As filed with the Securities and Exchange Commission on April 26, 2013

Registration No. 333-187513

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

Amendment No. 2 to
Form S-11
REGISTRATION STATEMENT

FOR REGISTRATION UNDER THE SECURITIES ACT OF 1933
OF SECURITIES OF CERTAIN REAL ESTATE COMPANIES

Armada Hoffler Properties, Inc.

(Exact name of registrant as specified in its governing instruments)

222 Central Park Avenue, Suite 2100, Virginia Beach, Virginia 23462
(757) 366-4000
(Address, including zip code and telephone number, including area code, of registrant's principal executive offices)

Louis S. Haddad
Armada Hoffler Properties, Inc.
222 Central Park Avenue, Suite 2100, Virginia Beach, Virginia 23462
(757) 366-4000
(Name, address, including zip code and telephone number, including area code, of agent for service)

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Approximate date of commencement of proposed sale to the public: As soon as practicable after this Registration Statement becomes effective.

If any of the Securities being registered on this Form are to be offered on a delayed or continuous basis pursuant to Rule 415 under the Securities Act, check the following box: ☐

If this Form is filed to register additional securities for an offering pursuant to Rule 462(b) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement of the same offering. ☐

If this Form is a post-effective amendment filed pursuant to Rule 462(c) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. ☐

If this Form is a post-effective amendment filed pursuant to Rule 462(d) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. ☐

If delivery of the prospectus is expected to be made pursuant to Rule 434, please check the following box. ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer ☐	Accelerated filer ☐	Non-accelerated filer ☑ (Do not check if a smaller reporting company)	Smaller reporting company ☐

The registrant hereby amends this registration statement on such date or dates as may be necessary to delay its effective date until the registrant shall file a further amendment which specifically states that this registration statement shall thereafter become effective in accordance with Section 8(a) of the Securities Act of 1933 or until the registration statement shall become effective on such date as the Commission, acting pursuant to said Section 8(a), may determine.

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The information in this prospectus is not complete and may be changed. We may not sell these securities until the registration statement filed with the Securities and Exchange Commission is effective. This prospectus is not an offer to sell these securities and it is not soliciting an offer to buy these securities in any state where the offer or sale is not permitted.

Subject to Completion,
Preliminary Prospectus dated April 26, 2013

PROSPECTUS

14,583,333 Shares

Armada Hoffler Properties, Inc.

Common Stock

This is the initial public offering of Armada Hoffler Properties, Inc. We are selling 14,583,333 shares of our common stock.

We expect the initial public offering price of our common stock to be between $11.00 and $13.00 per share. Currently, no public market exists for our shares. Our common stock has been approved for listing, subject to official notice of issuance, on the New York Stock Exchange under the symbol "AHH." We intend to elect to be taxed and to operate in a manner that will allow us to qualify as a real estate investment trust for federal income tax purposes commencing with our taxable year ending December 31, 2013. To assist us in qualifying as a real estate investment trust, among other purposes, our charter generally limits any person from beneficially or constructively owning more than 9.8% in value or number of shares, whichever is more restrictive, of the outstanding shares of any class or series of our capital stock. See "Description of Capital Stock—Restrictions on Ownership and Transfer."

We are an "emerging growth company" under the federal securities laws and will be subject to reduced public company reporting requirements. Investing in our common stock involves a high degree of risk. See "Risk Factors" beginning on page 25 of this prospectus for a discussion of certain risk factors that you should consider before investing in our common stock.

	Per Share	Total
Public offering price		
Underwriting discount		
Proceeds, before expenses, to us		

The underwriters may also exercise their option to purchase up to an additional 2,187,500 shares from us, at the public offering price, less the underwriting discount, for 30 days after the date of this prospectus to cover overallotments, if any.

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities or determined if this prospectus is truthful or complete. Any representation to the contrary is a criminal offense.

The shares will be ready for delivery on or about , 2013.

Baird | **Raymond James** | **Stifel**

Oppenheimer & Co.

BB&T Capital Markets | **Janney Montgomery Scott** | **Wunderlich Securities**

The date of this prospectus is , 2013.

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You should rely only on the information contained in this document or to which we have referred you. We have not, and the underwriters have not, authorized anyone to provide you with information that is different. If anyone provides you with different information, you should not rely on it. We are not, and the underwriters are not, making an offer to sell these securities in any jurisdiction where the offer or sale is not permitted. The information in this prospectus is current as of the date such information is presented. Our business, financial condition, liquidity, funds from operations, or FFO, results of operations and prospects may have changed since those dates.

We use market data, demographic data, industry forecasts and industry projections throughout this prospectus. Unless otherwise indicated, we derived such information from the market study prepared for us by Rosen Consulting Group, or RCG, a nationally recognized real estate consulting firm. Such information is included in this prospectus in reliance on RCG's authority as an expert on such matters. We have paid RCG a fee of $45,000 for such services. In addition, we have obtained certain market and industry data from publicly available industry publications. These sources generally state that the information they provide has been obtained from sources believed to be reliable, but that the accuracy and completeness of the information are not guaranteed. The industry forecasts and projections are based on historical market data and the preparers' experience in the industry, and there is no assurance that any of the projected amounts will be achieved. We believe that the market and industry research others have performed are reliable, but we have not independently verified this information.

PROSPECTUS SUMMARY

You should read the following summary together with the more detailed information regarding our company and the historical and pro forma financial statements appearing elsewhere in this prospectus, including under the caption "Risk Factors." References in this prospectus to "we," "our," "us" and "our company" refer to Armada Hoffler Properties, Inc., a Maryland corporation together with our consolidated subsidiaries, including Armada Hoffler, L.P., a Virginia limited partnership, which we refer to in this prospectus as our operating partnership. We are the sole general partner of the operating partnership. The historical and current operations described in this prospectus refer to historical and current operations of the businesses and assets of our predecessor and its affiliates (which we refer to collectively in this prospectus as "Armada Hoffler") that we will succeed to upon consummation of the formation transactions described in this prospectus under the caption "Structure and Formation of Our Company" as if such operations were conducted by us. Unless otherwise indicated, the information contained in this prospectus is as of December 31, 2012 and assumes that (1) the underwriters' overallotment option is not exercised, (2) the formation transactions are consummated, (3) the common stock to be sold in this offering is sold at $12.00 per share, which is the midpoint of the price range set forth on the front cover of this prospectus, and (4) the common units of limited partnership interest in our operating partnership, or common units, to be issued in the formation transactions are valued at $12.00 per common unit, which is the midpoint of the price range set forth on the front cover of this prospectus. Commencing one year following the completion of this offering and the formation transactions, each common unit will be redeemable, at the option of the holder, for cash equal to the then-current market value of one share of common stock or, at our option, for one share of our common stock.

Our Company

Overview

We are a full-service real estate company with extensive experience developing, building, owning and managing high-quality, institutional-grade office, retail and multifamily properties in attractive markets throughout the Mid-Atlantic United States. Upon completion of this offering and the formation transactions, we intend to elect to be taxed as a real estate investment trust, or REIT, for U.S. federal income tax purposes. Our initial portfolio consists of properties in various markets in Virginia and North Carolina. We intend to develop and acquire office, retail and multifamily properties in the broader Mid-Atlantic region, including, among other cities, Washington, D.C. and Baltimore, Maryland. In this prospectus, we refer to cities in the Mid-Atlantic region as our target markets. We believe our experience, strategic focus on the Mid-Atlantic region and multi-sector portfolio strategy positions us to compete as a leading commercial real estate owner, operator and developer in our target markets. In addition to developing and building properties for our own account, we also provide general construction and development services to third-party clients throughout the Mid-Atlantic and Southeastern regions of the United States.

We were formed as a Maryland corporation in October 2012 to succeed to the business of Armada Hoffler, a privately owned real estate business founded in 1979. Upon completion of this offering and the related formation transactions, our initial portfolio will consist of 100% of the interests in the following properties:

- **Office**: Seven properties consisting of approximately 1.0 million net rentable square feet, which were approximately 94.1% leased and constituted approximately 43.8% of the total annualized base rent of our initial portfolio as of December 31, 2012.
- **Retail**: Fifteen properties consisting of approximately 1.1 million net rentable square feet, which were approximately 93.9% leased and constituted approximately 38.2% of the total annualized base rent of our initial portfolio as of December 31, 2012.
- **Multifamily**: Two properties consisting of 626 apartment units, which were approximately 94.9% leased and constituted approximately 18.0% of the total annualized base rent of our initial portfolio as of December 31, 2012.

In addition to our initial portfolio described above, prior to the closing of this offering we will enter into a purchase agreement to acquire the Apprentice School Apartments, a 197-unit multifamily property located in Newport News, Virginia upon satisfaction of certain conditions, which is currently expected to occur in November 2013. For more information regarding the Apprentice School project, see "Business and Properties—Property under Contract." Upon completion of this offering and the formation transactions, we also will succeed to Armada Hoffler's development pipeline, which consists of two office properties, two retail properties and two multifamily properties in various stages of development, which we refer to in this prospectus as our identified development pipeline. Based on current development plans and agreements, we expect that the projects in our identified development pipeline will consist of a total of approximately 290,000 square feet of office space, 90,000 square feet of retail space and 491 apartment units. Prior to the completion of this offering, we will also enter into agreements providing us options to purchase eight parcels of developable land from certain of our executive officers and their affiliates.

We develop and build properties for our own account and through joint ventures between us and unaffiliated partners. We also provide general contracting services to third parties. Our construction and development experience includes mid- and high-rise office buildings, retail strip malls and retail power centers, multifamily apartment communities, hotels and conference centers, single- and multi-tenant industrial, distribution and manufacturing facilities, educational, medical and special purpose facilities, government projects, parking garages and mixed-use town centers. Our third-party construction contracts have included signature properties across the Mid-Atlantic region, such as the Inner Harbor East development in Baltimore, Maryland, including the Four Seasons Hotel and Legg Mason office tower, the Mandarin Oriental Hotel in Washington, D.C., and a $50 million proton therapy institute for Hampton University in Hampton, Virginia. Our construction company historically has been ranked among the "Top 400 General Contractors" nationwide by Engineering News Record and has been ranked among the "Top 50 Retail Contractors" by Shopping Center World. As part of our formation transactions, we expect to acquire construction contracts from Armada Hoffler for seven on-going projects and will assume Armada Hoffler's ongoing obligations under those contracts.

In addition to our general expertise and extensive experience in developing, building and owning high-quality commercial properties, we believe that we have particular expertise and a well-established track record forming partnerships between and among public and private entities to develop, construct and own high-quality, institutional-grade properties. Our senior management team has worked at our predecessor for an average of 18 years and is led by Daniel A. Hoffler, our Executive Chairman, who has over 33 years of experience in the commercial real estate industry in our target markets, Russ Kirk, our Vice Chairman, who has been with the Company for almost 30 years, and Lou Haddad, our President and CEO, who has been with the Company for over 28 years.

Our Competitive Strengths

We believe the following competitive strengths distinguish us from many of our competitors:

- **Seasoned, Committed and Aligned Senior Management Team with a Proven Track Record**. Our senior management team, led by Daniel Hoffler, Louis Haddad and Russell Kirk, has extensive experience developing, constructing, owning, operating, renovating and financing institutional-grade office, retail, multifamily and hotel properties in the Mid-Atlantic region. Since inception, Armada Hoffler has developed in excess of $1.4 billion of properties, including all but one of the properties in our initial portfolio. Upon completion of this offering and the related formation transactions, our executive officers, directors and their respective affiliates collectively will own approximately 36.8% of our company on a fully diluted basis, which we believe will align their interests with those of our stockholders.

- **High-Quality, Diversified Portfolio**. Our initial portfolio consists of institutional-grade, premier office, retail and multifamily properties located in Virginia and North Carolina. Our properties are generally in the top tier of commercial properties in their markets and offer Class-A amenities and finishes. Our properties have an average age of 11.4 years, and were, with one exception, built and developed by us. We believe we generally have lower tenant improvement costs per square foot than many of our public

company peers due to the average age of our properties, our historical retention rate, high barriers to entry in our markets and the institutional-grade quality of our portfolio. We believe that we have maintained our properties to the highest standards and that the quality and location of our properties, together with our active asset management strategies, have resulted in our properties achieving and maintaining competitive rents and occupancy levels relative to competitive properties, including during the recent recessionary period of 2007 to 2009 and subsequent weak recovery. For example, when occupancy rates on our stabilized office and retail portfolios reached post-2007 lows of 92.4% in 2011, and 93.4% in 2010, respectively, the U.S. office and retail occupancy rates were 83.3% and 91.2%, respectively, for the comparable period, according to RCG. Additionally, in 2010, when the U.S. office and retail occupancy rates reached post-2007 lows of 82.1% and 91.2%, respectively, the comparable occupancy rates on our stabilized office and retail portfolios were 96.0% and 93.4%, respectively.

- **Strategic Focus on Attractive Mid-Atlantic Markets**. We focus our activities in our target markets in the Mid-Atlantic region of the United States that demonstrate attractive fundamentals driven by favorable supply and demand characteristics and limited competition from other large, well-capitalized operators. According to RCG, many of our target markets enjoy high concentrations of employers in industry sectors that historically have been resistant to recession, including military, state government, higher education and healthcare. The Hampton Roads Metropolitan Statistical Area, or MSA, region, from which we derive a majority of our annualized base rent, had an unemployment rate of 6.4% as of August 2012, as compared to unemployment rates of 8.3%, 8.2% and 8.1% in the top 10, top 25 and top 50 MSAs, respectively, and the U.S. national rate of 7.8%. Furthermore, RCG projects steady population growth in all of the markets in which the properties in our initial portfolio are located. We believe that our longstanding presence in our target markets provides us with significant advantages in sourcing and executing development opportunities, identifying and mitigating potential risks and negotiating attractive pricing.

- **Extensive Experience with Construction and Development**. Since 1982, Armada Hoffler has provided third-party general contracting services through both design/build and design/bid/build delivery methods with a commitment to delivering a quality project on schedule and within the established budget. Our platform consists of development, construction and asset management capabilities, which comprise an integrated delivery system for every project that we build for our own account or for third-party clients. This integrated approach provides a single source of accountability for design and construction, simplifies coordination and communication among the relevant stakeholders in each project and provides us valuable insight from an operational perspective. In addition to building 23 of the 24 properties in our initial portfolio, we have had a lead role in the following construction and development projects for third party clients:

  - *Inner Harbor East, Baltimore, MD*: Harbor East is a $1.7 billion, mixed-use waterfront project covering more than eight blocks adjacent to Baltimore's Inner Harbor and Little Italy, which includes a Four Seasons hotel, the Legg Mason office tower, other Class-A office space and upscale retail shops.

  - *The Mandarin Oriental Hotel, Washington, D.C.*: The Washington, D.C. Mandarin Oriental is a five-star, 400-room luxury hotel, which was completed in 2004 for a total cost of approximately $144 million.

  - *The Embassy of Sweden/Harbourside, Washington, D.C.*: The Embassy of Sweden and Harbourside comprise a two-building Class-A office and residential complex along the Potomac River and Rock Creek Park in Washington, D.C., which was completed in 2004 for a total cost of approximately $100 million.

  - *Hampton University Projects, Hampton, VA*: Since the late 1980s, we have been the preferred construction and development partner for Hampton University and have built several facilities

for a total cost of approximately $170 million, including the Proton Therapy Institute (approximately $50 million), Hampton University Student Center (approximately $15 million) and Hampton University Convocation Center (approximately $13 million).

In addition to the revenue that we generate from our third-party construction and development clients, we believe that being regularly engaged in construction and development projects provides us significant and distinct advantages, including enhanced market intelligence, greater insight into best practices, enhanced operating leverage and "first look" access to development and ownership opportunities in our target markets.

- **Longstanding Public and Private Relationships**. We have extensive experience with public/private real estate development projects dating back to 1984, having worked with the Commonwealth of Virginia, the State of Georgia and the Kingdom of Sweden, as well as various municipalities. Through our experience and longstanding relationships with governmental entities such as these, we have learned to successfully navigate the often complex and time-consuming government approval process, which has given us the ability to capture opportunities that we believe many of our competitors are unable to pursue.

Our Business and Growth Strategies

Our primary business objectives are to (i) continue to develop, build and own institutional-grade office, retail and multifamily properties in our target markets, (ii) finance and operate our portfolio in a manner that increases cash flow and property values, (iii) increase the size and volume of our third-party construction business and (iv) pursue selective acquisition opportunities, particularly when the acquisition involves a significant redevelopment aspect. We will seek to achieve our objectives through the following strategies:

- **Complete the Development of our Identified Development Pipeline**. We intend to complete the development of our identified development pipeline of high-quality projects, consisting of two office, two retail and two multifamily projects representing a total of approximately 290,000 square feet of office space, 90,000 square feet of retail space and 491 apartment units. We also intend to acquire the Apprentice School Apartments, a 197-unit multifamily property currently under construction in Newport News, Virginia, upon the satisfaction of certain conditions, including completion of construction of all three components of the Apprentice School project, which is currently expected to occur in November 2013.

- **Growth-Oriented Capital Structure**. We intend to use a portion of the net proceeds of this offering to repay approximately $112.8 million of mortgage debt secured by certain properties in our initial portfolio, including related costs and fees. Going forward, we intend to target a debt to gross total assets ratio of approximately 45.0%, which we believe is in line with that of similar publicly traded REITs. We have received a committment letter from Bank of America, N.A. and Merrill Lynch, Pierce, Fenner & Smith Incorporated to arrange a $100 million senior credit facility, which we intend to use to fund a portion of our identified development pipeline, for future development and for selective acquisitions. Furthermore, we believe our ability to issue common units in our operating partnership to equity holders of potential acquisition properties will provide us a significant advantage over many of our competitors.

- **Pursue a Disciplined, Opportunistic Development and Acquisition Strategy Focused on Office, Retail and Multifamily Properties**. We intend to grow our asset base through continued strategic development of office, retail and multifamily properties, including the projects in our identified development pipeline, and the selective acquisition of high-quality properties that are well-located in their submarkets. In evaluating property investment opportunities, we intend to focus on supply and demand characteristics, management of property specific risks and diversification opportunities to meet our investment objectives and provide attractive risk-adjusted returns. We believe that our relationships with real estate developers, governmental entities, brokers, national and regional lenders, high-quality financially stable tenants and other market participants in our target markets will provide us with access to development and acquisition

opportunities before they become known to other real estate investors and developers. We seek to create value by developing properties with a minimum expected market capitalization rate approximately 150 basis points higher than the market capitalization rate we would expect to achieve through acquisition. Furthermore, we believe our construction and development expertise provides a high level of quality control while ensuring that the projects we construct and develop are completed more quickly and at a lower cost than if we engaged a third-party general contractor.

- **Pursue New, and Expand Existing, Public/Private Relationships**. We intend to leverage our extensive experience in completing large, complex, mixed-use, public/private projects to establish relationships with new public partners while expanding our relationships with existing public partners. In the current environment of constrained municipal budgets, we believe that public/private partnerships are the most cost-effective method of creating value in what historically have been "public" projects. We believe our experience and expertise in executing these types of projects provide us with a significant competitive advantage in pursuing these often highly complex transactions, and our continuing success with these projects has resulted in repeat business with our public partners.

- **Leverage our Construction and Development Platform to Attract Additional Third-Party Clients**. We believe that we have a unique advantage over many of our competitors due to our integrated construction and development business that provides expertise, oversight and a broad array of client-focused services. We intend to continue to conduct and grow our construction business and other third-party services by pursuing new clients and expanding our relationships with existing clients.

- **Engage in Disciplined Capital Recycling**. Although we do not have any current plans to dispose of any of the properties in our initial portfolio, we intend to opportunistically divest properties when we believe returns have been maximized and to redeploy the capital into new development, acquisition, repositioning or redevelopment projects that are expected to generate higher potential risk-adjusted returns.

Summary Risk Factors

Investing in our common stock involves a high degree of risk. Prospective investors are urged to carefully consider the matters discussed under "Risk Factors" prior to making an investment in our common stock. Such risks include, but are not limited to:

- The geographic concentration of our initial portfolio could cause us to be more susceptible to adverse economic or regulatory developments in the markets in which our properties are located than if we owned a more geographically diverse portfolio.

- We expect to have approximately $280 million of indebtedness outstanding following this offering, including amounts to be drawn from our credit facility at or shortly after the completion of this offering, which may expose us to the risk of default under our debt obligations and may include covenants that restrict our ability to pay distributions to our stockholders.

- We depend on significant tenants in certain of our office properties, and a bankruptcy, insolvency or inability to pay rent by any of these tenants could result in a material decrease in our rental income, which would have a material adverse effect on us, including our financial condition, results of operations, cash flow, cash available for distribution and our ability to service our debt obligations.

- The loss of, or a store closure by, one of the anchor stores or major tenants in our retail shopping center properties could result in a material decrease in our rental income, which would have a material adverse effect on us, including our financial condition, results of operations, cash flow, cash available for distribution and our ability to service our debt obligations.

- We may be unable to renew leases, lease vacant space or re-let space on favorable terms or at all as leases expire, which could materially adversely affect us, including our financial condition, results of operations, cash flow, cash available for distribution and our ability to service our debt obligations.
- Adverse economic and regulatory conditions, particularly in the Mid-Atlantic region, could adversely affect our construction and development business, which could have a material adverse effect on our financial condition, results of operations, cash flow, cash available for distribution and our ability to service our debt obligations.
- There can be no assurance that all of the properties in our identified development pipeline will be completed in their entirety in accordance with the anticipated cost, or that we will achieve the results we expect from the development of such properties, which could materially adversely affect our growth prospects, financial condition, results of operations, cash available for distribution and our ability to service our debt obligations.
- Our dependence on third-party subcontractors and equipment and material providers could result in material shortages or project delays and could reduce our profits or result in project losses, which could materially adversely affect our financial condition, results of operations, cash flow, cash available for distribution and our ability to service our debt obligations.
- We have not obtained any third-party appraisals of the properties and other assets to be acquired by us from the prior investors in connection with the formation transactions. Accordingly, the value of the cash and common units to be paid or issued as consideration for the properties and assets to be acquired by us in the formation transactions may exceed their aggregate fair market value and will exceed their aggregate historical combined net tangible book value of approximately $(41.3) million as of December 31, 2012.
- Upon completion of this offering and the formation transactions, Daniel Hoffler and his affiliates, directly or indirectly, will own a substantial beneficial interest in our company on a fully diluted basis and will have the ability to exercise significant influence on our company and our operating partnership, including the approval of significant corporate transactions.
- Messrs. Hoffler, Haddad, Kirk, Nero and Apperson and their affiliates will receive benefits in connection with this offering, which create a conflict of interest because they have interests in the successful completion of this offering that may influence their decisions affecting the terms and circumstances under which this offering and formation transactions are completed.
- Our charter and bylaws and Maryland law contain provisions that may delay, defer or prevent a change of control transaction that might involve a premium price for our common stock or that our stockholders otherwise believe to be in their best interests.
- Our tax protection agreements could limit our ability to sell or otherwise dispose of certain properties.
- Failure to qualify as a REIT, or failure to remain qualified as a REIT, would cause us to be taxed as a regular corporation, which would substantially reduce funds available for distributions to our stockholders.
- We may be unable to make distributions at expected levels, which could result in a decrease in the market price of our common stock.

Our Initial Portfolio

Upon completion of this offering and the formation transactions, we will own 100% of the interests in 24 properties located predominantly in the Hampton Roads, Richmond and Raleigh-Durham markets, consisting of a total of approximately 1.0 million net rentable square feet of office space, 1.1 million net rentable square feet of retail space and 626 multifamily units, which we refer to in this prospectus as our initial portfolio. We built and developed 23 of the 24 properties in our initial portfolio. Our initial portfolio includes ten properties within the Virginia Beach Town Center, a $500 million central business district mixed-use project that we developed in partnership with the City of Virginia Beach, Virginia. In addition, two properties in our identified development pipeline are located within the Virginia Beach Town Center. The Virginia Beach Town Center is a 17-block, on-going, multi-phase development. To date, the City of Virginia Beach has invested approximately $150 million in the Virginia Beach Town Center, which has created a vibrant downtown central business district for Virginia Beach and attracted new tenants both to the city and larger metropolitan statistical area, with 51.0% of tenants being new to Virginia Beach and 34.4% of tenants being new to the larger Hampton Roads Market.

The following table presents an overview of our initial portfolio as of December 31, 2012. As described in the notes to the table below, we occupy space in the Armada Hoffler Tower, Oyster Point and the 249 Central Park Retail properties. The rent and square footage for such space are reflected in the table below, but the rent paid by us is eliminated in consolidation in the financial statements and other financial statement information herein.

Property	Location	Year Built	Net Rentable Square Feet[1]	% Leased[2]	Annualized Base Rent[3]	Annualized Base Rent per Leased Square Foot[3]	Average Net Effective Annual Base Rent per Leased Square Foot[4]
Office Properties							
Armada Hoffler Tower[5]	Virginia Beach, VA	2002	327,123	98.3%	$ 8,652,192	$ 26.90	$ 27.73
One Columbus	Virginia Beach, VA	1984	129,424	94.7	2,697,265	22.01	24.61
Two Columbus	Virginia Beach, VA	2009	109,512	80.3	2,134,392	24.26	24.60
Virginia Natural Gas[6]	Virginia Beach, VA	2010	31,000	100.0	568,230	18.33	20.17
Richmond Tower	Richmond, VA	2010	206,969	98.0	6,911,970	34.08	41.84
Oyster Point[7]	Newport News, VA	1989	100,214	81.5	1,700,444	20.81	20.73
Sentara Williamsburg[6]	Williamsburg, VA	2008	49,200	100.0	914,628	18.59	20.50
Subtotal/Weighted Average Office Properties[8]			**953,442**	**94.1%**	**$ 23,579,121**	**$ 26.29**	**$ 28.89**
Retail Properties Not Subject to Ground Lease							
Bermuda Crossroads	Chester, VA	2001	111,566	93.6%	$ 1,442,692	$ 13.81	$ 12.92
Broad Creek Shopping Center	Norfolk, VA	1997-2001	227,750	95.5	2,895,024	13.31	11.81
Courthouse 7-Eleven	Virginia Beach, VA	2011	3,177	100.0	125,000	39.35	43.81
Gainsborough Square	Chesapeake, VA	1999	88,862	93.0	1,280,905	15.50	15.36
Hanbury Village	Chesapeake, VA	2006-2009	61,049	84.7	1,332,563	25.76	25.60
North Point Center	Durham, NC	1997-2009	215,699	91.1	2,324,762	11.84	11.30
Parkway Marketplace	Virginia Beach, VA	1998	37,804	100.0	753,568	19.93	19.97
Harrisonburg Regal	Harrisonburg, VA	1999	49,000	100.0	683,550	13.95	13.95
Dick's at Town Center	Virginia Beach, VA	2002	100,804	91.4	908,460	9.86	8.30
249 Central Park Retail[9]	Virginia Beach, VA	2004	92,515	98.7	2,511,180	27.50	27.09
Studio 56 Retail	Virginia Beach, VA	2007	11,600	84.8	333,400	33.91	37.15
Commerce Street Retail	Virginia Beach, VA	2008	20,123	100.0	779,835	38.75[10]	39.99
Fountain Plaza Retail	Virginia Beach, VA	2004	35,961	100.0	972,426	27.04	26.26
South Retail	Virginia Beach, VA	2002	38,763	92.5	825,363	23.02	26.54
Subtotal/Weighted Average Retail Properties Not Subject to Ground Lease[11]			**1,094,673**	**93.9%**	**$ 17,168,728**	**$ 16.70**	**$ 16.16**
Retail Properties Subject to Ground Lease							
Bermuda Crossroads[12]	Chester, VA	2001	[14]	100.0%	$ 155,100	—	—
Broad Creek Shopping Center[13]	Norfolk, VA	1997-2001	[15]	100.0	572,291	—	—
Hanbury Village[12]	Chesapeake, VA	2006-2009	[16]	100.0	1,067,598	—	—
North Point Center[12]	Durham, NC	1998-2009	[17]	100.0	1,048,135	—	—
Tyre Neck Harris Teeter[11]	Portsmouth, VA	2011	[18]	100.0	507,603	—	—
Subtotal/Weighted Average Retail Properties Subject to Ground Lease				**100.0%**	**$ 3,350,727**	**—**	**—**
Total/Weighted Average Retail Properties			**1,094,673[19]**		**$ 20,519,455**	**—**	**—**

Property	Location	Year Built	Apartment Units[20]	% Leased[2]	Annualized Base Rent[21]	Average Monthly Base Rent per Leased Unit[22]
Multifamily						
Smith's Landing[23]	Blacksburg, VA	2009	284	98.6%	$ 3,305,046	$ 983.64
The Cosmopolitan	Virginia Beach, VA	2006	342	91.9	6,389,254[24]	1,494.50
Total/Weighted Average Multifamily Properties			**626**	**94.9%**	**$ 9,694,300**	**$ 1,253.81**
Total Portfolio					**$ 53,792,876**	

(1) The net rentable square footage for each of our office properties is the sum of (a) the square footages of existing leases, plus (b) for available space, management's estimate of net rentable square footage based, in part, on past leases. The net rentable square footage included in office leases is generally determined consistently with the Building Owners and Managers Association, or BOMA, 1996 measurement guidelines. The net rentable square footage for each of our retail properties is the sum of (a) the square footages of existing leases, plus (b) for available space, the field verified square footage.

(2) Percentage leased for each of our office and retail properties is calculated as (a) square footage under commenced leases as of December 31, 2012, divided by (b) net rentable square feet, expressed as a percentage. Percentage leased for our multifamily properties is calculated as (a) total units rented as of December 31, 2012, divided by (b) total units available, expressed as a percentage.

(3) For the properties in our office and retail portfolios, annualized base rent is calculated by multiplying (a) base rental payments (defined as cash base rents (before abatements) excluding tenant reimbursements for expenses paid by the landlord) for the month ended December 31, 2012, by (b) 12. Annualized base rent per leased square foot is calculated by dividing (a) annualized base rent, by (b) square footage under commenced leases as of December 31, 2012. In the case of triple net or modified gross leases, annualized base rent does not include tenant reimbursements for real estate taxes, insurance, common area or other operating expenses.

(4) Average net effective annual base rent per leased square foot represents (a) the contractual base rent for leases in place as of December 31, 2012, calculated on a straight-line basis to amortize free rent periods and abatements, but without regard to tenant improvement allowances and leasing commissions, divided by (b) square footage under commenced leases as of December 31, 2012.

(5) As of December 31, 2012, we occupied 16,151 square feet at this property at an annualized base rent of $484,853, or $30.02 per leased square foot, which amounts are reflected in the % leased, annualized base rent and annualized base rent per square foot columns in the table above. In the combined financial statements of our Predecessor and following completion of this offering and the formation transactions, the rent paid by us is eliminated from our revenues in consolidation. In addition, effective March 1, 2013, we sublease approximately 5,000 square feet of space from a tenant at this property.

(6) This property is subject to a triple net lease pursuant to which the tenant pays operating expenses, insurance and real estate taxes.

(7) As of December 31, 2012, we occupied 1,718 square feet at this property on which we do not pay rent.

(8) Reflects square footage and annualized base rent pursuant to leases for space occupied by us. If the space occupied by us were excluded from the table, net rentable square feet, % leased, annualized base rent and annualized base rent per leased square foot for our office portfolio would be 935,573, 94.0%, $23,094,269 and $26.27, respectively.

(9) As of December 31, 2012, we occupied 13,839 square feet at this property at an annualized base rent of $299,338, or $21.63 per leased square foot, which amounts are reflected in the % leased, annualized base rent and annualized base rent per square foot columns in the table above. In the combined financial statements of our Predecessor and following completion of this offering and the formation transactions, the rent paid by us is eliminated from our revenues in consolidation.

(10) Includes $25,200 of annualized base rent pursuant to a rooftop lease.

(11) Reflects square footage and annualized base rent pursuant to leases for space occupied by us. If the space occupied by us were excluded from the table, net rentable square feet, % leased, annualized base rent and annualized base rent per leased square foot for our retail properties not subject to ground lease portfolio would be 1,080,843, 93.8%, $16,869,391 and $16.63, respectively.

(12) For this ground lease, we own the land and the tenant owns the improvements thereto. We will succeed to the ownership of the improvements to the land upon the termination of the ground lease.

(13) We lease the land underlying this property from the owner of the land pursuant to a ground lease. We re-lease the land to our tenant under a separate ground lease pursuant to which our tenant owns the improvements on the land.

(14) Tenants collectively lease approximately 139,356 square feet of land from us pursuant to ground leases.

(15) Tenants collectively lease approximately 299,170 square feet of land from us pursuant to ground leases.

(16) Tenants collectively lease approximately 105,988 square feet of land from us pursuant to ground leases.

(17) Tenants collectively lease approximately 1,443,985 square feet of land from us pursuant to ground leases.

(18) Tenant leases approximately 200,073 square feet of land from us pursuant to a ground lease.

(19) The total square footage of our retail portfolio excludes the square footage of land subject to ground leases.

(20) Units represent the total number of apartment units available for rent at December 31, 2012.

(21) For the properties in our multifamily portfolio, annualized base rent is calculated by multiplying (a) base rental payments for the month ended December 31, 2012 by (b) 12.

(22) Average monthly base rent per leased unit represents the average monthly rent for all leased units for the month ended December 31, 2012.

(23) We lease the land underlying this property from the owner of the land pursuant to a ground lease.

(24) The annualized base rent for The Cosmopolitan includes $752,604 of annualized rent from 14 retail leases at the property.

Our Identified Development Pipeline

In addition to the properties in our initial portfolio, prior to the closing of this offering we will enter into a purchase agreement to acquire a 197-unit multifamily property located in Newport News, Virginia, upon the satisfaction of certain conditions, including completion of the project's construction, which is currently expected to occur in November 2013, and will succeed to the projects in Armada Hoffler's development pipeline, which we refer to in this prospectus as our identified development pipeline, as described below (dollars in thousands):

Property	Location	Property Type	Estimated Square Footage[1]	Estimated Units[1]	Estimated Cost[1]	Cost Incurred through December 31, 2012	Estimated Date of Completion[1]	Estimated Ownership %[1]	Principal Tenants
Main Street Office[2]	Virginia Beach, VA	Office	234,000[3]	N/A	$ 50,863	$ 750	July 2014	100%	Clark Nexsen, Development Authority of Virginia Beach[4]
Main Street Apartments[2]	Virginia Beach, VA	Multifamily	N/A	288	32,845	277	July 2014	100%	N/A
Jackson Street Apartments	Durham, NC	Multifamily	N/A	203	26,182	218	July 2014	80%	N/A
Sandbridge Commons	Virginia Beach, VA	Retail	75,000	N/A	13,675	266	September 2014	85%	Harris Teeter[4]
Brooks Crossing	Newport News, VA	Office[5]	60,000	N/A	12,793	476	February 2015	65%	Huntington Ingalls[4], City of Newport News[4]
Greentree Shopping Center[6]	Chesapeake, VA	Retail	15,600	N/A	5,402	103	September 2014	100%	WaWa[4]
Total			**384,600**	**491**	**$ 141,760**	**$ 2,090**			

(1) Represents estimates that may change as the development process proceeds.

(2) This property will be located within the Virginia Beach Town Center.

(3) Approximately 83,600 square feet have been pre-leased by Clark Nexsen, an architectural firm. We expect approximately 23,300 square feet to be pre-leased by the Development Authority of Virginia Beach, although no lease has been signed as of the date of this prospectus.

(4) No lease agreement has been signed as of the date of this prospectus. We expect the lease agreement to be in place prior to the commencement of construction on this project.

(5) We expect that this property will include 28,200 square feet of retail space.

(6) We are currently negotiating with Wal-Mart to sell them a pad-ready site adjacent to Greentree Shopping Center.

In November 2012, Armada Hoffler was selected by Johns Hopkins University, after an extensive competitive selection process, to join with the University in the redevelopment of a 1.12 acre property adjacent to the University's Homewood campus in Baltimore, Maryland. The project is expected to include market-rate student housing, a hotel, retail space, restaurants and parking. The goal of the completed project will be to complement the Homewood campus and nearby Charles Village neighborhood and provide a catalyst for future development in the area. Upon completion of this offering and the formation transactions, we will succeed to Armada Hoffler's right to develop and build the Johns Hopkins project.

The commencement of construction on all of the projects identified in the table above and the Johns Hopkins project, are subject to, among other factors, regulatory approvals, the acquisition of financing and suitable market conditions. See "Business and Properties—Our Identified Development Pipeline" for more information regarding the projects in our identified development pipeline.

Our Third-Party Construction Business

Upon the completion of this offering and the formation transactions, we will succeed to Armada Hoffler's construction business, which was engaged as general contractor with respect to 20 construction projects for both third-party and related

party clients as of December 31, 2012. As part of the formation transactions, we will acquire from Armada Hoffler all of the construction contracts in place on the date of the completion of this offering and, as a result, will assume all of Armada Hoffler's obligations under those contracts. Of the 20 construction projects in progress as of December 31, 2012, we currently expect that seven of these construction projects will be on-going upon completion of this offering. As of December 31, 2012, these seven construction projects have an estimated contract value of approximately $82.8 million with approximately $20.1 million of work in place and a balance to complete of approximately $62.7 million. See "Business and Properties—Our Third Party Construction Business."

Our Third-Party Construction Pipeline

As of December 31, 2012, Armada Hoffler also had construction contracts in various stages of negotiation with both third parties and related parties, which we refer to as our third-party construction pipeline. As of December 31, 2012, no contracts had been executed with respect to any projects in our third-party construction pipeline. We cannot assure you that any or all of these contracts will be executed or that, once executed, we will commence or complete construction on all or any of the projects. Twelve of the 16 construction projects being negotiated are expected to be built in Virginia, including 11 in the Hampton Roads region of Virginia. The other four construction projects being negotiated are expected to be built in Maryland, including two located in Baltimore, Maryland. We currently estimate that the aggregate contract value of these contracts under negotiation will be approximately $200 million, but the actual value of the construction contracts we enter into may be significantly less than this amount. See "Business and Properties—Our Third-Party Construction Pipeline" for more information regarding the projects in our third-party construction pipeline.

Structure and Formation of Our Company

Our Operating Entities

Our Company

We were formed as a Maryland corporation in October 2012 and will commence operations upon completion of this offering and the formation transactions. We will conduct our business through a traditional umbrella partnership real estate investment trust, or UPREIT, structure in which our properties are owned by our operating partnership directly or through limited partnerships, limited liability companies or other subsidiaries, as described below under "—Our Operating Partnership." We are the sole general partner of our operating partnership and, upon completion of this offering and the formation transactions, will own approximately 53.1% of the common units in our operating partnership. Our board of directors will oversee our business and affairs.

Our Operating Partnership

Our operating partnership was formed as a Virginia limited partnership in October 2012 and will commence operations upon completion of this offering and the formation transactions. Following completion of this offering and the formation transactions, substantially all of our assets will be held by, and our operations will be conducted through, our operating partnership. As the sole general partner of our operating partnership, we generally will have the exclusive power under the partnership agreement to manage and conduct its business and affairs, subject to certain limited approval and voting rights of the limited partners, which are described more fully below in "Description of the Partnership Agreement of Armada Hoffler, L.P." In the future, we may issue common units from time to time in connection with property acquisitions, compensation or otherwise.

Our Services Company

As part of the formation transactions, we formed AHP Holding, Inc., which we refer to in this prospectus as our services company. Our services company is wholly owned by our operating partnership and will conduct, through its wholly-owned subsidiaries, our third-party construction and development business and our asset management business. We will elect

with our services company to treat it as a taxable REIT subsidiary, or TRS, for federal income tax purposes. As a result, our services company and any other TRSs we may form will be fully subject to federal, state and local corporate income taxes.

Formation Transactions

The properties and businesses that will be owned by us through our operating partnership upon completion of this offering and the formation transactions are currently owned directly or indirectly by partnerships, limited liability companies and corporations in which Messrs. Hoffler, Haddad, Kirk and their affiliates and certain of our other officers and their affiliates, whom we refer to as the Armada Hoffler affiliates, and other third parties own a direct or indirect interest. We refer to these partnerships, limited liability companies and corporations collectively as the "ownership entities." The current owners of the ownership entities or their parent companies, whom we refer to as the "prior investors," have entered into contribution agreements with our operating partnership pursuant to which they will contribute their interests in the ownership entities, or sell certain assets, to our operating partnership or its subsidiaries concurrently with the completion of this offering. Pursuant to contribution agreements, the prior investors will contribute equity interests in the entities that own the properties in our initial portfolio to our operating partnership in exchange for cash and common units. In addition, (i) Armada Hoffler Construction Company and Armada Hoffler Construction Company of Virginia will transfer to our services company, pursuant to an asset purchase agreement, certain assets of their construction business, including construction contracts in progress, which we refer to as the "construction business," and (ii) the owners of the development and asset management businesses of Armada Hoffler will transfer, pursuant to an asset purchase agreement, certain assets to our services company. See "Certain Relationships and Related Transactions." The value of the consideration to be paid to the prior investors in the formation transactions will be based upon the terms of the applicable contribution agreements and asset purchase agreements and was not based on arms-length negotiations. No appraisal of our initial portfolio and other assets was obtained. See "Structure and Formation of Our Company—Our Structure—Determination of Consideration Payable in the Formation Transactions."

