily	700 / 614,872	10/3/2008	41,013	41,013			50,832
Colonial Parc	Fee	Little Rock, AR	Multifamily	239 / 222,145	1/27/2009	9,172	9,172			4,549
Stonecreek Apts	Fee	Ft Collins, CO	Multifamily	167 / 129,700	2/27/2009	10,310	10,310	35	183	12,218
Belle Creek Apts	Fee	Henderson, CO	Multifamily	162 / 123,800	2/19/2009	15,075	15,075			9,452
Willows	Fee	Las Vegas, NV	Multifamily	98 / 103,980	2/19/2009	11,800	11,800			10,922
Regency Meadows	Fee	Las Vegas, NV	Multifamily	120 / 96,864	2/19/2009	9,986	9,986			9,374
North Park Place	Fee	Detroit, MI	Multifamily	79 / 111,950	3/6/2009			50		1,650
Remington	Fee	Tampa, FL	Multifamily	369 / 357,348	3/4/2009	24,490	24,490			21,365
Desert Wind	Fee	Phoenix, AZ	Multifamily	216 / 137,372	4/24/2009	12,221	12,221			12,600
Eagle Ridge	Fee	Colton, CA	Multifamily	144 / 128,432	4/24/2009	16,585	16,585			15,990
Emerald Bay	Fee	Las Vegas, NV	Multifamily	337 / 319,215	4/24/2009	27,917	27,917			32,500
Grand Terrace	Fee	Colton, CA	Multifamily	208 / 178,580	4/24/2009	23,168	23,168			23,096
Las Vistas	Fee	Phoenix, AZ	Multifamily	200 / 134,000	4/24/2009	11,932	11,932			12,200
Penny Lane	Fee	Mesa, AZ	Multifamily	136 / 114,824	4/24/2009	9,316	9,316			7,700
Sandal Ridge	Fee	Mesa, AZ	Multifamily	196 / 134,900	4/24/2009	11,309	11,309			9,900
Preserve at Colony Lakes	Fee	Stafford, TX	Multifamily	420 / 385,548	9/15/2009	34,425	34,425			33,600
English Aire/Lafayette Landing	Fee	Austin, TX	Multifamily	397 / 297,684	9/30/2009	16,877	16,877			17,200
Tresa @ Arrowhead	Fee	Phoenix, AZ	Multifamily	360 / 324,983	10/13/2009	36,675	36,675			35,400
8600 Burton Way	Fee	Los Angeles, CA	Multifamily	19 / 18,171	11/2/2009	7,500	7,500			4,818
Madison Park/Southgreen	Fee	Indianapolis, IN	Multifamily	223 / 168,445	11/19/2009	7,520	7,520			6,300
Ventura	Fee	Gainesville, FL	Multifamily	208 / 159,200	3/4/2010	10,253	10,253			9,563
Lexington, Peppermill and Trails at Northpoint	Fee	Jackson, MS	Multifamily	480 / 482,064	2/9/2010	25,867	25,867			23,388
Silversmith	Fee	Jacksonville, FL	Multifamily	140 / 121,820	2/9/2010	9,515	9,515			5,239
Riverview	Fee	Yonkers, NY	Multifamily	116 / 94,100	3/25/2010	3,800	3,800			2,497
Biscayne aka Vista Lago	Fee	Miami, Florida	Multifamily	135 / 119,376	7/21/2010	14,972	14,972			10,500
Centrepont	Fee	Tucson, AZ	Multifamily	320 / 317,440	7/23/2010	29,150	29,150			28,100
Regency Manor	Fee	Miami, FL	Multifamily	148 / 113,400	10/12/2010					11,600
Vista Springs	Fee	Moreno Valley, CA	Multifamily	212 / 174,360	11/1/2010	18,749	18,749			20,200
Northpoint	Fee	Roswell, GA	Office	97,630	7/28/2008	10,232	10,232			13,573
Executive Center	Fee	Milwaukee, WI	Office	102,017	3/13/2009	8,409	8,409			7,905
Long Beach Promenade	Fee	Long Beach, CA	Office	25,809	8/18/2009	5,225	5,225			4,300
Mineral Business Center	Fee	Denver, CO	Office	79,318	12/4/2009	10,881	10,881			9,700
1501 Yamato Road	Fee	Boca Raton, FL	Office	171,489	12/23/2009	41,753	41,753			41,000
Tiffany Square	Fee	Colorado Springs, CO	Office	184,219	5/7/2010	12,395	12,395			12,000
Sharpstown Mall	Fee	Houston, TX	Retail	681,463	1/9/2009	34,364	34,364	1		33,685
Murrells Retail Associates	Fee	Myrtle Beach, SC	Retail	434,649	9/3/2009	18,667	18,667			2,500
Corey Landings	Fee	St Pete Beach, FL	Land	N/A	1/7/2009					21,595

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- (1) These properties were acquired by the Sponsor through UCC sales or foreclosure. As such, the contract price presented above is equivalent to the mortgage balance at the time of acquisition.

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SIGNATURES

Pursuant to the requirements of the Securities Act of 1933, as amended, the registrant certifies that it has reasonable grounds to believe that the registrant meets all of the requirements for filing on Form S-11 and has duly caused this amended Registration Statement to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of Philadelphia, in the Commonwealth of Pennsylvania, on this 1st day of June, 2011.

Independence Realty Trust, Inc.

By: /s/ JACK E. SALMON
Jack E. Salmon

President and Chief Financial Officer

Pursuant to the requirements of the Securities Act of 1933, as amended, this amended Registration Statement has been signed by the following persons in the capacities and on the dates as indicated.