The numbers and values of common units set forth below and herein assume a value per common unit equal to the price to the public of our common stock in this offering based upon the midpoint of the price range set forth on the front cover of this prospectus. Pursuant to the terms of the contribution agreements entered into with the prior investors other than the Armada Hoffler affiliates, the value to be received by them in exchange for their contribution of interests in the ownership entities is fixed. As a result, in the event the price to the public in this offering is less than the midpoint of the price range set forth on the front cover of this prospectus, the number of common units issuable to prior investors other than the Armada Hoffler affiliates will increase and the number of common units issuable to the Armada Hoffler affiliates will decrease by a corresponding amount. Similarly, in the event the price to the public in this offering is greater than the midpoint of the price range set forth on the front cover of this prospectus, the number of common units issuable to prior investors other than the Armada Hoffler affiliates will decrease and the number of common units issuable to the Armada Hoffler affiliates will increase by a corresponding amount.

Pursuant to the formation transactions, the following have occurred or will occur substantially concurrently with the completion of this offering.

- We were formed as a Maryland corporation, and our operating partnership was formed as a Virginia limited partnership, in October 2012.
- We will sell 14,583,333 shares of our common stock in this offering and an additional 2,187,500 shares if the underwriters exercise their overallotment option in full, and we will contribute the net proceeds from this offering to our operating partnership in exchange for 14,583,333 common units (or 16,770,833 common units if the underwriters exercise their overallotment option in full).
- Our operating partnership will consolidate the ownership of our initial portfolio of properties by acquiring from the prior owners all of the equity interests in the ownership entities that directly or indirectly own such properties in exchange for cash and common units of our operating partnership pursuant to contribution agreements between us and such prior owners.

- Our services company will succeed to the construction business of Armada Hoffler through its acquisition of the construction contracts and certain other assets of Armada Hoffler Construction Company and Armada Hoffler Construction Company of Virginia pursuant to an asset purchase agreement.
- Our services company will succeed to the development and asset management businesses of Armada Hoffler through the sale of certain assets to our services company.
- Our operating partnership will acquire equity interests in entities that own or control the projects in our identified development pipeline from Armada Hoffler and its affiliates and assume certain debt related to the development projects, which we currently expect will be approximately $2.2 million in the aggregate.
- Prior investors, other than the Armada Hoffler affiliates, will receive as consideration for such contributions and acquisitions an aggregate of approximately $17.8 million of cash, including amounts representing repayments of debt, and 2,815,283 common units having an aggregate value of approximately $33.8 million in accordance with the terms of the applicable contribution and asset purchase agreements.
- Prior investors who are Armada Hoffler affiliates, including Messrs. Hoffler, Haddad and Kirk and certain of our other officers, will receive as consideration for such contributions and acquisitions, an aggregate of approximately $31.9 million of cash, including amounts representing repayments of debt, and 10,224,714 common units having an aggregate value of approximately $122.7 million.
- We will enter into a purchase agreement to acquire the Apprentice School Apartments project from Messrs. Hoffler, Haddad and Kirk and certain of our other officers upon the satisfaction of certain conditions, including the completion of construction of all three components of the Apprentice School project, which is currently expected to occur in November 2013, for approximately $8.0 million in common units, the repayment of $3.0 million of mezzanine indebtedness and the assumption of approximately $20.9 million of first mortgage debt.
- We and our operating partnership will acquire options to acquire eight vacant parcels of developable land from entities owned or controlled by Messrs. Hoffler, Haddad and Kirk and certain of our other officers. See “Our Business and Properties—Option Properties.”
- Mr. Hoffler will enter into a representation, warranty and indemnity agreement, pursuant to which he will make certain representations and warranties to us regarding the properties being acquired in the formation transactions and agree to indemnify us and our operating partnership for certain breaches of such representations and warranties for one year after the completion of the formation transactions. Mr. Hoffler will also agree to indemnify us with respect to certain aspects of the construction business. See “Structure and Formation of Our Company—Formation Transactions.” Other than Mr. Hoffler, none of the prior investors will provide us with any indemnification, other than with respect to representations regarding their interests in the ownership entities that they will contribute to us.
- We will enter into tax protection agreements with certain of the prior investors who will become limited partners of our operating partnership, including the Armada Hoffler affiliates, pursuant to which we will agree to indemnify them against certain adverse tax consequences to them, which may affect the way in which we conduct our business, including with respect to when and under what circumstances we sell properties in our initial portfolio or interests therein or repay debt during the restriction period. See “Structure and Formation of Our Company—Tax Protection Agreements.”
- The current management team of Armada Hoffler will become our senior management team, and approximately 100 current employees of Armada Hoffler and its affiliates will become our employees.
- Concurrently with or shortly after completion of this offering, we will enter into an agreement for a $100 million secured credit facility, which we expect to contain an accordion feature that will

allow us to increase the borrowing capacity under the facility up to $250 million, subject to our satisfaction of certain conditions. We expect to use approximately $19.3 million of borrowings under this credit facility initially to fund a portion of the cash consideration payable in connection with the completion of the formation transactions, to acquire the projects in our identified development pipeline and to repay existing lines of credit and certain debt relating to the projects in our development pipeline and thereafter for general corporate purposes, including funding acquisitions and development and redevelopment of properties in our portfolio and for working capital.

- Our operating partnership intends to use a portion of the net proceeds of this offering to repay approximately $112.8 million of outstanding indebtedness, including associated fees and costs. As a result, we expect to have approximately $280 million of total debt outstanding upon completion of this offering and the formation transactions, including amounts expected to be drawn from our credit facility at or shortly after the completion of this offering.

- As a result of the foregoing, (i) we will own 100% of the interests in the properties in our initial portfolio, (ii) our services company will succeed to the ongoing construction and development business of Armada Hoffler, (iii) we will assume asset management of certain of the properties in our initial portfolio, (iv) our services company will succeed to the third-party asset management business of Armada Hoffler, (v) we will own interests in entities that own or control the six development projects in our identified development pipeline, (vi) we will acquire options to acquire eight parcels of developable land from Armada Hoffler, and (vii) we will enter into a purchase agreement to acquire the Apprentice School Apartments, a 197-unit multifamily property currently under construction in Newport News, Virginia, upon completion of construction of all the three components of the Apprentice School project, which is currently expected to occur in November 2013.

Benefits of the Formation Transactions to Related Parties

In connection with this offering and the formation transactions, affiliates of Armada Hoffler will receive material benefits described in “Certain Relationships and Related Transactions,” including those described below. All amounts are based on a value equal to the midpoint of the price range set forth on the front cover of this prospectus.

- Mr. Hoffler, our Executive Chairman, and his affiliates, including certain trusts he established for the benefit of his family, will receive common units having an aggregate value of approximately $65.6 million and approximately $16.0 million in cash in connection with the formation transactions. As a result, Mr. Hoffler and his affiliates will own approximately 19.7% of the combined shares of our common stock and common units in our operating partnership upon completion of this offering and the formation transactions, or 18.2% if the underwriters’ overallotment option is exercised in full.

- Mr. Haddad, our President and Chief Executive Officer, will receive common units having an aggregate value of approximately $24.0 million and approximately $5.8 million in cash in connection with the formation transactions. As a result, Mr. Haddad will own approximately 7.2% of the combined shares of our common stock and common units in our operating partnership upon completion of this offering and the formation transactions, or 6.7% if the underwriters’ overallotment option is exercised in full.

- Mr. Kirk, our Vice Chairman, and his affiliates, including a trust and entities he established for the benefit of his family, will receive common units having an aggregate value of approximately $17.2 million and approximately $3.8 million in cash in connection with the formation transactions. As a result, Mr. Kirk and his affiliates will own approximately 5.2% of the combined shares of our common stock and common units in our operating partnership upon completion of this offering and the formation transactions, or 4.8% if the underwriters’ overallotment option is exercised in full.

- Other executive officers and employees of our company will receive, in the aggregate, common units having an aggregate value of approximately $16.0 million and approximately $6.4 million in cash in connection with the formation transactions.

- Messrs. Hoffler, Haddad and Kirk are guarantors of approximately $70.7 million of indebtedness, in the aggregate, which will be repaid with a portion of the net proceeds from this offering and, as a result, Messrs. Hoffler, Haddad and Kirk will be released from these guarantee obligations. In addition, Messrs. Hoffler, Haddad and Kirk are guarantors of approximately $109.2 million of indebtedness, in the aggregate, that will be assumed by us upon completion of this offering. In connection with this assumption, we will seek to have Messrs. Hoffler, Haddad and Kirk released from such guarantees and to have our operating partnership directly assume any such guarantee obligations as replacement guarantor or, alternatively, we will agree to reimburse Messrs. Hoffler, Haddad and Kirk for any amounts paid by them under guarantees with respect to the assumed indebtedness.

- Our operating partnership will enter into tax protection agreements with certain of the prior investors who become limited partners of our operating partnership, including Messrs. Hoffler, Haddad, Kirk, Anthony Nero, our President of Development, and Eric Apperson, our President of Construction, and their affiliates, and certain of our other officers, pursuant to which our operating partnership will agree to indemnify such limited partners against adverse tax consequences (including as a result of receiving a tax protection payment) in connection with: (i) our sale of the protected properties in our initial portfolio in a taxable transaction until the seventh (or in a limited number of cases, the tenth) anniversary of the completion of the formation transactions; and (ii) our operating partnership's failure to provide such limited partners the opportunity to guarantee certain debt of our operating partnership until the tenth anniversary of the completion of the formation transactions. Pursuant to the tax protection agreements, it is anticipated that the total amount of protected built in gain on the protected properties will be approximately $146.9 million. Our operating partnership also will agree to provide certain prior investors, including Messrs. Hoffler, Haddad, Kirk, Nero and Apperson and their affiliates, as well as certain of our other officers, the opportunity to guarantee a portion of our operating partnership's indebtedness, or, alternatively, to enter into deficit restoration obligations, to provide them with certain tax protections. We are currently evaluating, and have not yet determined, whether such limited partners will have a need to guarantee debt immediately upon the completion of the formation transactions and this offering. In addition to any guarantee opportunities provided immediately upon completion of the formation transactions and this offering, this opportunity will also be provided upon future repayment, retirement, refinancing, or other reduction (other than scheduled amortization) of our operating partnership's liabilities, and we will indemnify those partners for any tax liabilities they incur as a result of our failure to timely provide such opportunity and any tax liabilities incurred as a result of such tax protection payment. See "Structure and Formation of Our Company—Tax Protection Agreements" and "Structure and Formation of Our Company—Benefits of the Formation Transactions to Related Parties."

- Pursuant to the terms of the partnership agreement of our operating partnership, we will agree to file, following the date on which we become eligible to file a registration statement on Form S-3 under the Securities Act of 1933, as amended, one or more registration statements registering the issuance and resale of the common stock issuable upon redemption of the common units issued in connection with the formation transactions, including those issued to Messrs. Hoffler, Haddad and Kirk, their affiliates and related trusts and certain of our other directors and executive officers and their affiliates. We will agree to pay all of the expenses relating to such registration statements. See "Shares Eligible for Future Sale—Registration Rights."

- We intend to adopt a severance plan, effective upon completion of this offering, in which certain of our officers will be participants, including our named executive officers. The material terms of this plan are

described under “Executive Compensation—Severance Benefits” and “Executive Compensation—Summary Compensation Table.”

- We intend to enter into indemnification agreements with our directors and executive officers effective upon the completion of this offering, providing for procedures for indemnification by us to the fullest extent permitted by law and advancements by us of certain expenses and costs relating to claims, suits or proceedings arising from their service to us or, at our request, service to other entities, as officers or directors or in certain other capacities.

- We intend to adopt our 2013 Equity Incentive Plan, under which we may grant cash or equity incentive awards to our directors, officers, employees and consultants. Upon completion of this offering, we will issue an aggregate of 7,500 shares of restricted common stock to Messrs. Hoffler and Kirk (based on the midpoint of the price range set forth on the cover of this prospectus), and an aggregate of 8,332 shares of restricted common stock to our independent directors (based on the midpoint of the price range set forth on the cover of this prospectus). See “Executive Compensation—Equity Incentive Plan.”

Implications of Being an Emerging Growth Company

We qualify as an “emerging growth company,” as defined in the Jumpstart Our Business Startups Act of 2012, or the “JOBS Act.” An emerging growth company may take advantage of specified reduced reporting requirements and are relieved of certain other significant requirements that are otherwise generally applicable to public companies. As an emerging growth company, among other things:

- we are exempt from the requirement to obtain an attestation and report from our auditors on the assessment of our internal control over financial reporting pursuant to the Sarbanes-Oxley Act of 2002, or the Sarbanes-Oxley Act;

- we are permitted to provide less extensive disclosure about our executive compensation arrangements;

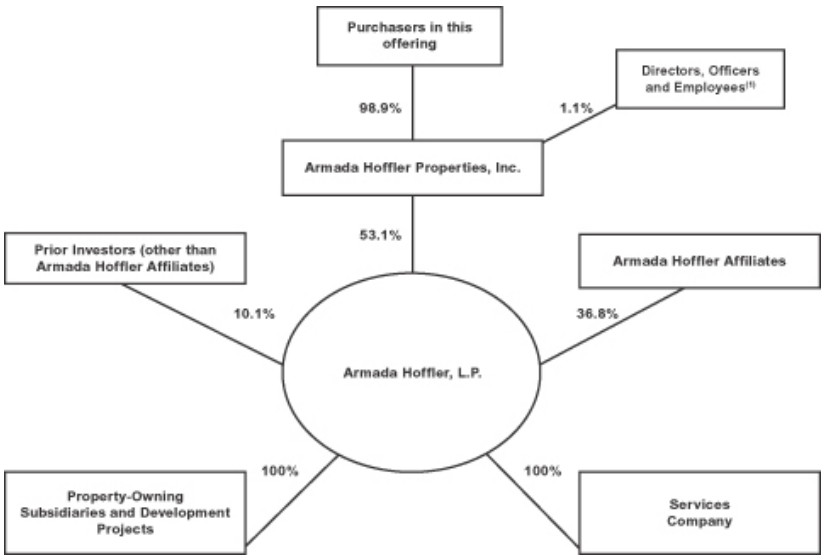
- we are not required to give our stockholders non-binding advisory votes on executive compensation or golden parachute arrangements; and

- we have elected not to use an extended transition period for complying with new or revised accounting standards.

We may take advantage of these provisions for up to five years or such earlier time that we are no longer an emerging growth company. We would cease to be an emerging growth company if we have more than $1 billion in annual revenues, have more than $700 million in market value of shares of our common stock held by non-affiliates, or issue more than $1 billion of non-convertible debt securities over a three-year period.

Our Structure

The following diagram depicts our expected ownership structure upon completion of this offering and the formation transactions. Our operating partnership will own the various properties in our initial portfolio directly or indirectly, and in some cases through special purpose entities that were created in connection with various financings. All amounts are based on the midpoint of the price range set forth on the front cover of this prospectus.



(1) Reflects (a) 4,167 and 3,333 shares of restricted common stock to be granted to Messrs. Hoffler and Kirk, respectively, concurrently with the completion of this offering, (b) 2,083 shares of restricted common stock to be granted to each of our independent directors concurrently with the completion of this offering and (c) an aggregate of 150,835 shares of restricted common stock to be granted to certain officers and employees of our company concurrently with the completion of this offering.

Restrictions on Transfer

Under the partnership agreement for our operating partnership, holders of common units may not transfer their units without our prior consent, as general partner of the operating partnership. Each of our executive officers, directors and director nominees and their respective affiliates have agreed not to sell or otherwise transfer or encumber any shares of our common stock or securities convertible or exchangeable into our common stock (including common units) owned by them at the completion of this offering or thereafter acquired by them for a period of 180 days (with respect to our executive officers, directors and director nominees and their affiliates) without the written consent of Robert W. Baird & Co. Incorporated. Beginning on the first anniversary of the completion of the formation transactions, holders of common units may tender their units for redemption by the operating partnership in exchange for cash equal to the market price of our common stock at the time of redemption or, at our option, for shares of our common stock on a one-for-one basis as described under “Description of the Partnership Agreement of Armada Hoffler, L.P.—Redemption Rights.”

Restrictions on Ownership of our Capital Stock

Due to limitations on the concentration of ownership of REIT stock imposed by the Internal Revenue Code of 1986, as amended, or the Code, effective upon the completion of this offering and subject to certain exceptions, our charter will provide that no person may beneficially or constructively own more than 9.8% in value or in number of shares, whichever is

more restrictive, of the outstanding shares of any class or series of our capital stock. See “Description of Capital Stock—Restrictions on Ownership and Transfer.”

Our charter will also prohibit any person from, among other things:

- beneficially or constructively owning or transferring shares of our capital stock if such ownership or transfer would result in our being “closely held” within the meaning of Section 856(h) of the Code (without regard to whether the ownership interest is held during the last half of a year);
- transferring shares of our capital stock if such transfer would result in our capital stock being owned by less than 100 persons;
- beneficially or constructively owning shares of our capital stock to the extent such beneficial or constructive ownership would cause us to constructively own ten percent or more of the ownership interests in a tenant (other than a TRS) of our real property within the meaning of Section 856(d)(2)(B) of the Code; and
- beneficially or constructively owning or transferring shares of our capital stock if such beneficial or constructive ownership or transfer would otherwise cause us to fail to qualify as a REIT under the Code, including, but not limited to, as a result of any hotel management companies failing to qualify as an “eligible independent contractor” under the REIT rules.

Our board of directors, in its sole discretion, may exempt (prospectively or retroactively) a person from the 9.8% ownership limit and certain other restrictions in our charter and may establish or increase an excepted holder percentage limit for such person if our board of directors obtains such representations, covenants and undertakings as it deems appropriate in order to conclude that granting the exemption or establishing or increasing the excepted holder percentage limit will not cause us to lose our status as a REIT.

Our charter will also provide that any ownership or purported transfer of our stock in violation of the foregoing restrictions will result in the shares owned or transferred in such violation being automatically transferred to one or more charitable trusts for the benefit of a charitable beneficiary and the purported owner or transferee acquiring no rights in such shares, except that any transfer that results in the violation of the restriction relating to shares of our capital stock being beneficially owned by fewer than 100 persons will be null and void. If the transfer to the trust is ineffective for any reason to prevent a violation of the restriction, the transfer that would have resulted in such violation will be null and void.

Conflicts of Interest

Following the completion of this offering and the formation transactions, conflicts of interest may arise between the holders of common units of our operating partnership, on the one hand, and our stockholders, on the other hand, with respect to certain transactions, such as the sale of properties or a reduction of indebtedness, which could have adverse tax consequences to holders of common units, including Messrs. Hoffler, Haddad and Kirk (our Executive Chairman, President and Chief Executive Officer and Vice Chairman, respectively), thereby making those transactions less desirable to such holders. See “Policies with respect to Certain Activities—Conflict of Interest Policies” and “Description of the Partnership Agreement of Armada Hoffler, L.P.” In addition, Messrs. Hoffler, Haddad and Kirk and our other directors and executive officers are parties to, or have interests in, certain agreements with us, including contribution agreements and, in the case of Mr. Hoffler, a representation, warranty and indemnity agreement. See “Certain Relationships and Related Transactions—Formation Transactions.” Furthermore, our operating partnership will enter into tax protection agreements with certain prior investors who will become limited partners of our operating partnership, including Messrs. Hoffler, Haddad, Kirk, Nero and Apperson and their affiliates and certain of our other officers, pursuant to which our operating partnership will agree to

indemnify them against certain adverse tax consequences to them, which may affect the way in which we conduct our business, including with respect to when and under what circumstances we sell properties in our initial portfolio or interests therein or repay debt during the restriction period. See "Structure and Formation of Our Company—Tax Protection Agreements." There may be conflicts of interest in the interpretation and enforcement of such agreements.

In addition, our management team will retain ownership interests in certain properties that will not be contributed to us in our formation transactions. We will provide asset management services to 16 of these properties and construction and development services to the Apprentice School project following the completion of this offering. As a result of these ownership interests and asset management agreements, our management team will have conflicts of interest. See "Risk Factors—Risks Related to Our Organizational Structure—We may pursue less vigorous enforcement of terms of the contribution and other agreements with members of our senior management and our affiliates because of our dependence on them and conflicts of interest." For additional information about these relationships, see "Certain Relationships and Related Transactions—Excluded Assets."

We will have options to purchase eight parcels of developable land from entities owned or controlled by the Armada Hoffler affiliates following the completion of the formation transactions. These individuals will have a conflict of interest with respect to our election to exercise these options and acquire these properties.

Distribution Policy

We intend to pay regular quarterly cash dividends to holders of our common stock. Although we have not previously paid dividends, we intend to pay a pro rata dividend with respect to the period commencing on the completion of this offering and ending June 30, 2013 based on $0.1575 per share for a full quarter. On an annualized basis, this would be $0.63 per share, or an annual dividend rate of approximately 5.25%, based on the midpoint of the price range set forth on the front cover of this prospectus. We intend to maintain our initial dividend rate for the 12-month period following completion of this offering unless actual results of operations, economic conditions or other factors differ materially from the assumptions used in our estimates. Actual distributions may be significantly different from expected distributions. Distributions declared by us will be authorized by our board of directors in its sole discretion out of funds legally available therefor and will depend upon a number of factors, including restrictions under applicable law, our results of operations, the capital requirements of our company and the distribution requirements necessary to maintain our qualification as a REIT. See "Distribution Policy."

We intend to make dividend distributions that will enable us to meet the distribution requirements applicable to REITs and to eliminate or minimize our obligation to pay income and excise taxes. Although we have no current intention to pay dividends in shares of our common stock, we may in the future choose to do so. See "Material U.S. Federal Income Tax Considerations—Taxation of Taxable U.S. Stockholders" and "Risk Factors—Risks Related to Our Status as a REIT—We may pay taxable dividends in shares of our common stock and cash, in which case stockholders may sell shares of our common stock to pay tax on such dividends, placing downward pressure on the market price of our common stock." We do not intend to reduce the expected dividend per share if the underwriters' overallotment option is exercised.

Our Tax Status

We intend to elect and qualify to be taxed as a REIT for U.S. federal income tax purposes commencing with our short taxable year ending December 31, 2013. Our qualification as a REIT will depend upon our ability to meet, on a continuing basis, through actual investment and operating results, various complex requirements under the Code relating to, among other things, the sources of our gross income, the composition and values of our assets, our distribution levels and the diversity of ownership of our capital stock. We believe that we will be organized in conformity with the requirements for qualification as a REIT under the Code and that our intended manner of operation will enable us to meet the requirements for qualification and taxation as a REIT for U.S. federal income tax purposes commencing with our short taxable year ending December 31, 2013. In addition, we intend to elect to treat AHP Holding, Inc., which, through its wholly-owned subsidiaries, will operate our construction, development and third-party asset management businesses, as a TRS.

As a REIT, we generally will not be subject to U.S. federal income tax on our net taxable income that we distribute currently to our stockholders. Under the Code, REITs are subject to numerous organizational and operational requirements, including a requirement that they distribute each year at least 90% of their REIT taxable income, determined without regard to the deduction for dividends paid and excluding any net capital gains. If we fail to qualify for taxation as a REIT in any taxable year and do not qualify for certain statutory relief provisions, our income for that year will be taxed at regular corporate rates, and we would be disqualified from taxation as a REIT for the four taxable years following the year during which we ceased to qualify as a REIT. Even if we qualify as a REIT for U.S. federal income tax purposes, we may still be subject to state and local taxes on our income and assets and to federal income and excise taxes on our undistributed income. Additionally, any income earned by our services company, and any other TRS we form in the future, will be fully subject to federal, state and local corporate income tax.

Corporate Information

Our principal executive office is located at 222 Central Park Avenue, Suite 2100, Virginia Beach, Virginia 23462 in the Armada Hoffler Tower at the Virginia Beach Town Center. In addition, we have construction offices located at 249 Central Park Avenue, Suite 300, Virginia Beach, Virginia 23462 and 720 Aliceanna Street, Suite 320-A, Baltimore, Maryland 21202. The telephone number for our principal executive office is (757) 366-4000. We maintain a website located at *www.armadahoffler.com*. The information on, or accessible through, our website is not incorporated into and does not constitute a part of this prospectus or any other report or document we file with or furnish to the Securities and Exchange Commission, or SEC.

This Offering	
Common stock offered by us	14,583,333 shares (plus up to an additional 2,187,500 shares of our common stock that we may issue and sell upon the exercise of the underwriters' overallotment option in full).
Common stock to be outstanding after this offering	14,750,000 shares[1]
Common stock and common units to be outstanding after this offering and the formation transactions	27,789,997 shares and common units[1][2]
Use of proceeds	We estimate that the net proceeds of this offering, after deducting the underwriting discount and commissions and estimated unpaid offering expenses of approximately $3.0 million payable by us, will be approximately $159.8 million (approximately $189.2 million if the underwriters exercise their overallotment option in full). We will contribute the net proceeds of this offering to our operating partnership. Our operating partnership intends to use the net proceeds of this offering as follows: • approximately $112.8 million to repay outstanding indebtedness, including exit fees, defeasance costs and assumption costs of approximately $2.2 million; • approximately $44.0 million to pay prior investors in connection with the formation transactions; and • the remaining net proceeds, if any, for general corporate purposes, including working capital, future acquisitions, transfer taxes and, potentially, paying distributions.
Risk Factors	Investing in our common stock involves a high degree of risk. You should carefully read and consider the information set forth under the heading "Risk Factors" beginning on page 21 and other information included in this prospectus before investing in our common stock.
NYSE symbol	"AHH"

(1) Includes (a) 14,583,333 shares of common stock to be issued in this offering, (b) an aggregate of 15,832 restricted shares to be granted to our directors concurrently with the completion of this offering (based on the midpoint of the price range set forth on the cover of this prospectus) and (c) an aggregate of 150,835 shares of restricted stock to be granted to our employees concurrently with the completion of this offering (based on the midpoint of the price range set forth on the cover of this prospectus). Excludes (a) 2,187,500 shares of our common stock issuable upon the exercise of the underwriters' overallotment option in full, (b) 416,666 shares of our common stock available for future issuance under our 2013 Equity Incentive Plan, and (c) 13,039,997 shares that may be issued, at our option, upon redemption of common units to be issued in the formation transactions.

(2) Includes 13,039,997 common units expected to be issued in the formation transactions, which may, subject to certain limitations, and as set forth in the partnership agreement of our operating partnership, be redeemed for cash or, at our option, for shares of our common stock on a one-for-one basis beginning one year following completion of the formation transactions.

Summary Selected Financial Data

The following table sets forth summary selected financial and operating data on a historical combined basis for our "Predecessor." Our Predecessor, which is not a legal entity, is comprised of certain entities and their consolidated subsidiaries that own directly or indirectly (i) controlling interests in 22 office, retail and multifamily properties, (ii) non-controlling, unconsolidated equity interests in one retail and one multifamily property, (iii) the property development and asset management business of Armada Hoffler and (iv) the general commercial construction business of Armada Hoffler. We refer to these entities and their subsidiaries as the "ownership entities." Each of the ownership entities currently owns, directly or indirectly, one or more office, retail or multifamily properties. Upon completion of this offering and the formation transactions, we will acquire the 22 office, retail and multifamily properties owned directly or indirectly by our Predecessor, as well as our Predecessor's unconsolidated equity interests in one retail and one multifamily property, and assume the ownership and operation of its business. We have not presented historical information for Armada Hoffler Properties, Inc. because we have not had any corporate activity since our formation other than the issuance of 1,000 shares of common stock in connection with the initial capitalization of the company and activity in connection with this offering, and because we believe that a discussion of the results of Armada Hoffler Properties, Inc. would not be meaningful.

You should read the following summary selected financial data in conjunction with our historical combined financial statements and the related notes and with "Management's Discussion and Analysis of Financial Condition and Results of Operations," which are included elsewhere in this prospectus.

The historical combined balance sheet information as of December 31, 2012 and 2011 of our Predecessor and the combined statements of operations for the years ended December 31, 2012, 2011 and 2010 of our Predecessor have been derived from the historical audited combined financial statements included elsewhere in this prospectus and includes all adjustments consisting of normal recurring adjustments, which management considers necessary for a fair presentation of the historical financial statements for such periods. The historical combined balance sheet information of our Predecessor as of December 31, 2010 has been derived from the historical audited combined financial statements not included in this prospectus.

Our unaudited selected pro forma consolidated financial statements and operating information as of and for the year ended December 31, 2012 assume completion of this offering and the formation transactions as of January 1, 2012 for the operating data and as of December 31, 2012 for the balance sheet data. Our pro forma financial information is not necessarily indicative of what our actual financial position and results of operations would have been as of the date and for the periods indicated, nor does it purport to represent our future financial position or results of operations.

The Company (Pro Forma) and Our Predecessor

	Year Ended December 31,			
	Pro Forma Consolidated	Historical Combined		
	2012	2012	2011	2010
	(In thousands, except per share data)			
Statement of Operations Data:				
Revenues:				
Rental revenues	$ 60,075	$ 54,436	$ 52,578	$ 47,847
General contractor and service revenues	54,046	54,046	77,602	87,279
Total revenues	114,121	108,482	130,180	135,126
Expenses:				
Rental expenses	14,192	12,682	12,568	11,734
Real estate taxes	5,256	4,865	4,781	4,463
General contractor expenses	50,103	50,103	72,138	82,127
General and administrative expenses	4,197	3,232	3,728	2,523
Depreciation and amortization	15,260	12,909	12,994	12,158
Total expenses	89,008	83,791	106,209	113,005
Operating income	25,113	24,691	23,971	22,121
Other income (expense)	138	777	258	168
Interest expense	(13,075)	(16,561)	(18,134)	(18,208)
Loss on extinguishment of debt	—	—	(3,448)	—
Income from continuing operations, before tax	12,176	8,907	2,647	4,081
Income tax provision	259	—	—	—
Income from continuing operations	11,917	8,907	2,647	4,081
Discontinued operations:				
Loss from discontinued operations	—	(35)	(318)	(338)
Loss on sale of real estate	—	25	(63)	1
Results from discontinued operations	—	(10)	(381)	(337)
Net income	$ 11,917	$ 8,897	$ 2,266	$ 3,744
Net income attributable to noncontrolling interests in operating partnership	5,592			
Net income attributable to common stockholders	6,325			
Balance Sheet Data (at period end):				
Assets				
Real estate, at cost				
Operating real estate	$ 401,278	$ 350,814	$ 345,412	$ 340,131
Held for development	3,926	3,926	1,836	1,836
Construction in progress	—	—	2,685	1,660
	405,204	354,740	349,933	343,627
Accumulated depreciation	(92,454)	(92,454)	(80,923)	(69,532)
Net real estate investments	312,750	262,286	269,010	274,095
Real estate assets held-for-sale	—	—	473	3,162
Cash and cash equivalents	1,719	9,400	13,449	8,435
Restricted cash	3,025	3,725	4,335	6,156
Other assets	59,171	56,402	52,867	67,600
Total Assets	$ 376,665	$ 331,813	$ 340,134	$ 359,448
Liabilities and Equity				
Indebtedness:				
Secured debt	$ 277,244	$ 334,438	$ 338,919	$ 333,568
Participating note	—	643	643	643
Debt related to real estate assets held-for-sale	—	—	—	1,225
Construction payables including retention	17,369	17,369	20,375	27,079
Other liabilities	21,497	20,704	17,596	20,478
Total Liabilities	$ 316,110	$ 373,154	$ 377,533	$ 382,993
Equity	60,555	(41,341)	(37,399)	(23,545)
Total Liabilities and Equity	$ 376,665	$ 331,813	$ 340,134	$ 359,448
Per Share Data:				
Pro forma basic earnings per share	$ 0.43			
Pro forma diluted earnings per share	$ 0.43			
Pro forma weighted average shares of common stock outstanding–basic	14,750			
Pro forma weighted average shares of common stock outstanding–diluted	14,750			
Other Data:				
Pro forma funds from operations[(1)]	$ 27,177			
Cash flows from:				
Operating activities	$ 25,094	$ 22,326	$ 23,183	$ 6,090
Investing activities	(7,471)	(4,702)	(5,998)	(14,715)
Financing activities	(29,353)	(21,673)	(12,171)	5,566

(1) We calculate FFO in accordance with the standards established by the National Association of Real Estate Investment Trusts, or NAREIT. FFO represents net income (loss) (computed in accordance with U.S. generally accepted accounting principles, or GAAP), excluding gains (or losses) from sales of depreciable operating property, real estate related depreciation and amortization (excluding amortization of deferred financing costs) and after adjustments for unconsolidated partnerships and joint ventures. FFO is a supplemental non-GAAP financial measure. Management uses FFO as a supplemental performance measure because it believes that FFO is beneficial to investors as a starting point in measuring our operational performance. Specifically, in excluding real estate related depreciation and amortization and gains and losses from property dispositions, which do not relate to or are not indicative of operating performance, FFO provides a performance measure that, when compared year over year, captures trends in occupancy rates, rental rates and operating costs. We also believe that, as a widely recognized measure of the performance of REITs, FFO will be used by investors as a basis to compare our operating performance with that of other REITs. However, because FFO excludes real estate related depreciation and amortization and captures neither the changes in the value of our properties that result from use or market conditions nor the level of capital expenditures and leasing commissions necessary to maintain the operating performance of our properties, all of which have real economic effects and could materially impact our results from operations, the utility of FFO as a measure of our performance is limited. In addition, other equity REITs may not calculate FFO in accordance with the NAREIT definition as we do, and, accordingly, our FFO may not be comparable to such other REITs' FFO. Accordingly, FFO should be considered only as a supplement to net income as a measure of our performance. FFO should not be used as a measure of our liquidity, nor is it indicative of funds available to fund our cash needs, including our ability to pay dividends or service indebtedness. FFO also should not be used as a supplement to or substitute for cash flow from operating activities computed in accordance with GAAP. The following table sets forth a reconciliation of our pro forma FFO to net income, the most directly comparable GAAP equivalent, for the periods presented:

	Pro Forma Year Ended December 31, 2012
Pro forma net income	$ 11,917
Plus: pro forma real estate depreciation and amortization	15,260
Pro forma funds from operations	$ 27,177

RISK FACTORS

Investing in our common stock involves a high degree of risk. In addition to other information contained in this prospectus, you should carefully consider the following factors, together with the other information contained in this prospectus, including our historical and pro forma combined financial statements and the notes thereto, before making an investment decision to purchase shares of our common stock offered by this prospectus. The occurrence of any of the following risks could materially and adversely affect our business, prospects, financial condition, cash flows, funds from operations, results of operations, the per share trading price of our common stock and our ability to make cash distributions to our stockholders, which could cause you to lose all or a part of your investment in our common stock. Some statements in this prospectus, including statements in the following risk factors, constitute forward-looking statements. Please refer to the section titled "Forward-Looking Statements."

Risks Related to Our Real Estate Ownership, Acquisition and Development Business

The geographic concentration of our initial portfolio could cause us to be more susceptible to adverse economic or regulatory developments in the markets in which our properties are located than if we owned a more geographically diverse portfolio.

The properties in our initial portfolio are located in Virginia and North Carolina, which exposes us to greater economic risks than if we owned a more geographically diverse portfolio. As of December 31, 2012, our properties in the Virginia and North Carolina markets represented approximately 93.7% and 6.3%, respectively, of the total annualized base rent of the properties in our portfolio. As a result, we are particularly susceptible to adverse economic, regulatory or other conditions in these markets (such as periods of economic slowdown or recession, business layoffs or downsizing, industry slowdowns, relocations of businesses, increases in real estate and other taxes and the cost of complying with governmental regulations or increased regulation), as well as to natural disasters that occur in these markets (such as hurricanes and other events). For example, the markets in Virginia in which the properties in our initial portfolio are located contain high concentrations of military personnel and operations. A reduction of the military presence or cuts in defense spending in these markets including, but not limited to, as a result of the triggered automatic reductions in U.S. government spending known as "sequestration," which went into effect March 1, 2013, could have a material adverse effect on us. If there is a further downturn in the economy in the Virginia or North Carolina markets, our operations and our revenue and cash available for distribution, including cash available to pay distributions to our stockholders, could be materially adversely affected. We cannot assure you that these markets will grow or that underlying real estate fundamentals will be favorable to owners and operators of office, retail or multifamily properties. Our operations may also be affected if competing properties are built in these markets. Moreover, submarkets within any of our target markets may be dependent upon a limited number of industries. Any adverse economic or real estate developments in our markets, or any decrease in demand for office, retail or multifamily space resulting from the regulatory environment, business climate or energy or fiscal problems, could materially adversely affect us, including our financial condition, results of operations, cash flow, cash available for distribution and our ability to satisfy our debt service obligations.

We expect to have approximately $280 million of indebtedness outstanding following this offering, including amounts to be drawn from our credit facility at or shortly after the completion of this offering, which may expose us to the risk of default under our debt obligations and may include covenants that restrict our ability to pay distributions to our stockholders.

Upon completion of this offering and the formation transactions, we anticipate that our total indebtedness will be approximately $280 million, including amounts to be drawn from our credit facility at or shortly after the completion of this offering, a substantial portion of which will be guaranteed by our operating partnership, and we may incur significant additional debt to finance future acquisition and development activities. Concurrently with, or shortly after, the completion of this offering, we will enter into a $100 million secured credit facility, which we expect to contain an accordion feature that will allow us to increase the borrowing capacity under the facility up to $250 million, subject to our satisfaction of certain conditions.

Payments of principal and interest on borrowings may leave us with insufficient cash resources to operate our properties or to pay the dividends currently contemplated or necessary to maintain our REIT qualification. Our level of debt and the limitations imposed on us by our debt agreements could have significant adverse consequences, including the following:

- ¡ our cash flow may be insufficient to meet our required principal and interest payments;
- ¡ we may be unable to borrow additional funds as needed or on favorable terms, which could, among other things, adversely affect our ability to meet operational needs;
- ¡ we may be unable to refinance our indebtedness at maturity or the refinancing terms may be less favorable than the terms of our original indebtedness;
- ¡ we may be forced to dispose of one or more of our properties, possibly on unfavorable terms or in violation of certain covenants to which we may be subject;
- ¡ we may default on our obligations, in which case the lenders or mortgagees may have the right to foreclose on any properties that secure the loans or collect rents and other income from our properties;
- ¡ we may violate restrictive covenants in our loan documents, which would entitle the lenders to accelerate our debt obligations or reduce our ability to pay, or prohibit us from paying, distributions to our stockholders; and
- ¡ our default under any loan with cross default provisions could result in a default on other indebtedness.

If any one of these events were to occur, our financial condition, results of operations and cash flow could be materially adversely affected. Furthermore, foreclosures could create taxable income without accompanying cash proceeds, which could hinder our ability to meet the REIT distribution requirements imposed by the Code. See “Management’s Discussion and Analysis of Financial Condition and Results of Operations—Consolidated Indebtedness to be Outstanding After this Offering.”

We depend on significant tenants in certain of our office properties, and a bankruptcy, insolvency or inability to pay rent by any of these tenants could result in a material decrease in our rental income, which would have a material adverse effect on us, including our financial condition, results of operations, cash flow, cash available for distribution and our ability to service our debt obligations.

As of December 31, 2012, the three largest tenants at properties in our office portfolio—Williams Mullen, Troutman Sanders LLP and Pender & Coward—collectively represented approximately 40.8%, and individually represented 32.4%, 4.4% and 4.0%, respectively, of the total annualized base rent in our office portfolio. In addition, Sentara Williamsburg and Virginia Natural Gas are 100% occupied by Sentara Medical Group and Virginia Natural Gas, respectively. The inability of these or other significant tenants to pay rent or the bankruptcy or insolvency of a significant tenant may adversely affect the income produced by our office properties. For example, Williams Mullen, the largest tenant at properties in our initial portfolio by annualized base rent, accounts for an annualized base rent of approximately $7.6 million, which represents 14.2% of the total annualized base rent of our initial portfolio. As a result, Williams Mullen’s inability to pay rent could materially adversely affect the income produced by our initial portfolio.

If a tenant becomes bankrupt or insolvent, federal law may prohibit us from evicting such tenant based solely upon such bankruptcy or insolvency. In addition, a bankrupt or insolvent tenant may be authorized to reject and terminate its lease with us. Any claim against such tenant for unpaid, future rent would be subject to a statutory cap that might be substantially less than the remaining rent owed under the lease. If any of these tenants were to experience a downturn in its business or a weakening of its financial condition resulting in its failure to make timely rental payments or causing it to default under its lease, we may experience delays in enforcing our rights as landlord and may incur substantial costs in protecting our investment. In many cases, we may have made substantial initial investments in the applicable leases through tenant

improvement allowances and other concessions that we may not be able to recover. Any such event could have a material adverse effect on us, including our financial condition, results of operations, cash flow, cash available for distribution and our ability to service our debt obligations.

The loss of, or a store closure by, one of the anchor stores or major tenants in our retail shopping center properties could result in a material decrease in our rental income, which would have a material adverse effect on us, including our financial condition, results of operations, cash flow, cash available for distribution and our ability to service our debt obligations.

Our retail shopping center properties typically are anchored by large, nationally recognized tenants. As of December 31, 2012, Home Depot, Harris Teeter and Food Lion collectively represented approximately 23.2%, and individually represented 9.9%, 7.0% and 6.3%, respectively, of the total annualized base rent in our retail portfolio. In addition, several of our retail properties are single-tenant properties or are occupied primarily by a single tenant. As of December 31, 2012, the Courthouse 7-Eleven, Tyre Neck Harris Teeter and Harrisonburg Regal Cinemas retail properties in our portfolio were 100% occupied by 7-Eleven, Harris Teeter and Regal Cinemas, respectively, and the Dick's at Town Center and Studio 56 retail properties were approximately 83% and 69% occupied by Dick's Sporting Goods and McCormack & Schmick's, respectively. At any time, our tenants may experience a downturn in their business that may weaken significantly their financial condition. As a result, our tenants, including our anchor and other major tenants, may fail to comply with their contractual obligations to us, seek concessions in order to continue operations or declare bankruptcy, any of which could result in the termination of such tenants' leases and the loss of rental income attributable to the terminated leases. In addition, certain of our tenants may cease operations while continuing to pay rent, which could decrease customer traffic, thereby decreasing sales for our other tenants at the applicable retail property. In addition to these potential effects of a business downturn, mergers or consolidations among retail establishments could result in the closure of existing stores or duplicate or geographically overlapping store locations, which could include stores at our retail properties.

Loss of, or a store closure by, an anchor or major tenant could significantly reduce our occupancy level or the rent we receive from our retail properties, and we may not have the right to re-lease vacated space or we may be unable to re-lease vacated space at attractive rents or at all. Moreover, in the event of default by a major tenant or anchor store, we may experience delays and costs in enforcing our rights as landlord to recover amounts due to us under the terms of our agreements with those parties. The occurrence of any of the situations described above, particularly if it involves an anchor tenant with leases in multiple locations, could seriously harm our performance and could adversely affect the value of the affected retail property.

In the event that any of the anchor stores, major tenants or single-tenant property tenants in our retail properties do not renew their leases with us when they expire, we may be unable to re-lease such premises at market rents, or at all, which could have a material adverse effect on us, including our financial condition, results of operations, cash flow and cash available for distribution and our ability to satisfy our debt service obligations.

We may be unable to renew leases, lease vacant space or re-let space on favorable terms or at all as leases expire, which could materially adversely affect us, including our financial condition, results of operations, cash flow, cash available for distribution and our ability to service our debt obligations.

As of December 31, 2012, 6.0% of the square footage of the properties in our office and retail portfolios was available. We cannot assure you that leases will be renewed or that our properties will be re-let at net effective rental rates equal to or above the current average net effective rental rates or that substantial rent abatements, tenant improvements, early termination rights or below-market renewal options will not be offered to attract new tenants or retain existing tenants. In addition, our ability to lease our multifamily properties at favorable rates, or at all, may be adversely affected by the increase in supply of multifamily properties in our target markets. Our ability to lease our properties depends upon the overall level of spending in the economy, which is adversely affected by, among other things, job losses and unemployment levels, recession, personal debt levels, the housing market, stock market volatility and uncertainty about the future. If rental rates for our properties decrease, our existing tenants do not renew their leases or we do not re-let a significant portion of our available space and space for which leases expire, our financial condition, results of operations, cash flow, cash available for distributions and our ability to service our debt obligations could be materially adversely affected.

Competition for property acquisitions and development opportunities may reduce the number of opportunities available to us and increase our costs, which could have a material adverse effect on our growth prospects.

The current market for property acquisitions and development opportunities continues to be extremely competitive. This competition may increase the demand for the types of properties in which we typically invest and, therefore, reduce the number of suitable investment opportunities available to us and increase the purchase prices for such properties, in the event we are able to acquire or develop such properties. We face significant competition for attractive investment opportunities from an indeterminate number of investors, including publicly traded and privately held REITs, private equity investors and institutional investment funds, some of which have greater financial resources than we do, a greater ability to borrow funds to make investments in properties and the ability to accept more risk than we can prudently manage, including risks with respect to the geographic proximity of investments and the payment of higher acquisition prices. This competition will increase if investments in real estate become more attractive relative to other forms of investment. If the level of competition for investment opportunities is significant in our target markets, it could have a material adverse effect on our growth prospects.

The failure of properties developed or acquired in the future to meet our financial expectations could have a material adverse effect on us, including our financial condition, results of operations, cash flow, the per share trading price of our common stock and our growth prospects.

Our future acquisitions and development projects and our ability to successfully operate these properties may be exposed to the following significant risks, among others:

- we may acquire or develop properties that are not accretive to our results upon acquisition, and we may not successfully manage and lease those properties to meet our expectations;
- our cash flow may be insufficient to enable us to pay the required principal and interest payments on the debt secured by the property;
- we may spend more than budgeted amounts to make necessary improvements or renovations to acquired properties or to develop new properties;
- we may be unable to quickly and efficiently integrate new acquisitions or developed properties into our existing operations;
- market conditions may result in higher than expected vacancy rates and lower than expected rental rates; and
- we may acquire properties subject to liabilities and without any recourse, or with only limited recourse, with respect to unknown liabilities such as liabilities for clean-up of undisclosed environmental contamination, claims by tenants, vendors or other persons dealing with the former owners of the properties, liabilities incurred in the ordinary course of business and claims for indemnification by general partners, directors, officers and others indemnified by the former owners of the properties.

If we cannot operate acquired or developed properties to meet our financial expectations, our growth prospects could be materially adversely affected.

Certain of the leases at our retail properties contain “co-tenancy” or “go-dark” provisions, which, if triggered, may allow tenants to pay reduced rent, cease operations or terminate their leases, any of which could materially adversely affect our performance or the value of the affected retail property.

Certain of the leases at our retail properties contain “co-tenancy” provisions that condition a tenant’s obligation to remain open, the amount of rent payable by the tenant or the tenant’s obligation to continue occupancy on certain conditions, including: (1) the presence of a certain anchor tenant or tenants; (2) the continued operation of an anchor tenant’s store; and (3) minimum occupancy levels at the retail property. If a co-tenancy provision is triggered by a failure of any of these or other

applicable conditions, a tenant could have the right to cease operations, to terminate its lease early or to reduce its rent. In periods of prolonged economic decline, there is a higher than normal risk that co-tenancy provisions will be triggered as there is a higher risk of tenants closing stores or terminating leases during these periods. In addition to these co-tenancy provisions, certain of the leases at our retail properties contain “go-dark” provisions that allow the tenant to cease operations while continuing to pay rent. This could result in decreased customer traffic at the affected retail property, thereby decreasing sales for our other tenants at that property, which may result in our other tenants being unable to pay their minimum rents or expense recovery charges. These provisions also may result in lower rental revenue generated under the applicable leases. To the extent co-tenancy or go-dark provisions in our retail leases result in lower revenue or tenant sales or tenants’ rights to terminate their leases early or to a reduction of their rent, revenues and the value of the affected retail property could be materially adversely affected.

Our dependence on smaller businesses, particularly in our retail portfolio, to rent our space could have a material adverse effect on our cash flow and results of operations.

Many of our tenants, particularly those that lease space in our retail properties are smaller businesses that generally do not have the financial strength or resources of larger corporate tenants. In particular, 69 of our retail tenants (representing approximately 11.7% of our annualized base rent from retail properties as of December 31, 2012) lease 2,500 or less square feet from us, and many of those tenants are smaller independent businesses, which generally experience a higher rate of failure than large businesses. As a result of our dependence on these smaller businesses, we could experience a higher rate of tenant defaults, turnover and bankruptcies, which could have a material adverse effect on our cash flow and results of operations.

Many of our operating costs and expenses are fixed and will not decline if our revenues decline.

Our results of operations depend, in large part, on our level of revenues, operating costs and expenses. The expense of owning and operating a property is not necessarily reduced when circumstances such as market factors and competition cause a reduction in revenue from the property. As a result, if revenues decline, we may not be able to reduce our expenses to keep pace with the corresponding reductions in revenues. Many of the costs associated with real estate investments, such as real estate taxes, insurance, loan payments and maintenance, generally will not be reduced if a property is not fully occupied or other circumstances cause our revenues to decrease, which could have a material adverse effect on us, including our financial condition, results of operations, cash flow, cash available for distribution and our ability to service our debt obligations.

Increases in mortgage rates or unavailability of mortgage debt may make it difficult for us to finance or refinance our debt, which could have a material adverse effect on our financial condition, growth prospects and our ability to make distributions to stockholders.

If mortgage debt is unavailable to us at reasonable rates or at all, we may not be able to finance the purchase or development of additional properties or refinance existing debt when it becomes due. If interest rates are higher when we refinance our properties, our income and cash flow could be reduced, which would reduce cash available for distribution to our stockholders and may hinder our ability to raise more capital by issuing more stock or by borrowing more money. In addition, to the extent we are unable to refinance our debt when it becomes due, we will have fewer debt guarantee opportunities available to offer under our tax protection agreements, which could trigger an obligation to indemnify certain parties under the applicable tax protection agreements.

Mortgage debt obligations expose us to the possibility of foreclosure, which could result in the loss of our investment in a property or group of properties subject to mortgage debt.

Mortgage and other secured debt obligations increases our risk of property losses because defaults on indebtedness secured by properties may result in foreclosure actions initiated by lenders and ultimately our loss of the property securing any loans for which we are in default. Any foreclosure on a mortgaged property or group of properties could adversely affect the overall value of our portfolio of properties. For tax purposes, a foreclosure on any of our properties that is subject to a nonrecourse mortgage loan would be treated as a sale of the property for a purchase price equal to the

outstanding balance of the debt secured by the mortgage. If the outstanding balance of the debt secured by the mortgage exceeds our tax basis in the property, we would recognize taxable income on foreclosure, but would not receive any cash proceeds, which could hinder our ability to meet the REIT distribution requirements imposed by the Code. Foreclosures could also trigger our tax indemnification obligations under the terms of our tax protection agreements with respect to the sales of certain properties.

Most of our debt arrangements involve balloon payment obligations, which may materially adversely affect us, including our cash flows, financial condition and ability to make distributions.

Most of our debt arrangements require us to make a lump-sum or "balloon" payment at maturity. Our ability to make a balloon payment at maturity is uncertain and may depend upon our ability to obtain additional financing or our ability to sell the property. At the time the balloon payment is due, we may or may not be able to refinance the existing financing on terms as favorable as the original loan or sell the property at a price sufficient to make the balloon payment. In addition, balloon payments and payments of principal and interest on our indebtedness may leave us with insufficient cash to pay the distributions that we are required to pay to maintain our qualification as a REIT.

Upon completion of the offering, we expect to have approximately $16 million of indebtedness pursuant to a loan on which the lender has waived a financial covenant default through December 31, 2013, and any future default could have a material adverse effect on us, including our cash available for distribution and our ability to service our debt obligations.

One of the properties in our initial portfolio, Two Columbus, is subject to a loan which we expect to have an outstanding balance of approximately $16 million upon completion of the offering. As of December 31, 2012, the entity that owned Two Columbus, which we will acquire in connection with the formation transaction, was in violation of a covenant in the loan agreement evidencing such loan that required the entity to, among other things, maintain a minimum cash flow to debt service coverage ratio for the fiscal year ended December 31, 2012 and for each fiscal year thereafter.

The lender for this loan has waived this covenant default through December 31, 2013, but there can be no assurance that we will be in compliance with this covenant after December 31, 2013 or will not violate this or another financial covenant in the loan agreement at some point in the future. If such a covenant default were to occur and we were unable to obtain a waiver, we could be required to repay the loan in full, which could have a material adverse effect on us, including our cash available for distribution and our ability to service our other debt obligations.

Our credit facility is expected to restrict our ability to engage in certain business activities, including our ability to incur additional indebtedness, make capital expenditures and make certain investments.

Our credit facility is expected to contain customary negative covenants and other financial and operating covenants that, among other things:

- restrict our ability to incur additional indebtedness;
- restrict our ability to incur additional liens;
- restrict our ability to make certain investments (including certain capital expenditures);
- restrict our ability to merge with another company;
- restrict our ability to sell or dispose of assets;
- restrict our ability to make distributions to stockholders; and
- require us to satisfy minimum financial coverage ratios, minimum tangible net worth requirements and maximum leverage ratios.

These limitations will restrict our ability to engage in certain business activities, which could materially adversely affect our financial condition, results of operations, cash flow, cash available for distribution and our ability to service our debt obligations. In addition, our credit facility may contain specific cross-default provisions with respect to specified other indebtedness, giving the lenders the right, in certain circumstances, to declare a default if we are in default under other loans.

Adverse economic and geopolitical conditions and dislocations in the credit markets could have a material adverse effect on us, including our financial condition, results of operations, cash flow, cash available for distribution and our ability to service our debt obligations.

Our business may be affected by market and economic challenges experienced by the U.S. economy or real estate industry as a whole, such as the dislocations in the credit markets and general global economic downturn during the recent recessionary period. These conditions, or similar conditions in the future, may materially adversely affect us as a result of the following potential consequences, among others:

- ¡ decreased demand for office, retail and multifamily space, which would cause market rental rates and property values to be negatively impacted;
- ¡ reduced values of our properties may limit our ability to dispose of assets at attractive prices or obtain debt financing secured by our properties and may reduce the availability of unsecured loans;
- ¡ our ability to obtain financing on terms and conditions that we find acceptable, or at all, may be limited, which could reduce our ability to pursue acquisition and development opportunities and refinance existing debt, reduce our returns from our acquisition and development activities and increase our future debt service expense; and
- ¡ one or more lenders under our credit facility could refuse to fund their financing commitment to us or could fail and we may not be able to replace the financing commitment of any such lenders on favorable terms, or at all.

In addition, the recent economic downturn has adversely affected, and may continue to adversely affect, the businesses of many of our tenants. As a result, we may see increases in bankruptcies of our tenants and increased defaults by tenants, and we may experience higher vacancy rates and delays in re-leasing vacant space, which could negatively impact our business and results of operations, cash flow, cash available for distribution and our ability to service our debt obligations.

Failure to hedge effectively against interest rate changes may adversely affect our financial condition, results of operations, cash flow, cash available for distribution and our ability to service our debt obligations.

Subject to maintaining our qualification as a REIT, we may enter into hedging transactions to protect us from the effects of interest rate fluctuations on floating rate debt. Our hedging transactions may include entering into interest rate cap agreements or interest rate swap agreements. These agreements involve risks, such as the risk that such arrangements would not be effective in reducing our exposure to interest rate changes or that a court could rule that such an agreement is not legally enforceable. In addition, interest rate hedging can be expensive, particularly during periods of rising and volatile interest rates. Hedging could increase our costs and reduce the overall returns on our investments. In addition, while hedging agreements would be intended to lessen the impact of rising interest rates on us, they could also expose us to the risk that the other parties to the agreements would not perform, we could incur significant costs associated with the settlement of the agreements or that the underlying transactions could fail to qualify as highly-effective cash flow hedges under Financial Accounting Standards Board, or FASB, Accounting Standards Codification, or ASC, Topic 815, *Derivatives and Hedging*.

Adverse conditions in the general retail environment could have a material adverse effect on us, including our financial condition, results of operations, cash flow, cash available for distribution and our ability to satisfy our debt service obligations and to make distributions to our stockholders.

Fifteen of our 24 properties, representing approximately 38.1% of our total annualized base rent as of December 31, 2012, are retail properties. As a result, we are subject to factors that affect the retail sector generally, as well as the market for retail space. The retail environment and the market for retail space have been, and could continue to be, adversely affected by weakness in the national, regional and local economies, the level of consumer spending and consumer confidence, the adverse financial condition of some large retailing companies, the ongoing consolidation in the retail sector, the excess amount of retail space in a number of markets and increasing competition from discount retailers, outlet malls, internet retailers and other online businesses. Increases in consumer spending via the internet may significantly affect our retail tenants' ability to generate sales in their stores. New and enhanced technologies, including new digital technologies and new web services technologies, may increase competition for certain of our retail tenants.

Any of the foregoing factors could adversely affect the financial condition of our retail tenants and the willingness of retailers to lease space in our retail properties. In turn, these conditions could negatively affect market rents for retail space and could materially and adversely affect us, including our financial condition, results of operations, cash flow, cash available for distributions and our ability to service our debt obligations.

We have no operating history as a REIT or a publicly traded company.

We have no operating history as a REIT or a publicly traded company. We cannot assure you that the past experience of our senior management team will be sufficient to successfully operate our company as a REIT or a publicly traded company, including the requirements to timely meet disclosure requirements of the SEC. Following completion of this offering, we will be required to develop and implement control systems and procedures in order to qualify and maintain our qualification as a REIT and satisfy our periodic and current reporting requirements under applicable SEC regulations and comply with New York Stock Exchange, or NYSE, listing standards, and this transition could place a significant strain on our management systems, infrastructure and other resources. See "—Risks Related to Our Status as a REIT—Failure to qualify as a REIT would have significant adverse consequences to us and the per share trading price of our common stock."

We are an "emerging growth company," and we cannot be certain if the reduced disclosure requirements applicable to emerging growth companies will make shares of our common stock less attractive to investors.

In April 2012, President Obama signed into law the Jumpstart Our Business Startups Act, or the JOBS Act. The JOBS Act contains provisions that, among other things, relax certain reporting requirements for "emerging growth companies," including certain requirements relating to accounting standards and compensation disclosure. We are classified as an emerging growth company. For as long as we are an emerging growth company, which may be up to five full fiscal years, we may take advantage of exemptions from various reporting and other requirements that are applicable to other public companies that are not emerging growth companies, including the requirements to:

- provide an auditor's attestation report on management's assessment of the effectiveness of our system of internal control over financial reporting pursuant to Section 404 of the Sarbanes-Oxley Act;
- comply with any new or revised financial accounting standards applicable to public companies until such standards are also applicable to private companies;
- comply with any new requirements adopted by the Public Company Accounting Oversight Board, or the PCAOB, requiring mandatory audit firm rotation or a supplement to the auditor's report in which the auditor would be required to provide additional information about the audit and the financial statements of the issuer;
- comply with any new audit rules adopted by the PCAOB after April 5, 2012, unless the SEC determines otherwise;

- provide certain disclosure regarding executive compensation required of larger public companies; or
- hold stockholder advisory votes on executive compensation.

We cannot predict if investors will find shares of our common stock less attractive because we will not be subject to the same reporting and other requirements as other public companies. If some investors find shares of our common stock less attractive as a result, there may be a less active trading market for our common stock, the per share trading price of our common stock could decline and may be more volatile.

We will incur new costs as a result of becoming a public company, and such costs may increase if and when we cease to be an "emerging growth company."

As a public company, we will incur significant legal, accounting, insurance and other expenses that we have not incurred as a private company, including costs associated with public company reporting requirements. The expenses incurred by public companies generally for reporting and corporate governance purposes have been increasing. We expect compliance with these public reporting requirements and associated rules and regulations to increase expenses, particularly after we are no longer an emerging growth company, although we are currently unable to estimate theses costs with any degree of certainty. We could be an emerging growth company for up to five years, although circumstances could cause us to lose that status earlier, which could result in our incurring additional costs applicable to public companies that are not emerging growth companies.

We will be subject to the requirements of the Sarbanes-Oxley Act of 2002.

As long as we remain an emerging growth company, as that term is defined in the JOBS Act, we will be permitted to gradually comply with certain of the on-going reporting and disclosure obligations of public companies pursuant to the Sarbanes-Oxley Act. See "Risk Factors—Risks Related to Our Business and Operations—We are an "emerging growth company," and we cannot be certain if the reduced disclosure requirements applicable to emerging growth companies will make shares of our common stock less attractive to investors."

However, after we are no longer an emerging growth company under the JOBS Act, management will be required to deliver a report that assesses the effectiveness of our internal controls over financial reporting, pursuant to Section 302 of the Sarbanes-Oxley Act. Section 404 of the Sarbanes-Oxley Act may require our auditors to deliver an attestation report on the effectiveness of our internal controls over financial reporting in conjunction with their opinion on our audited financial statements as of December 31 subsequent to the year in which the registration statement (of which this prospectus forms a part) relating to this offering becomes effective. Substantial work on our part is required to implement appropriate processes, document the system of internal control over key processes, assess their design, remediate any deficiencies identified and test their operation. This process is expected to be both costly and challenging. We cannot give any assurances that material weaknesses will not be identified in the future in connection with our compliance with the provisions of Section 302 and 404 of the Sarbanes-Oxley Act. The existence of any material weakness described above would preclude a conclusion by management and our independent auditors that we maintained effective internal control over financial reporting. Our management may be required to devote significant time and expense to remediate any material weaknesses that may be discovered and may not be able to remediate any material weakness in a timely manner. The existence of any material weakness in our internal control over financial reporting could also result in errors in our financial statements that could require us to restate our financial statements, cause us to fail to meet our reporting obligations and cause investors to lose confidence in our reported financial information, all of which could lead to a decline in the per share trading price of our common stock.

We may be required to make rent or other concessions or significant capital expenditures to improve our properties in order to retain and attract tenants, which may materially adversely affect us, including our financial condition, results of operations, cash flow, cash available for distributions and our ability to service our debt obligations.

Upon expiration of our leases to our tenants, to the extent that adverse economic conditions in the real estate market reduce the demand for office, retail and multifamily space, we may be required to make rent or other concessions,

accommodate requests for renovations, build-to-suit remodeling and other improvements or provide additional services to our tenants, any of which would increase our costs. As a result, we may have to make significant capital or other expenditures in order to retain tenants whose leases expire and to attract new tenants in sufficient numbers. Additionally, we may need to raise capital to make such expenditures. If we are unable to do so or capital is otherwise unavailable, we may be unable to make the required expenditures. This could result in non-renewals by tenants upon expiration of their leases. If any of the foregoing were to occur, it could have a material adverse effect on us, including our financial condition, results of operations, cash flow, cash available for distribution and our ability to service our debt obligations.

Our use of common units as currency to acquire properties could result in stockholder dilution or limit our ability to sell such properties, which could have a material adverse effect on us.

In the future we may acquire properties or portfolios of properties through tax deferred contribution transactions in exchange for partnership interests in our operating partnership, which may result in stockholder dilution. This acquisition structure may have the effect of, among other things, reducing the amount of tax depreciation we could deduct over the tax life of the acquired properties, and may require that we agree to protect the contributors' ability to defer recognition of taxable gain through restrictions on our ability to dispose of the acquired properties or the allocation of partnership debt to the contributors to maintain their tax bases. These restrictions could limit our ability to sell properties at a time, or on terms, that would be favorable absent such restrictions.

Significant competition in the leasing market could have a material adverse effect on us, including our financial condition, results of operations, cash flow, cash available for distribution and our ability to service our debt obligations.

We compete with numerous developers, owners and operators of real estate, many of which own properties similar to ours in the same submarkets in which our properties are located. If our competitors offer space at rental rates below current market rates, or below the rental rates we currently charge our tenants, we may lose existing or potential tenants and we may be pressured to reduce our rental rates below those we currently charge or to offer more substantial rent abatements, tenant improvements, early termination rights or below-market renewal options in order to retain tenants when our tenants' leases expire. As a result, our financial condition, results of operations, cash flow cash available for distributions and our ability to service our debt obligations could be materially and adversely affected.

We have not obtained any third-party appraisals of the properties and other assets to be acquired by us from the prior investors in connection with the formation transactions. Accordingly, the value of the cash and common units to be paid or issued as consideration for the properties and assets to be acquired by us in the formation transactions may exceed their aggregate fair market value and will exceed their aggregate historical combined net tangible book value of approximately $(41.3) million as of December 31, 2012.

We have not obtained any third-party appraisals of the properties and other assets to be acquired by us from the prior investors in connection with the formation transactions. The value of the common units that we will pay or issue as consideration for the properties and assets that we will acquire will increase or decrease if our common stock is priced above or below the midpoint of the estimated price range set forth on the front cover of this prospectus. The initial public offering price of our common stock will be determined in consultation with the underwriters. The initial public offering price does not necessarily bear any relationship to the book value or the fair market value of such properties and assets. As a result, the price to be paid by us for the acquisition of the properties and assets in the formation transactions may exceed the fair market value of those properties and assets. The aggregate historical combined net tangible book value of our predecessor was approximately $(41.3) million as of December 31, 2012.

Our success depends on key personnel whose continued service is not guaranteed, and the loss of one or more of our key personnel could adversely affect our ability to manage our business and to implement our growth strategies, or could create a negative perception of our company in the capital markets.

Our continued success and our ability to manage anticipated future growth depend, in large part, upon the efforts of key personnel, particularly Messrs. Hoffler, Kirk, Haddad, Nero, Apperson, O'Hara, and Smith and Ms. Hampton, who have

extensive market knowledge and relationships and exercise substantial influence over our operational, financing, development and construction activity. Among the reasons that these individuals are important to our success is that each has a national or regional industry reputation that attracts business and investment opportunities and assists us in negotiations with lenders, existing and potential tenants and industry personnel. If we lose their services, our relationships with such personnel could diminish.

Many of our other senior executives also have extensive experience and strong reputations in the real estate industry, which aid us in identifying opportunities, having opportunities brought to us and negotiating with tenants and build-to-suit prospects. The loss of services of one or more members of our senior management team, or our inability to attract and retain highly qualified personnel, could adversely affect our business, diminish our investment opportunities and weaken our relationships with lenders, business partners, existing and prospective tenants and industry participants, which could materially adversely affect our financial condition, results of operations, cash flow and the per share trading price of our common stock.

Following the completion of this offering and the formation transactions, we may be subject to on-going or future litigation, including existing claims relating to the entities that own the properties described in this prospectus and otherwise in the ordinary course of business, which could have a material adverse effect on our financial condition, results of operations, cash flow and the per share trading price of our common stock.

Upon the completion of this offering and the formation transactions, we may be subject to on-going litigation, including existing claims relating to the entities that own the properties and operate the businesses described in this prospectus and otherwise in the ordinary course of business. Some of these claims may result in significant defense costs and potentially significant judgments against us, some of which are not, or cannot be, insured against. We generally intend to vigorously defend ourselves. However, we cannot be certain of the ultimate outcomes of currently asserted claims or of those that may arise in the future. In addition, we may become subject to litigation in connection with the formation transactions in the event that prior investors dispute the valuation of their respective interests, the adequacy of the consideration to be received by them in the formation transactions or the interpretation of the agreements implementing the formation transactions. Resolution of these types of matters against us may result in our having to pay significant fines, judgments, or settlements, which, if uninsured, or if the fines, judgments, and settlements exceed insured levels, could adversely impact our earnings and cash flows, thereby having an adverse effect on our financial condition, results of operations, cash flow, cash available for distribution and our ability to service our debt obligations. Certain litigation or the resolution of certain litigation may affect the availability or cost of some of our insurance coverage, which could materially adversely affect our results of operations and cash flows, expose us to increased risks that would be uninsured and adversely impact our ability to attract officers and directors.

Potential losses from hurricanes in Virginia and North Carolina may not be covered by insurance.

All of the properties in our initial portfolio are located in Virginia and North Carolina, which are areas particularly susceptible to hurricanes. While we will carry insurance on certain of our properties in Virginia, the amount of our insurance coverage may not be sufficient to fully cover losses from hurricanes and will be subject to limitations involving large deductibles or co-payments. In addition, we may reduce or discontinue insurance on some or all of our properties in the future if the cost of premiums for any such policies exceeds, in our judgment, the value of the coverage discounted for the risk of loss. As a result, in the event of a hurricane, we may be required to incur significant costs, and, to the extent that a loss exceeds policy limits, we could lose the capital invested in the damaged properties as well as the anticipated future cash flows from those properties. In addition, if the damaged properties are subject to recourse indebtedness, we would continue to be liable for the indebtedness, even if these properties were irreparably damaged.

We may not be able to rebuild our existing properties to their existing specifications if we experience a substantial or comprehensive loss of such properties.

In the event that we experience a substantial or comprehensive loss of one of our properties, we may not be able to rebuild such property to its existing specifications. Further, reconstruction or improvement of such a property would likely require significant upgrades to meet zoning and building code requirements. Environmental and legal restrictions could also restrict the rebuilding of our properties.

Joint venture investments could be adversely affected by our lack of sole decision-making authority, our reliance on co-venturers' financial condition and disputes between us and our co-venturers.

In the past, we have, and in the future, we expect to, co-invest with third parties through partnerships, joint ventures or other entities, acquiring non-controlling interests in or sharing responsibility for developing properties and managing the affairs of a property, partnership, joint venture or other entity. In particular, in connection with the formation transactions, we have provided certain of the prior investors with the right to co-develop certain projects with us in the future and the right to acquire a minority equity interest in certain properties that we may develop in the future, in each case under certain circumstances and subject to certain conditions set forth in the applicable agreement. In the event that we co-develop a property together with a third party, we would be required to share a portion of the development fee. With respect to any such arrangement or any similar arrangement that we may enter into in the future, we may not be in a position to exercise sole decision-making authority regarding the development, property, partnership, joint venture or other entity. Investments in partnerships, joint ventures or other entities may, under certain circumstances, involve risks not present where a third party is not involved, including the possibility that partners or co-venturers might become bankrupt or fail to fund their share of required capital contributions. Partners or co-venturers may have economic or other business interests or goals which are inconsistent with our business interests or goals and may be in a position to take actions contrary to our policies or objectives, and they may have competing interests in our markets that could create conflicts of interest. Such investments may also have the potential risk of impasses on decisions, such as a sale or financing, because neither we nor the partner(s) or co-venturer(s) would have full control over the partnership or joint venture. In addition, a sale or transfer by us to a third party of our interests in the joint venture may be subject to consent rights or rights of first refusal, in favor of our joint venture partners, which would in each case restrict our ability to dispose of our interest in the joint venture. Where we are a limited partner or non-managing member in any partnership or limited liability company, if such entity takes or expects to take actions that could jeopardize our status as a REIT or require us to pay tax, we may be forced to dispose of our interest in such entity. Disputes between us and partners or co-venturers may result in litigation or arbitration that would increase our expenses and prevent our officers and directors from focusing their time and effort on our business. Consequently, actions by or disputes with partners or co-venturers might result in subjecting properties owned by the partnership or joint venture to additional risk. In addition, we may in certain circumstances be liable for the actions of our third-party partners or co-venturers. Our joint ventures may be subject to debt and, during periods of volatile credit markets, the refinancing of such debt may require equity capital calls.

Increased competition and increased affordability of residential homes could limit our ability to retain our residents, lease apartment units or increase or maintain rents at our multifamily apartment communities.

Our multifamily apartment communities compete with numerous housing alternatives in attracting residents, including other multifamily apartment communities and single-family rental units, as well as owner-occupied single- and multifamily units. Competitive housing in a particular area and an increase in the affordability of owner-occupied single- and multifamily units due to, among other things, declining housing prices, oversupply, mortgage interest rates and tax incentives and government programs to promote home ownership, could adversely affect our ability to retain residents, lease apartment units and increase or maintain rents at our multifamily properties.

Our growth depends on external sources of capital that are outside of our control and may not be available to us on commercially reasonable terms or at all, which could limit our ability to, among other things, meet our capital and operating needs or make the cash distributions to our stockholders necessary to maintain our qualification as a REIT.

In order to maintain our qualification as a REIT, we are required under the Code to, among other things, distribute annually at least 90% of our REIT taxable income, determined without regard to the dividends paid deduction and excluding any net capital gain. In addition, we will be subject to income tax at regular corporate rates to the extent that we distribute less than 100% of our REIT taxable income, including any net capital gains. Because of these distribution requirements, we may not be able to fund future capital needs, including any necessary capital expenditures, from operating cash flow. Consequently, we intend to rely on third-party sources to fund our capital needs. We may not be able to obtain such financing on favorable terms or at all and any additional debt we incur will increase our leverage and likelihood of default. Our access to third-party sources of capital depends, in part, on:

- general market conditions;

- the market's perception of our growth potential;
- our current debt levels;
- our current and expected future earnings;
- our cash flow and cash distributions; and
- the market price per share of our common stock.

Recently, the capital markets have been subject to significant disruptions. If we cannot obtain capital from third-party sources, we may not be able to acquire or develop properties when strategic opportunities exist, meet the capital and operating needs of our existing properties, satisfy our debt service obligations or make the cash distributions to our stockholders necessary to maintain our qualification as a REIT.

Risks Related to Our Third-Party Construction Business

Adverse economic and regulatory conditions, particularly in the Mid-Atlantic region, could adversely affect our construction and development business, which could have a material adverse effect on our financial condition, results of operations, cash flow, cash available for distribution and our ability to service our debt obligations.

Our third-party construction activities have been, and are expected to continue to be, primarily focused in the Mid-Atlantic region, although we have also undertaken construction projects in various states in the Southeast, Northeast and Midwest regions of the United States. As a result of our concentration of construction projects in the Mid-Atlantic region of the United States, we are particularly susceptible to adverse economic or other conditions in this market (such as periods of economic slowdown or recession, business layoffs or downsizing, industry slowdowns, relocations of businesses, labor disruptions and the costs of complying with governmental regulations or increased regulation), as well as to natural disasters that occur in this region. We cannot assure you that our target markets will support construction and development projects of the type in which we typically engage. While our services company will provide a wide range of development and construction services, any adverse economic or real estate developments in the Mid-Atlantic region could materially adversely affect our financial condition, results of operations, cash flow and ability to satisfy our debt service obligations and pay distributions to our stockholders.

There can be no assurance that all of the projects in our third-party construction pipeline will be commenced or completed in their entirety in accordance with the anticipated cost, or that we will achieve the financial results we expect from the construction of such properties, which could materially adversely affect our cash flows, results of operations and growth prospects.

Upon completion of this offering and the formation transactions, we expect to assume all of Armada Hoffler's obligation's with respect to seven on-going construction projects. We earn profit for serving as the general contractor equal to the difference between the total construction fees that we charge and the costs we incur to build the property. If the decision is made by a third-party client to abandon a construction project for any reason, our anticipated fee revenue from such project could be significantly lower than we expect. In addition, our ability to complete the projects in our identified construction pipeline on time and on budget could be materially adversely affected as a result of the following factors, among others:

- shortages of subcontractors, equipment, materials or skilled labor;
- unscheduled delays in the delivery of ordered materials and equipment;
- unanticipated increases in the cost of equipment, labor and raw materials;
- unforeseen engineering, environmental or geological problems;
- weather interferences;

- difficulties in obtaining necessary permits or in meeting permit conditions;
- client acceptance delays; or
- work stoppages and other labor disputes.

If we do not complete the construction of the projects in our identified construction pipeline on time and on budget, it could have a material adverse effect on us, including our cash flows, results of operations and growth prospects.

Our dependence on third-party subcontractors and equipment and material providers could result in material shortages and project delays and could reduce our profits or result in project losses, which could materially adversely affect our financial condition, results of operations and cash flow.

Because our construction business provides general contracting services, we rely on third-party subcontractors and equipment and material providers. For example, we procure equipment and construction materials as needed when engaged in large construction projects. To the extent that we cannot engage subcontractors or acquire equipment and materials at reasonable costs or if the amount we are required to pay for subcontractors or equipment exceeds our estimates, our ability to complete a construction project in a timely fashion or at a profit may be impaired. In addition, if a subcontractor or a manufacturer is unable to deliver its services, equipment or materials according to the negotiated terms for any reason, including the deterioration of its financial condition, we may be required to purchase the services, equipment or materials from another source at a higher price. Additionally, while our construction contracts generally provide that our obligation to pay subcontractors is expressly made subject to the condition precedent that we shall have first received payment, we cannot assure you that these so called “pay-if-paid” or “pay-when-paid” provisions will be recognized in all jurisdictions in which we do business, or that a subcontractor or payment bond surety may not otherwise be entitled to payment or to record a lien on the affected property. In such event, we may be required to pay a payment bond surety or the subcontractors we engage even though we have yet to receive our fees as general contractor. This may reduce the profit to be realized or result in a loss on a project for which the services, equipment or materials are needed, which may materially adversely affect us, including our financial condition, results of operations and cash flow.

Our construction business recognizes certain revenue on a percentage-of-completion basis and upon the achievement of contractual milestones, and any delay or cancellation of a construction project could materially adversely affect our cash flows and results of operations.

Our construction business recognizes certain revenue on a percentage-of-completion basis and, as a result, revenue from our construction business is driven by the performance of our contractual obligations. The percentage-of-completion method of accounting is inherently subjective because it relies on estimates of total project cost as a basis for recognizing revenue and profit. Accordingly, revenue and profit recognized under the percentage-of-completion method is potentially subject to adjustments in subsequent periods based on refinements in the estimated cost to complete a project, which could result in a reduction or reversal of previously recorded revenues and profits. In addition, delays in, or the cancellation of, any particular construction project could adversely impact our ability to recognize revenue in a particular period. Furthermore, changes in job performance, job conditions and estimated profitability, including those arising from contract penalty provisions and final contract settlements, may result in revisions to costs and income in the period in which they are determined. If any of the foregoing were to occur, it could have a material adverse effect on our cash flows and results of operations.

Construction project sites are inherently dangerous workplaces, and, as a result, our failure to maintain safe construction project sites could result in deaths or injuries, reduced profitability, the loss of projects or clients and possible exposure to litigation, any of which could materially adversely affect our financial condition, results of operations, cash flow and reputation.

Construction and maintenance sites often put our employees, employees of subcontractors, our tenants and members of the public in close proximity with mechanized equipment, moving vehicles, chemical and manufacturing processes and highly regulated materials. On many sites, we are responsible for safety and, accordingly, must implement

safety procedures. If we fail to implement these procedures or if the procedures we implement are ineffective, we may suffer the loss of or injury to our employees, fines or expose our tenants and members of the public to potential injury, thereby creating exposure to litigation. As a result, our failure to maintain adequate safety standards could result in reduced profitability or the loss of projects, clients and tenants, which may materially adversely affect our financial condition, results of operations, cash flow and our reputation.

Supply shortages and other risks associated with demand for skilled labor could increase construction costs and delay performance of our obligations under construction contracts, which could materially adversely affect the profitability of our construction business, our cash flow and results of operations.

There is a high level of competition in the construction industry for skilled labor. Increased costs, labor shortages or other disruptions in the supply of skilled labor, such as carpenters, roofers, electricians and plumbers, could cause increases in construction costs and construction delays. We may not be able to pass on increases in construction costs because of market conditions or negotiated contractual terms. Sustained increases in construction costs due competition for skilled labor and delays in performance under construction contracts may materially adversely affect the profitability of our construction business, our financial condition, results of operations and cash flow.

Our failure to successfully and profitably bid on construction contracts could materially adversely affect our results of operations and cash flow.

Many of the costs related to our construction business, such as personnel costs, are fixed and are incurred by us irrespective of the level of activity of our construction business. The success of our construction business depends, in part, on our ability to successfully and profitably bid on construction contracts for private and public sector clients. Contract proposals and negotiations are complex and frequently involve a lengthy bidding and selection process, which can be impacted by a number of factors, many of which are outside our control, including market conditions, financing arrangements and required governmental approvals. If we are unable to maintain a consistent flow of third-party construction contracts, our results of operations and cash flow could be materially adversely affected.

If we fail to timely complete a construction project, miss a required performance standard or otherwise fail to adequately perform on a construction project, we may incur losses or financial penalties, which could materially adversely affect our financial condition, results of operations, cash flow and reputation.

We may contractually commit to a construction client that we will complete a construction project by a scheduled date at a fixed cost. We may also commit that a construction project, when completed, will achieve specified performance standards. If the construction project is not completed by the scheduled date or fails to meet required performance standards, we may either incur significant additional costs or be held responsible for the costs incurred by the client to rectify damages due to late completion or failure to achieve the required performance standards. In addition, completion of projects can be adversely affected by a number of factors beyond our control, including unavoidable delays from governmental inaction, public opposition, inability to obtain financing, weather conditions, unavailability of vendor materials, availabilities of subcontractors, changes in the project scope of services requested by our clients, industrial accidents, environmental hazards, labor disruptions and other factors. In some cases, if we fail to meet required performance standards or milestone requirements, we may also be subject to agreed-upon financial damages in the form of liquidated damages, which are determined pursuant to the contract governing the construction project. To the extent that these events occur, the total costs of the project could exceed our estimates and our contracted cost and we could experience reduced profits or, in some cases, incur a loss on a project, which may materially adversely affect our financial condition, results of operations and cash flow. Failure to meet performance standards or complete performance on a timely basis could also adversely affect our reputation.

Unionization or work stoppages could have a materials adverse effect on us.

From time to time, our construction business and the subcontractors we engage may use unionized construction workers, which requires us to pay the prevailing wage in a jurisdiction to such workers. Due to the highly labor-intensive and price-competitive nature of the construction business, the cost of unionization or prevailing wage requirements for new

developments could be substantial, which could adversely affect our profitability. In addition, the use of unionized construction workers could cause us to become subject to organized work stoppages, which would materially adversely affect our ability to meet our construction timetables and could significantly increase the cost of completing a construction project.

Risks Related to Our Development Business and Property Acquisitions

Our failure to establish new development relationships with public partners and expand our development relationships with existing public partners could have a material adverse effect on us, including our cash flows, results of operations and growth prospects.

Our growth strategy depends significantly on our ability to leverage our extensive experience in completing large, complex, mixed-use public/private projects to establish new relationships with public partners and expand our relationships with existing public partners. Future increases in our revenues may depend significantly on our ability to expand the scope of the work we do with the state and local government agencies with which we currently have partnered and attract new state and local government agencies to undertake public/private development projects with us. Our ability to obtain new work with state and local governmental authorities on new public/private development and financing partnerships could be adversely affected by several factors, including decreases in state and local budgets, changes in administrations, the departure of government personnel with whom we have worked and negative public perceptions about public/private partnerships. In addition, to the extent that we engage in public/private partnerships in states or local communities in which we have not previously worked, we could be subject to risks associated with entry into new markets, such as lack of market knowledge or understanding of the local economy, lack of business relationships in the area and unfamiliarity with local governmental and permitting procedures. If we fail to establish new relationships with public partners and expand our relationships with existing public partners, it could have a material adverse effect on our growth prospects.

We may be unable to identify and complete development opportunities and acquisitions of properties that meet our investment criteria, which may materially adversely affect our financial condition, results of operations, cash flow and growth prospects.

Our business and growth strategy involves the development and selective acquisition of office, retail and multifamily properties. We may expend significant management time and other resources, including out-of-pocket costs, in pursuing these investment opportunities. Our ability to complete development projects or acquire properties on favorable terms, or at all, may be exposed to the following significant risks:

- we may incur significant costs and divert management attention in connection with evaluating and negotiating potential development opportunities and acquisitions, including those that we are subsequently unable to complete;
- agreements for the development or acquisition of properties are subject to conditions, which we may be unable to satisfy; and
- we may be unable to obtain financing on favorable terms or at all.