Name	Title	Date
/s/ JACK E. SALMON Jack E. Salmon	President, Chief Financial Officer and Director (Principal Executive Officer)	June 1, 2011
/s/ JAMES J. SEBRA James J. Sebra	Treasurer (Principal Financial Officer and Principal Accounting Officer)	June 1, 2011
/s/ SCOTT F. SCHAEFFER Scott F. Schaeffer	Chairman of the Board of Directors	June 1, 2011
* William C. Dunkelberg	Independent Director	June 1, 2011
* Robert F. McCadden	Independent Director	June 1, 2011
* DeForest B. Soaries, Jr.	Independent Director	June 1, 2011
/s/ JACK E. SALMON		June 1, 2011

* Jack E. Salmon, as attorney-in-fact

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EXHIBIT INDEX

The following exhibits are included, or incorporated by reference, in this Registration Statement on Form S-11 (and are numbered in accordance with Item 601 of Regulation S-K).

Ex.	Description
1.1*	Dealer Manager Agreement by and between the Company and Independence Realty Securities, LLC, dated as of April 7, 2011
1.2*	Form of Soliciting Dealers Agreement by and between the Company and the Soliciting Dealers
3.1*	Second Articles of Amendment and Restatement of the Company, dated as of April 6, 2011
3.2*	First Amended and Restated Bylaws of the Company
4.1*	Second Amended and Restated Agreement of Limited Partnership of Independence Realty Operating Partnership, LP, dated as of April 29, 2011
4.2	Distribution Reinvestment Plan, included in the prospectus as Appendix B
4.3	Form of Subscription Agreement, included in the prospectus as Appendix C
5.1*	Opinion of Venable LLP as to legality of securities
8.1*	Opinion of Alston & Bird LLP as to tax matters
10.1*	Escrow Agreement by and among the Company, UMB Bank, N.A. and Independence Realty Securities, LLC, dated as of April 7, 2011
10.2*	Amended and Restated Advisory Agreement by and among the Company, Independence Realty Operating Partnership, LP and Independence Realty Advisors, LLC, dated as of April 7, 2011
10.3*	Form of Management Agreement by and among the Company, Independence Realty Operating Partnership, LP and Jupiter Communities, LLC
10.4*	Long Term Incentive Plan
10.5*	Independent Directors Compensation Plan
10.6*	Form of Indemnification Agreement
10.7*	Contribution Agreement by and among Independence Realty Operating Partnership, LP and the other parties named therein, dated April 7, 2011
10.8*	Fifth Amendment to Loan and Security Agreement and Promissory Notes, dated as of April 29, 2011, by and among IRT Belle Creek Apartments Colorado, LLC, RAIT Partnership, L.P., Independence Realty Operating Partnership, LP and RAIT CRE CDO I, LTD., relating to the property referred to as Belle Creek
10.9*	Guaranty of Non-Recourse Carveouts, dated as of April 29, 2011, by Independence Realty Operating Partnership, LP for the benefit of RAIT CRE CDO I, Ltd., relating to the property referred to as Belle Creek
10.10*	Loan Agreement, dated as of April 29, 2011, by and between IRT Copper Mill Apartments Texas, LLC and RAIT Partnership, L.P., relating to the property referred to as Copper Mill
10.11*	Guaranty of Non-Recourse Carveouts, dated as of April 29, 2011, by Independence Realty Operating Partnership, LP for the benefit of RAIT Partnership, L.P., relating to the property referred to as Copper Mill
10.12*	Loan Agreement, dated as of April 29, 2011, by and between IRT Crestmont Apartments Georgia, LLC and RAIT Partnership, L.P., relating to the property referred to as Crestmont
10.13*	Guaranty of Non-Recourse Carveouts, dated as of April 29, 2011, by Independence Realty Operating Partnership, LP for the benefit of RAIT Partnership, L.P., relating to the property referred to as Crestmont
10.14*	Loan Agreement, dated as of April 29, 2011, by and between IRT Cumberland Glen Apartments Georgia, LLC and RAIT Partnership, L.P., relating to the property referred to as Cumberland Glen

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- 10.15* Guaranty of Non-Recourse Carveouts, dated as of April 29, 2011, by Independence Realty Operating Partnership, LP for the benefit of RAIT Partnership, L.P., relating to the property referred to as Cumberland Glen
- 10.16* Loan Agreement, dated as of April 29, 2011, by and between IRT Heritage Trace Apartments Virginia, LLC and RAIT Partnership, L.P., relating to the property referred to as Heritage Trace
- 10.17* Guaranty of Non-Recourse Carveouts, dated as of April 29, 2011, by Independence Realty Operating Partnership, LP for the benefit of RAIT Partnership, L.P., relating to the property referred to as Heritage Trace
- 10.18* Third Amendment to Loan and Security Agreement and Promissory Note, dated as of April 29, 2011, by and among IRT Tresa at Arrowhead Arizona, LLC, RAIT Partnership, L.P., Independence Realty Operating Partnership, LP and RAIT CRE CDO I, Ltd., relating to the property referred to as Tresa at Arrowhead
- 10.19* Guaranty of Non-Recourse Carveouts, dated as of April 29, 2011, by Independence Realty Operating Partnership, LP for the benefit of RAIT CRE CDO I, Ltd., relating to the property referred to as Tresa at Arrowhead
- 21.1* Subsidiaries of the Company
- 23.1 Consent of Grant Thornton LLP
- 23.2 Consent of Grant Thornton LLP
- 23.3* Consent of Venable LLP (included in Exhibit 5.1)
- 23.4* Consent of Alston & Bird LLP (included in Exhibit 8.1)
- 24.1* Power of Attorney

* Previously filed.