If we are unable to identify attractive investment opportunities, our financial condition, results of operations, cash flow and growth prospects could be materially adversely affected.

The risks associated with land holdings and related activities could have a material adverse effect on us, including our results of operations.

After the completion of this offering and the formation transactions, we will hold options to acquire undeveloped parcels of land for future development and may in the future acquire additional land holdings for development. The risks inherent in purchasing, owning, and developing land increase as demand for office, retail or multifamily properties, or rental rates, decreases. Real estate markets are highly uncertain and volatile and, as a result, the value of undeveloped land has fluctuated significantly and may continue to fluctuate. In addition, carrying costs, including interest and other pre-development costs, can be significant and can result in losses or reduced profitability. If there are subsequent changes in the fair value of

our undeveloped land holdings that cause us to determine that the fair value of our undeveloped land holdings is less than their carrying basis reflected in our financial statements plus estimated costs to sell, we may be required to take future impairment charges which would reduce our net income and could materially and adversely affect our results of operations.

The success of our activities to design, construct and develop properties in which we will retain an ownership interest is dependent, in part, on the availability of suitable undeveloped land at acceptable prices as well as our having sufficient liquidity to fund investments in such undeveloped land and subsequent development.

Our success in designing, constructing and developing projects for our own account depends, in part, upon the continued availability of suitable undeveloped land at acceptable prices. The availability of undeveloped land for purchase at favorable prices depends on a number of factors outside of our control, including the risk of competitive over-bidding on land and governmental regulations that restrict the potential uses of land. If the availability of suitable land opportunities decreases, the number of development projects we may be able to undertake could be reduced. In addition, our ability to make land purchases will depend upon us having sufficient liquidity or access to external sources of capital to fund such purchases. Thus, the lack of availability of suitable land opportunities and insufficient liquidity to fund the purchases of any such available land opportunities could have a material adverse effect on our results of operations and growth prospects.

Our real estate development activities are subject to risks particular to development, such as unanticipated expenses, delays and other contingencies, any of which could materially adversely affect us, including our financial condition, results of operations and cash flow.

We intend to engage in development and redevelopment activities and will be subject to the following risks associated with such activities:

- unsuccessful development or redevelopment opportunities could result in direct expenses to us and cause us to incur losses;
- construction or redevelopment costs of a project may exceed original estimates, possibly making the project less profitable than originally estimated, or unprofitable;
- time required to complete the construction or redevelopment of a project or to lease up the completed project may be greater than originally anticipated, thereby adversely affecting our cash flow and liquidity;
- contractor and subcontractor disputes, strikes, labor disputes or supply disruptions;
- failure to achieve expected occupancy or rent levels within the projected time frame, or at all;
- delays with respect to obtaining or the inability to obtain necessary zoning, occupancy, land use and other governmental permits, and changes in zoning and land use laws;
- occupancy rates and rents of a completed project may not be sufficient to make the project profitable; and
- the availability and pricing of financing to fund our development activities on favorable terms or at all.

These risks could result in substantial unanticipated delays or expenses and, under certain circumstances, could prevent completion of development or redevelopment activities once undertaken, any of which could have an adverse effect on our financial condition, results of operations and cash flow.

Our ability to acquire and complete the projects in our identified development pipeline is subject to the availability of proceeds under our credit facility or another source of financing, and any delay or the failure to close the credit facility or obtain an alternative source of financing could materially delay our acquisition of, or cause us to be unable to acquire and complete, the projects in our identified development pipeline.

We currently anticipate that we will acquire the projects in our identified development pipeline from Armada Hoffler affiliates in exchange for consideration in an amount equal to all costs incurred by the Armada Hoffler affiliates with respect to all of the development projects through the date of the closing of the formation transactions, which we currently expect will be

approximately $18.3 million. In addition, we intend to fund a substantial portion of the development costs for the projects in our identified pipeline with borrowings under our credit facility or an alternative source of funds. Thus, our ability to acquire and complete the projects in our identified development is subject to the availability of proceeds under our credit facility. If we are unable to arrange the credit facility, have insufficient borrowing capacity under the credit facility or are unable find an alternative source of funds to acquire the projects in our identified development pipeline, we may not be able to acquire or complete these projects on our anticipated timeline or at all, which could have a material adverse effect on our growth prospects.

There can be no assurance that all of the properties in our identified development pipeline will be completed in their entirety in accordance with the anticipated cost, or that we will achieve the results we expect from the development of such properties, which could materially adversely affect our growth prospects, financial condition and results of operations.

The development of the projects in our identified development pipeline are subject to numerous risks, many of which are outside of our control. The cost necessary to complete the development of our identified development pipeline could be materially higher than we anticipate. Because we generally intend to commence the construction phase of an office or retail project for our own account only where a substantial percentage of the commercial space is pre-leased, we could decide not to undertake construction on one or more of the projects in our identified development pipeline if our pre-leasing efforts are unsuccessful. Furthermore, if we are delayed in the completion of any development project, tenants may have the right to terminate pre-development leases, which could materially adversely affect the financial viability of the project. In addition, even if we decide to commence construction on a project, we can provide no assurances that we will complete any of the projects in our identified development pipeline on the anticipated schedule, or that, once completed, the properties in our identified development pipeline will achieve the results that we expect. Although we currently anticipate that construction of the Apprentice School Apartments project will be completed in November 2013, we cannot provide any assurances that construction will be completed on time. If construction on any of the three components of such project is delayed, we may not be able to acquire the project for our portfolio at the anticipated time. If the development of our identified development pipeline is not completed in accordance with our anticipated timing or at the anticipated cost, or the properties fail to achieve the financial results we expect, it could have a material adverse effect on our financial condition and results of operations.

Our option properties are subject to various risks, and we may not be able to acquire them.

Upon completion of the formation transactions, we will have options to acquire from certain of our officers and directors eight parcels of developable land that will not be acquired by us in connection with the formation transactions. These parcels are exposed to many of the same risks that may affect the other properties in our portfolio. The terms of the option agreements relating to these parcels were not determined by arm's-length negotiations, and such terms may be less favorable to us than those that may have been obtained through negotiations with third parties. In addition, it may become economically unattractive to exercise our options with respect to these parcels, which could cause us to decide not to exercise our option to purchase these parcels in the future. In such event, or in the event that the option agreements expire by their terms, the parcels could be sold to one of our competitors without restriction. Because our officers and directors own economic interests in these parcels, our decision to exercise or refrain from exercising such options will create conflicts of interest.

Risks Related to the Real Estate Industry

Our business is subject to risks associated with real estate assets and the real estate industry, which could materially adversely affect our financial condition, results of operations, cash flow, cash available for distribution and our ability to service our debt obligations.

Our ability to pay expected dividends to our stockholders depends on our ability to generate revenues in excess of expenses, scheduled principal payments on debt and capital expenditure requirements. Events and conditions generally applicable to owners and operators of real property that are beyond our control may decrease cash available for distribution and the value of our properties. These events include many of the risks set forth above under "—Risks Related to Our Business and Operations," as well as the following:

- oversupply or reduction in demand for office, retail or multifamily space in our markets;

- adverse changes in financial conditions of buyers, sellers and tenants of properties;
- vacancies or our inability to rent space on favorable terms, including possible market pressures to offer tenants rent abatements, tenant improvements, early termination rights or below-market renewal options, and the need to periodically repair, renovate and re-let space;
- increased operating costs, including insurance premiums, utilities, real estate taxes and state and local taxes;
- a favorable interest rate environment that may result in a significant number of potential residents of our multifamily apartment communities deciding to purchase homes instead of renting;
- rent control or stabilization laws, or other laws regulating rental housing, which could prevent us from raising rents to offset increases in operating costs;
- civil unrest, acts of war, terrorist attacks and natural disasters, including hurricanes, which may result in uninsured or underinsured losses;
- decreases in the underlying value of our real estate;
- changing submarket demographics; and
- changing traffic patterns.

In addition, periods of economic downturn or recession, rising interest rates or declining demand for real estate, or the public perception that any of these events may occur, could result in a general decline in rents or an increased incidence of defaults under existing leases, which could materially adversely affect our financial condition, results of operations, cash flow, cash available for distribution and ability to service our debt obligations.

Illiquidity of real estate investments could significantly impede our ability to respond to adverse changes in the performance of our properties and harm our financial condition.

The real estate investments made, and to be made, by us are difficult to sell quickly. As a result, our ability to promptly sell one or more properties in our portfolio in response to changing economic, financial and investment conditions is limited. Return of capital and realization of gains, if any, from an investment generally will occur upon disposition or refinancing of the underlying property. We may be unable to realize our investment objectives by sale, other disposition or refinancing at attractive prices within any given period of time or may otherwise be unable to complete any exit strategy. In particular, our ability to dispose of one or more properties within a specific time period is subject to certain limitations imposed by our tax protection agreements, as well as weakness in or even the lack of an established market for a property, changes in the financial condition or prospects of prospective purchasers, changes in national or international economic conditions and changes in laws, regulations or fiscal policies of jurisdictions in which the property is located.

In addition, the Code imposes restrictions on a REIT's ability to dispose of properties that are not applicable to other types of real estate companies. In particular, the tax laws applicable to REITs effectively require that we hold our properties for investment, rather than primarily for sale in the ordinary course of business, which may cause us to forego or defer sales of properties that otherwise would be in our best interests. Therefore, we may not be able to vary our portfolio in response to economic or other conditions promptly or on favorable terms.

Our property taxes could increase due to property tax rate changes or reassessment, which would adversely impact our cash flows.

Even if we qualify as a REIT for federal income tax purposes, we will be required to pay some state and local taxes on our properties. The real property taxes on our properties may increase as property tax rates change or as our properties

are assessed or reassessed by taxing authorities. Therefore, the amount of property taxes we pay in the future may increase substantially from what we have paid in the past. If the property taxes we pay increase, our cash flow would be adversely impacted, and our ability to pay dividends to our stockholders could be adversely affected.

As an owner of real estate, we could incur significant costs and liabilities related to environmental matters.

Under various federal, state and local laws and regulations relating to the environment, as a current or former owner or operator of real property, we may be liable for costs and damages resulting from the presence or discharge of hazardous or toxic substances, waste or petroleum products at, on, in, under or migrating from such property, including costs to investigate, clean up such contamination and liability for harm to natural resources. Such laws often impose liability without regard to whether the owner or operator knew of, or was responsible for, the presence of such contamination, and the liability may be joint and several. These liabilities could be substantial and the cost of any required remediation, removal, fines or other costs could exceed the value of the property and our aggregate assets. In addition, the presence of contamination or the failure to remediate contamination at our properties may expose us to third-party liability for costs of remediation and personal or property damage or materially adversely affect our ability to sell, lease or develop our properties or to borrow using the properties as collateral. In addition, environmental laws may create liens on contaminated sites in favor of the government for damages and costs it incurs to address such contamination. Moreover, if contamination is discovered on our properties, environmental laws may impose restrictions on the manner in which property may be used or businesses may be operated, and these restrictions may require substantial expenditures. See “Business and Properties—Regulation—Environmental Matters.”

Some of our properties have been or may be impacted by contamination arising from current or prior uses of the property, or adjacent properties, for commercial or industrial purposes. Such contamination may arise from spills of petroleum or hazardous substances or releases from tanks used to store such materials. For example, some of the tenants of properties in our retail portfolio operate gas stations or other businesses that utilize storage tanks to store petroleum products, propane or wastes typically associated with automobile service or other operations conducted at the properties, and spills or leaks of hazardous materials from those storage tanks could expose us to liability. See “Business and Properties—Regulation—Environmental Matters.” In addition to the foregoing, while we obtained Phase I Environmental Site Assessments for each of the properties in our portfolio, the assessments are limited in scope and may have failed to identify all environmental conditions or concerns. For example, they do not generally include soil sampling, subsurface investigations or hazardous materials survey. Furthermore, we do not have current Phase I Environmental Site Assessment reports for all of the properties in our portfolio and, as such, may not be aware of all potential or existing environmental contamination liabilities at the properties in our portfolio. As a result, we could potentially incur material liability for these issues.

As the owner of the buildings on our properties, we could face liability for the presence of hazardous materials, such as asbestos or lead, or other adverse conditions, such as poor indoor air quality, in our buildings. Environmental laws govern the presence, maintenance, and removal of hazardous materials in buildings, and if we do not comply with such laws, we could face fines for such noncompliance. Also, we could be liable to third parties, such as occupants of the buildings, for damages related to exposure to hazardous materials or adverse conditions in our buildings, and we could incur material expenses with respect to abatement or remediation of hazardous materials or other adverse conditions in our buildings. In addition, some of our tenants routinely may handle and use hazardous or regulated substances and wastes as part of their operations at our properties, which are subject to regulation. Such environmental and health and safety laws and regulations could subject us or our tenants to liability resulting from these activities. Environmental liabilities could affect a tenant’s ability to make rental payments to us, and changes in laws could increase the potential liability for noncompliance. This may result in significant unanticipated expenditures or may otherwise materially and adversely affect our operations, or those of our tenants, which could in turn have an adverse effect on us. If we incur material environmental liabilities in the future, we may face significant remediation costs, and we may find it difficult to sell any affected properties.

Our properties may contain or develop harmful mold or suffer from other air quality issues, which could lead to liability for adverse health effects and costs of remediation.

When excessive moisture accumulates in buildings or on building materials, mold growth may occur, particularly if the moisture problem remains undiscovered or is not addressed over a period of time. Some molds may produce airborne

toxins or irritants. Indoor air quality issues can also stem from inadequate ventilation, chemical contamination from indoor or outdoor sources, and other biological contaminants such as pollen, viruses and bacteria. Indoor exposure to airborne toxins or irritants above certain levels can be alleged to cause a variety of adverse health effects and symptoms, including allergic or other reactions. As a result, the presence of significant mold or other airborne contaminants at any of our properties could require us to undertake a costly remediation program to contain or remove the mold or other airborne contaminants from the affected property or increase indoor ventilation. In addition, the presence of significant mold or other airborne contaminants could expose us to liability from our tenants, employees of our tenants or others if property damage or personal injury is alleged to have occurred.

We may incur significant costs complying with various federal, state and local laws, regulations and covenants that are applicable to our properties.

Properties are subject to various covenants and federal, state and local laws and regulatory requirements, including permitting and licensing requirements. Local regulations, including municipal or local ordinances, zoning restrictions and restrictive covenants imposed by community developers may restrict our use of our properties and may require us to obtain approval from local officials or restrict our use of our properties and may require us to obtain approval from local officials of community standards organizations at any time with respect to our properties, including prior to developing or acquiring a property or when undertaking renovations of any of our existing properties. Among other things, these restrictions may relate to fire and safety, seismic or hazardous material abatement requirements. There can be no assurance that existing laws and regulatory policies will not adversely affect us or the timing or cost of any future development, acquisitions or renovations, or that additional regulations will not be adopted that increase such delays or result in additional costs. Our growth strategy may be affected by our ability to obtain permits, licenses and zoning relief.

In addition, federal and state laws and regulations, including laws such as the ADA and the Fair Housing Amendment Act of 1988, or FHAA, impose further restrictions on our properties and operations. Under the ADA and the FHAA, all public accommodations must meet federal requirements related to access and use by disabled persons. Some of our properties may currently be in non-compliance with the ADA or the FHAA. If one or more of the properties in our portfolio is not in compliance with the ADA, the FHAA or any other regulatory requirements, we may incur additional costs to bring the property into compliance, incur governmental fines or the award of damages to private litigants or be unable to refinance such properties. In addition, we do not know whether existing requirements will change or whether future requirements will require us to make significant unanticipated expenditures that will adversely impact our financial condition, results of operations and cash flow.

Risks Related to Our Organizational Structure

Upon completion of this offering and the formation transactions, Daniel Hoffler and his affiliates will own, directly or indirectly, a substantial beneficial interest in our company on a fully diluted basis and will have the ability to exercise significant influence on our company and our operating partnership, including the approval of significant corporate transactions.

Upon completion of this offering and the formation transactions, Mr. Hoffler and his affiliates will own approximately 19.7% and, collectively, Messrs. Hoffler, Haddad and Kirk and their affiliates collectively will own approximately 32.0% of the combined outstanding shares of our common stock and common units of our operating partnership (which common units may be redeemable for shares of our common stock). Consequently, these individuals may be able to significantly influence the outcome of matters submitted for stockholder action, including the approval of significant corporate transactions, including business combinations, consolidations and mergers.

Conflicts of interest may exist or could arise in the future between the interests of our stockholders and the interests of holders of units in our operating partnership, which may impede business decisions that could benefit our stockholders.

Conflicts of interest may exist or could arise in the future as a result of the relationships between us and our affiliates, on the one hand, and our operating partnership or any partner thereof, on the other. Our directors and officers have

duties to our company under Maryland law in connection with their management of our company. At the same time, we, as the general partner of our operating partnership, have fiduciary duties and obligations to our operating partnership and its limited partners under Virginia law and the partnership agreement of our operating partnership in connection with the management of our operating partnership. Our fiduciary duties and obligations as the general partner of our operating partnership may come into conflict with the duties of our directors and officers to our company. Messrs. Hoffler, Haddad and Kirk own a significant interest in our operating partnership as limited partners and may have conflicts of interest in making decisions that affect both our stockholders and the limited partners of our operating partnership.

Under Virginia law, a general partner of a Virginia limited partnership has fiduciary duties of loyalty and care to the partnership and its partners and must discharge its duties and exercise its rights as general partner under the partnership agreement or Virginia law consistently with the obligation of good faith and fair dealing. The partnership agreement provides that, in the event of a conflict between the interests of our operating partnership or any partner, on the one hand, and the separate interests of our company or our stockholders, on the other hand, we, in our capacity as the general partner of our operating partnership, are under no obligation not to give priority to the separate interests of our company or our stockholders, and that any action or failure to act on our part or on the part of our directors that gives priority to the separate interests of our company or our stockholders that does not result in a violation of the contract rights of the limited partners of the operating partnership under its partnership agreement does not violate the duty of loyalty that we, in our capacity as the general partner of our operating partnership, owe to the operating partnership and its partners.

Additionally, the partnership agreement provides that we will not be liable to the operating partnership or any partner for monetary damages for losses sustained, liabilities incurred or benefits not derived by the operating partnership or any limited partner, except for liability for our intentional harm or gross negligence. Our operating partnership must indemnify us, our directors and officers and our designees from and against any and all claims that relate to the operations of our operating partnership, unless (1) an act or omission of the person was material to the matter giving rise to the action and either was committed in bad faith or was the result of active and deliberate dishonesty, (2) the person actually received an improper personal benefit in violation or breach of the partnership agreement or (3) in the case of a criminal proceeding, the indemnified person had reasonable cause to believe that the act or omission was unlawful. Our operating partnership must also pay or reimburse the reasonable expenses of any such person upon its receipt of a written affirmation of the person's good faith belief that the standard of conduct necessary for indemnification has been met and a written undertaking to repay any amounts paid or advanced if it is ultimately determined that the person did not meet the standard of conduct for indemnification. Our operating partnership will not indemnify or advance funds to any person with respect to any action initiated by the person seeking indemnification without our approval (except for any proceeding brought to enforce such person's right to indemnification under the partnership agreement) or if the person is found to be liable to our operating partnership on any portion of any claim in the action.

We may assume unknown liabilities in connection with our formation transactions, and any recourse against third parties, including the prior investors in our assets, for certain of these liabilities will be limited.

As part of our formation transactions, we will acquire entities and assets that are subject to existing liabilities, some of which may be unknown or unquantifiable at the time this offering is completed. These liabilities might include liabilities for cleanup or remediation of undisclosed environmental conditions, claims by tenants, vendors or other persons dealing with our predecessor entities (that had not been asserted or threatened prior to this offering), tax liabilities and accrued but unpaid liabilities incurred in the ordinary course of business. While in some instances we may have the right to seek reimbursement against an insurer, any recourse against third parties, including the prior investors in our assets, for certain of these liabilities will be limited. Mr. Hoffler has entered into a Representation, Warranty and Indemnity Agreement with us with respect to certain aspects of the formation transactions but his liability to us is limited with respect to time and dollar amount. There can be no assurance that we will be entitled to any such reimbursement or that ultimately we will be able to recover in respect of such rights for any of these historical liabilities.

Our charter contains certain provisions restricting the ownership and transfer of our stock that may delay, defer or prevent a change of control transaction that might involve a premium price for our common stock or that our stockholders otherwise believe to be in their best interests.

Our charter contains certain ownership limits with respect to our stock. Our charter, among other restrictions, prohibits the beneficial or constructive ownership by any person of more than 9.8% in value or number of shares, whichever is more restrictive, of the outstanding shares of any class or series of our stock, excluding any shares that are not treated as outstanding for federal income tax purposes. Our board of directors, in its sole and absolute discretion, may exempt a person, prospectively or retroactively, from this ownership limit if certain conditions are satisfied. See "Description of Capital Stock—Restrictions on Ownership and Transfer." This ownership limit as well as other restrictions on ownership and transfer of our stock in our charter may:

- discourage a tender offer or other transactions or a change in management or of control that might involve a premium price for our common stock or that our stockholders otherwise believe to be in their best interests; and
- result in the transfer of shares acquired in excess of the restrictions to a trust for the benefit of a charitable beneficiary and, as a result, the forfeiture by the acquirer of certain of the benefits of owning the additional shares.

We could increase the number of authorized shares of stock, classify and reclassify unissued stock and issue stock without stockholder approval.

Our board of directors, without stockholder approval, has the power under our charter to amend our charter to increase or decrease the aggregate number of shares of stock or the number of shares of stock of any class or series that we are authorized to issue. In addition, under our charter, our board of directors, without stockholder approval, has the power to authorize us to issue authorized but unissued shares of our common stock or preferred stock and to classify or reclassify any unissued shares of our common stock or preferred stock into one or more classes or series of stock and set the preference, conversion or other rights, voting powers, restrictions, limitations as to dividends and other distributions, qualifications or terms or conditions of redemption for such newly classified or reclassified shares. See "Description of Capital Stock—Power to Increase or Decrease Authorized Shares of Common Stock and Issue Additional Shares of Common and Preferred Stock." As a result, we may issue series or classes of common stock or preferred stock with preferences, dividends, powers and rights, voting or otherwise, that are senior to, or otherwise conflict with, the rights of holders of our common stock. Although our board of directors has no such intention at the present time, it could establish a class or series of preferred stock that could, depending on the terms of such series, delay, defer or prevent a transaction or a change of control that might involve a premium price for our common stock or that our stockholders otherwise believe to be in their best interests.

Certain provisions of Maryland law could inhibit changes of control, which may discourage third parties from conducting a tender offer or seeking other change of control transactions that could involve a premium price for our common stock or that our stockholders otherwise believe to be in their best interests.

Certain provisions of the Maryland General Corporation Law, or MGCL, may have the effect of inhibiting a third party from making a proposal to acquire us or of impeding a change of control under circumstances that otherwise could provide the holders of shares of our common stock with the opportunity to realize a premium over the then-prevailing market price of such shares, including:

- "business combination" provisions that, subject to limitations, prohibit certain business combinations between us and an "interested stockholder" (defined generally as any person who beneficially owns 10% or more of the voting power of our outstanding voting shares or an affiliate or associate of ours who was the beneficial owner, directly or indirectly, of 10% or more of the voting power of our then outstanding stock at any time within the two-year period immediately prior to the date in question) or an affiliate thereof for five years after the most recent date on which the stockholder becomes an interested stockholder, and thereafter imposes certain fair price and supermajority stockholder voting requirements on these combinations; and

- "control share" provisions that provide that holders of "control shares" of our company (defined as shares of stock that, when aggregated with other shares of stock controlled by the stockholder, entitle the stockholder to exercise one of three increasing ranges of voting power in electing directors) acquired in a "control share acquisition" (defined as the direct or indirect acquisition of ownership or control of issued and outstanding "control shares") have no voting rights with respect to their control shares, except to the extent approved by our stockholders by the affirmative vote of at least two-thirds of all the votes entitled to be cast on the matter, excluding all interested shares.

By resolution of our board of directors, we have opted out of the business combination provisions of the MGCL and provided that any business combination between us and any other person is exempt from the business combination provisions of the MGCL, provided that the business combination is first approved by our board of directors (including a majority of directors who are not affiliates or associates of such persons). In addition, pursuant to a provision in our bylaws, we have opted out of the control share provisions of the MGCL. However, our board of directors may by resolution elect to opt in to the business combination provisions of the MGCL and we may, by amendment to our bylaws, opt in to the control share provisions of the MGCL in the future.

Certain provisions of the MGCL permit our board of directors, without stockholder approval and regardless of what is currently provided in our charter or bylaws, to implement certain corporate governance provisions, some of which (for example, a classified board) are not currently applicable to us. If implemented, these provisions may have the effect of limiting or precluding a third party from making an unsolicited acquisition proposal for us or of delaying, deferring or preventing a change in control of us under circumstances that otherwise could provide the holders of shares of our common stock with the opportunity to realize a premium over the then current market price. Our charter contains a provision whereby we elect, at such time as we become eligible to do so, to be subject to the provisions of Title 3, Subtitle 8 of the MGCL relating to the filling of vacancies on our board of directors. See "Certain Provisions of Maryland Law and of Our Charter and Bylaws."

Certain provisions in the partnership agreement of our operating partnership may delay or prevent unsolicited acquisitions of us.

Provisions in the partnership agreement of our operating partnership may delay, or make more difficult, unsolicited acquisitions of us or changes of our control. These provisions could discourage third parties from making proposals involving an unsolicited acquisition of us or change of our control, although some of our stockholders might consider such proposals, if made, desirable. These provisions include, among others:

- redemption rights;
- a requirement that we may not be removed as the general partner of our operating partnership without our consent;
- transfer restrictions on common units;
- our ability, as general partner, in some cases, to amend the partnership agreement and to cause the operating partnership to issue units with terms that could delay, defer or prevent a merger or other change of control of us or our operating partnership without the consent of the limited partners; and
- the right of the limited partners to consent to direct or indirect transfers of the general partnership interest, including as a result of a merger or a sale of all or substantially all of our assets, in the event that such transfer requires approval by our common stockholders.

Upon completion of this offering and the formation transactions, the limited partners, including Mr. Hoffler and his affiliates and our other executive officers and directors and their respective affiliates, will own approximately 36.8% of the combined outstanding shares of our common stock and common units of our operating partnership.

Our tax protection agreements could limit our ability to sell or otherwise dispose of certain properties.

In connection with the formation transactions, our operating partnership will enter into tax protection agreements that provide that if we dispose of any interest in the protected initial properties in a taxable transaction prior to the seventh (or, in a limited number of cases, the tenth) anniversary of the completion of the formation transactions, subject to certain exceptions, we will indemnify certain contributors, including Messrs. Hoffler, Haddad, Kirk, Nero and Apperson and their respective affiliates and certain of our other officers, for their tax liabilities attributable to the built-in gain that exists with respect to such property interests as of the time of this offering, and the tax liabilities incurred as a result of such tax protection payment. Therefore, although it may be in our stockholders' best interests that we sell one of these properties, it may be economically prohibitive for us to do so because of these obligations. Moreover, as a result of these potential tax liabilities, Messrs. Hoffler, Haddad, Kirk, Nero and Apperson and certain of our other officers may have a conflict of interest with respect to our determination as to these properties.

Our tax protection agreements may require our operating partnership to maintain certain debt levels that otherwise would not be required to operate our business.

Under our tax protection agreements, our operating partnership will provide certain of our contributors, including Messrs. Hoffler, Haddad, Kirk, Nero and Apperson and their respective affiliates and certain of our other officers, the opportunity to guarantee debt or enter into a deficit restoration obligations both at the completion of the formation transactions and this offering (if needed) and upon a future repayment, retirement, refinancing or other reduction (other than scheduled amortization) of currently outstanding debt prior to the tenth anniversary of the completion of the formation transactions. If we fail to make such opportunities available, we will be required to deliver to each such contributor a cash payment intended to approximate the contributor's tax liability resulting from our failure to make such opportunities available to that contributor and the tax liabilities incurred as a result of such tax protection payment. See "Structure and Formation of Our Company—Tax Protection Agreements." We agreed to these provisions in order to assist our contributors in deferring the recognition of taxable gain as a result of and after the formation transactions. These obligations may require us to maintain more or different indebtedness than we would otherwise require for our business.

We may pursue less vigorous enforcement of terms of the contribution and other agreements with members of our senior management and our affiliates because of our dependence on them and conflicts of interest.

Each of Messrs. Hoffler, Haddad and Kirk, our Executive Chairman of the Board, President and Chief Executive Officer and Vice Chairman of the Board, respectively, are parties to or have interests in contribution agreements with us pursuant to which we will acquire interests in our properties and assets. In addition, we will enter into option agreements with certain of our officers and directors, or entities they control, with respect to certain parcels of developable land. Mr. Hoffler has entered into a representation, warranty and indemnity agreement with us pursuant to which he has made certain representations and warranties to us regarding the entities and assets being acquired in the formation transactions and agreed to indemnify us and our operating partnership for breaches of such representations and warranties for one year after the completion of this offering and the formation transactions. We may choose not to enforce, or to enforce less vigorously, our rights under these agreements because of our desire to maintain our ongoing relationships with members of our board of directors and our management, with possible negative impact on stockholders.

Our board of directors may change our strategies, policies and procedures without stockholder approval and we may become more highly leveraged, which may increase our risk of default under our debt obligations.

Our investment, financing, leverage and distribution policies, and our policies with respect to all other activities, including growth, capitalization and operations, will be determined exclusively by our board of directors, and may be amended or revised at any time by our board of directors without notice to or a vote of our stockholders. This could result in us conducting operational matters, making investments or pursuing different business or growth strategies than those contemplated in this prospectus. Further, our charter and bylaws do not limit the amount or percentage of indebtedness, funded or otherwise, that we may incur. Our board of directors may alter or eliminate our current policy on borrowing at any time without stockholder approval. If this policy changed, we could become more highly leveraged which could result in an increase in our debt service. Higher leverage also increases the risk of default on our obligations. In addition, a change in our

investment policies, including the manner in which we allocate our resources across our portfolio or the types of assets in which we seek to invest, may increase our exposure to interest rate risk, real estate market fluctuations and liquidity risk. Changes to our policies with regards to the foregoing could materially adversely affect our financial condition, results of operations and cash flow.

Our rights and the rights of our stockholders to take action against our directors and officers are limited.

Under Maryland law, generally, a director will not be liable if he or she performs his or her duties in good faith, in a manner he or she reasonably believes to be in our best interests and with the care that an ordinarily prudent person in a like position would use under similar circumstances. In addition, our charter limits the liability of our directors and officers to us and our stockholders for money damages, except for liability resulting from:

- actual receipt of an improper benefit or profit in money, property or services; or
- active and deliberate dishonesty by the director or officer that was established by a final judgment as being material to the cause of action adjudicated.

Our charter authorizes us to indemnify our directors and officers for actions taken by them in those capacities to the maximum extent permitted by Maryland law. Our bylaws require us to indemnify each director and officer, to the maximum extent permitted by Maryland law, in the defense of any proceeding to which he or she is made, or threatened to be made, a party by reason of his or her service to us. In addition, we may be obligated to advance the defense costs incurred by our directors and officers. We intend to enter into indemnification agreements with each of our executive officers and directors whereby we will indemnify our directors and executive officers to the fullest extent permitted by Maryland law against all expenses and liabilities incurred in their capacity as an officer or director, subject to limited exceptions. As a result, we and our stockholders may have more limited rights against our directors and officers than might otherwise exist absent the current provisions in our charter and bylaws or that might exist with other companies.

We are a holding company with no direct operations and, as such, we will rely on funds received from our operating partnership to pay liabilities, and the interests of our stockholders will be structurally subordinated to all liabilities and obligations of our operating partnership and its subsidiaries.

We are a holding company and will conduct substantially all of our operations through our operating partnership. We do not have, apart from an interest in our operating partnership, any independent operations. As a result, we will rely on cash distributions from our operating partnership to pay any dividends we might declare on shares of our common stock. We will also rely on distributions from our operating partnership to meet any of our obligations, including any tax liability on taxable income allocated to us from our operating partnership. In addition, because we are a holding company, your claims as a stockholder will be structurally subordinated to all existing and future liabilities and obligations (whether or not for borrowed money) of our operating partnership and its subsidiaries. Therefore, in the event of our bankruptcy, liquidation or reorganization, our assets and those of our operating partnership and its subsidiaries will be available to satisfy the claims of our stockholders only after all of our and our operating partnership's and its subsidiaries' liabilities and obligations have been paid in full.

Our operating partnership may issue additional common units to third parties without the consent of our stockholders, which would reduce our ownership percentage in our operating partnership and could have a dilutive effect on the amount of distributions made to us by our operating partnership and, therefore, the amount of distributions we can make to our stockholders.

After giving effect to this offering, we will own 53.1% of the outstanding common units in our operating partnership. We may, in connection with our acquisition of properties or otherwise, issue additional common units to third parties. Such issuances would reduce our ownership percentage in our operating partnership and could affect the amount of distributions made to us by our operating partnership and, therefore, the amount of distributions we can make to our stockholders. Because you will not directly own common units, you will not have any voting rights with respect to any such issuances or other partnership level activities of our operating partnership.

Risks Related to Our Status as a REIT

Failure to qualify as a REIT, or failure to remain qualified as a REIT, would cause us to be taxed as a regular corporation, which would substantially reduce funds available for distributions to our stockholders.

We believe that our organization and proposed method of operation will enable us to meet the requirements for qualification and taxation as a REIT commencing with our short taxable year ending December 31, 2013. However, we cannot assure you that we will qualify and remain qualified as a REIT. In connection with this offering, we will receive an opinion from Hunton & Williams LLP that, commencing with our short taxable year ending December 31, 2013, we will be organized in conformity with the requirements for qualification and taxation as a REIT under the U.S. federal income tax laws and our proposed method of operations will enable us to satisfy the requirements for qualification and taxation as a REIT under the U.S. federal income tax laws for our short taxable year ending December 31, 2013 and subsequent taxable years. Investors should be aware that Hunton & Williams LLP's opinion will be based upon customary assumptions, will be conditioned upon certain representations made by us as to factual matters, including representations regarding the nature of our assets and the conduct of our business, is not binding upon the Internal Revenue Service, or the IRS, or any court and speaks as of the date issued. In addition, Hunton & Williams LLP's opinion will be based on existing U.S. federal income tax law governing qualification as a REIT, which is subject to change either prospectively or retroactively. Moreover, our qualification and taxation as a REIT depend upon our ability to meet on a continuing basis, through actual annual operating results, certain qualification tests set forth in the federal tax laws. Hunton & Williams LLP will not review our compliance with those tests on a continuing basis. Accordingly, no assurance can be given that our actual results of operations for any particular taxable year will satisfy such requirements.

If we fail to qualify as a REIT in any taxable year, we will face serious tax consequences that will substantially reduce the funds available for distributions to our stockholders because:

- ¡ we would not be allowed a deduction for dividends paid to stockholders in computing our taxable income and would be subject to U.S. federal income tax at regular corporate rates;
- ¡ we could be subject to the federal alternative minimum tax and possibly increased state and local taxes; and
- ¡ unless we are entitled to relief under certain U.S. federal income tax laws, we could not re-elect REIT status until the fifth calendar year after the year in which we failed to qualify as a REIT.

In addition, if we fail to qualify as a REIT, we will no longer be required to make distributions. As a result of all these factors, our failure to qualify as a REIT could impair our ability to expand our business and raise capital, and it would adversely affect the value of our common stock. See "Material U.S. Federal Income Tax Considerations" for a discussion of material U.S. federal income tax consequences relating to us and our common stock.

Even if we qualify as a REIT, we may face other tax liabilities that reduce our cash flows.

Even if we qualify for taxation as a REIT, we may be subject to certain federal, state and local taxes on our income and assets, including taxes on any undistributed income, tax on income from some activities conducted as a result of a foreclosure, and state or local income, property and transfer taxes. In addition, our TRS will be subject to regular corporate federal, state and local taxes. Any of these taxes would decrease cash available for distributions to stockholders.

Failure to make required distributions would subject us to U.S. federal corporate income tax.

We intend to operate in a manner so as to qualify as a REIT for U.S. federal income tax purposes. In order to qualify as a REIT, we generally are required to distribute at least 90% of our REIT taxable income, determined without regard to the dividends paid deduction and excluding any net capital gain, each year to our stockholders. To the extent that we satisfy this distribution requirement, but distribute less than 100% of our REIT taxable income, we will be subject to U.S. federal

corporate income tax on our undistributed taxable income. In addition, we will be subject to a 4% nondeductible excise tax if the actual amount that we pay out to our stockholders in a calendar year is less than a minimum amount specified under the Code.

Complying with REIT requirements may cause us to forego otherwise attractive opportunities or liquidate otherwise attractive investments.

To qualify as a REIT for federal income tax purposes, we must continually satisfy tests concerning, among other things, the sources of our income, the nature and diversification of our assets, the amounts we distribute to our stockholders and the ownership of our capital stock. In order to meet these tests, we may be required to forego investments we might otherwise make. Thus, compliance with the REIT requirements may hinder our performance.

In particular, we must ensure that at the end of each calendar quarter, at least 75% of the value of our assets consists of cash, cash items, government securities and qualified real estate assets. The remainder of our investment in securities (other than government securities, securities of TRSs and qualified real estate assets) generally cannot include more than 10% of the outstanding voting securities of any one issuer or more than 10% of the total value of the outstanding securities of any one issuer. In addition, in general, no more than 5% of the value of our assets (other than government securities, securities of TRSs and qualified real estate assets) can consist of the securities of any one issuer, and no more than 25% of the value of our total assets can be represented by the securities of one or more TRSs. If we fail to comply with these requirements at the end of any calendar quarter, we must correct the failure within 30 days after the end of the calendar quarter or qualify for certain statutory relief provisions to avoid losing our REIT qualification and suffering adverse tax consequences. As a result, we may be required to liquidate otherwise attractive investments. These actions could have the effect of reducing our income and amounts available for distribution to our stockholders.

The prohibited transactions tax may limit our ability to dispose of our properties.

A REIT's net income from prohibited transactions is subject to a 100% tax. In general, prohibited transactions are sales or other dispositions of property other than foreclosure property, held primarily for sale to customers in the ordinary course of business. We may be subject to the prohibited transaction tax equal to 100% of net gain upon a disposition of real property. Although a safe harbor to the characterization of the sale of real property by a REIT as a prohibited transaction is available, we cannot assure you that we can comply with the safe harbor or that we will avoid owning property that may be characterized as held primarily for sale to customers in the ordinary course of business. Consequently, we may choose not to engage in certain sales of our properties or may conduct such sales through our TRS, which would be subject to federal and state income taxation.

We may pay taxable dividends in shares of our common stock and cash, in which case stockholders may sell shares of our common stock to pay tax on such dividends, placing downward pressure on the market price of our common stock.

We may distribute taxable dividends that are payable in cash and common stock at the election of each stockholder. The IRS has issued private letter rulings to other REITs treating certain distributions that are paid partly in cash and partly in stock as taxable dividends that would satisfy the REIT annual distribution requirement and qualify for the dividends paid deduction for U.S. federal income tax purposes. Those rulings may be relied upon only by taxpayers to whom they were issued, but we could request a similar ruling from the IRS. In addition, the IRS previously issued a revenue procedure authorizing publicly traded REITs to make elective cash/stock dividends, but that revenue procedure does not apply to our 2013 and future taxable years. Accordingly, it is unclear whether and to what extent we will be able to make taxable dividends payable in cash and common stock.

If we made a taxable dividend payable in cash and common stock, taxable stockholders receiving such dividends will be required to include the full amount of the dividend as ordinary income to the extent of our current and accumulated earnings and profits, as determined for U.S. federal income tax purposes. As a result, stockholders may be required to pay income tax with respect to such dividends in excess of the cash dividends received. If a U.S. stockholder sells the common stock that it receives as a dividend in order to pay this tax, the sales proceeds may be less than the amount included in

income with respect to the dividend, depending on the market price of our common stock at the time of the sale. Furthermore, with respect to certain non-U.S. stockholders, we may be required to withhold U.S. federal income tax with respect to such dividends, including in respect of all or a portion of such dividend that is payable in common stock. If we made a taxable dividend payable in cash and our common stock and a significant number of our stockholders determine to sell shares of our common stock in order to pay taxes owed on dividends, it may put downward pressure on the trading price of our common stock. We do not currently intend to pay taxable dividends of our common stock and cash, although we may choose to do so in the future.

The ability of our board of directors to revoke our REIT qualification without stockholder approval may cause adverse consequences to our stockholders.

Our charter provides that our board of directors may revoke or otherwise terminate our REIT election, without the approval of our stockholders, if it determines that it is no longer in our best interests to continue to qualify as a REIT. If we cease to qualify as a REIT, we would become subject to U.S. federal income tax on our taxable income and would no longer be required to distribute most of our taxable income to our stockholders, which may have adverse consequences on our total return to our stockholders.

Our ownership of our TRS will be subject to limitations and our transactions with our TRS will cause us to be subject to a 100% penalty tax on certain income or deductions if those transactions are not conducted on arm's-length terms.

Overall, no more than 25% of the value of a REIT's assets may consist of stock or securities of one or more TRS. In addition, the Code limits the deductibility of interest paid or accrued by a TRS to its parent REIT to assure that the TRS is subject to an appropriate level of corporate taxation. The Code also imposes a 100% excise tax on certain transactions between a TRS and its parent REIT that are not conducted on an arm's-length basis. Furthermore, we will monitor the value of our respective investments in our TRS for the purpose of ensuring compliance with TRS ownership limitations and will structure our transactions with our TRS on terms that we believe are arm's length to avoid incurring the 100% excise tax described above. There can be no assurance, however, that we will be able to comply with the 25% REIT subsidiaries limitation or to avoid application of the 100% excise tax.

You may be restricted from acquiring or transferring certain amounts of our common stock.

The restrictions on ownership and transfer in our charter may inhibit market activity in our capital stock and restrict our business combination opportunities.

In order to qualify as a REIT for each taxable year after 2013, five or fewer individuals, as defined in the Code, may not own, beneficially or constructively, more than 50% in value of our issued and outstanding stock at any time during the last half of a taxable year. Attribution rules in the Code determine if any individual or entity beneficially or constructively owns our capital stock under this requirement. Additionally, at least 100 persons must beneficially own our capital stock during at least 335 days of a taxable year for each taxable year after 2013. To help insure that we meet these tests, our charter restricts the acquisition and ownership of shares of our capital stock.

Our charter, with certain exceptions, authorizes our directors to take such actions as are necessary to preserve our qualification as a REIT. Unless exempted by our board of directors, our charter prohibits any person from beneficially or constructively owning more than 9.8% in value or number of shares, whichever is more restrictive, of the outstanding shares of any class or series of our capital stock. Our board of directors may not grant an exemption from this restriction to any proposed transferee whose ownership in excess of 9.8% of the value of our outstanding shares would result in our failing to qualify as a REIT. This as well as other restrictions on transferability and ownership will not apply, however, if our board of directors determines that it is no longer in our best interests to continue to qualify as a REIT.

Dividends payable by REITs do not qualify for the reduced tax rates available for some dividends.

The maximum tax rate applicable to "qualified dividend income" payable to U.S. stockholders that are taxed at individual rates is 20%. Dividends payable by REITs, however, generally are not eligible for the reduced rates on qualified dividend income. The more favorable rates applicable to regular corporate qualified dividends could cause investors who taxed at individual rates to perceive investments in REITs to be relatively less attractive than investments in the stocks of non-REIT corporations that pay dividends, which could adversely affect the value of the shares of REITs, including our common stock.

We may be subject to adverse legislative or regulatory tax changes that could reduce the market price of our common stock.

At any time, the U.S. federal income tax laws governing REITs or the administrative interpretations of those laws may be amended. We cannot predict when or if any new U.S. federal income tax law, regulation or administrative interpretation, or any amendment to any existing U.S. federal income tax law, regulation or administrative interpretation, will be adopted, promulgated or become effective and any such law, regulation, or interpretation may take effect retroactively. We and our stockholders could be adversely affected by any such change in the U.S. federal income tax laws, regulations or administrative interpretations.

If our operating partnership failed to qualify as a partnership for federal income tax purposes, we would cease to qualify as a REIT and suffer other adverse consequences.

We believe that our operating partnership will be treated as a partnership for federal income tax purposes. As a partnership, our operating partnership will not be subject to federal income tax on its income. Instead, each of its partners, including us, will be allocated, and may be required to pay tax with respect to, its share of our operating partnership's income. We cannot assure you, however, that the IRS will not challenge the status of our operating partnership or any other subsidiary partnership in which we own an interest as a partnership for federal income tax purposes, or that a court would not sustain such a challenge. If the IRS were successful in treating our operating partnership or any such other subsidiary partnership as an entity taxable as a corporation for federal income tax purposes, we would fail to meet the gross income tests and certain of the asset tests applicable to REITs and, accordingly, we would likely cease to qualify as a REIT. Also, the failure of our operating partnership or any subsidiary partnerships to qualify as a partnership could cause it to become subject to federal and state corporate income tax, which would reduce significantly the amount of cash available for debt service and for distribution to its partners, including us.

To maintain our REIT status, we may be forced to borrow funds during unfavorable market conditions, and the unavailability of such capital on favorable terms at the desired times, or at all, may cause us to curtail our investment activities or dispose of assets at inopportune times or on unfavorable terms, which could materially adversely affect our financial condition, results of operations and cash flow.

To qualify as a REIT, we generally must distribute to our stockholders at least 90% of our REIT taxable income each year, excluding net capital gains, and we will be subject to regular corporate income taxes to the extent that we distribute less than 100% of our REIT taxable income each year. In addition, we will be subject to a 4% nondeductible excise tax on the amount, if any, by which distributions paid by us in any calendar year are less than the sum of 85% of our ordinary income, 95% of our capital gain net income and 100% of our undistributed income from prior years. In order to maintain our REIT status and avoid the payment of income and excise taxes, we may need to borrow funds to meet the REIT distribution requirements even if the then prevailing market conditions are not favorable for these borrowings. These borrowing needs could result from, among other things, differences in timing between the actual receipt of cash and inclusion of income for federal income tax purposes, or the effect of non-deductible capital expenditures, the creation of reserves or required principal or amortization payments. These sources, however, may not be available on favorable terms or at all. Our access to third-party sources of capital depends on a number of factors, including the market's perception of our growth potential, our current debt levels, the market price of our common stock, and our current and potential future earnings. We cannot assure you that we will have access to such capital on favorable terms at the desired times, or at all, which may cause us to curtail our investment activities or dispose of assets at inopportune times or on unfavorable terms, which could materially adversely affect our financial condition, results of operations and cash flows.

Risks Related to this Offering

There has been no public market for our common stock prior to this offering and an active trading market for our common stock may not develop following this offering.

Prior to this offering, there has not been any public market for our common stock, and there can be no assurance that an active trading market will develop or be sustained or that shares of our common stock will be resold at or above the initial public offering price. The initial public offering price of our common stock will be determined by agreement among us and the underwriters, but there can be no assurance that our common stock will not trade below the initial public offering price following the completion of this offering. See "Underwriting." The market value of our common stock could be substantially affected by general market conditions, including the extent to which a secondary market develops for our common stock following the completion of this offering, the extent of institutional investor interest in us, the general reputation of REITs and the attractiveness of their equity securities in comparison to other equity securities (including securities issued by other real estate-based companies), our financial performance and general stock and bond market conditions.

We may be unable to make distributions at expected levels, which could result in a decrease in the market price of our common stock.

Our estimated initial annual distributions represent 81.3% of our estimated initial cash available for distribution for the twelve months ending December 31, 2013 as calculated in "Distribution Policy." Accordingly, we may be unable to pay our estimated initial annual distribution to stockholders out of cash available for distribution. If sufficient cash is not available for distribution from our operations, we may have to fund distributions from working capital, borrow to provide funds for such distributions, or reduce the amount of such distributions. To the extent we borrow to fund distributions, our future interest costs would increase, thereby reducing our earnings and cash available for distribution from what they otherwise would have been. If cash available for distribution generated by our assets is less than our current estimate, or if such cash available for distribution decreases in future periods from expected levels, our inability to make the expected distributions could result in a decrease in the market price of our common stock. In the event the underwriters' overallotment option is exercised, pending investment of the proceeds therefrom, our ability to pay such distributions out of cash from our operations may be further materially adversely affected.

Our ability to make distributions may also be limited by our credit facility. We expect that under the terms of the credit facility we intend to enter into concurrently with or shortly after the completion of this offering, our ability to make distributions will be limited to the greater of (1) 100% of our FFO through the first anniversary of the closing date of the credit facility plus a portion of the net proceeds of this offering and 95% of our FFO thereafter or (2) the amount required for us to (x) qualify and maintain our REIT status and (y) avoid the payment of federal or state income or excise tax. We also expect that if a default or events of default exist or would result from a distribution, we may be precluded from making certain distributions other than those required to allow us to qualify and maintain our status as a REIT.

All distributions will be made at the discretion of our board of directors and will be based upon, among other factors, our historical and projected results of operations, financial condition, cash flows and liquidity, maintenance of our REIT qualification and other tax considerations, capital expenditure and other expense obligations, debt covenants, contractual prohibitions or other limitations and applicable law and such other matters as our board of directors may deem relevant from time to time. We may not be able to make distributions in the future, and our inability to make distributions, or to make distributions at expected levels, could result in a decrease in the market price of our common stock.

Messrs. Hoffler, Haddad, Kirk, Nero and Apperson and their affiliates will receive benefits in connection with this offering, which create a conflict of interest because they have interests in the successful completion of this offering that may influence their decisions affecting the terms and circumstances under which this offering and formation transactions are completed.

In connection with this offering and our formation transactions, Messrs. Hoffler, Haddad, Kirk, Nero and Apperson and their affiliates will receive an aggregate of 9,788,221 common units of our operating partnership, representing a 35.2% beneficial interest in our company on a fully diluted basis, and cash payments in the aggregate amount of approximately $29.3 million. These transactions create a conflict of interest because Messrs. Hoffler, Haddad, Kirk, Nero and

Apperson have interests in the successful completion of this offering. These interests may influence their decisions, affecting the terms and circumstances under which this offering and the formation transactions are completed. For more information concerning benefits to be received by Messrs. Hoffler, Haddad, Kirk, Nero and Apperson in connection with this offering, see "Structure and Formation of Our Company—Consequences of This Offering and the Formation Transactions" and "Certain Relationships and Related Transactions."

The market price and trading volume of our common stock may be volatile following this offering.

Even if an active trading market develops for our common stock, the per share trading price of our common stock may be volatile. In addition, the trading volume in our common stock may fluctuate and cause significant price variations to occur, and investors in shares of our common stock may from time to time experience a decrease in the value of their shares, including decreases unrelated to our operating performance or prospects. If the per share trading price of our common stock declines significantly, you may be unable to resell your shares at or above the public offering price. We cannot assure you that the per share trading price of our common stock will not fluctuate or decline significantly in the future.

Some of the factors that could negatively affect our share price or result in fluctuations in the price or trading volume of our common stock include:

- actual or anticipated variations in our quarterly operating results or dividends;
- changes in our funds from operations or earnings estimates;
- publication of research reports about us or the real estate industry;
- increases in market interest rates that lead purchasers of our shares to demand a higher yield;
- changes in market valuations of similar companies;
- adverse market reaction to any additional debt we incur in the future;
- additions or departures of key management personnel;
- actions by institutional stockholders;
- speculation in the press or investment community;
- the realization of any of the other risk factors presented in this prospectus;
- the extent of investor interest in our securities;
- the general reputation of REITs and the attractiveness of our equity securities in comparison to other equity securities, including securities issued by other real estate-based companies;
- our underlying asset value;
- investor confidence in the stock and bond markets generally;
- changes in tax laws;
- future equity issuances;
- failure to meet earnings estimates;
- failure to meet and maintain REIT qualifications;

- changes in our credit ratings; and
- general market and economic conditions.

In the past, securities Class-Action litigation has often been instituted against companies following periods of volatility in the price of their common stock. This type of litigation could result in substantial costs and divert our management's attention and resources, which could have a material adverse effect on us, including our financial condition, results of operations, cash flow and the per share trading price of our common stock.

We may use a portion of the net proceeds from this offering to make distributions to our stockholders, which would, among other things, reduce our cash available to develop or acquire properties and may reduce the returns on your investment in our common stock.

Prior to the time we have fully invested the net proceeds of this offering, we may fund distributions to our stockholders out of the net proceeds of this offering, which would reduce the amount of cash we have available to acquire properties and may reduce the returns on your investment in our common stock. The use of these net proceeds for distributions to stockholders could adversely affect our financial results. In addition, funding distributions from the net proceeds of this offering may constitute a return of capital to our stockholders, which would have the effect of reducing each stockholder's tax basis in our common stock.

You will experience immediate and material dilution in connection with the purchase of our common stock in this offering.

As of December 31, 2012, the aggregate historical combined net tangible book value of our Predecessor was approximately $(41.3) million, or $(3.17) per share of our common stock held by the prior investors, assuming the exchange of common units into shares of our common stock on a one-for-one basis. As a result, the pro forma net tangible book value per share of our common stock after the completion of this offering and the formation transactions will be less than the initial public offering price. The purchasers of shares of our common stock offered hereby will experience immediate and substantial dilution of $9.96 per share in the pro forma net tangible book value per share of our common stock, based on the midpoint of the price range set forth on the front cover of this prospectus. See "Dilution."

The combined financial statements of our Predecessor and our unaudited pro forma financial statements may not be representative of our financial statements as an independent public company.

The combined financial statements of our Predecessor and our unaudited pro forma financial statements that are included in this prospectus do not necessarily reflect what our financial position, results of operations or cash flow would have been had we been an independent entity during the periods presented. Furthermore, this financial information is not necessarily indicative of what our results of operations, financial position or cash flow will be in the future. It is not possible for us to accurately estimate all adjustments that may reflect all the significant changes that will occur in our cost structure, funding and operations as a result of this offering and the formation transactions, including potential increased costs associated with reduced economies of scale and increased costs associated with being an independent publicly traded company. See "Summary Selected Financial and Other Data" and the combined financial statements of our predecessor and our unaudited pro forma financial statements, as well as "Management's Discussion and Analysis of Financial Condition and Results of Operations," appearing elsewhere in this prospectus.

Increases in market interest rates may have an adverse effect on the trading prices of our common stock as prospective purchasers of our common stock may expect a higher dividend yield and as an increased cost of borrowing may decrease our funds available for distribution.

One of the factors that will influence the trading prices of our common stock will be the dividend yield on the common stock (as a percentage of the price of our common stock) relative to market interest rates. An increase in market interest rates, which are currently at low levels relative to historical rates, may lead prospective purchasers of our common

stock to expect a higher dividend yield (with a resulting decline in the trading prices of our common stock) and higher interest rates would likely increase our borrowing costs and potentially decrease funds available for distribution. Thus, higher market interest rates could cause the market price of our common stock to decrease.

The number of shares of our common stock available for future issuance or sale could materially adversely affect the per share trading price of our common stock.

We are offering 14,583,333 shares of our common stock as described in this prospectus. Upon completion of this offering and the formation transactions, we will have outstanding approximately 14,750,000 shares of our common stock. Of these shares, the shares sold in this offering will be freely tradable, except for any shares purchased in this offering by our affiliates, as that term is defined by Rule 144 under the Securities Act, and for restrictions on ownership and transfer in our charter intended to preserve our status as a REIT. Upon completion of this offering and the formation transactions, Messrs. Hoffler, Haddad and Kirk and our other directors and officers and their affiliates, together with third-party prior investors, will beneficially own 13,039,997 common units which will be redeemable at the option of the holders beginning approximately one year following completion of this offering, for cash, or at our option, for shares of our common stock, on a one-for-one basis. We have agreed to register the shares issuable upon redemption of the common units so that such shares will be freely tradable under the securities laws.

We cannot predict whether future issuances or sales of shares of our common stock or the availability of shares for resale in the open market will decrease the per share trading price per share of our common stock. The per share trading price of our common stock may decline significantly when the restrictions on resale by certain of our stockholders lapse or upon the registration of additional shares of our common stock pursuant to registration rights granted in connection with this offering.

The issuance of substantial numbers of shares of equity securities, including common units, or the perception that such issuances might occur could materially adversely affect us, including the per share trading price of shares of our common stock.

The exercise of the underwriters' overallotment option, the redemption of common units for common stock, the vesting of any restricted stock granted to certain directors, executive officers and other employees under our 2013 Equity Incentive Plan, the issuance of our common stock or common units in connection with future property, portfolio or business acquisitions and other issuances of our common stock could have an adverse effect on the per share trading price of our common stock, and the existence of units, options or shares of our common stock issuable under our 2013 Equity Incentive Plan or upon redemption of common units may adversely affect the terms upon which we may be able to obtain additional capital through the sale of equity securities. In addition, future issuances of shares of our common stock may be dilutive to existing stockholders.

Future offerings of debt, which would be senior to our common stock upon liquidation, and preferred equity securities, which may be senior to our common stock for purposes of dividend distributions or upon liquidation, may materially adversely affect us, including the per share trading price of our common stock.

In the future, we may attempt to increase our capital resources by making additional offerings of debt or equity securities (or causing our operating partnership to issue debt securities), including medium-term notes, senior or subordinated notes and classes or series of preferred stock. Upon liquidation, holders of our debt securities and shares of preferred stock and lenders with respect to other borrowings will be entitled to receive our available assets prior to distribution to the holders of our common stock. Additionally, any convertible or exchangeable securities that we issue in the future may have rights, preferences and privileges more favorable than those of our common stock and may result in dilution to owners of our common stock. Holders of our common stock are not entitled to preemptive rights or other protections against dilution. Our preferred stock, if issued, could have a preference on liquidating distributions or a preference on dividend payments that could limit our ability pay dividends to the holders of our common stock. Because our decision to issue securities in any future offering will depend on market conditions and other factors beyond our control, we cannot predict or estimate the amount, timing or nature of our future offerings. Thus, our stockholders bear the risk that our future offerings could reduce the per share trading price of our common stock and dilute their interest in us.

FORWARD-LOOKING STATEMENTS

We make statements in this prospectus that are forward-looking statements within the meaning of the federal securities laws. In particular, statements pertaining to our capital resources, property performance and results of operations contain forward-looking statements. Likewise, our pro forma financial statements and all of our statements regarding anticipated growth in our funds from operations and estimated general contracting and real estate services for the year ended December 31, 2013 and anticipated market conditions, demographics and results of operations are forward-looking statements. You can identify forward-looking statements by the use of forward-looking terminology such as “believes,” “expects,” “may,” “will,” “should,” “seeks,” “approximately,” “intends,” “plans,” “pro forma,” “estimates” or “anticipates” or the negative of these words and phrases or similar words or phrases which are predictions of or indicate future events or trends and which do not relate solely to historical matters. You can also identify forward-looking statements by discussions of strategy, plans or intentions.

Forward-looking statements involve numerous risks and uncertainties and you should not rely on them as predictions of future events. Forward-looking statements depend on assumptions, data or methods which may be incorrect or imprecise and we may not be able to realize them. We do not guarantee that the transactions and events described will happen as described (or that they will happen at all). The following factors, among others, could cause actual results and future events to differ materially from those set forth or contemplated in the forward-looking statements:

- adverse economic or real estate developments, either nationally or in the markets in which our properties are located;
- our failure to develop the properties in our identified development pipeline successfully, on the anticipated timeline or at the anticipated costs;
- our failure to generate sufficient cash flows to service our outstanding indebtedness;
- defaults on, early terminations of or non-renewal of leases by tenants, including significant tenants;
- bankruptcy or insolvency of a significant tenant or a substantial number of smaller tenants;
- difficulties in identifying or completing development or acquisition opportunities, including our proposed acquisition of the Apprentice School Apartments;
- our failure to successfully operate developed and acquired properties;
- our failure to generate income in our general contracting and real estate sources segment in amounts that we anticipate;
- fluctuations in interest rates and increased operating costs;
- our failure to obtain necessary outside financing on favorable terms or at all, including our credit facility;
- general economic conditions;
- financial market fluctuations;
- risks that affect the general retail environment or the market for office properties or multifamily units;
- the competitive environment in which we operate;
- decreased rental rates or increased vacancy rates;
- conflicts of interests with our officers and directors;
- lack or insufficient amounts of insurance;

- environmental uncertainties and risks related to adverse weather conditions and natural disasters;
- other factors affecting the real estate industry generally;
- our failure to qualify and maintain our qualification as a REIT for U.S. federal income tax purposes;
- limitations imposed on our business and our ability to satisfy complex rules in order for us to qualify as a REIT for U.S. federal income tax purposes; and
- changes in governmental regulations or interpretations thereof, such as real estate and zoning laws and increases in real property tax rates and taxation of REITs.

While forward-looking statements reflect our good faith beliefs, they are not guarantees of future performance. We disclaim any obligation to publicly update or revise any forward-looking statement to reflect changes in underlying assumptions or factors, of new information, data or methods, future events or other changes after the date of this prospectus, except as required by applicable law. You should not place undue reliance on any forward-looking statements that are based on information currently available to us or the third parties making the forward-looking statements. For a further discussion of these and other factors that could impact our future results, performance or transactions, see the section below titled “Risk Factors.”

USE OF PROCEEDS

After deducting the underwriting discount and commissions and estimated unpaid expenses of this offering of approximately $3.0 million payable by us, we expect to receive net proceeds from this offering of approximately $159.8 million, or approximately $184.2 million if the underwriters' overallotment option is exercised in full, in each case assuming an initial public offering price of $12.00 per share, which is the midpoint of the price range set forth on the front cover of this prospectus.

We intend to contribute the net proceeds of this offering to our operating partnership in exchange for common units in our operating partnership, and our operating partnership intends use the net proceeds received from us as described below:

- approximately $112.8 million to repay anticipated outstanding indebtedness as described in the table below, including exit fees, defeasance costs and assumption costs of approximately $2.2 million;
- approximately $44.0 million as partial consideration for the equity interests in the entities that own the properties in our initial portfolio and the construction, development and asset management business of Armada Hoffler that we will acquire from the prior investors in connection with the formation transactions; and
- the remaining net proceeds, if any, for general corporate purposes, including working capital, development costs for our identified development pipeline, future acquisitions, transfer taxes and, potentially, paying distributions.

The following table sets forth information regarding the indebtedness that we intend to repay with the net proceeds of this offering and the properties to which the indebtedness relates:

Property	Amount to be Repaid[1]	Interest Rate[2]	Maturity Date
Richmond Tower	$ 46,523,410	LIBOR + 2.75%	12/18/2014
Armada Hoffler Tower	38,880,892	6.32%	10/1/2013
Sentara Williamsburg	10,915,162	5.66%	6/3/2013
Virginia Natural Gas	5,476,348	LIBOR + 2.50%	4/5/2017
Parkway Marketplace[3]	1,750,000	4.25%	10/1/2018
Parkway Marketplace	750,000	4.25%	10/1/2018
Broad Creek Shopping Center[3]	2,700,000	LIBOR + 2.75%	12/7/2016
Oyster Point[4]	643,336	N/A[4]	N/A
Two Columbus	2,913,465	LIBOR + 2.50%	7/5/2015
Total	**$ 110,552,613**		

(1) Amounts based on projected debt balances as of May 6, 2013.

(2) LIBOR refers to the London Interbank Offered Rate.

(3) The proceeds of this loan have been used to pay certain expenses of this offering and the formation transactions.

(4) This is a participation note that bears interest annually in an amount equal to the greater of 10% of the outstanding principal balance of the loan or 50% of the annual cash flows from the property. Affiliates of Armada Hoffler, including certain of our directors and officers, will receive 12.5%, or approximately $80,400, of the repayment amount of this loan.

We expect the total expenses of this offering and our formation transactions to be approximately $7.5 million. As of the date of this prospectus, we have used approximately $4.5 million of proceeds from loans secured by our Parkway Marketplace and Broad Creek Shopping Center, as described above, to pay certain expenses of this offering and our formation transactions and expect to pay the balance using a portion of the proceeds of this offering. Pending application of net proceeds of this offering, we intend to invest the net proceeds in interest-bearing accounts, money market accounts and interest-bearing securities in a manner that is consistent with our intention to qualify for taxation as a REIT. Such investments may include, for example, government and government agency certificates, government bonds, certificates of deposit, interest-bearing bank deposits, money market accounts and mortgage loan participations.

See our pro forma financial statements elsewhere in this prospectus for additional information regarding the use of proceeds.

DISTRIBUTION POLICY

We intend to pay regular quarterly dividends to holders of shares of our common stock. Although we have not previously paid dividends, we intend to pay a pro rata initial dividend with respect to the period commencing on the completion of this offering and ending December 31, 2013, based on $0.1575 per share for a full quarter. On an annualized basis, this would be $0.63 per share, or an annual distribution rate of approximately 5.25% based on an estimated initial public offering price at the midpoint of the price range set forth on the front cover of this prospectus. We estimate that this initial annual distribution rate will represent approximately 81.3% of estimated cash available for distribution for the year ending December 31, 2013. Our intended initial annual distribution rate has been established based on our estimate of cash available for distribution for the year ending December 31, 2013, which we have calculated based on adjustments to our pro forma income before non-controlling interests for the year ended December 31, 2013 and our estimate of general contracting and real estate services segment profit for the year ending December 31, 2013. This estimate was based on our Predecessor's historical operating results and does not take into account our growth strategy. In estimating our cash available for distribution for the year ending December 31, 2013, we have made certain assumptions as reflected in the table and footnotes below, including that there will be no early lease terminations, that lease renewals will be based on our historical average retention rate for the three years ended December 31, 2012 and that no new leases were executed in our portfolio after December 31, 2012 (unless there has been an early lease termination or a new or renewal lease has been entered into prior to the date of this prospectus).

Our estimate of cash available for distribution does not include the effect of any changes in our working capital resulting from changes in our working capital accounts after December 31, 2012, other than the amount of cash estimated to be used for tenant improvement and leasing commission costs related to leases that may be entered into prior to the date of this prospectus. Our estimate also does not reflect the amount of cash estimated to be used for investing activities for acquisition, development and other activities, other than a reserve for recurring capital expenditures, and amounts estimated for leasing commissions and tenant improvements for renewing space. It also does not reflect the amount of cash estimated to be used for financing activities, other than scheduled loan principal payments on mortgage and other indebtedness that will be outstanding upon completion of this offering. Although we have included all material investing and financing activities that we have commitments to undertake as of December 31, 2012, we may undertake other investing and financing activities in the future, including in connection with the development of properties in our identified development pipeline. Any such investing and financing activities may have a material effect on our estimate of cash available for distribution. Because we have made the assumptions set forth above in estimating cash available for distribution, we do not intend this estimate to be a projection or forecast of our actual results of operations or our liquidity, and have estimated cash available for distribution for the sole purpose of determining the amount of our initial annual distribution rate. Our estimate of cash available for distribution should not be considered as an alternative to cash flow from operating activities (computed in accordance with GAAP) or as an indicator of our liquidity or our ability to pay dividends or make other distributions. In addition, the methodology upon which we made the adjustments described below is not necessarily intended to be a basis for determining future dividends or other distributions.

We intend to maintain our initial distribution rate for the 12-month period following completion of this offering unless actual results of operations, economic conditions or other factors differ materially from the assumptions used in our estimate. Dividends and other distributions made by us will be authorized and determined by our board of directors in its sole discretion out of funds legally available therefor and will be dependent upon a number of factors, including restrictions under applicable law and restrictive covenants in loan agreements in respect of our outstanding indebtedness, the capital requirements of our company, the distribution requirements necessary to maintain our qualification as a REIT and other factors described below. Although we have no current intention to do so, we may in the future also choose to pay dividends in shares of our own stock. See "Material U.S. Federal Income Tax Considerations—Distribution Requirements" and "Risk Factors—Risks Related to Our Status as a REIT—We may pay taxable dividends of our common stock and cash, in which case stockholders may sell shares of our common stock to pay tax on such dividends, placing downward pressure on the market price of our common stock." We believe that our estimate of cash available for distribution constitutes a reasonable basis for setting the initial distribution rate; however, we cannot assure you that the estimate will prove accurate, and actual distributions may therefore be significantly different from the expected distributions. We do not intend to reduce the expected dividends per share if the underwriters' overallotment option is exercised; however, this could require us to pay dividends from net offering proceeds.

We anticipate that, at least initially, our distributions will exceed our then-current and accumulated earnings and profits as determined for U.S. federal income tax purposes due to the write-off of prepayment fees paid with offering proceeds and non-cash expenses, primarily depreciation and amortization charges that we expect to incur. Therefore, a portion of these distributions may represent a return of capital for federal income tax purposes. Distributions in excess of our current and accumulated earnings and profits and not treated by us as a distribution will not be taxable to a taxable U.S. stockholder under current U.S. federal income tax law to the extent those distributions do not exceed the stockholder's adjusted tax basis in his or her common stock, but rather will reduce the adjusted basis of the common stock. Therefore, the gain (or loss) recognized on the sale of that common stock or upon our liquidation will be increased (or decreased) accordingly. To the extent those distributions exceed a taxable U.S. stockholder's adjusted tax basis in his or her common stock, they generally will be treated as a capital gain realized from the taxable disposition of those shares. We expect to pay our first dividend for the partial quarterly period commencing on the date of completion of this offering and ending June 30, 2013. A portion of our dividend may represent a return of capital. The percentage of our stockholder distributions that exceeds our current and accumulated earnings and profits may vary substantially from year to year. For a more complete discussion of the tax treatment of distributions to holders of our common stock, see "Material U.S. Federal Income Tax Considerations."

Actual distributions may be significantly different from expected distributions. We cannot assure you that our estimated dividends will be made or sustained or that our board of directors will not change our distribution policy in the future. Any dividends or other distributions we pay in the future will depend upon our actual results of operations, economic conditions, debt service requirements and other factors that could differ materially from our current expectations. Our actual results of operations will be affected by a number of factors, including the revenue we receive from our properties, our operating expenses, interest expense, the ability of our tenants to meet their obligations and unanticipated expenditures. For more information regarding risk factors that could materially adversely affect our actual results of operations, please see "Risk Factors."

Federal income tax law requires that a REIT distribute annually at least 90% of its REIT taxable income excluding net capital gains, and that it pay tax at regular corporate rates to the extent that it annually distributes less than 100% of its REIT taxable income including capital gains. In addition, a REIT will be required to pay a 4% nondeductible excise tax on the amount, if any, by which the distributions it makes in a calendar year are less than the sum of 85% of its ordinary income, 95% of its capital gain net income and 100% of its undistributed income from prior years. For more information, please see "Material U.S. Federal Income Tax Considerations." We anticipate that our estimated cash available for distribution will be sufficient to enable us to meet the annual distribution requirements applicable to REITs and to avoid or minimize the imposition of corporate and excise taxes. However, under some circumstances, we may be required to pay distributions in excess of cash available for distribution in order to meet these distribution requirements or to avoid or minimize the imposition of tax and we may need to borrow funds to make some distributions.

The following table describes our pro forma net income for the year ended December 31, 2012 and the adjustments we have made thereto in order to estimate our initial cash available for distribution for the year ending December 31, 2013 (dollars in thousands, except per share amounts):

Pro forma net income (loss) before non-controlling interests for the year ended December 31, 2012	$11,917
Add: Pro Forma real estate depreciation and amortization[1]	13,952
Add: Pro Forma lease commission amortization[2]	1,308
Add: Amortization of debt issuance costs[3]	1,103
Less: Net effects of straight-line rent adjustments to tenant leases[4]	(2,163)
Add: Net effects of straight-line rent adjustments to ground leases expense[5]	422
Add: Amortization of lease incentives and below market rents[6]	642

Add: Net increases in contractual rent income[7]	2,278
Less: Net decreases in contractual rent income due to lease expirations, assuming historical retention rate[8]	(126)
Less: General contracting and real estate services segment profit for the year ended December 31, 2012	(3,943)
Estimated cash flow from real estate operating activities for the year ending December 31, 2013	$25,390
Forecasted cash flow from general contracting and real estate services operating activities for the year ending December 31, 2013[9]	**$ 3,278**
Estimated cash flows from operating activities for the year ending December 31, 2013	**$28,668**
Estimated cash flows used in investing activities:	
Less: Estimated provision for tenant improvements and leasing commission costs[10]	(367)
Less: Estimated annual provision for general improvements[11]	(489)
Estimated cash flows used in investing activities for the year ending December 31, 2013	**$ (856)**
Estimated cash flows used in financing activities	
Less: Scheduled mortgage loan principal payments[12]	(4,041)
Less: Scheduled loan maturities[13]	(2,208)
Less: Net increase in long-term ground lease obligations[14]	(37)
Estimated cash flows from financing activities for the year ending December 31, 2013	**$ (6,286)**
Our share of estimated cash available for distribution to stockholders and common unit holders	**$21,526**
Total estimated initial annual distributions to stockholders and common unit holders	$17,508
Estimated initial annual distribution per share[15]	$ 0.63
Payout ratio based on our share of estimated cash available for distribution[16]	81.3%

(1) Represents pro forma consolidated depreciation and amortization for the year ended December 31, 2012.

(2) Pro forma non-cash amortization of lease commissions for the year ended December 31, 2012.

(3) Pro forma non-cash amortization of debt issuance costs for the year ended December 31, 2012.

(4) Represents the conversion of estimated rental revenues on in-place leases from GAAP basis to cash basis of recognition.

(5) Represents the conversion of estimated ground lease expense on in-place leases from GAAP basis to cash basis of recognition.

(6) Represents the elimination of non-cash lease incentives and above market rents for the year ended December 31, 2012.

(7) Represents increases in contractual rental income net of contractual or anticipated rent concessions from existing leases and from new leases and renewals that were not in effect for the entire year ended December 31, 2012 or that will go into effect during the year ending December 31, 2013 based on executed leases as of the date of this prospectus, as calculated in the following schedule:

Office Properties	**(In Thousands)**
Net increases in contractual rental income	$ 1,729
Less: Impact of 2012 vacancies	(179)
Total net increase in contractual rent income	$ 1,550
Retail Properties	
Net Increases in contractual rental income	$ 830
Less: Impact of 2012 vacancies	102
Total net increase in contractual rent income	$ 728
Total net increase in office retail property contractual rent income	**$ 2,278**

(8) For leases expiring after December 31, 2012, assumes renewal probability based on historical average retention rate, for the period commencing January 1, 2010 and ending on December 31, 2012, as calculated in the following schedule:

Office Properties

	Year Ended December 31,			Total/Weighted Average
	2010	**2011**	**2012**	**2010-2012**
	(In thousands)			
Annualized base rent expiring in year[a]	$1,461	$2,602	$2,860	$ 2,307
Annualized base rent renewed[b]	1,207	1,858	2,720	1,928
Retention rate[c]	82.6%	71.4%	95.1%	83.6%
Pro forma consolidated base rent expiring in 2013[d]				$ 608
Estimated retention rate				83.6%
Estimated rent retained				$ 508
Estimated decrease in contractual rent income at office properties				$ (100)

Retail Properties

	Year Ended December 31,			Total/Weighted Average
	2010	**2011**	**2012**	**2010-2012**
	(In thousands)			
Annualized base rent expiring in year[a]	$ 480	$ 1,088	$ 1,213	$ 927
Annualized base rent renewed[b]	414	865	1,174	818
Retention rate[c]	86.2%	79.5%	96.8%	88.2%
Pro forma consolidated base rent expiring in 2013[d]				$ 224
Estimated retention rate				88.2%
Estimated rent retained				$ 198
Estimated decrease in contractual rent income at retail properties				$ (26)
Estimated decrease in contractual rent income at office and retail properties				**$ (126)**

(a) Represents monthly base rent earned by our combined predecessor on a cash basis for the month ending December 31 of the prior year multiplied by 12 for each respective year presented.

(b) Represents annualized base rent, as defined in (a) above, which was renewed in the year.

(c) Calculated as our combined predecessor annualized base rent renewed divided by annualized base rent expiring in each period.

(d) Represents the amount of rent expiring in the year ending December 31, 2013 based on the month the lease expires.

(9) Represents forecasted cash flows from general contracting and real estate services for the year ending December 31, 2013 as estimated below:

Forecasted operating cash flow

	Year ending December 31, 2013
Forecasted segment revenues	$ 74,057
Forecasted segment expenses	70,929
Forecasted segment profit	$ 3,128
Forecasted (increase) decrease in segment assets	6,055
Forecasted increase (decrease) in segment liabilities	(5,905)
Forecasted cash flow from general contracting and real estate services operating activities	$ 3,278

Management's forecasted cash flow from general contracting and real estate services operating activities was prepared in accordance with the AICPA Guide for Prospective Financial Information. The accounting principles used to prepare management's forecast are consistent with those used to prepare our historical financial statements.

Summary of significant accounting principles

We forecast general contracting revenue on construction contracts using the percentage-of-completion method. Using this method, we forecast revenue and an estimated profit based on the proportion of forecasted costs as of the end of the forecasted period to total forecasted costs of completing the contract. Construction contract costs include all direct material, labor and subcontract costs as well as any indirect costs related to contract performance. Provisions for estimated losses on uncompleted contracts are recognized in the period in which such losses are forecasted. Changes in job performance, job conditions and estimated profitability, including those arising from contract penalty provisions and final contract settlements, may result in revisions to costs and income and are recognized in the period in which they are forecasted. Profit incentives are included in forecasted revenues when their realization is probable and when they can be reasonably estimated.

We forecast revenue from property development and management services when realized and earned, generally as such real estate services are provided.

Segment assets refer primarily to (i) receivables and (ii) construction contract costs and estimated earnings in excess of billings. Construction contract costs and estimated earnings in excess of billings represent reimbursable costs and amounts earned under contracts in progress as of the end of the forecasted period. Such amounts become billable according to contract terms, which usually consider the passage of time, achievement of certain milestones or completion of the project.

Segment liabilities refer primarily to (i) payables and (ii) billings in excess of construction contract costs. Billings in excess of construction contract costs represent billings or collections on contracts made in advance of forecasted revenue as of the end of the forecasted period.

Construction receivables and payables include retentions—amounts that are generally withheld until the completion of the contract or the satisfaction of certain restrictive conditions such as fulfillment guarantees.

Forecasted segment revenues and expenses

We were engaged in 20 construction contracts as of December 31, 2012. As of the date of this prospectus, we were engaged in 25 construction contracts. Our forecasted general contracting revenues and expenses are based on the 23 construction contracts that we forecast will be completed and the two construction contracts that we forecast will be on-going as of December 31, 2013. As of the date of this prospectus, we will have completed 13 construction contracts for which approximately $0.7 million remains unpaid. We expect to collect these amounts within 30 to 60 days. We forecast that we will have completed and fully collected upon 23 contracts as of December 31, 2013. Our forecasts are based primarily on management's estimated construction project schedules for the year ending December 31, 2013 and assume that we will complete our construction projects on our anticipated schedule, consistent with the projects' budgets and without significant changes to the scope of the projects. Our ability to complete our construction projects on time and on budget could be materially adversely affected by:

- shortages of subcontractors, equipment, materials or skilled labor;
- unscheduled delays in the delivery of ordered materials or equipment;
- unanticipated increase in the cost of equipment, labor or raw materials;
- unforeseen engineering, environmental or geological problems;
- weather interferences;
- difficulties in obtaining necessary permits or in meeting permit conditions;
- client acceptance delays; or
- work stoppages and other labor disputes.

Four of our construction contracts are with related parties. Forecasted revenue and profit for these four construction contracts for the year ending December 31, 2013 is approximately $16.7 million and $1.6 million, respectively. Forecasted operating cash flow for these four construction contracts for the year ending December 31, 2013 is approximately $0.3 million.

Our forecasts do not assume significant cost overruns or any provisions for estimated losses on uncompleted contracts based on our evaluation of incurred costs as of the date of this prospectus and estimated costs upon contract completion. If we experience significant cost overruns or losses during the year ending December 31, 2013, we may not be able to pay cash distributions on our common stock at the expected distribution rate or at all.

Forecasted revenues and expenses from asset management agreements were not significant for the forecasted period.

Forecasted changes in segment assets and liabilities

Our forecasted changes in segment assets and liabilities are based on:

- estimated billings to and cash collections from clients under signed construction contracts and asset management agreements as of the date of this prospectus;
- estimated cash payments to subcontractors; and
- estimated cash outflows for other direct and indirect construction and asset management costs incurred by us.

Our construction contracts generally allow us to bill our clients monthly based on costs incurred and require payment within 30 days. The billing terms of our contracts do not require us to achieve milestones to allow us to bill our clients. Our contracts generally require 10% retainage but allow us to reduce retainage upon reaching certain completion milestones. Such completion milestones are calculated based on billings to date compared to total contract value. Our contracts allow us to bill the retainage balance upon contract completion with payment generally due in 30 days. Based on the terms of the contracts with our subcontractors, we are obligated to pay our subcontractors only after we have first received payment from our clients. Our forecasts reflect these contractual arrangements.

Forecasted cash flow from general contracting and real estate services investing activities

Our forecasted cash flow from general contracting and real estate services investing activities for the year ending December 31, 2013 assumes that we will not be required to purchase any equipment in order to meet our estimated construction project schedules. To the extent that we are required to purchase equipment, our ability to complete a construction project in a timely fashion or at a profit may be impaired and as a result, we may not be able to pay cash distributions on our common stock at the expected distribution rate or at all.

Forecasted cash flow from general contracting and real estate services financing activities

We currently do not have any outstanding long-term financing obligations with respect to our general contracting and real estate services segment. Our forecast of cash flow from general contracting and real estate services financing activities for the year ending December 31, 2013 assumes that we will not be required to obtain financing to fund our construction projects.

Our forecasts reflect management's judgment as of the date of this prospectus of conditions we expect to exist and the course of action we expect to take during the year ending December 31, 2013. We can give you no assurance that such forecasts will be achieved. There likely will be differences between our forecasted general contracting and real estate services cash flows for the year ending December 31, 2013 and our actual cash flows for such period and actual cash flows may differ materially from our forecasts. If we fail to achieve our forecasted general contracting and real estate services cash flows for the year ending December 31, 2013, we may not be able to pay cash distributions on our common stock at the expected distribution rate or at all.

We do not, as a matter of course, make public forecasts as to future operations, cash flows, earnings or other results. However, management has prepared the forecasts set forth above to support our belief that we will generate sufficient general contracting and real estate services cash flows that, together with cash flows from our other business, will provide a basis to make the anticipated distributions on our common stock for the twelve months ending December 31, 2013. This prospective financial information reflects the best estimates currently available to us and management's judgments and presents, to the best of management's knowledge and belief, reasonable assumptions on which to base our belief that we can generate sufficient cash available for distribution to support the anticipated distribution rate on our common stock for the twelve months ending December 31, 2013. However, this information is not historical fact and readers of this prospectus are cautioned not to place undue reliance on the prospective financial information. The prospective financial information included in this prospectus has been prepared by, and is the responsibility of, our management. Ernst & Young LLP has neither examined, compiled nor performed any procedures with respect to the accompanying prospective financial information, and, accordingly, Ernst & Young LLP does not express an opinion or any other form of assurance with respect thereto. The Ernst & Young LLP report included in this offering document relates to our historical financial information. It does not extend to the prospective financial information and should not be read to do so.

When considering the forecasted general contracting and real estate services cash flows you should keep in mind the risk factors and other cautionary statements under "Risk Factors." Any of the risks discussed in this prospectus could cause our actual results of operations to vary significantly from the forecasts. Inclusion of the forecasts in this prospectus is not a representation by any person, including us or the underwriters, that the results in the forecast will be achieved.

(10) Estimated provision for tenant improvement and leasing commission costs that we are contractually obligated to provide and expect to incur in the year ending December 31, 2013, plus an estimate of tenant improvement and leasing commission cost for our estimated square feet expiring in 2013 which we expect to renew, as calculated in the following schedule:

Office Properties

	Year Ended December 31,			Total/Weighted Average
	2010	2011	2012	2010-2012
Square footage expiring [a]	65,091	118,765	130,563	104,806
Square footage renewed[a]	53,817	83,423	124,965	87,402
Retention rate[b]	82.7%	70.2%	95.7%	83.4%
Pro forma consolidated square footage expiring in 2013				67,898
Estimated retention rate				83.4%
Estimated 2013 square footage renewed				56,623
Estimated 2013 tenant improvement and leasing commission cost per square foot[c]				$ 4.86
Estimated 2013 tenant improvement and leasing commission costs for renewals				275,191
Plus: Contractual obligated tenant improvement and leasing commission costs				771
Total estimated 2013 tenant improvement and leasing commission costs for office properties				$ 275,962

(a) Based on our consolidated predecessor.

(b) Calculated as our consolidated predecessor square footage divided by square footage expiring in each period.

(c) Based on the average annual tenant improvement and leasing commission costs per square foot incurred during the years ended December 31, 2010, 2011 and 2012, calculated as follows:

	Year Ended December 31,			Total/Weighted Average
	2010	2011	2012	2010-2012
Consolidated predecessor square footage renewal during period	53,817	83,423	124,965	87,402
Tenant improvement and leasing commission costs for renewals	$95,700	$576,900	$601,741	$ 424,780
Tenant improvement and leasing commission costs per square foot	$ 1.78	$ 6.92	$ 4.82	$ 4.86

Retail Properties

	Year Ended December 31,			Total/Weighted Average
	2010	2011	2012	2010-2012
Square footage expiring [a]	34,637	66,928	56,882	52,816
Square footage renewed[a]	30,557	55,780	55,257	47,198
Retention rate[b]	88.2%	83.3%	97.1%	89.4%
Pro forma consolidated square footage expiring in 2013				31,254
Estimated retention rate				89.4%
Estimated 2013 square footage renewed				27,930
Estimated 2013 tenant improvement and leasing commission cost per square foot[c]				$ 3.27
Estimated 2013 tenant improvement and leasing commission costs for renewals				$ 91,448
Plus: Contractual obligated tenant improvement and leasing commission costs				—
Total estimated 2013 tenant improvement and leasing commission costs for retail properties				$ 91,448
Total estimated 2013 tenant improvement and leasing commission costs for office properties and retail properties				**$ 367,410**

(a) Based on our consolidated predecessor.

(b) Calculated as our consolidated predecessor square footage divided by square footage expiring in each period.

(c) Based on the average annual tenant improvement and leasing commission costs per square foot incurred during the years ended December 31, 2010, 2011 and 2012, calculated as follows:

	Year Ended December 31,			Total/Weighted Average
	2010	2011	2012	2010-2012
Consolidated predecessor square footage renewal during period	30,557	55,780	55,257	47,198
Tenant improvement and leasing commission costs for renewals	$28,502	$303,065	$132,045	$ 154,537
Tenant improvement and leasing commission costs per square foot	$ 0.93	$ 5.43	$ 2.39	$ 3.27

(11) Reflects estimated provision for general improvements (capital expenditures excluding tenant and leasing commission costs) for the year ending December 31, 2013, based on the average annual general improvement expenditures (capital expenditures excluding tenant and leasing commission costs) per square foot incurred during the years ended December 31, 2010, 2011 and 2012, multiplied by our portfolio's square footage for office and retail properties and units for multifamily properties, as calculated in the following schedule:

Office Properties

	Year Ended December 31,			Total/Weighted Average
	2010	2011	2012	2010-2012
General improvements per square foot (excluding tenant and leasing commission costs)[a]	$ 0.47	$ 0.17	$ 0.14	$ 0.26
Predecessor office properties square footage[b]	954,440	954,440	954,656	954,512
General Improvements (excluding tenant and leasing commission costs) for office properties	$449,018	$158,713	$136,512	$ 248,089

Retail Properties

	Year Ended December 31,			Total/Weighted Average
	2010	2011	2012	2010-2012
General improvements per square foot (excluding tenant and leasing commission costs)[a]	$ 0.04	$ 0.01	$ 0.01	$ 0.02
Predecessor retail properties square footage	1,092,323	1,102,596	1,091,496	1,095,472
General Improvements (excluding tenant and leasing commission costs) for retail properties	$ 44,330	$ 15,428	$ 11,395	$ 23,741

Multifamily Properties

	Year Ended December 31,			Total/Weighted Average
	2010	2011	2012	2010-2012
General improvements per unit (excluding tenant and leasing commission costs)[a]	$ 289	$ 395	$ 355	$ 346
Predecessor multifamily properties units[b]	626	626	626	626
General Improvements (excluding tenant and leasing commission costs) for multifamily properties	$180,676	$247,470	$221,963	$ 216,703
Total general improvements (excluding tenant and leasing commission costs)				**$ 488,533**

(a) Based on our Predecessor combined square footage for office and retail properties and units for multifamily properties. Excludes ground leases for retail properties.

(b) 100% of pro forma consolidated square footage for office and retail properties and units for multifamily properties.

(12) Represents scheduled payments of mortgage loan principal due during the year ending December 31, 2013.

(13) Represents scheduled loan maturities of mortgage loans due during the twelve months ending December 31, 2013.

(14) Represents net increase in long-term ground lease obligations due during the year ending December 31, 2013.

(15) Represents the aggregate amount of the initial annual distribution divided by the number of shares of our common stock and common units to be outstanding upon completion of this offering (excluding shares of our common stock that may be issued by us upon exercise of the underwriters' overallotment option).

(16) Calculated as estimated initial annual distribution per share divided by our share of estimated cash available for distribution per share for the year ending December 31, 2013.

CAPITALIZATION

The following table sets forth (i) the historical combined capitalization of our Predecessor as of December 31, 2012, (ii) our unaudited pro forma capitalization, adjusted to give effect to our formation transactions, but before giving effect to this offering and (iii) our unaudited pro forma capitalization on an as adjusted basis to give effect to our formation transactions, this offering and the use of net proceeds as set forth in "Use of Proceeds." You should read this table in conjunction with "Use of Proceeds," "Selected Financial Data," "Management's Discussion and Analysis of Financial Condition and Results of Operations" and our consolidated financial statements and related notes appearing elsewhere in this prospectus.

	As of December 31, 2012		
	Predecessor Historical Combined	Pro Forma Pre-Offering	Pro Forma As Adjusted
	(In thousands, except share amounts)		
Mortgages and other secured loans[1][2]	$ 334,438	$ 368,863	$ 277,244
Stockholders' equity:			
Common stock, $0.01 par value per share; 1,000 shares authorized, issued and outstanding on an historical basis; 500,000,000 shares authorized, 14,750,000 shares issued and outstanding on a pro forma pre-offering basis; and 500,000,000 shares authorized; shares issued and outstanding on a pro forma as adjusted basis[3]	—	—	148
Preferred stock, $0.01 par value per share; no shares authorized, issued or outstanding on an historical basis; 100,000,000 shares authorized, none issued and outstanding on a pro forma pre-offering and as adjusted basis	—	—	—
Distributions in excess of earnings	—	—	(96,073)
Total Armada Hoffler Properties, Inc. stockholders' equity	—	—	(95,925)
Non-controlling partnership interest	—	—	156,480
Total equity	(41,341)	(30,054)	60,555
Total capitalization	**$ 293,097**	**$ 338,809**	**$ 337,799**

(1) We also will enter into a $100 million secured credit facility, and we expect to draw approximately $19.3 million under the credit facility to fund a portion of the cash consideration payable in connection with the completion of the formation transactions, to acquire the projects in our identified development pipeline and to repay existing lines of credit and certain debt relating to the project in our development pipeline.

(2) Amount represents debt as of December 31, 2012 and reflects fair value adjustments. Upon completion of this offering and the formation transactions, we expect to have approximately $280 million of outstanding consolidated long-term secured debt.

(3) Pro forma common stock outstanding includes (a) 14,583,333 shares of our common stock to be issued in this offering, and (b) an aggregate of 166,667 shares of our restricted common stock to be granted to our directors and certain of our officers and other employees concurrently with the completion of this offering, based on the midpoint of the price range set forth on the front cover of this prospectus, but excludes (i) up to 2,187,500 shares of our common stock issuable upon exercise of the underwriters' overallotment option, (ii) 416,666 additional shares of common stock available for future issuance under our 2013 Equity Incentive Plan, based on the midpoint of the price range set forth on the front cover of this prospectus, and (iii) 13,039,996 shares of our common stock that may be issued, at our option, upon redemption of common units to be issued in the formation transactions, based on the midpoint of the price range set forth on the front cover of this prospectus. The common units may, subject to limits in the operating partnership agreement, be redeemed at the option of the holder for cash or, at our option, for shares of our common stock on a one-for-one basis generally commencing 12 months after completion of the formation transactions.

DILUTION

Purchasers of shares of our common stock offered by this prospectus will experience an immediate and substantial dilution of the net tangible book value of our common stock from the initial public offering price. At December 31, 2012, we had a combined net tangible book value of approximately $(41.3) million, or $(3.17) per share of our common stock held by the prior investors, assuming the exchange of outstanding common units (other than common units held by us) into shares of our common stock on a one-for-one basis. After giving effect to the formation transactions and the sale of the shares of our common stock offered by this prospectus, including the expected use of the net proceeds of this offering as described under "Use of Proceeds," and the deduction of underwriting discounts and commissions and estimated offering and formation transaction expenses, the pro forma net tangible book value at December 31, 2012 attributable to common stockholders would have been $56.7 million, or $2.04 per share of our common stock. This amount represents an immediate increase in net tangible book value of $5.21 per share to the prior investors and an immediate dilution in pro forma net tangible book value of $9.96 per share from the assumed public offering price of $12.00 per share of our common stock to new public investors. See "Risk Factors—Risks Related to this Offering—Differences between the book value of the assets to be acquired in the formation transactions and the price paid for our common stock will result in an immediate and material dilution of the book value of our common stock." The following table illustrates this per share dilution:

Assumed initial public offering price per share of common stock[1]		$12.00
Net tangible book value per share before the formation transactions and this offering[2]	($3.17)	
Increase in pro forma net tangible book value per share attributable to the formation transactions, but before this offering[3]	$ 0.57	
Increase in pro forma net tangible book value per share after the formation transactions and this offering[4]	$ 4.64	
Pro forma net tangible book value per share after the formation transaction and this offering[5]		$ 2.04
Dilution in pro forma net tangible book value per share to new investors[6]		$ 9.96

(1) Based on a price per share equal to the midpoint of the range set forth on the front cover of this prospectus.

(2) Net tangible book value per share of our common stock before the formation transactions and this offering is determined by dividing the net tangible book value based on December 31, 2012 net book value of tangible assets (consisting of total assets less intangible assets, which are comprised of acquired above-market leases and acquired in-place lease value, net of liabilities to be assumed, excluding acquired below-market leases) of our Predecessor by the number of shares of our common stock held by prior investors after this offering, assuming the exchange for shares of our common stock on a one-for-one basis of the common units to be issued in connection with the formation transactions.

(3) The decrease in pro forma net tangible book value per share of our common stock attributable to our formation transactions, but before this offering, is determined by dividing the difference between (a) the pro forma net tangible book value before our formation transactions and this offering and (b) the pro forma net tangible book value after our formation transactions and before this offering, by the number of shares of our common stock held by prior investors after this offering, assuming the exchange for shares of our common stock on a one-for-one basis of the common units to be issued in connection with the formation transactions.

(4) The increase in pro forma net tangible book value per share attributable to this offering is determined by subtracting (a) the sum of (i) the net tangible book value per share before the formation transactions and this offering (see note (1) above) and (ii) the decrease in pro forma net tangible book value per share attributable to our formation transactions (see note (2) above) from (b) the pro forma net tangible book value per share after our formation transactions and this offering (see note (4) below).

(5) Based on pro forma net tangible book value of approximately $56.7 million divided by the sum of 27,789,997 shares of our common stock and common units to be outstanding after this offering (excluding units held by us), not including (a) 2,187,500 shares of common stock issuable upon the exercise of the underwriters' overallotment option and (b) 416,666 shares of our common stock available for issuance under our 2013 Equity Incentive Plan.

(6) Dilution is determined by subtracting pro forma net tangible book value per share of our common stock after giving effect to the formation transactions and this offering from the initial public offering price paid by a new investor for a share of our common stock.

The table below summarizes, as of December 31, 2012, on a pro forma basis after giving effect to the formation transactions and this offering, the differences between:

- the number of common units to be received by the Armada Hoffler affiliates and the prior investors other than the Armada Hoffler affiliates in the formation transactions and the number of shares of common stock to be received by the new investors purchasing shares in this offering; and

- the total consideration paid and the average price per common unit paid by the Armada Hoffler affiliates and the prior investors (based on the net tangible book value of the assets and properties being acquired by our operating partnership in the formation transactions) and the total consideration paid and the average price per share paid by the new investors purchasing shares in this offering.

	Common Units/Shares Issued		Net Tangible Book Value of Contribution/Cash		Average Price per Share/Common Unit
	Number	Percentage[1]	Amount	Percentage	
Armada Hoffler affiliates and other prior investors	13,198,332[2]	47.5%	$(118,345,000)[4]	(208.9)%	$ (8.97)
Independent directors	8,332[5]	— [3]	—	—	—
New investors	14,583,333	52.5	175,000,000[6]	308.9	12.00
Total	27,789,997	100.0%	$ 56,655,000	100.0%	

(1) Represents the percentage of the total number of shares of common stock to be outstanding upon completion of the formation transactions and this offering and assumes all of the 13,039,997 common units to be issued to the prior investors in the formation transactions are redeemed for shares of our common stock on a one-for-one basis.

(2) Includes 13,039,997 shares of common stock, assuming all of the 13,039,997 common units to be issued to the Armada Hoffler affiliates and the other prior investors in the formation transactions are redeemed for shares of our common stock on a one-for-one basis.

(3) Represents less than 0.01%

(4) Represents pro forma net tangible book value as of December 31, 2012 of the properties and assets being acquired by our operating partnership in the formation transactions.

(5) Represents an aggregate of 166,667 shares of common stock to be granted to our independent directors and certain of our employees pursuant to the 2013 Equity Incentive Plan upon completion of this offering, based on the midpoint of the price range set forth on the front cover of this prospectus.

(6) Represents the aggregate price of the shares to be sold in this offering.

SELECTED FINANCIAL DATA

The following table sets forth summary selected financial and operating data on a historical combined basis for our "Predecessor." Our Predecessor, which is not a legal entity, is comprised of certain entities and their consolidated subsidiaries that own directly or indirectly (i) controlling interests in 22 office, retail and multifamily properties, (ii) non-controlling, unconsolidated equity interests in one retail and one multifamily property, (iii) the property development and asset management business of Armada Hoffler and (iv) the general commercial construction business of Armada Hoffler. We refer to these entities and their subsidiaries as the "ownership entities." Each of the ownership entities currently owns, directly or indirectly, one or more office, retail or multifamily properties. Upon completion of this offering and the formation transactions, we will acquire the 22 office, retail and multifamily properties owned directly or indirectly by our Predecessor, as well as our Predecessor's unconsolidated equity interests in one retail and one multifamily property, and assume the ownership and operation of its business. We have not presented historical information for Armada Hoffler Properties, Inc. because we have not had any corporate activity since our formation other than the issuance of 1,000 shares of common stock to Louis S. Haddad in connection with the initial capitalization of the company and activity in connection with this offering, and because we believe that a discussion of the results of Armada Hoffler Properties, Inc. would not be meaningful.

You should read the following summary selected financial data in conjunction with our historical combined financial statements and the related notes and with "Management's Discussion and Analysis of Financial Condition and Results of Operations," which are included elsewhere in this prospectus.

The historical combined balance sheet information as of December 31, 2012 and 2011 of our Predecessor and the combined statements of operations and cash flow information for each of the years ended December 31, 2012, 2011 and 2010 of our Predecessor have been derived from the historical audited combined financial statements included elsewhere in this prospectus and includes all adjustments consisting of normal recurring adjustments, which management considers necessary for a fair presentation of the historical financial statements for such periods. The historical combined balance sheet information of our Predecessor as of December 31, 2010 has been derived from the historical audited combined financial statements not included in this prospectus.

Our unaudited selected pro forma consolidated financial statements and operating information as of and for the year ended December 31, 2012 assume completion of this offering and the formation transactions as of January 1, 2012 for the operating data and as of December 31, 2012 for the balance sheet data. Our pro forma financial information is not necessarily indicative of what our actual financial position and results of operations would have been as of the date and for the periods indicated, nor does it purport to represent our future financial position or results of operations.

The Company (Pro Forma) and Our Predecessor (Historical)

	Year Ended December 31,			
	Pro Forma Consolidated	Historical Combined		
	2012	2012	2011	2010
	(In thousands, except per share data)			
Statement of Operations Data:				
Revenues:				
Rental revenues	$ 60,075	$ 54,436	$ 52,578	$ 47,847
General contractor and service revenues	54,046	54,046	77,602	87,279
Total revenues	114,121	108,482	130,180	135,126
Expenses:				
Rental expenses	14,192	12,682	12,568	11,734
Real estate taxes	5,256	4,865	4,781	4,463
General contractor expenses	50,103	50,103	72,138	82,127
General and administrative expenses	4,197	3,232	3,728	2,523
Depreciation and amortization	15,260	12,909	12,994	12,158
Total expenses	89,008	83,791	106,209	113,005
Operating income	25,113	24,691	23,971	22,121
Other income (expense)	138	777	258	168
Interest expense	(13,075)	(16,561)	(18,134)	(18,208)
Loss on extinguishment of Debt	—	—	(3,448)	—
Income from continuing operations, before tax	12,176	8,907	2,647	4,081
Income tax provision	259	—	—	—
Income from continuing operations	11,917	8,907	2,647	4,081
Discontinued operations:				
Loss from discontinued operations	—	(35)	(318)	(338)
Loss on sale of real estate	—	25	(63)	1
Results from discontinued operations	—	(10)	(381)	(337)
Net income	$ 11,917	$ 8,897	$ 2,266	$ 3,744
Net income attributable to noncontrolling interests in operating partnership	5,592			
Net income attributable to common stockholders	6,325			
Balance Sheet Data (at period end):				
Assets				
Real estate, at cost				
Operating real estate	$ 401,278	$ 350,814	$ 345,412	$ 340,131
Held for development	3,926	3,926	1,836	1,836
Construction in progress	—	—	2,685	1,660
	405,204	354,740	349,933	343,627
Accumulated depreciation	(92,454)	(92,454)	(80,923)	(69,532)
Net real estate investments	312,750	262,286	269,010	274,095
Real estate assets held-for-sale	—	—	473	3,162
Cash and cash equivalents	1,719	9,400	13,449	8,435
Restricted cash	3,025	3,725	4,335	6,156
Other assets	59,171	56,402	52,867	67,600
Total Assets	$ 376,665	$ 331,813	$ 340,134	$ 359,448
Liabilities and Equity				
Indebtedness:				
Secured debt	$ 277,244	$ 334,438	$ 338,919	$ 333,568
Participating note	—	643	643	643
Debt related to real estate assets held-for-sale	—	—	—	1,225
Construction payables including retention	17,369	17,369	20,375	27,079
Other liabilities	21,497	20,704	17,596	20,478
Total Liabilities	$ 316,110	$ 373,154	$ 377,533	$ 382,993
Equity	60,555	(41,341)	(37,399)	(23,545)
Total Liabilities and Equity	$ 376,665	$ 331,813	$ 340,134	$ 359,448
Per Share Data:				
Pro forma basic earnings per share	$ 0.43			
Pro forma diluted earnings per share	$ 0.43			
Pro forma weighted average shares of common stock outstanding–basic	14,750			
Pro forma weighted average shares of common stock outstanding–diluted	14,750			
Other Data:				
Pro forma funds from operations[(1)]	$ 27,177			
Cash flows from:				
Operating activities	$ 25,094	$ 22,326	$ 23,183	$ 6,090
Investing activities	(7,471)	(4,702)	(5,998)	(14,715)
Financing activities	(29,353)	(21,673)	(12,171)	5,566

(1) We calculate FFO in accordance with the standards established by NAREIT. FFO represents net income (loss) (computed in accordance with GAAP), excluding gains (or losses) from sales of depreciable operating property, real estate related depreciation and amortization (excluding amortization of deferred financing costs) and after adjustments for unconsolidated partnerships and joint ventures. FFO is a supplemental non-GAAP financial measure. Management uses FFO as a supplemental performance measure because it believes that FFO is beneficial to investors as a starting point in measuring our operational performance. Specifically, in excluding real estate related depreciation and amortization and gains and losses from property dispositions, which do not relate to or are not indicative of operating performance, FFO provides a performance measure that, when compared year over year, captures trends in occupancy rates, rental rates and operating costs. We also believe that, as a widely recognized measure of the performance of REITs, FFO will be used by investors as a basis to compare our operating performance with that of other REITs. However, because FFO excludes real estate related depreciation and amortization and captures neither the changes in the value of our properties that result from use or market conditions nor the level of capital expenditures and leasing commissions necessary to maintain the operating performance of our properties, all of which have real economic effects and could materially impact our results from operations, the utility of FFO as a measure of our performance is limited. In addition, other equity REITs may not calculate FFO in accordance with the NAREIT definition as we do, and, accordingly, our FFO may not be comparable to such other REITs' FFO. Accordingly, FFO should be considered only as a supplement to net income as a measure of our performance. FFO should not be used as a measure of our liquidity, nor is it indicative of funds available to fund our cash needs, including our ability to pay dividends or service indebtedness. FFO also should not be used as a supplement to or substitute for cash flow from operating activities computed in accordance with GAAP. The following table sets forth a reconciliation of our pro forma FFO to net income, the nearest GAAP equivalent, for the periods presented:

	Pro Forma Year Ended December 31, 2012
	(In thousands)
Pro forma net income	$ 11,917
Plus: pro forma real estate depreciation and amortization	15,260
Pro forma funds from operations	$ 27,177

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following discussion of our financial condition and results of operations should be read in conjunction with the audited historical combined financial statements of our "Predecessor" as of December 31, 2012 and 2011 and for each of the three years in the periods ended December 31, 2012, 2011 and 2010, and the related notes and financial schedule thereto, which are included elsewhere in this prospectus.

Our Predecessor, which is not a legal entity, is comprised of certain entities that develop, construct and manage real estate assets as well as own, directly or indirectly, interests in 24 office, retail and multifamily properties. As used in this section, unless the context otherwise requires, "we," "us," "our," and "our company" mean our Predecessor for the periods presented and Armada Hoffler Properties, Inc., a Maryland corporation and its consolidated subsidiaries, upon completion of this offering and the formation transactions. Where appropriate, the following discussion includes analysis of the effects of the formation transactions, certain other transactions and this offering. These effects are reflected in the pro forma consolidated financial statements located elsewhere in this prospectus. This discussion may contain forward-looking statements based upon current expectations that involve risks and uncertainties. Our actual results may differ materially from those anticipated in these forward-looking statements as a result of various factors, including those set forth under "Risk Factors" or elsewhere in this prospectus. See "Risk Factors" and "Forward-Looking Statements." We use the term "related parties" throughout the following discussion to describe certain relationships that exist currently or will exist between us and the owners of the entities that comprise our Predecessor upon completion of this offering and the formation transactions.

Overview

Our Company

We are a full service real estate company with extensive experience developing, building, owning and managing high quality, institutional-grade office, retail and multifamily properties in attractive markets throughout the Mid-Atlantic United States. In addition to developing and building properties for our own account, we also provide general construction and development services to both related parties and unrelated parties (with the unrelated parties often referred to as third-party clients in this prospectus) throughout the Southeastern and Mid-Atlantic United States and asset management services to assets owned by related parties. We were formed as a Maryland corporation in October 2012 to succeed to the business of Armada Hoffler, a privately held real estate business founded in 1979. We will not have any operating activity until the completion of this offering and the related formation transactions. Accordingly, we believe that a discussion of the results of operations of Armada Hoffler Properties, Inc. would not be meaningful, and we have therefore set forth below a discussion regarding the historical operations of our Predecessor only.

Upon the completion of this offering and the formation transactions, we expect our operations to be carried on through our operating partnership. We will be the sole general partner of our operating partnership and expect to own approximately 53.1% of, and will have control of, our operating partnership. Accordingly, we will consolidate the assets, liabilities and results of operations of our operating partnership.

Our Predecessor

Our Predecessor is not a single legal entity, but rather a combination of real estate and construction entities that are under common control by our Executive Chairman, Mr. Hoffler. These entities include (i) controlling interests in entities that own 22 office, retail and multifamily properties, (ii) non-controlling interests in entities that own one retail and one multifamily property, which we refer to as Bermuda Crossroads and Smith's Landing, respectively, (iii) the property development and asset management businesses of Armada Hoffler Holding Company, Inc., or AH Holding, and (iv) the general commercial construction businesses of Armada Hoffler Construction Company and Armada Hoffler Construction Company of Virginia, or collectively, AH Construction. We refer to our controlling interests in the 22 real estate properties, AH Holding and AH Construction collectively as our Controlled Entities. We refer to the two entities that control Bermuda Crossroads and Smith's Landing, in which we do not have a controlling interest, as our Non-controlled Entities.

In connection with the formation transactions, we will acquire all of the equity interests in both of the Non-controlled Entities. Elsewhere in this prospectus, we have included the audited statements of revenues and expenses for the Non-controlled Entities for the years ended December 31, 2012, 2011 and 2010.

Formation Transactions

Concurrently with the completion of the offering, we will complete a series of formation transactions pursuant to which we will acquire, through a series of contribution transactions, 100% of the ownership interests in the seven office properties, 15 retail properties and two multifamily properties that will comprise our initial portfolio. In addition, (i) AH Construction will transfer to our services company, pursuant to an asset purchase agreement, certain assets, including construction contracts in progress, which we refer to as the construction business, in exchange for a cash payment and our assumption of the contract liabilities and (ii) AH Holding will transfer to our services company, pursuant to an asset purchase agreement, certain assets, including contracts, which we refer to as our development and asset management businesses, in exchange for a cash payment and our assumption of the contract liabilities. We will also succeed to the identified development pipeline of our Predecessor, which consists of two office properties, two retail properties and two multifamily properties in various stages of development. In addition to our identified development pipeline, we will enter into a purchase agreement to acquire the Apprentice School Apartments, a 197-unit multifamily property located in Newport News, Virginia, upon the satisfaction of certain conditions required by the development agreements, including the completion of the construction of all three components of the Apprentice School project, which we expect to occur in November 2013.

To acquire the ownership interests in the entities that own the properties to be included in our initial portfolio from the prior investors and to acquire the development, asset management and construction businesses, we anticipate issuing an aggregate of 13,039,997 common units of our operating partnership, having an aggregate value of approximately $156.5 million, and paying approximately $44.0 million in cash to the prior investors. Cash amounts will be paid out of the net proceeds of this offering. See “Use of Proceeds.” These formation transactions will be effected substantially concurrently with the completion of this offering.

We estimate that the net proceeds from this offering will be approximately $159.8 million, or approximately $184.2 million if the underwriters’ overallotment option is exercised in full (in each case after deducting the underwriting discount and commissions and estimated expenses of this offering and the formation transactions payable by us). We will contribute the net proceeds of this offering to our operating partnership in exchange for common units. Our operating partnership will use the proceeds received from us to repay approximately $112.8 million of outstanding indebtedness, including exit fees and debt assumption fees and defeasance costs of approximately $2.2 million, and to pay approximately $44.0 million in cash to prior investors in connection with the formation transactions, as described under “Use of Proceeds.” Any remaining net proceeds will be used for general corporate purposes, including working capital, future acquisitions, and, potentially, paying distributions.

Upon completion of the formation transactions, we expect our operations to be carried on through our operating partnership and wholly-owned subsidiaries of our operating partnership, including our taxable REIT subsidiaries. Consummation of the formation transactions will enable us to (i) consolidate ownership of our initial portfolio under our operating partnership; (ii) succeed to the construction, development and asset management businesses of AH Construction and AH Holding; (iii) facilitate this offering; and (iv) qualify as a REIT for U.S. federal income tax purposes commencing with the short taxable year ending December 31, 2013. As a result, upon completion of the formation transactions, we expect to be a vertically integrated and self-administered REIT with approximately 100 employees providing substantial in-house expertise in asset management, property management, property development, property construction, leasing, tenant improvement construction, acquisitions, repositioning, redevelopment and financing.

In connection with the formation transactions, we will acquire 100% ownership of the properties in our initial portfolio. Our acquisition of the Controlled Entities will represent a transaction between entities under common control because Mr. Hoffler, our Executive Chairman, owns a controlling interest in each of the Controlled Entities. As a result, our acquisition of the Controlled Entities will be recorded at our Predecessor’s historical cost. Our acquisition of the equity

interests in the Non-controlled Entities that were not controlled by Mr. Hoffler prior to consummation of the formation transactions will be accounted for as a purchase at fair value. The fair value of the assets acquired (consisting of physical assets and in-place leases) and liabilities assumed (consisting of long-term debt) will be estimated and recognized in accordance with GAAP. We will amortize the value of any above-market or below-market lease intangibles through rental revenues.

Segments

As of December 31, 2012, our Predecessor's business had four operating segments: office, retail, multifamily and general contracting and real estate services. Upon completion of the formation transactions, we will maintain these four operating segments in our business. The general contracting and real estate services segment of our business provides various real estate services, such as general contractor services, construction management, asset management, and development services to third-party property owners as well as to us for our own account. The operations of our general contracting and real estate services segment will be conducted through one or more taxable REIT subsidiaries.

Rental revenues in our office, retail and multifamily segments consist of scheduled rent charges, straight-line rent adjustments and the amortization of above-market and below-market lease intangibles acquired. We also derive revenue from tenant recoveries, through which tenants reimburse us for expenses paid by us such as utilities, janitorial, repairs and maintenance, security and alarm, parking lot and grounds, general and administrative, management fees, insurance and real estate taxes, and other property revenues, including parking income, lease termination fees, late fees, storage rents, and other miscellaneous property revenues. Our rental revenues are reduced by lease incentives on a straight-line basis over the applicable term of the lease. We discuss our office leases, retail leases, and multifamily leases in more detail below.

A majority of the general contracting portion of our general contracting and real estate services segment revenue has historically been earned from negotiated third party general contracting contracts rather than competitively bid contracts. The services provided under negotiated contracts typically are more expansive than the construction services provided under competitively bid contracts and include such additional services as pre-construction support, architect management, and value engineering. Our ability to perform these additional services is derived from the knowledge and experience our general contracting group gains from developing properties for our own account and the group's ability to leverage this knowledge and expertise for our third party clients.

The real estate services portion of our general contracting and real estate services segment provides asset management services to related party assets as well as to our own properties. In addition, our asset services also include property management and leasing services for some of our properties. Fees charged under our asset management contracts are generally at a market rate, but such fees may vary substantially based on the property type, location and level of service. We will recognize asset management and development services revenue when earned, generally as we provide such services. We do not currently expect asset management fee revenue to contribute significantly to our results of operations going forward as we believe that the most valuable use of our asset management team's resources is for the asset management of the properties in our own portfolio.

Additional information regarding our four operating segments, as well as the identified development pipeline and the multifamily property under contract, is provided below. Our discussion of "occupancy" throughout Management's Discussion and Analysis of Financial Condition and Results of Operations refers to physical occupancy of the space under lease.

Office Segment Data

	Year ended December 31,		
	2012	2011	2010
	(dollars in thousands)		
Square Footage[1]	953,442	953,309	953,241
Occupancy[2]	94.1%	92.4%[3]	96.0%[3]
Segment Revenue	$ 25,815	$ 24,680	$ 20,501
% Total Revenue	23.8%	19.0%	15.2%
Segment Profit	$ 18,147	$ 16,679	$ 13,675
% Total Profit	44.4%	41.0%	37.2%

(1) Represents end of period square footage.

(2) Based on end of period square footage.

(3) Occupancy excludes 109,489 square feet at Two Columbus, which was in lease-up during these periods.

Office Segment Leases. Our Predecessor's office portfolio consisted of seven properties with a total of 953,442 rentable square feet as of December 31, 2012. Historically, we have leased office properties to tenants primarily on a full-service gross or a modified gross basis. We expect to continue these leasing structures in the future. A full-service gross or modified gross lease typically has a base year expense stop, whereby the tenant pays a stated amount of certain expenses as part of the rent payment, while future increases in property operating expenses (above the base year stop) are billed to the tenant based on such tenant's proportionate square footage of the property. The increased property operating expenses billed are reflected as rental expenses and amounts recovered from tenants are reflected as rental expenses and amounts recovered from tenants are reflected as rental revenues in the statements of operations.

Office Same Store Analysis

The following table shows information for our same store office portfolio, which consists of properties that were owned throughout both of the periods presented, except for properties that were in lease-up, as noted below. We generally consider a property to be in lease-up until the earlier of (i) the quarter in which the property reaches 80% occupancy or (ii) the thirteenth quarter after the property receives its certificate of occupancy.

	Year Ended December 31,			Year Ended December 31,		
	2012[1]	2011[1]	% Change	2011[2]	2010[2]	% Change
	(dollars in thousands)					
Rental Revenue	$ 23,274	$ 22,422	3.8%	$ 13,582	$ 14,257	(4.7)%
Property Expense	6,938	7,270	(4.6)%	5,132	5,180	(0.9)%
Segment Profit	**$ 16,336**	**$ 15,152**	**7.8%**	**$ 8,450**	**$ 9,077**	**(6.9)%**

(1) Excludes Two Columbus, which was in lease-up during the period.

(2) Excludes Two Columbus, which was in lease-up during the period, and Virginia Natural Gas and Richmond Tower, which came online in 2011 and 2010, respectively, and which were in lease-up during the period.

Retail Segment Data[1]

	Year ended December 31,		
	2012	2011	2010
	(dollars in thousands)		
Square Footage[2][3]	983,107	981,930	991,857
Occupancy[2][4]	93.9%	93.8%	93.2%
Segment Revenue	$ 21,164	$ 20,105	$ 20,335
% Total Revenue	19.5%	15.4%	15.0%
Segment Profit	$ 14,535	$ 14,326	$ 14,323
% Total Profit	35.6%	35.2%	38.9%

(1) Excludes Bermuda Crossroads, which was a non-controlled entity as of December 31, 2012.

(2) Excludes ground leases for retail properties.

(3) Represents end of period square footage.

(4) Based on end of period square footage.

Retail Segment Leases. Our Predecessor's retail portfolio consisted of 14 properties with a total of 983,107 rentable square feet as of December 31, 2012 (which excludes Bermuda Crossroads). Historically, we have leased retail properties to tenants primarily on a triple-net lease basis, and we expect to continue to do so in the future. In a triple-net lease, the tenant is typically responsible for all property taxes, insurance and operating expenses. As such, the base rent payment does not include any operating expenses, but rather all such expenses, to the extent they are paid by us and reimbursable to us under the terms of the applicable leases, are billed to the tenant. The full amount of the expenses for this lease type, to the extent they are paid by us, are reflected in rental expenses, and the reimbursement is reflected in rental revenues in the statements of operations. Excluded from the table above is Bermuda Crossroads, in which our Predecessor holds a non-controlling interest and which we account for under the equity method of accounting.

Retail Same Store Analysis

The following table shows information from our same store retail portfolio, which consists of properties that were owned throughout both of the periods presented, except for properties that were in lease-up, as noted below. We consider a property to be in lease-up until the earlier of (i) the quarter in which the property reaches 80% occupancy or (ii) the thirteenth quarter after the property receives its certificate of occupancy.

	Year Ended December 31,			Year Ended December 31,		
	2012[1]	2011[1]	% Change	2011[2]	2010[2]	% Change
	(dollars in thousands)					
Rental Revenue	$ 20,625	$ 20,105	2.6%	$ 19,505	$ 20,006	(2.5)%
Property Expense	6,443	5,776	11.5	5,657	5,857	(3.4)
Segment Profit	**$ 14,182**	**$ 14,329**	**(1.0)%**	**$ 13,848**	**$ 14,149**	**(2.1)%**

(1) Excludes Bermuda Crossroads, Courthouse 7-Eleven and Tyre Neck, which were in lease-up during the period.

(2) Excludes Bermuda Crossroads, and Courthouse 7-Eleven, Tyre Neck and Commerce Street Retail, which came online in 2012, 2011 and 2010, respectively, and which were in lease-up during the period.

Multifamily Segment Data[1]

	Year ended December 31,		
	2012	2011	2010
	(dollars in thousands)		
# of available apartment units	342	342	342
Occupancy[2]	91.9%	91.5%	91.8%
Segment Revenue	$ 7,457	$ 7,793	$ 7,011
% Total Revenue	6.9%	6.0%	5.2%
Segment Profit	$ 4,281	$ 4,295	$ 3,728
% Total Profit	10.5%	10.6%	10.1%

(1) Excludes Smith's Landing, which was a non-controlled entity as of December 31, 2012.

(2) End of period occupancy.

Multifamily Segment Leases. Our Predecessor's multifamily portfolio consisted of one apartment property with a total of 342 multifamily apartment units as of December 31, 2012 (which excludes Smith's Landing). Our multifamily leases generally have terms ranging from 7 to 15 months, with a majority having 12 month terms. Tenants typically pay a monthly base rental amount per apartment units. At both of the multifamily properties in our initial portfolio, tenants can opt to pay additional monthly amounts for services such as phone, cable,

internet, storage units, pet fees and the rental of furniture and household goods. Phone, cable and internet services are only available to tenants through us and cannot be obtained directly from third-party service providers. Excluded from the table above is Smith's Landing, in which our Predecessor holds a non-controlling interest and which we account for under the equity method of accounting.

Multifamily Same Store Analysis

The following table shows information for our same store multifamily portfolio, which consists of The Cosmopolitan, the only multifamily property owned throughout both periods that was not in lease-up. We generally consider a property to be in lease-up until the earlier of (i) the quarter in which the property reaches 80% occupancy or (ii) the thirteenth quarter after the property receives its certificate of occupancy.

	Year Ended December 31,			Year Ended December 31,		
	2012[1]	2011[1]	% Change	2011[1]	2010[1]	% Change
	(dollars in thousands)					
Rental Revenue	$ 7,457	$ 7,793	(4.3)%	$ 7,793	$ 7,011	11.2%
Property Expense	3,176	3,498	(9.2)	3,498	3,283	6.5
Segment Profit	**$ 4,281**	**$ 4,295**	**(0.3)%**	**$ 4,295**	**$ 3,728**	**15.2%**

(1) Excludes Smith's Landing, which was in lease-up during the period.

General Contracting and Real Estate Services Segment Data

	Year ended December 31,		
	2012	2011	2010
	(dollars in thousands)		
Segment Revenue	$54,046	$77,602	$87,279
% Total Revenue	49.8%	59.6%	64.6%
Segment Profit	$ 3,943	$ 5,464	$ 5,152
% Total Profit	9.7%	13.4%	14.0%

General Contracting and Real Estate Services Segment

General Contracting Activities. Upon the completion of this offering and the formation transactions, we will succeed to Armada Hoffler's construction business, which was engaged in 20 construction contracts as of December 31, 2012. Of these 20 construction contracts, 17 construction contracts were with third-party clients and three were with related party clients. The 20 contracts have an estimated contract value of approximately $90.1 million with approximately $25.5 million of work in place and a balance to complete of approximately $64.6 million as of December 31, 2012. As part of the formation transactions, we will acquire from Armada Hoffler all of the contracts in place upon the completion of the offering. Of the 20 construction projects in progress as of December 31, 2012, we currently expect that seven of these contracts will be on-going upon completion of this offering and the formation transactions.

Four of the seven contracts expected to be on-going upon the completion of this offering are with third parties, two of which have contract values in excess of $1.0 million. One of these contracts is for the City of Suffolk Municipal Center, which has a total contract value of approximately $23.4 million. This contract had work in place as of December 31, 2012 of approximately $0.6 million and a balance to complete of approximately $22.8 million with an estimated completion date of June 2014. The City of Suffolk Municipal Center is a two-story, design-build project that will consist of a 911 emergency call center, city council chambers, large public lobbies and office space for various departments within the municipal government. The other contract is a third-party contract for the Biomedical Research Laboratory at Hampton University, which has a total contract value of approximately $10.5 million. This contract had work in place of approximately $2.3 million and a balance to complete of approximately $8.2 million as of December 31, 2012 with an estimated completion date of August 2013.

Three of the seven contracts expected to be on-going upon the completion of this offering are related party contracts for the three components of the Apprentice School complex in Newport News, Virginia—the Apprentice School Apartments, Apprentice School Garage and Apprentice School. We will enter into a purchase agreement to acquire the Apprentice School Apartments from this related party as discussed below under "Property Under Contract." All three components of the Apprentice School project are being built on the same site. The Apprentice School is a state of the art educational facility and will feature eight computer labs, seven standard classrooms, an auditorium-style classroom, a physics lab and a gymnasium. The Apprentice School Garage is a four-story garage that will be operated by the Industrial Development Authority of the City of Newport News, Virginia. These three contracts have a total combined contract value of approximately $48.0 million, a combined work in place of approximately $17.1 million and a balance to complete of approximately $30.9 million as of December 31, 2012. All three components of the Apprentice School project have an estimated completion date of November 2013.

At December 31, 2012, Armada Hoffler also had construction contracts in various stages of negotiations with both third parties and related parties, which we refer to as our construction pipeline. We cannot assure you that any or all of these contracts will be executed, or that once executed we will commence or complete construction on any or all of the projects. We currently estimate that the aggregate contract value of these contracts under negotiation will be approximately $200 million, but the actual value of the construction contracts we enter into may be significantly less than this amount. Our construction pipeline includes a potential contract for the proposed 950-space Main Street Garage in the Virginia Beach Town Center, which will be developed by affiliates of Armada Hoffler for eventual sale to the Development Authority of the City of Virginia Beach, Virginia. The Main Street Garage is part of the same project as our Main Street Office Tower and Main Street Apartments development projects.

Third Party Asset Management Activities: As of December 31, 2012, AH Holding did not provide asset management or property management services to any third parties.

Related Party Asset Management Activities. AH Holding currently serves as asset manager for all of the properties in our initial portfolio. In addition, our asset management team also provides property management services or assists in the property management of, eight of the properties in our initial portfolio and as leasing representative for, or assists in the leasing of, four of the properties in our initial portfolio. Effective upon completion of the formation transactions, our asset management team will also serve as asset manager for six properties and ten vacant parcels of land owned by related parties. We will receive asset management fees for such activities, as summarized in the table below. Our asset management team may also serve as property manager for some of these related party properties. The total asset management fee income expected from the properties listed below is less than $100,000 annually.

Property[1]	Location	Asset Management Fee
Harbour Center	Hampton, VA	1.5% of base rents, paid monthly
Harbourside	Washington, D.C.	1.0% of gross office revenue paid annually in arrears
Ten Vacant Parcels of Land	Various	$300 per quarter per parcel
Two Hotels	Various	0.5% of revenue paid monthly
Apprentice School	Newport News, VA	$500 per quarter
Apprentice School Garage	Newport News, VA	$500 per quarter per asset

(1) Certain of our directors and executive officers own interests in these properties. See "Certain Relationships and Related Transactions."

The terms of our asset management agreements for these properties vary greatly. Certain of our executive officers own equity interests in all of these assets. See "Certain Relationships and Related Transactions."

Identified Development Pipeline and Property Under Contract

Identified Development Pipeline. Our Predecessor's development pipeline, to which we will succeed, consists of two office properties, two retail properties and two multifamily properties, as described in the table below (dollars in thousands).

Property	Location	Property Type	Estimated Square Footage[1]	Estimated Apartment Units[1]	Estimated Cost[1]	Cost Incurred through December 31, 2012	Estimated Date of Completion[1]	Estimated Ownership %[1]	Principal Tenants
Main Street Office[2]	Virginia Beach, VA	Office	234,000[3]	N/A	$ 50,863	$ 750	July 2014	100%	Clark Nexsen, Development Authority of Virginia Beach[4]
Main Street Apartments[2]	Virginia Beach, VA	Multifamily	N/A	288	32,845	277	July 2014	100%	N/A
Jackson Street Apartments	Durham, NC	Multifamily	N/A	203	26,182	218	July 2014	80%	N/A
Sandbridge Commons	Virginia Beach, VA	Retail	75,000	N/A	13,675	266	September 2014	85%	Harris Teeter[4]
Brooks Crossing	Newport News, VA	Office[5]	60,000	N/A	12,793	476	February 2015	65%	Huntington Ingalls[4], City of Newport News[4]
Greentree Shopping Center[6]	Chesapeake, VA	Retail	15,600	N/A	5,402	103	September 2014	100%	WaWa[4]
Total			**384,600**	**491**	**$ 141,760**	**$ 2,090**			

(1) Represents estimates that may change as the development process proceeds.

(2) This property will be located within the Virginia Beach Town Center.

(3) Approximately 83,600 square feet have been pre-leased by Clark Nexsen, an architectural firm. We expect approximately 23,300 square feet to be pre-leased by the Development Authority of Virginia Beach, although no lease has been signed as of the date of this prospectus.

(4) No lease agreement has been signed as of the date of this prospectus. We expect the lease agreement to be in place prior to the commencement of construction on this project.

(5) We expect that this property will include 28,200 square feet of retail space.

(6) We are currently negotiating to sell Wal-Mart a pad-ready site adjacent to Greentree Shopping Center.

In November 2012, Armada Hoffler was selected by Johns Hopkins University, after an extensive competitive selection process, to join with the University in the redevelopment of a 1.12 acre property adjacent to the University's Homewood campus in Baltimore, Maryland. The project is expected to include market-rate student housing, a hotel, retail space, restaurants and parking. The goal of the completed project will be to complement the Homewood campus and nearby Charles Village neighborhood and provide a catalyst for future development in the area. Upon completion of this offering and the formation transactions, we will succeed to Armada Hoffler's right to develop and build the Johns Hopkins project.

The commencement of construction on all of the projects identified in the table above and the John Hopkins project, are subject to, among other factors, regulatory approvals, the acquisition of financing and suitable market conditions. See "Business and Properties—Our Identified Development Pipeline" for more information regarding the projects in our identified development pipeline.

Property Under Contract. In addition to the properties in our identified development pipeline, prior to the completion of this offering, we will enter into a purchase agreement to acquire the Apprentice School Apartments project, which is currently under construction, from affiliates of our Predecessor, including Messrs. Hoffler, Haddad and Kirk and certain of our officers. The

Apprentice School Apartments are expected to have 197 apartment units and approximately 28,000 square feet of retail space when completed and are located in Newport News, Virginia adjacent to the Newport News Apprentice School of Shipbuilding, a state-of-the-art educational facility that we are building for a related-party construction client. Under the terms of the development agreement with the Development Authority of the City of Newport News, ownership of the Apprentice School Apartments cannot be transferred to us until certain other aspects of the overall development are completed, which we currently expect to occur in November 2013. Pursuant to the purchase agreement, we expect to acquire the Apprentice School Apartments project when certain conditions, including the completion of the project's overall construction, including the Apprentice School and Apprentice School Garage, have been met. We expect to acquire the Apprentice School Apartments for approximately $31.9 million, which will be comprised of approximately $8.0 million in common units, repayment of a $3.0 million mezzanine loan, which affiliates of our Predecessor borrowed to fund the equity portion of the project, and the assumption of an approximately $20.9 million mortgage loan, which has a 30-year term and 5.66% interest rate.

Factors That May Influence Future Results of Operations

Property Rental Revenues

Our future rental revenues from the properties in our initial portfolio will depend principally on our ability to renew expiring leases or re-lease space upon the scheduled or unscheduled termination of leases, lease currently available space (approximately 56,567 rentable square feet of office space, 59,566 rentable square feet of retail space and 28 multifamily apartment units as of December 31, 2012) and maintain or increase rental rates at our properties. Local, regional or national economic conditions; an oversupply of or a reduction in demand for office, retail or multifamily space; changes in market rental rates; our ability to provide adequate services and maintenance at our properties; and fluctuations in interest rates could adversely affect our rental revenues in future periods. Future economic or regional downturns affecting our submarkets or downturns in our tenants' industries that impair our ability to renew or re-lease space and the ability of our tenants to fulfill their lease commitments, as in the case of tenant bankruptcies, could adversely affect our ability to maintain or increase occupancy. In addition, growth in rental revenues also will partially depend on our ability to acquire additional properties that meet our acquisition criteria.

We seek to manage our exposure to tenant credit risk both prior to executing tenant leases as well as during the lease terms. Prior to executing tenant leases, we review tenants' financial information, including credit reports, financial statements and tax returns. We also review business plans for non-public companies and check references prior to lease execution. In addition to these due diligence activities, we also seek to secure, when appropriate, financial commitments from tenants or affiliated parties in the form of security deposits, personal guarantees and letters of credit. On an ongoing basis, we review accounts receivable and aging reports for both tenants and properties as a whole to identify any credit concerns as quickly as possible. In addition, we maintain close contact with our tenants in an effort to identify and help address negative changes in their businesses prior to such changes adversely affecting their ability to pay rent to us.

We are currently experiencing increased economic activity in all of our property segments. Although leasing activity in the office and retail segments has increased from the diminished levels during the recent recession, the amount of vacant space in the markets in which we own properties continues to limit our ability to raise rental rates on existing space. We believe that the desirable locations of our multifamily properties have helped us maintain occupancy through the recent recession. Although we offered rent concessions during the recessionary period, including free rent, consistent with many of our competitors, the need to provide such concessions to maintain occupancy has subsided somewhat as a result of the improving economy.

General Contracting and Real Estate Services Income

Our ability to perform our obligations under our construction contracts on time and on budget and to attract new development projects and third-party construction contracts will impact our results from operations. Our ability to perform our obligations under our construction contracts is dependent on third-party subcontractors, the availability of supplies, accurate architectural drawing and other factors discussed elsewhere in this prospectus. Upon completion of this offering and the formation transactions, we will succeed to Armada Hoffler's construction business, which was engaged in 20 construction contracts as of December 31, 2012. Of these 20 construction contracts, 17 were with third-party clients and three were with

related party clients. Of these 20 construction projects, 19 and one are expected to be completed during the years ended December 31, 2013 and 2014, respectively.

The demand for new space and new buildings has increased over the recessionary levels, which is positively contributing to both our ability to source construction projects and our ability to enter into third party construction contracts. We expect that our general contracting and real estate services income will fluctuate depending on the value of the construction contracts to which we are a party and the number of construction contracts underway at any given time.

While our general contracting and real estate services segment comprised approximately 50.0% and 59.6% of our total revenues for the years ended December 31, 2012 and 2011, respectively, it comprised only 9.7% and 13.4% of our total segment profit for the same periods. Although the contract value of the third party construction contracts we enter into, which we refer to as construction volume, as well as the annual general contracting and real estate services segment revenue from these contracts, are important metrics when discussing historical financial results and providing forward looking financial guidance, these metrics do not provide a complete understanding of this business segment. In particular, we believe operating margin, defined as general contracting and real estate services segment net operating income divided by segment revenue, to be critical to an understanding of both the profitability and relative importance of our general contracting and real estate services segment. In addition, any discussion of construction volume or annual general contracting and real estate services segment revenues solely in relation to either total revenues or rental revenues generated from our operating property segments may overstate the impact or relative importance of the general contracting and real estate services segment to the overall financial condition and prospects of our company. As a result, we believe general contracting and real estate services net operating income and operating margin are better metrics than construction volume or segment revenue to evaluate this segment's impact on our overall business. The table below summarizes the operating margin for the general contracting and real estate services segment for the years ended December 31, 2012, 2011 and 2010.

	Year Ended December 31,		
	2012	2011	2010
	(dollars in thousands)		
General Contracting and Real Estate Services			
Segment Revenue	$ 54,046	$ 77,602	$ 87,279
Segment Expenses	(50,103)	(72,138)	(82,127)
Net Operating Income	**$ 3,943**	**$ 5,464**	**$ 5,152**
Operating Margin	*7.3%*	*7.0%*	*5.9%*

Our asset management team will serve as asset manager for six properties and 10 vacant parcels of land owned by related parties, and we will receive asset management fees with respect thereto. Certain of our executive officers own equity interests in all of these assets. See "Certain Relationships and Related Transactions." Our ability to attract new asset management contracts will impact our results from operations. However, we do not currently anticipate significant growth in asset management fee revenue nor do we expect asset management fee revenue to contribute significantly to our results of operations as our management team believes that the most valuable use of our asset management team's resources is the asset management of the properties in our own portfolio.

Conditions in Target Markets

All of the properties in our initial portfolio are located in Virginia and North Carolina. Specifically, our initial portfolio and identified development pipeline consist predominately of properties located in the Hampton Roads and Richmond markets in Virginia and the Raleigh-Durham market in North Carolina. Positive or negative changes in conditions in these markets, such as changes in economic or other conditions, employment rates, natural hazards and other factors, will impact the overall performance of the assets in our portfolio.

Our development and construction activities are focused on the Mid-Atlantic region of the United States, including Washington, D.C. and Baltimore, Maryland. The operations of our services company are heavily influenced by the current state of the economy, developments initiated by us, the expansion of business operations by third parties, changes in economic or other conditions, employment rates, natural hazards and other factors in these markets.

Expenses

Our expenses generally consist of rental expenses, real estate taxes, general contracting and real estate services expenses and general and administrative expenses. Increases in rental expenses and real estate taxes over tenants' base years generally are passed on to tenants that are a party to our full-service gross leases and paid in full by tenants that are a party to our triple-net leases. In some cases, our office tenants may be party to a modified gross lease or modified net lease. In both cases, the tenant may self-perform or directly source services that are typically included in our rental expenses. In addition, some of our leases provide for limitations on the amount of year-over-year increases for a particular rental expense. As a result, to the extent that property operating expenses increase at a rate faster than allowable year-over-year increases in rental expenses, we would not be able to pass certain costs on to our tenants, which could result in a reduction in property rental revenues.

As a publicly-traded REIT, we estimate that our annual general and administrative expenses will increase by approximately $4.0 million, from approximately $3.2 million in our Predecessor's operations for the year ended December 31, 2012 to approximately $7.2 million after the completion of this offering, due to increased headcount, cash and equity based compensation, legal, insurance, accounting and other expenses related to corporate governance, SEC reporting, and other compliance matters. The projected increase of approximately $4.0 million of general and administrative expenses includes approximately $0.8 million in noncash stock-based compensation expense. General and administrative expenses consist of two components. The first component includes general corporate expenses and the second component includes indirect operating expenses not allocated to the development or operations of our wholly-owned properties or real estate services operations. Those indirect expenses not allocated to the operations are included in our estimate of general and administrative expenses.

Because most general contracting expenses are variable in nature, we expect that the general contracting expense portion of our general contracting and real estate services expenses will fluctuate depending on the value of the construction contracts to which we are a party and the number of construction contracts underway at any given time. The real estate services expense portion of our general contracting and real estate services expenses are generally fixed in the short term and fluctuate over longer time periods based on the number of properties in our portfolio, the number of tenants in our properties, and the total square footage of our properties.

Properties in our portfolio may be reassessed for property tax purposes from time to time after the completion of this offering. Therefore, the amount of property taxes we pay in the future may increase from what we have paid in the past. Given the uncertainty of the amounts involved, we have not included any increase or decrease in general contractor expenses or property taxes in our pro forma financial information included elsewhere in this prospectus. Our expenses also include the payment of property management fees to third parties with respect to 18 properties in our initial portfolio. We believe that all of our third-party property management contracts are at market rates.

Interest Rates

We expect that future changes in interest rates will impact our overall performance. While we may seek to manage our exposure to future changes in rates through interest rate swap agreements or interest rate caps, portions of our overall outstanding debt, including borrowings under our credit facility, will likely remain at floating rates.

Taxable REIT Subsidiaries

As part of the formation transactions, we formed AHP Holding, Inc., a corporation that is wholly owned by our operating partnership, which we refer to as our services company. We will elect with our services company to treat it as a taxable REIT subsidiary for federal income tax purposes. Our services company will conduct, through its wholly-owned subsidiaries, our third-party construction, development and asset management businesses. A taxable REIT subsidiary generally may provide non-customary and other services to our tenants and engage in activities that we may not engage in directly without adversely affecting our qualification as a REIT, provided a taxable REIT subsidiary may not operate or manage a lodging facility or provide rights to any brand name under which any lodging facility is operated. See "Material U.S.

Federal Income Tax Considerations—Requirements for qualification—Taxable REIT Subsidiaries." We may form additional taxable REIT subsidiaries in the future and our operating partnership may contribute some or all of its interests in certain wholly owned subsidiaries or their assets to our construction company. Any income earned by our taxable REIT subsidiaries will not be included in our taxable income for purposes of the 75% or 95% gross income tests, except to the extent such income is distributed to us as a dividend, in which case such dividend income will qualify under the 95%, but not the 75%, gross income test. See "Material U.S. Federal Income Tax Considerations—Gross Income Tests." Because a taxable REIT subsidiary is subject to federal income tax, and state and local income tax (where applicable) as a regular corporation, the income earned by our taxable REIT subsidiaries generally will be subject to an additional level of tax as compared to the income earned by our other subsidiaries.

Critical Accounting Policies and Estimates

Our discussion and analysis of our financial condition and results of operations are based upon our Predecessor's historical combined financial statements that have been prepared in accordance with GAAP. The preparation of these financial statements requires us to exercise our best judgment in making estimates that affect the reported amounts of assets, liabilities, revenues and expenses. We base our estimates on historical experience and other assumptions that we believe to be reasonable under the circumstances. We evaluate our estimates on an ongoing basis, based upon current available information. Actual results could differ from these estimates.

Our significant accounting policies are described in the notes to our Predecessor's combined financial statements included elsewhere in this prospectus. We believe the following accounting policies and estimates are the most critical to understanding our reported financial results as their effect on our financial condition and results of operations is material.

Revenue Recognition

Rental Revenues

We lease our properties under operating leases and recognize base rents on a straight-line basis over the lease term. We also recognize revenue from tenant recoveries, through which tenants reimburse us for expenses paid by us such as utilities, janitorial, repairs and maintenance, security and alarm, parking lot and grounds, general and administrative, management fees, insurance and real estate taxes, on an accrual basis. Our rental revenues are reduced by the amount of any lease incentives on a straight-line basis over the term of the applicable lease. We include a renewal period in the lease term only if it appears at lease inception that the renewal is reasonably assured. We begin recognizing rental revenue when the tenant has the right to take possession of or controls the physical use of the property under lease. We maintain control of the physical use of the property under lease if we serve as the general contractor for the tenant. Rental revenue is recognized subject to management's evaluation of tenant credit risk.

General Contracting and Real Estate Services Revenues

We recognize revenue on construction contracts using the percentage-of-completion method. Using this method, we recognize revenue and an estimated profit as construction contract costs are incurred based on the proportion of incurred costs to total estimated costs under the contract. Provisions for estimated losses on uncompleted contracts are recognized immediately in the period in which such losses are determined. Changes in job performance, job conditions, and estimated profitability, including those arising from contract penalty provisions and final contract settlements, may result in revisions to costs and income and are recognized in the period in which they are determined. We include profit incentives in revenues when their realization is probable and the amount can be reasonably estimated. General contracting and real estate services revenue is recognized subject to management's evaluation of customer credit risk.

Allowance for Doubtful Accounts

We are subject to tenant defaults and bankruptcies that could affect our collection of accounts receivable. We recognize a provision for losses on accounts receivable representing our best estimate of uncollectible amounts. Our evaluation of the collectability of accounts receivable and the adequacy of the allowance is based primarily upon evaluations

of individual receivables, current economic conditions, historical experience and other relevant factors. As a matter of policy, we reserve all accounts receivable over 90 days outstanding. For any tenants with rents receivable over 90 days outstanding, we also reserve any related accrued straight-line rental revenue. We recognize additional reserves for more current amounts, as applicable, where we have determined that collectability is doubtful. The extended collection period for accrued straight-line rental revenue along with our evaluation of tenant credit risk may result in the non-recognition of all or a portion of straight-line rental revenue until the collection of such revenue is reasonably assured.

Real Estate Project Costs

We capitalize direct and certain indirect costs clearly associated with the development, construction, leasing or expansion of our real estate assets. Capitalized project costs include direct material, labor, subcontract costs, real estate taxes, insurance, utilities, ground rent, interest on borrowing obligations and salaries and related personnel costs.

We capitalize direct and indirect project costs associated with the initial construction of a property up to the time the property is substantially complete and ready for its intended use. We believe the completion of the building shell is the proper basis for determining substantial completion.

We also capitalize direct and indirect costs, including interest costs, on vacant space during extended lease-up periods after construction of the building shell has been completed if costs are being incurred to prepare the vacant space for its intended use. If costs and activities incurred to prepare the vacant space for its intended use cease, then cost capitalization is also discontinued until such activities are resumed. Once necessary work has been completed on a vacant space, project costs are no longer capitalized. In addition, all leasing commissions paid to third parties for new leases or lease renewals are capitalized.

We depreciate buildings on a straight-line basis over 39 years and tenant improvements over the shorter of their estimated useful lives or the term of the related lease.

Real Estate Impairment

We evaluate our real estate assets for impairment whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. If such an evaluation is necessary, we compare the carrying amount of any such real estate asset with the undiscounted expected future cash flows that are directly associated with, and that are expected to arise as a direct result of, its use and eventual disposition. Our estimate of the expected future cash flows attributable to a real estate asset is based upon, among other things, our estimates regarding future market conditions, rental rates, occupancy levels, tenant improvements, leasing commissions, tenant concessions and assumptions regarding the residual value of our properties. If the carrying amount of a real estate asset exceeds its associated undiscounted expected future cash flows, we recognize an impairment loss to reduce the carrying amount of the real estate asset to its fair value based on marketplace participant assumptions.

Adoption of New or Revised Accounting Standards

As an emerging growth company under the JOBS Act, we can elect to adopt new or revised accounting standards as they are effective for private companies. However, we are electing to opt out of such of such extended transition period. Therefore, we will adopt new or revised accounting standards as they are effective for public companies. This election is irrevocable.

Results of Operations

Comparison of Year ended December 31, 2012 to Year ended December 31, 2011

The following table summarizes the historical results of operations of our Predecessor for the years ended December 31, 2012 and 2011. As of December 31, 2012, our Predecessor's operating portfolio was comprised of interests in 24 office, retail and multifamily properties with an aggregate of 953,442 rentable square feet of office space, 1,094,673 rentable square feet of retail space and 626 multifamily apartment units, compared to a portfolio that was comprised of interests in 24 properties with an aggregate of 953,309 rentable square feet of office, 1,093,496 million rentable square feet of retail space and 626 multifamily units as of December 31, 2011. Our Predecessor holds non-controlling interests in two of the 24 properties, Bermuda Crossroads and Smith's Landing, which we account for under the equity method of accounting. Under the equity method of accounting, we recognize our interest in the net earnings (losses) of these two properties within income from real estate joint ventures in the statements of operations. The following table sets forth selected data from our Predecessor's audited combined statements of operations for the years ended December 31, 2012 and 2011 (dollars in thousands):

	Year Ended December 31,			
	2012	2011	Change	%
Revenues				
Rental Revenues	$ 54,436	$ 52,578	$ 1,858	3.5%
General Contracting and Real Estate Services Revenues	54,046	77,602	(23,556)	(30.4)
Total Revenues	**108,482**	**130,180**	**(21,698)**	**(16.7)**
Expenses				
Rental Expense	12,682	12,568	114	0.9
Real Estate Taxes	4,865	4,781	84	1.8
General Contracting and Real Estate Services Expenses	50,103	72,138	(22,035)	(30.5)
General and Administrative Expenses	3,232	3,728	(496)	(13.3)
Depreciation and Amortization	12,909	12,994	(85)	(0.7)
Total Expenses	**83,791**	**106,209**	**(22,418)**	**(21.1)**
Operating Income	**24,691**	**23,971**	**720**	**3.0**
Other Income (expense)	777	258	519	201.2
Interest Expense	(16,561)	(18,134)	1,573	(8.7)
Loss on Extinguishment of Debt	—	(3,448)	3,448	(100.0)
Income from Continuing Operations	**8,907**	**2,647**	**6,260**	**236.5**
Discontinued Operations				
Loss from Discontinued Operations	(35)	(318)	283	(89.0)
Gain (Loss) on Sale of Real Estate	25	(63)	88	(139.7)
Results from Discontinued Operations	**(10)**	**(381)**	**371**	**(97.4)**
Net Income	**$ 8,897**	**$ 2,266**	**$ 6,631**	**292.6%**

Revenue

Total Revenues. Total revenues consist of property rental revenues and general contracting and real estate services revenues. Total revenues decreased approximately $21.7 million, or 16.7%, to $108.5 million for the year ended December 31, 2012, compared to approximately $130.2 million for the year ended December 31, 2011 as shown below (dollars in thousands):

	Year Ended December 31,			
	2012	2011	Change	%
Office	$ 25,815	$ 24,680	$ 1,135	4.6%
Retail	21,164	20,105	1,059	5.3
Multifamily	7,457	7,793	(336)	(4.3)
General Contracting and Real Estate Services	54,046	77,602	(23,556)	(30.4)
	$ 108,482	**$ 130,180**	**$ (21,698)**	**(16.7%)**

The decrease in total revenues is attributable primarily to the factors discussed below.

Rental Revenues. Rental revenues include minimum base rent, adjustments to recognize base rents on a straight-line basis, cost reimbursements, percentage rents and other rents. Rental revenues increased approximately $1.9 million, or 3.5%, to approximately $54.4 million for the year ended December 31, 2012, compared to approximately $52.6 million for the year ended December 31, 2011.

The increase in office rental revenues was due to new tenant leases at Richmond Tower, One Columbus, Two Columbus and the Armada Hoffler Tower that commenced during the year ended December 31, 2012, or commenced in 2011 but were not in place for the full year ended December 31, 2011. Also contributing to the increase was the receipt of lease termination fees from a tenant at One Columbus Center and a tenant at Armada Hoffler Tower. This activity at Richmond Tower, One Columbus and Armada Hoffler Tower contributed to the increase in same store office rental revenues of 3.8% for the year ended December 31, 2012 as compared to the year ended December 31, 2011.

The increase in retail rental revenues was primarily due to the completed development and concurrent stabilization of Courthouse 7-Eleven in January 2012 and Tyre Neck Harris Teeter in May 2012 in addition to income derived from the commencement of new tenant leases at Commerce Street Retail during the fourth quarter of 2011 and Broad Creek Shopping Center during 2012. This activity at Commerce Street Retail and Broad Creek Shopping Center contributed to the increase in same store retail rental revenues of 2.6% for the year ended December 31, 2012, as compared to the year ended December 31, 2011.

Multifamily rental revenues were lower for the year ended December 31, 2012 due to rent concessions and higher vacancy during the year. Despite an increase in occupancy at the The Cosmopolitan as of December 31, 2012 compared to December 31, 2011, vacancy during 2012, as well as rent concessions, contributed to the decline in same store multifamily rental revenues for the year ended December 31, 2012 as compared to the year ended December 31, 2011.

General Contracting and Real Estate Services Revenues. General contracting and real estate services revenues decreased approximately $23.6 million, or 30.4%, to approximately $54.0 million for the year ended December 31, 2012, compared to approximately $77.6 million for the year ended December 31, 2011. The decrease was due to lower construction volume during the year ended December 31, 2012 as a result of substantial completion of a number of construction projects during the year ended December 31, 2011. The decrease was partially offset by income associated with new projects commenced during the year ended December 31, 2011 and thereafter.

Expenses

Total Expenses. Total expenses consist of rental expense, real estate taxes, general contractor expenses, general and administrative expenses and depreciation and amortization. Total expenses decreased by approximately $22.4 million, or 21.1%, to approximately $83.8 million for the year ended December 31, 2012, compared to approximately $106.2 million for the year ended December 31, 2011. This decrease in total expenses is attributable primarily to the factors discussed below (dollars in thousands).

	Year Ended December 31,			
	2012	2011	Change	%
Rental Expense	$ 12,682	$ 12,568	$ 114	0.9%
Real Estate Taxes	4,865	4,781	84	1.8
General Contracting and Real Estate Services Expenses	50,103	72,138	(22,035)	(30.5)
General and Administrative Expenses	3,232	3,728	(496)	(13.3)
Depreciation and Amortization	12,909	12,994	(85)	(0.7)
Total Expenses	**$ 83,791**	**$ 106,209**	**($ 22,418)**	**(21.1%)**

Rental Expenses. Rental expenses increased approximately $0.1 million, or 0.9% to approximately $12.7 million for the year ended December 31, 2012, compared to approximately $12.6 million for the year ended December 31, 2011. Rental expenses by segment were as follows (dollars in thousands):

	Year Ended December 31,			
	2012	2011	Change	%
Office	$ 5,499	$ 5,849	$ (350)	(6.0%)
Retail	4,791	3,940	851	21.6
Multifamily	2,383	2,771	(388)	(14.0)
Other	9	8	1	12.5
	$ 12,682	**$ 12,568**	**$ 114**	**0.9%**

Rental expenses include the following general categories: utilities, janitorial, repairs and maintenance, security and alarm, parking lot and grounds, general and administrative, management fees, and insurance. The decrease in office rental expenses resulted primarily from decreased utility expenses due to a successful challenge to the rate schedules and utilities were also lower in 2012 due to an unusually mild winter. These factors offset increases in expenses due to commencement of new tenant leases at Richmond Tower. The increase in retail rental expenses was primarily due to the completed development and concurrent stabilization of both Tyre Neck Harris Teeter and Courthouse 7-Eleven in May 2012 and January 2012, respectively, and the expenses associated with these properties. Multifamily rental expense is closely correlated with occupancy and thus multifamily rental expenses decreased due to the slight decrease in occupancy. Same store property expenses for the office segment decreased as a result of the decreased utility expenses discussed above. Same store property expenses increased for the retail segment and decreased for the multifamily segment as such expenses tend to be variable and correlated with changes in segment rental revenues, which increased in the retail segment and decreased in the multifamily segment during the year ended December 31, 2012 as compared to the year ended December 31, 2011.

Real Estate Tax Expenses. Real estate tax expenses were relatively unchanged for the year ended December 31, 2012 as compared to the year ended December 31, 2011. Real estate tax expenses by segment were as follows (dollars in thousands):

	Year Ended December 31,			
	2012	2011	Change	%
Office	$ 2,169	$ 2,152	$ 17	0.8%
Retail	1,838	1,839	(1)	(0.1)
Multifamily	793	727	66	9.1
Other	65	63	2	3.2
	$ 4,865	**$ 4,781**	**$ 84**	**1.8%**

General Contracting and Real Estate Expenses. General contracting and real estate services expenses decreased approximately $22.0 million, or 30.5%, to approximately $50.1 million for the year ended December 31, 2012, compared to approximately $72.1 million for the year ended December 31, 2011. The general contracting portion of general contracting and real estate services expenses are closely correlated to general contracting volume and this decrease is due to the decrease in construction volume for the year ended December 31, 2012, as compared to the year ended December 31, 2011. The decrease was due to a number of construction projects that were substantially completed during the year ended December 31, 2011 and prior. The reduction in volume was partially offset by income from new projects commenced during the year ended December 31, 2011 and thereafter.

General and Administrative Expenses. General and administrative expenses decreased approximately $0.5 million, or 13.3%, to approximately $3.2 million during the year ended December 31, 2012, compared to approximately $3.7 million for the year ended December 31, 2011. The decrease was primarily due to lower health care expenses and state taxes.

Depreciation and Amortization. Depreciation and amortization expense decreased approximately $0.1 million, or 0.7%, to approximately $12.9 million for the year ended December 31, 2012, compared to approximately $13.0 million for the year ended December 31, 2011. The decrease was attributable to certain tenant improvements becoming fully depreciated during the year ended December 31, 2011.

Operating Income

Operating income increased $0.7 million, or 3.0%, to approximately $24.7 million for the year ended December 31, 2012, compared to approximately $24.0 million for the year ended December 31, 2011 as a result of the revenue and expense factors discussed above and the segment net operating income and operating margins described below. The operating margins for all four operating segments remained relatively stable for the year ended December 31, 2012 as compared to the year ended December 31, 2011 (dollars in thousands).

	Year Ended December 31,			
	2012	2011	Change	%
Office real estate				
Rental revenues	$ 25,815	$ 24,680	$ 1,135	4.6%
Property expenses	(7,668)	(8,001)	333	(4.2)
Net operating income	$ 18,147	$ 16,679	$ 1,468	8.8%
Operating Margin	*70.3%*	*67.6%*		
Retail real estate				
Rental revenues	$ 21,164	$ 20,105	$ 1,059	5.3%
Property expenses	(6,629)	(5,779)	(850)	14.7
Net operating income	$ 14,535	$ 14,326	$ 209	1.5%
Operating Margin	*68.7%*	*71.3%*		
Multifamily real estate				
Rental revenues	$ 7,457	$ 7,793	$ (336)	(4.3)%
Property expenses	(3,176)	(3,498)	322	(9.2)
Net operating income	$ 4,281	$ 4,295	$ (14)	(0.3)%
Operating Margin	*57.4%*	*55.1%*		
General Contracting and Real Estate Services				
Revenues	$ 54,046	$ 77,602	$ (23,556)	(30.4)%
Expenses	(50,103)	(72,138)	22,035	(30.5)
Net operating income	$ 3,943	$ 5,464	$ (1,521)	(27.8)%
Operating Margin	*7.3%*	*7.0%*		

Other

Other Income. Other income increased approximately $0.5 million, or 201.2%, to approximately $0.8 million for the year ended December 31, 2012, compared to approximately $0.3 million for the year ended December 31, 2011. The increase was due primarily to the change in the fair value of our interest rate swaps for which we have not elected hedge accounting.

Interest Expense. Interest expense decreased approximately $1.6 million, or 8.7%, to approximately $16.6 million for the year ended December 31, 2012 compared with approximately $18.1 million for the year ended December 31, 2011. This decrease was primarily the result of refinancing four loans, which resulted in lower interest rates and a full year of interest savings from the lower interest rate on the 2011 Cosmopolitan debt refinancing, which reduced interest expenses. This was partially offset by interest on debt on two buildings placed into service during the year ended December 31, 2012 which increased interest expense.

Loss On Extinguishment of Debt. We did not extinguish any debt during the year ended December 31, 2012. We recognized an approximate $3.4 million loss on the extinguishment of debt on The Cosmopolitan during the year ended December 31, 2011.

Results From Discontinued Operations. Results from discontinued operations were $0.0 and $(0.4) million for the year ended December 31, 2012 and 2011, respectively. The losses were the result of the sale of three and ten residential condominiums properties during the year ended December 31, 2012 and 2011, respectively. There were no properties classified as discontinued operations as of December 31, 2012 and seven residential condominium properties were classified as discontinued operations at December 31, 2011.

Net Income

Net income. Net income increased approximately $6.6 million, or 292.6%, to approximately $8.9 million for the year ended December 31, 2012, compared to approximately $2.3 million for the year ended December 31, 2011. Approximately $3.4 million of this increase was due to a decrease in the loss on extinguishment of debt during the year ended December 31, 2012 as compared to the year ended December, 2011. Additional factors contributing to the increase are discussed above.

Comparison of the Year Ended December 31, 2011 to the Year Ended December 31, 2010

The following table summarizes the historical results of operations of our Predecessor for the years ended December 31, 2011 and 2010. As of December 31, 2011, our Predecessor's operating portfolio was comprised of 24 office, retail and multifamily properties with an aggregate of approximately 953,309 rentable square feet of office space, 1,093,496 rentable square feet of retail space and 626 multifamily units, compared to a portfolio that was comprised of 24 properties with an aggregate of approximately 953,241 rentable square feet of office space, 1,103,423 rentable square feet of retail space and 626 multifamily units as of December 31, 2010. Our Predecessor holds non-controlling interests in Bermuda Crossroads and Smith's Landing that we account for under the equity method of accounting. Under the equity method of accounting, we recognize our interest in the net earnings (losses) of these two properties within income from real estate joint ventures in the statements of operations. The following table sets forth selected data from our Predecessor's audited combined statements of operations for the years ended December 31, 2011 and 2010 (dollars in thousands):

	Year Ended December 31,			
	2011	2010	Change	%
Revenues				
Rental Revenues	$ 52,578	$ 47,847	$ 4,731	9.9%
General Contracting and Real Estate Services Revenues	77,602	87,279	(9,677)	(11.1)
Total Revenues	130,180	135,126	(4,946)	(3.7)
Expenses				
Rental Expense	12,568	11,734	834	7.1
Real Estate Taxes	4,781	4,463	318	7.1
General Contracting Expenses	72,138	82,127	(9,989)	(12.2)
General and Administrative Expenses	3,728	2,523	1,205	47.8
Depreciation and Amortization	12,994	12,158	836	6.9
Total Expenses	106,209	113,005	(6,796)	(6.0)
Operating Income	23,971	22,121	1,850	8.4
Other Income (expense)	258	168	90	53.6
Interest Expense	(18,134)	(18,208)	74	(0.4)
Loss on Extinguishment of Debt	(3,448)	—	(3,448)	N/A
Income from Continuing Operations	2,647	4,081	(1,434)	(35.1)
Discontinued Operations				
Loss from Discontinued Operations	(318)	(338)	20	(5.9)
Loss on Sale of Real Estate	(63)	1	(64)	—
Results from Discontinued Operations	(381)	(337)	(44)	13.1
Net Income	**$ 2,266**	**$ 3,744**	**$ (1,478)**	**(39.5%)**

Revenue

Total Revenues. Total revenues consist of rental revenues and general contracting and real estate services revenues. Total revenues decreased approximately $4.9 million, or 3.7%, to approximately $130.2 million for the year ended December 31, 2011 compared to approximately $135.1 million for the year ended December 31, 2010 as shown below (dollars in thousands):

	Year ended December 31,			
	2011	2010	Change	%
Office	$ 24,680	$ 20,501	$ 4,179	20.4%
Retail	20,105	20,335	(230)	(1.1)
Multifamily	7,793	7,011	782	11.2
General Contracting and Real Estate Services	77,602	87,279	(9,677)	(11.1)
	$ 130,180	**$ 135,126**	**$ (4,946)**	**(3.7%)**

The decrease in total revenues is attributable primarily to the factors discussed below.

Rental Revenues. Rental revenues consist primarily of minimum base rent, adjustments to recognize base rents on a straight-line basis, cost reimbursements from tenants, percentage rent and other rents. Rental revenues increased approximately $4.7 million, or 9.9%, to approximately $52.6 million for the year ended December 31, 2011, compared to approximately $47.8 million for the year ended December 31, 2010.

The increase in office rental revenues was due to the commencement of new tenant leases that commenced during the year ended December 31, 2010 but were not in place for all twelve months of the year ended December 31, 2010 at Two Columbus and at Richmond Tower. In addition, two tenants at Richmond Tower took occupancy during the year ended December 31, 2011 and we completed development and concurrent stabilization of Virginia Natural Gas in September 2010. The increases were offset partially by the termination of a lease at Oyster Point. While this activity at Two Columbus, Richmond Tower and Virginia Natural Gas contributed to an increase in office rental revenues, these properties are excluded from the same store office rental revenues analysis because they were in lease-up during one or both of the periods presented. As a result, same store office rental revenues decreased 4.7% for the year ended December 31, 2010 due to the expiration and non-renewal of two leases, each in excess of 10,000 square feet at Oyster Point and One Columbus.

The decrease in retail rental revenues was due to lower tenant recoveries at North Point Center and Broad Creek Shopping Center, as well as increased tenant credit risk associated with a certain tenant at Dick's at Town Center, which resulted in a downward adjustment to the amount of rental revenues recorded for this tenant during the year ended December 31, 2011. The decrease was partially offset by the commencement of two leases at Commerce Street Retail. These same factors contributed to a decrease in same store retail rental revenues of 2.5% for the year ended December 31, 2011 as compared to December 31, 2010.

Multifamily rental revenues and same store multifamily rental revenues increased primarily as a result of lower rental concessions and higher occupancy for the year ending December 31, 2011.

General Contracting and Real Estate Services Revenues. General contracting and real estate services revenues decreased approximately $9.7 million, or 11.1%, to approximately $77.6 million for the year ended December 31, 2011, compared to approximately $87.3 million for the year ended December 31, 2010. The decrease in general contracting and real estate services revenues was due to lower construction volume in 2011 as a result of substantial completion of a number of construction projects during the year ended December 31, 2010, that was partially offset by three new projects that commenced in early 2010.

Expenses

Total Expenses. Total expenses consist of rental expenses, real estate taxes, general contractor expenses, general and administrative expenses, and depreciation and amortization. Total expenses decreased by approximately $6.8 million, or 6.0%, to $106.2 million for the year ended December 31, 2011, compared to approximately $113.0 million for the year ended December 31, 2010. This decrease in total expenses is attributable primarily to the factors discussed below (dollars in thousands).

	Year ended December 31,			
	2011	2010	Change	%
Rental Expense	$ 12,568	$ 11,734	$ 834	7.1%
Real Estate Taxes	4,781	4,463	318	7.1
General Contracting Expenses	72,138	82,127	(9,989)	(12.2)
General and Administrative Expenses	3,728	2,523	1,205	47.8
Depreciation and Amortization	12,994	12,158	836	6.9
Total Expenses	**$ 106,209**	**$ 113,005**	**($ 6,796)**	**(6.0%)**

Rental Expenses. Rental expenses increased approximately $0.8 million, or 7.1%, to approximately $12.5 million for the year ended December 31, 2011, compared to approximately $11.7 million for the year ended December 31, 2010. Rental expense by segment was as follows (dollars in thousands):

	Year ended December 31,			
	2011	2010	Change	%
Office	$ 5,849	$ 5,051	$ 798	15.8%
Retail	3,940	4,157	(217)	(5.2)
Multifamily	2,771	2,513	258	10.3
Other	8	13	(5)	(38.5)
	$ 12,568	**$ 11,734**	**$ 834**	7.1%

Rental expenses include the following general categories: utilities, janitorial, repairs and maintenance, security and alarm, parking lot and grounds, general and administrative, management fees, and insurance. The increase in office rental expenses was due primarily to the commencement of new tenant leases at Two Columbus and at Richmond Tower as well as the completed development and concurrent stabilization of Virginia Natural Gas in September 2010. In addition, office rental expense increased as a result of non-recurring repairs and maintenance at Armada Hoffler Tower and Oyster Point for the year ended December 31, 2010. The decrease in retail rental expenses was due primarily to lower bad debt expenses associated with a certain tenant at Dick's at Town Center. The increase in multifamily rental expenses was due to higher occupancy levels, requiring an increase in staff and associated expenses as a result of turnover of units. Same store property expenses for the office segment decreased as a result of the decreased utility expenses discussed above. Same store property expenses decreased for the retail segment and increased for the multifamily segment as such expenses tend to be variable and correlated with changes in segment rental revenues, which increased in the retail segment and decreased in the multifamily segment during the year ended December 31, 2011 as compared to the year ended December 31, 2010.

Real Estate Tax Expenses. Real estate tax expenses increased approximately $0.3 million, or 7.1%, to approximately $4.8 million for the year ended December 31, 2011, compared to approximately $4.5 million for the year ended December 31, 2010. The increase in real estate tax expenses was due primarily to real estate tax expenses within the office segment, and in particular, the completed development of Richmond Tower as well as the reassessment of the Armada Hoffler Tower. Real estate tax expenses by segment were as follows (dollars in thousands):

	Year ended December 31,			
	2011	2010	Change	%
Office	$ 2,152	$ 1,775	$ 377	21.2%
Retail	1,839	1,855	(16)	(0.9)
Multifamily	727	770	(43)	(5.6)
Other	63	63	0	N/A
	$ 4,781	**$ 4,463**	**$ 318**	7.1%

General Contracting and Real Estate Services Expenses. General contracting and real estate services expenses decreased approximately $10.0 million, or 12.2%, to approximately $72.1 million for the year ended December 31, 2011, compared to approximately $82.1 million for the year ended December 31, 2010. The general contracting portion of general contracting and real estate services expenses are closely correlated to general contracting volume and this decrease was due to the decrease in construction volume for the year ended December 31, 2011 as compared to the year ended December 31, 2010. The decrease in general contracting and real estate services volume was due to a number of construction projects that were substantially completed during the year ending December 31, 2010 or shortly thereafter. The reduction in volume was partially offset by three new projects that commenced in early 2011.

General and Administrative Expenses. General and Administrative expenses increased approximately $1.2 million, or 47.8%, to approximately $3.7 million for the year ended December 31, 2011 compared to approximately $2.5 million for the year ended December 31, 2010. The increase resulted from more development costs allocated to general and administrative expenses, primarily as a result of lower development activities during the year ended December 31, 2011 as compared to the year ended December 31, 2010 as well as higher labor and benefits cost, mostly related to health care expenses.

Depreciation and Amortization. Depreciation and amortization expense increased approximately $0.8 million, or 6.9%, to approximately $13.0 million for the year ended December 31, 2011 compared to approximately $12.2 million for the year ended December 31, 2010. The increase was attributable to approximately $6.2 million of additional real estate assets being placed into service during the year ended December 31, 2011 and the full year impact of approximately $50.5 million of real estate assets placed into service during the year ended December 31, 2010.

Operating Income

Operating income increased $1.9 million, or 8.4%, to approximately $24.0 million for the year ended December 31, 2011, compared to approximately $22.1 million for the year ended December 31, 2010, due primarily to the factors discussed above and the segment net operating income and operating margins described below. The operating margins for the retail, office and multifamily segments remained relatively stable for the year ended December 31, 2011 as compared to the year ended December 31, 2010. The operating margin for the general contracting and real estate services segment increased from 5.9% for the year ended December 31, 2010 to 7.0% for the year ended December 31, 2011 due to a shift in the average size of third party construction contracts. The average size of construction contracts was smaller in the year ended December 31, 2011 as compared to the year ended December 31, 2010 and smaller construction contracts typically have higher operating margins (dollars in thousands).

	Year Ended December 31,			
	2011	2010	Change	%
Office real estate				
Rental revenues	$ 24,680	$ 20,501	$ 4,179	20.4%
Property expenses	(8,001)	(6,826)	(1,175)	17.2
Net operating income	$ 16,679	$ 13,675	$ 3,004	22.0%
Operating Margin	*67.6%*	*66.7%*		
Retail real estate				
Rental revenues	$ 20,105	$ 20,335	($ 230)	(1.1%)
Property expenses	(5,779)	(6,012)	233	(3.9)
Net operating income	$ 14,326	$ 14,323	$ 3	0.0%
Operating Margin	*71.3%*	*70.4%*		
Multifamily real estate				
Rental revenues	$ 7,793	$ 7,011	$ 782	11.2%
Property expenses	(3,498)	(3,283)	(215)	6.5
Net operating income	$ 4,295	$ 3,728	$ 567	15.2%
Operating Margin	*55.1%*	*53.2%*		
General Contracting and Real Estate Services				
Revenues	$ 77,602	$ 87,279	($ 9,677)	(11.1%)
Expenses	(72,138)	(82,127)	9,989	(12.2)
Net operating income	$ 5,464	$ 5,152	$ 312	6.1%
Operating Margin	*7.0%*	*5.9%*		

Other

Other Income. The approximate $0.1 million decrease in other income during the period was due primarily to the change in the fair value of our interest rate swaps for which we have not elected hedge accounting.

Interest Expense. Interest expense decreased approximately $0.1 million, or 0.4%, to approximately $18.1 million for the year ended December 31, 2011 compared with approximately $18.2 million for the year ended December 31, 2010. The negligible decrease in interest expense for the year ended December 31, 2011 as compared to the year ended December 31, 2010 was the net result of refinancing three loans at lower interest rates, which reduced interest expense, offset partially by two buildings being placed into service during the year ended December 31, 2010, which increased interest expense.

Loss On Extinguishment of Debt. An approximate $3.4 million loss was recognized on the extinguishment of the debt on The Cosmopolitan during the year ended December 31, 2011. No debt was extinguished during the year ended December 31, 2010.

Results From Discontinued Operations. Results from discontinued operations were approximately $(0.4) million and approximately $(0.3) million for the years ended December 31, 2011 and 2010, respectively. The losses were the result of the sale of 14 and two residential condominiums properties during the years ended December 31, 2011 and 2010, respectively. Three residential condominium properties were classified as discontinued operations at December 31, 2011, and 17 residential condominium properties were classified as discontinued operations at December 31, 2010.

Net Income

Net income decreased approximately $1.4 million, or 39.5%, to approximately $2.3 million during the year ended December 31, 2011, compared to approximately $3.7 million during the year ended December 31, 2010. This increase in net income is explained by the factors discussed above.

Liquidity and Capital Resources

Overview

We believe that the completion of this offering and the formation transactions will improve our financial position by reducing our leverage, increasing our portfolio of unencumbered assets and providing us with enhanced access to capital. Concurrently with or shortly following completion of this offering, we will enter into an agreement for a $100 million secured credit facility, which we expect to contain an accordion feature that will allow us to increase the borrowing capacity under the facility up to $250 million, subject to our satisfaction of certain conditions. We expect to draw approximately $19.3 million on the credit facility upon completion of this offering to fund a portion of the cash consideration payable in connection with the completion of the formation transactions and to repay existing lines of credit and repay certain debt relating to the projects in our development pipeline. Longer term, we intend to use the credit facility for, among other things, general corporate purposes, including completion of the projects in our identified development pipeline, selective acquisitions and development and redevelopment of properties, working capital and the payment of capital expenses.

Our short-term liquidity requirements consist primarily of general contractor expenses, operating expenses and other expenditures associated with our properties, dividend payments to our stockholders required to maintain our REIT status, capital expenditures, funding of development projects and, potentially, acquisitions. We expect to meet our short-term liquidity requirements through net cash provided by operations, reserves established from existing cash, the net proceeds of this offering and, if necessary, borrowings available under our credit facility.

Our properties require periodic investments of capital for tenant-related capital expenditures and for general capital improvements. For the years ended December 31, 2012, 2011 and 2010, our weighted average annual tenant improvement and leasing commission costs were $4.86 per square foot of leased office space and $3.27 per square foot of leased retail space. As of December 31, 2012, we had commitments under leases in effect for $4.1 million of tenant improvements and leasing commissions.

Our long-term liquidity needs consist primarily of funds necessary for the repayment of debt at maturity, general contracting expenses, property development and acquisitions, tenant improvements and capital improvements. We expect to meet our long-term liquidity requirements with net cash from operations, long-term secured and unsecured indebtedness and the issuance of equity and debt securities. We also may fund property development and acquisitions and capital improvements using our credit facility pending long-term financing.

As of December 31, 2012, on a pro forma basis to give effect to the use of proceeds of this offering, three loans are scheduled to mature prior to December 31, 2013.

The loan secured by Gainsborough Square, which was originally scheduled to mature December 28, 2013, has been extended and is now scheduled to mature on January 28, 2014.

The loan secured by the Smith's Landing property, which was originally scheduled to mature on July 17, 2013, has been extended and is now scheduled to mature on January 31, 2014. On March 29, 2013, we submitted an application to HUD to refinance this loan.

The loan secured by Main Street Land originally was scheduled to mature on January 5, 2013. The maturity date has been extended to July 2013. This loan will be paid off when a construction loan is secured for the Main Street Office and Main Street Apartment development pipeline projects. We are currently working with several lenders to finance the Main Street Office and Apartments projects.

As of December 31, 2012, the entity that owns Two Columbus, which we will acquire in connection with the formation transactions, was in violation of a financial covenant in the loan agreement for the loan secured by Two Columbus, which required that entity to, among other things, maintain a minimum cash flow to debt service coverage ratio for the fiscal year ended December 31, 2012 and for each fiscal year thereafter. The lender has waived the covenant default with regard to the fiscal year ended December 31, 2012 and through December 31, 2013.

We currently are in compliance with all debt covenants in our outstanding indebtedness.

We believe that, upon the completion of this offering, and as a publicly traded REIT, we will have access to multiple sources of capital to fund our long-term liquidity requirements, including the incurrence of additional debt and the issuance of additional equity securities. However, as a new public company, we cannot assure you that we will have access to all these sources of capital. Our ability to incur additional debt will depend on a number of factors, including our degree of leverage, the value of our unencumbered assets and borrowing restrictions that may be imposed by lenders. Our ability to access the equity capital markets will depend on a number of factors as well, including general market conditions for REITs and market perceptions about our company.

Consolidated Indebtedness

We expect to use approximately $110.6 million of net proceeds from this offering to repay certain indebtedness, as described in "Use of Proceeds." Upon completion of this offering and the formation transactions and the application of the net proceeds of this offering, we expect to have approximately $260.6 million of consolidated long-term secured debt (exclusive of approximately $19.3 million expected to be outstanding under our credit facility upon completion of the formation transactions), of which approximately $103.2 million, or approximately 39.6%, is variable rate debt. The following table sets forth information as of December 31, 2012 (on a pro forma basis to give effect to the application of the net proceeds from this offering) with respect to indebtedness that we expect will be outstanding upon completion of this offering and the formation transactions other than amounts expected to be outstanding under our credit facility (dollars in thousands):

	Pro Forma Amount Outstanding	Interest Rate[1]	Effective Rate as of December 31, 2012	Maturity Date[2]	Balance at Maturity
Oyster Point	$ 6,648	5.41%		December 1, 2015	$ 6,089
One Columbus	14,095	5.31		December 11, 2014	13,542
Two Columbus[3]	15,941	LIBOR+2.50	2.71%	July 5, 2015	14,046
Broad Creek Shopping Center					
Note 1	4,553	LIBOR+3.00	3.21	November 29, 2014	4,454
Note 2	8,360	LIBOR+2.75	2.96	December 7, 2016	7,947
Note 3	3,500	LIBOR+2.75	2.96	December 7, 2016	3,327
Courthouse Marketplace 7-Eleven	1,505	LIBOR+3.00	3.25	August 19, 2016	1,361
Gainsborough Square	9,771	LIBOR+3.00	3.21	January 28, 2014	9,664
Hanbury Village					
Note 1	21,666	6.67		November 11, 2017	20,499
Note 2	4,332	LIBOR+2.75	2.96	March 1, 2015	4,226
Harrisonburg Regal	4,057	6.06		June 8, 2017	3,165
North Point Center					
Note 1	10,478	6.45		February 5, 2019	9,333
Note 2	2,910	7.25		September 15, 2015	1,344
Note 3	9,356	LIBOR+2.85	3.10[5]	May 31, 2015	8,785
Note 4	1,053	5.59		December 1, 2014	1,007
Note 5	724	LIBOR+2.00	3.57[4]	February 1, 2017	641
Parkway Marketplace	3,247	4.25		October 1, 2018	2,584
Tyre Neck Harris Teeter	2,650	LIBOR+2.75	2.96	June 10, 2014	2,650
249 Central Park Retail	16,068	5.99		September 8, 2016	15,084
South Retail	7,097	5.99		September 8, 2016	6,655
Studio 56 Retail	2,760	3.75		May 7, 2015	2,592
Commerce Street Retail	6,800	LIBOR+3.00	3.21	August 18, 2014	6,694
Fountain Plaza Retail	8,043	5.99		September 8, 2016	7,542
Dick's at Town Center	8,413	LIBOR+2.75	2.96	October 31, 2017	7,929
The Cosmopolitan	48,291	3.75		July 1, 2051	—
Bermuda Crossroads	10,956	6.01		January 1, 2014	10,710
Smith's Landing	25,095	LIBOR+2.15	2.36	January 31, 2014	24,970
Main Street Land	2,208	LIBOR+2.50	4.00[6]	July 3, 2013	2,208
Total	**$ 260,596[7]**				**$ 199,048**

(1) LIBOR rate is determined by individual lenders.

(2) Maturity date at December 31, 2012, except for Gainsborough Square, Smith's Landing and Main Street Land, which were extended after December 31, 2012.

(3) The lender has waived a financial covenant default on this loan through December 31, 2013.

(4) Subject to an interest rate swap lock.

(5) Subject to a LIBOR interest rate cap of 1.09%.

(6) Subject to an interest rate floor.

(7) Does not include approximately $19.3 million we expect to borrow from the $100 million secured credit facility that we will enter into concurrently with or shortly following completion of this offering to fund a portion of the consideration payable in connection with the formation transactions and to repay existing lines of credit and certain debt relating to the projects in our development pipeline.

Annual maturities of notes payable as of December 31, 2012 (on a pro forma basis) are due during the following years:

Year	Amount Due (In thousands)	Percentage of Total
2013	$ 36,843	18%
2014	39,056	20
2015	37,081	19
2016	41,916	21
2017 and thereafter	44,151	22
	$ 199,047	**100%**

Description of Certain Debt

The following is a summary of the material provisions of the loan agreements evidencing our material debt expecting to be outstanding upon the closing of this offering and the consummation of the formation transactions.

Mortgage Loan Secured by The Cosmopolitan

The Cosmopolitan is subject to senior mortgage debt with an original principal amount of $49.1 million. The debt is currently held by M&T Realty Capital Corporation.

Maturity and Interest. The loan has a maturity date of July 1, 2051 and bears interest at a fixed rate per annum of 3.75%. Pursuant to the National Housing Act regulations, an annual mortgage insurance premium is due equal to 0.45% of the principal amount of the insured mortgage. This loan requires regular payments of principal and interest.

Security. The loan was made to a single borrower subsidiary, and is secured by a first-priority of trust lien on The Cosmopolitan, a security interest in all personal property used in connection with The Cosmopolitan and an assignment of all leases, rents and security deposits relating to the property.

Prepayment . As of August 1, 2012, we may prepay the loan at any time subject to the following prepayment penalties:

1. Nine percent (9%) of such prepayment amount paid from August 1, 2012 through July 31, 2013;
2. Eight percent (8%) of such prepayment amount paid from August 1, 2013 through July 31, 2014;
3. Seven percent (7%) of such prepayment amount paid from August 1, 2014 through July 31, 2015;
4. Six percent (6%) of such prepayment amount paid from August 1, 2015 through July 31, 2016;
5. Five percent (5%) of such prepayment amount paid from August 1, 2016 through July 31, 2017;
6. Four percent (4%) of such prepayment amount paid from August 1, 2017 through July 31, 2018;

7. Three percent (3%) of such prepayment amount paid from August 1, 2018 through July 31, 2019;

8. Two percent (2%) of such prepayment amount paid from August 1, 2019 through July 31, 2020;

9. One percent (1%) of such prepayment amount paid from August 1, 2020 through July 31, 2021;

10. Prepayment without penalty after July 31, 2021.

Events of Default. The loan agreement contains customary events of defaults in the payment of principal or interest, defaults in compliance with the covenants contained in the documents evidencing the loan and bankruptcy or other insolvency events.

Contractual Obligations

The following table outlines the timing of required payments related to our commitments as of December 31, 2012 (in thousands).

		Payments by period					
Contractual Obligations	**Total**	**Within 1 year**	**2 years**	**3 years**	**4 years**	**5 years**	**More than 5 years**
Principal payments of long-term indebtedness	$334,438	$ 69,394	$77,946	$42,025	$44,434	$38,663	$ 61,976
Long-term Debt — Fixed interest	70,237	9,842	7,649	6,675	5,749	3,984	36,338
Long-term Debt — Variable interest	10,386	4,267	3,591	1,356	875	297	—
Operating leases and other commitments	741	347	296	77	21	—	—
Tenant-related commitments	4,092	771	30	793	30	30	2,438
Ground leases	56,503	1,226	1,293	1,299	1,299	1,318	50,068
Total	**$476,397**	**$ 85,847**	**$90,805**	**$52,225**	**$52,408**	**$44,292**	**$ 150,820**

The information in the table above reflects our projected interest rate obligations for the floating rate payments based on one-month LIBOR of 0.3275%.

Credit Facility

We have obtained a commitment letter from Bank of America, N.A. and Merrill Lynch, Pierce, Fenner & Smith Incorporated to arrange a $100 million senior secured credit facility with an accordion feature that will allow us to increase the borrowing capacity under the facility up to $250 million, subject to our satisfaction of certain conditions and obtaining additional commitments from lenders. We expect that the lenders under the credit facility will be a syndicate of several banks. We anticipate that we will borrow approximately $19.3 million under this credit facility to fund a portion of the consideration payable in connection with the completion of the formation transactions and to repay existing lines of credit and certain debt relating to the projects in our development pipeline. Longer term, we expect to use borrowings under the proposed credit facility to fund acquisitions and development and redevelopment of properties in our portfolio and for working capital.

We expect that we and certain of our subsidiaries will guarantee the obligations under the credit facility and that the Armada Hoffler Tower, Richmond Tower, Virginia Natural Gas and Sentara Williamsburg properties will be used as collateral for the credit facility obligations.

We expect that the term of the credit facility will mature three years after closing of the credit facility and will have an optional one-year extension (assuming our compliance with applicable covenants and conditions and the payment of a fee equal to 0.25% of the then applicable maximum amount of the credit facility).

We expect that the credit facility will bear interest, at our option, at a rate equal to either (i) the Eurodollar rate (at our option either one, two, three or six month Eurodollar rate) plus a spread ranging from 1.60% to 2.20% based on our total leverage ratio value ranging from less than 40% to more than 55% or (ii) a base rate plus a spread ranging from 0.60% to

1.20% based on a ratio of total indebtedness to total asset value ranging from less than 40% to more than 55%, where the base rate will fluctuate each day and will equal the highest of (a) the prime rate, (b) the Federal Funds Rate plus 0.5% and (iii) the one month Eurodollar rate plus 1.0%.

In addition to interest owed under the credit facility, we will be obligated to pay an annual fee based on the average unused portion of the credit facility. This fee will be payable quarterly in arrears and will be 0.25% of the amount of the unused portion of the credit facility if amounts borrowed are greater than 50% of the credit facility and 0.30% of the unused portion of the credit facility if amounts borrowed are less than 50% of the credit facility.

The amount available for us to borrow under the credit facility will be subject to limitations governed by calculations based on the appraised value and debt yield supported by our properties that will form the borrowing base of the credit facility. The credit agreement requires us to comply with various financial covenants, including:

- a maximum leverage ratio of 65% as of the last day of each fiscal quarter through December 31, 2014 and 60% as of the last day of each fiscal quarter thereafter;
- a minimum fixed charge coverage ratio (defined as the ratio of consolidated earnings before interest, taxes, depreciation and amortization for the most recently ended period of four fiscal quarters less the aggregate annual capital expenditure adjustment to consolidated fixed charges) of 1.75x;
- a minimum tangible net worth equal to at least the sum of 80% of tangible net worth on the closing date of the credit facility plus 75.0% of the net proceeds of any additional equity issuances;
- a maximum amount of variable rate indebtedness that will not exceed 30% of our total asset value; and
- a maximum amount of secured recourse indebtedness of 35% of our total asset value.

Our activities will be limited to acquiring income producing real estate properties and investments incidental thereto. The negative covenant restricting investments will permit stock acquisitions subject to customary parameters, and will include baskets that permit investments in the following types of assets: (i) unimproved land holdings in an aggregate amount not exceeding 5% of our total asset value, (ii) construction in progress in an aggregate amount not exceeding 25% of our total asset value and (iii) unconsolidated affiliates in aggregate amount not exceeding 5% of our total asset value. Investments in these types of assets will not exceed 30% of our total asset value.

In addition to these financial covenants, the credit agreement requires us to comply with various customary affirmative and negative covenants that restrict our ability to, among other things, incur debt and liens, make investments, dispose of properties and make distributions.

Notwithstanding the restriction on our ability to make distributions, we expect the credit facility to allow us to make distributions to the extent that such distributions do not exceed the greater of (1) 100% of our funds from operations through the first anniversary of the closing date of the credit facility plus a portion of the net proceeds of this offering and 95% of funds from operations thereafter or (2) the amount required for us to (a) qualify and maintain our REIT status and (b) avoid the payment of federal or state income or excise tax. If certain events of default exist or would result from a distribution, or if our obligations under the credit facility are accelerated, we may be limited or precluded from making distributions.

Off-Balance Sheet Arrangements

Other than the items disclosed above under the headings “Consolidated Indebtedness” and “Contractual Obligations,” upon the completion of this offering we will have no off-balance sheet arrangements that are reasonably likely to have a current or future material effect on our financial condition, revenues or expenses, results of operations, liquidity, capital expenditures or capital resources.

Cash Flows

Comparison of the year ended December 31, 2012 to the year ended December 31, 2011

	Year Ended December 31,			
	2012	2011	Change	%
	(dollar in thousands)			
Operating Activities	$ 22,326	$ 23,183	$ (857)	(3.7%)
Investing Activities	(4,702)	(5,998)	1,296	(21.6)
Financing Activities	(21,673)	(12,171)	(9,502)	78.1
Net Increase/(Decrease)	**$ (4,049)**	**$ 5,014**	**$ (9,063)**	**(180.8)**
Cash and Cash Equivalents, Beginning of Period	$ 13,449	$ 8,435		
Cash and Cash Equivalents, End of Period	$ 9,400	$ 13,449		

Net cash provided by operating activities was approximately $22.3 million and approximately $23.2 million for the year ended December 31, 2012 and 2011, respectively. The approximate $0.9 million decrease in net cash provided by operating activities was due to cash outflows from property and construction assets offset by cash inflows from property and construction liabilities. Net income adjusted for non-cash items increased approximately $4.8 million, which also offset the cash outflows from property and construction assets.

Net cash used for investing activities was approximately $(4.7) million and $(6.0) million for the year ended December 31, 2012 and 2011, respectively. The approximate $1.3 million change in net cash used for investing activities resulted principally from lower real estate investments and payments for leasing commissions and leasing incentives during the year ended December 31, 2012.

Net cash used for financing activities was $(21.7) million and $(12.2) million for the year ended December 31, 2012 and 2011, respectively. The approximate $9.5 million change in net cash used in financing activities resulted from net debt repayments of secured notes payable of approximately $4.5 million during the year ended December 31, 2012 compared with net debt issuances of approximately $5.4 million during the year ended December 31, 2011. Cash used for financing activities for the year ended December 31, 2012 also includes approximately $3.1 million of offering costs.

Comparison of the year ended December 31, 2011 to the year ended December 31, 2010

	Year ended December 31,			
	2011	2010	Change	%
	(dollar in thousands)			
Operating Activities	$ 23,183	$ 6,090	$ 17,093	280.7%
Investing Activities	(5,998)	(14,715)	8,717	(59.2)
Financing Activities	(12,171)	5,566	(17,737)	(318.7)
Net increase (decrease)	**$ 5,014**	**$ (3,059)**	**$ 8,073**	**(263.9%)**
Cash and cash equivalents, beginning of period	$ 8,435	$ 11,494		
Cash and cash equivalents, end of period	$ 13,449	$ 8,435		

Net cash provided by operating activities was approximately $23.2 million and $6.1 million for the years ended December 31, 2011 and 2010, respectively. The approximate $17.1 million increase was due to cash inflows from accounts receivables, related party receivables and construction receivables, partially offset by cash outflows for accounts payable and other liabilities.

Net cash used for investing activities was approximately $(6.0) million and $(14.7) million for the years ended December 31, 2011 and 2010, respectively. The approximate $8.7 million decrease was driven by lower capital expenditures, partially offset by an increase in lease incentives paid at Commerce Street Retail.

Net cash (used for) provided by financing activities was approximately $(12.2) million and $5.6 million for the years ended December 31, 2011 and 2010, respectively. The approximate $17.8 million net change resulted from net issuances of secured notes payable of approximately $5.4 million during 2011 compared with approximately $22.7 million during 2010, partially offset by lower net distributions during 2011.

Non-GAAP Financial Measures

We calculate FFO in accordance with the standards established by NAREIT. NAREIT defines FFO as net income (loss) (calculated in accordance with GAAP), excluding gains (or losses) from sales of depreciable operating property, real estate related depreciation and amortization (excluding amortization of deferred financing costs) and after adjustments for unconsolidated partnerships and joint ventures.

FFO is a supplemental non-GAAP financial measure. Management uses FFO as a supplemental performance measure because it believes that FFO is beneficial to investors as a starting point in measuring our operational performance. Specifically, in excluding real estate related depreciation and amortization and gains and losses from property dispositions, which do not relate to or are not indicative of operating performance, FFO provides a performance measure that, when compared year over year, captures trends in occupancy rates, rental rates and operating costs. We also believe that, as a widely recognized measure of the performance of REITs, FFO will be used by investors as a basis to compare our operating performance with that of other REITs.

However, because FFO excludes depreciation and amortization and captures neither the changes in the value of our properties that result from use or market conditions nor the level of capital expenditures and leasing commissions necessary to maintain the operating performance of our properties, all of which have real economic effects and could materially impact our results from operations, the utility of FFO as a measure of our performance is limited. In addition, other equity REITs may not calculate FFO in accordance with the NAREIT definition as we do, and, accordingly, our FFO may not be comparable to such other REITs' FFO. Accordingly, FFO should be considered only as a supplement to net income as a measure of our performance. FFO should not be used as a measure of our liquidity, nor is it indicative of funds available to fund our cash needs, including our ability to pay dividends or service indebtedness. FFO also should not be used as a supplement to or substitute for cash flow from operating activities computed in accordance with GAAP.

The following table sets forth a reconciliation of FFO for the years ended December 31, 2012, 2011 and 2010 to net income, the most directly comparable GAAP equivalent (in thousands):

	Year ended December 31,		
	2012	2011	2010
Net income	$ 8,897	$ 2,266	$ 3,744
Depreciation and amortization	12,909	12,994	12,158
Loss on disposal of real estate assets	—	569	—
Income from real estate joint ventures	(261)	(309)	(88)
Depreciation of real estate joint ventures	341	341	336
Funds from operations	$21,886	$15,861	$16,150

FFO for the year ended December 31, 2011 includes a $1.1 million noncash charge related to the extinguishment of debt.

Quantitative and Qualitative Disclosures about Market Risk

Market risk includes risks that arise from changes in interest rates, foreign currency exchange rates, commodity prices, equity prices and other market changes that affect market-sensitive instruments. In pursuing our business strategies, the primary market risk to which we are exposed is interest rate risk. Our primary interest rate exposure is daily LIBOR. We primarily use fixed interest rate financing to manage our exposure to fluctuations in interest rates. On a limited basis, we also use derivative financial instruments to manage interest rate risk. We do not use these derivatives for trading or other

speculative purposes. We have not designated any of our derivatives as hedges for accounting purposes. As a result, we account for our derivative instruments under FASB ASC 815, *Derivatives and Hedging*. Under FASB ASC 815, the resulting assets and liabilities associated with derivative financial instruments are carried on our balance sheet at estimated fair value at the end of each reporting period.

At December 31 2012, we were party to three interest rate derivatives, with a total notional amount of $21.1 million. At December 31, 2012, after giving effect to our interest rate swap derivatives, approximately $209.2 million, or 62.6%, of our debt had fixed interest rates and approximately $125.2 million, or 37.4%, had variable interest rates. Assuming no increase in the level of our variable rate debt, if interest rates increased by 1.0% our cash flow would decrease by approximately $1.25 million per year. At December 31, 2012, LIBOR was approximately 21 basis points. Assuming no increase in the level of our variable rate debt, if LIBOR was reduced to 0 basis points our cash flow would increase by approximately $0.3 million per year.

Inflation

Substantially all of our office and retail leases provide for the recovery of increases in real estate taxes and operating expenses. In addition, substantially all of the leases provide for annual rent increases. We believe that inflationary increases may be offset in part by the contractual rent increases and expense escalations described above. In addition, our multifamily leases generally have lease terms ranging from 7 to 15 months with a majority having 12-month lease terms allowing negotiation of rental rates at term end which we believe reduces our exposure to the effects of inflation.

Recently Issued Accounting Literature

In May 2011, the FASB issued guidance that clarifies the application of certain existing fair value measurement guidance and expands the disclosures for fair value measurements that are estimated using significant unobservable (Level 3) inputs. This guidance was effective for annual and interim reporting periods beginning on or after December 15, 2011. The new guidance did not have a significant impact on our financial position, results of operations or cash flows.

In June 2011, the FASB issued guidance that eliminates the option to present components of other comprehensive income as part of the statement of changes in equity and requires that all non-owner changes in equity be presented either in a single continuous statement of comprehensive income or in two separate but consecutive statements. This guidance requires retrospective application and was effective for interim and annual reporting periods beginning after December 15, 2011. The adoption of this guidance did not have a significant impact on us because we do not have other comprehensive income.

Pursuant to the JOBS Act, the Company will quality as an emerging growth company and can elect to opt out of the extended transition period for any new or revised accounting standards that may be issued by the FASB or the SEC. The Company has elected to opt out of such extended transition period. This election is irrevocable.

INDUSTRY AND MARKET OPPORTUNITY

The following information is based upon the report prepared for us by RCG.

Our Markets

We primarily target markets in the Mid-Atlantic region of the United States that exhibit attractive long-term supply and demand characteristics as well as favorable competitive dynamics. Specifically, properties in our initial portfolio and identified development pipeline are concentrated in the Hampton Roads and Richmond markets in Virginia and the Raleigh-Durham market in North Carolina.

Hampton Roads

The Hampton Roads metropolitan area, synonymous with the Virginia Beach-Norfolk-Newport News, Virginia-North Carolina MSA defined by the U.S. Census Bureau, encompasses six counties and nine independent cities clustered in southeastern Virginia, along with Currituck County of northeastern North Carolina. The region's annual economic output was measured at $80.5 billion in nominal terms according to the latest available data in 2010, or 19.2% of the gross state product of Virginia. The area is well-known as an center of military activity and is among the most highly concentrated regions of military operations in the country. Its deep-water and year-round ice-free harbor anchors one of the busiest ports in North America.

The Hampton Roads metropolitan area was home to approximately 1.68 million residents as of 2011, which represented 21% of the total population of Virginia. However, because the U.S. Census Bureau counts deployed military personnel as living overseas, this estimate likely understated actual population. The high concentration of military activity—including active-duty personnel, civilian government employees, contractors and ancillary support industries—has a positive but difficult to measure impact on the economic profile of the region due to the high percentage of non-monetary compensation to military personnel, such as housing allowances and health care, which are not reflected in wage estimates.

Our initial portfolio includes six office properties, 12 retail properties and one multifamily property in the Hampton Roads metropolitan area, which generated 31.0%, 30.6% and 11.9%, respectively, of our initial portfolio's total annualized base rent as of December 31, 2012.

The Hampton Roads Economy

Economic activity in the Hampton Roads region is driven by several key sectors, including military and government activity; shipping, shipbuilding and related industries; higher education and health services; business and professional services; and tourism and hospitality.

The region benefits from a large military and civilian government presence, which both anchors and stabilizes the economy. The Hampton Roads MSA region, in which properties providing 73.5% of the annualized rent from our initial portfolio are located, had an unemployment rate of 6.4% as of August 2012, as compared to unemployment rates of 8.3%, 8.2% and 8.1% in the top 10, top 25 and top 50 MSAs, respectively and the U.S. national rate of 7.8% Several major military operations and headquarters are located in Hampton Roads: NATO Allied Command Transformation, U.S. Fleet Forces Command, U.S. Air Force Air Combat Command, U.S. Marine Corps Forces Command, U.S. Army Training and Doctrine Command and at least 13 other military bases and installations. Civilian government activities in the region include research and development at NASA Langley Research Center and the Thomas Jefferson National Accelerator Facility. Government workers totaled approximately 162,800 as of August 2012, or approximately 22.0% of the total employment base—approximately 133% of the national average. In addition to direct economic output and employment, locally based private contractors, universities and ancillary support industries are integral to the various military and civilian government operations, with employees dispersed across several industry sectors. Furthermore, because such a large portion of the regional economy is driven by military and associated activity, which is less sensitive to broader economic cycles, the military presence in the Hampton Roads metropolitan area works as a stabilizer to mitigate volatility elsewhere in the regional economy.

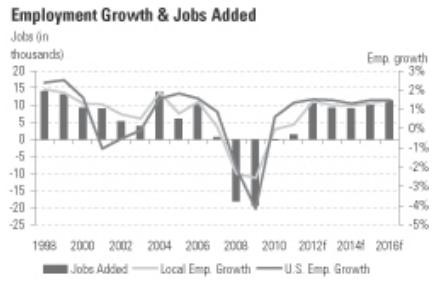
The naturally deep-water, ice-free harbor also drives a large portion of economic activity in the area. The Port of Virginia operates several facilities, including three marine terminals, an inland intermodal facility with rail service by Norfolk Southern and CSX, and the Virginia Inland Port. Containerized shipments through the Port of Virginia totaled approximately 1.9 million twenty-foot equivalent units ("TEUs") in 2011 and approximately 347,600 short tons of breakbulk cargo, or 15.6 million combined short tons. Containerized traffic TEUs, which represented approximately 12.1% of the total U.S. East Coast container shipments, ranking the Port of Virginia as the third largest for containerized shipments on the Eastern Seaboard, behind New York/New Jersey and Savannah, and the eighth largest nationally. According to RCG, the port is expected to be a major beneficiary of the Panama Canal expansion, which is expected to be completed in 2015 and which the U.S. Army Corps of Engineers expects will double the canal's traffic capacity. According to RCG, the Port Authority of Virginia expects that 20% to 25% of existing West Coast U.S. containerized cargo operation will be shifted to East Coast ports upon completion of the expansion of the Panama Canal. Port Authority of Virginia officials expect 20% of this additional East Coast U.S. traffic will be routed to the Port of Virginia facilities. According to RCG, this would result in containerized cargo shipments through the Port of Virginia increasing between 43% and 54% compared to 2011, substantially increasing the Port of Virginia's market share among competing U.S. ports. Additionally, the high concentrations of shipping and military activity support a large shipbuilding industry in Hampton Roads, including Huntington Ingalls Industries, a spin-off of two shipbuilding units of Northrop Grumman, which operates the world's largest shipyard servicing, among others, U.S. Navy ships.

The Hampton Roads region is home to a significant number of higher-education institutions, including the College of William and Mary, Old Dominion University, Eastern Virginia Medical School and the National Institute of Aerospace, a consortium of eight member universities that conducts aerospace and atmospheric research in support of NASA's mission. In addition, several of the area's largest employers are health-care services providers, including Sentara Healthcare, Riverside Health System, Bon Secours Hampton Roads Health System and Chesapeake Regional Medical Center.

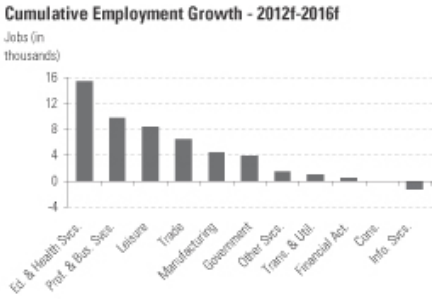
The professional and business services sector, which accounts for the largest share of office-using employment in Hampton Roads, includes legal services, consulting, accounting, as well as several subsectors of technology industries. Professional services firms are attracted to Hampton Roads based on the cluster of large corporate firms that are headquartered or maintain bases of operations in the region, including Amerigroup, Canon Virginia, Dollar Tree, Geico, Northrop Grumman, Norfolk Southern, Smithfield Foods and STIHL. Defense contractors involved in high-tech research and development, like those in the emerging modeling and simulation cluster, are also categorized within the professional and business services sector.

Hampton Roads also has a thriving tourism industry. Drawn by a variety of outdoor, historical and cultural attractions, approximately 5.5 million people visit Virginia Beach for overnight trips each year, and annual visitor spending totaled approximately $1.13 billion in 2010, according to the Virginia Beach Convention and Visitors Bureau. The area contains approximately 12,000 hotel rooms in addition to other lodging options, such as campsites and vacation rental homes.

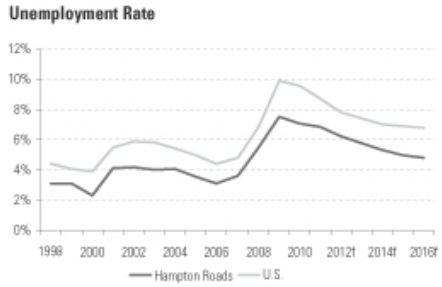
RCG forecasts continuing recovery for the Hampton Roads economy in the near term. Following two years of flat-to-slow growth, RCG projects overall employment growth of approximately 1.4% in 2012 compared to approximately 0.2% in 2011, followed by approximately 1.2% growth in 2013. In addition, RCG projects net job creation in the Hampton Roads metropolitan area of approximately 50,100 jobs through 2016, an average annual growth rate of approximately 1.3% with unemployment decreasing to approximately 4.8%, compared to national estimates of approximately 6.8%, as shown in the tables below.



Sources: U.S. Bureau of Labor Statistics, RCG



Sources: U.S. Bureau of Labor Statistics, RCG

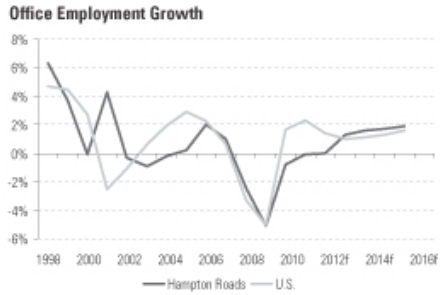


Sources: U.S. Bureau of Labor Statistics, RCG

Hampton Roads Office Market

The Hampton Roads office market contains approximately 47.6 million square feet of multi-tenant office space spread throughout the metropolitan area (including approximately 42.4 million square feet located outside the Norfolk central business district, or CBD), which is comparable to the Charlotte, North Carolina market in terms of total square footage. Low labor costs and a favorable regulatory environment, including business-friendly tax code and labor laws, attract traditional office-using industries (finance, insurance and professional services), corporate firms, as well as military and government agencies. More than 30 Fortune 500 companies maintain a presence in the Hampton Roads metropolitan area, according to the Hampton Roads Economic Development Alliance, including four that selected the region for their corporate headquarters.

RCG projects cumulative office employment growth of approximately 9.4% from August 2012 through 2016, representing an expected net creation of approximately 13,000 office-using positions. In addition to the cyclical bounce-back in demand in traditional office-using industries, the large military and government presence—much of which is mission-critical operations and training and research facilities—creates a significant and stable source of demand in the market. The mission-critical nature of the government and military operations are expected to insulate the economy and office market in Hampton Roads from demand shocks.

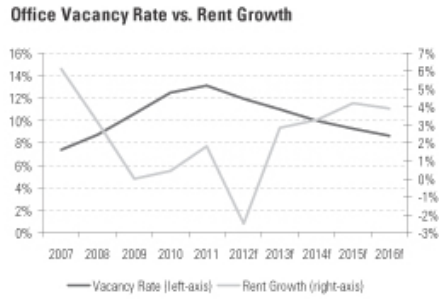


Sources: U.S. Bureau of Labor Statistics, RCG

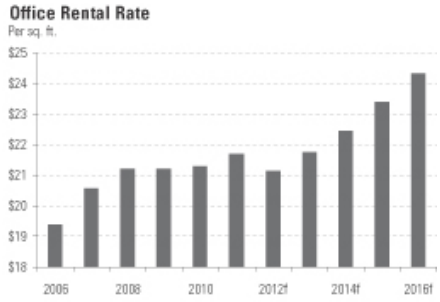
RCG believes that significantly less new construction will be delivered through the five-year period ending December 31, 2016 relative to the five-year period ended December 31, 2011. Including 2012, RCG forecasts a total of approximately 1.2 million square feet of new space to come online through 2016, of which approximately 317,700 square feet are currently under construction. By comparison, approximately 3.4 million square feet of office space was delivered during the five years ended December 31, 2011.

Sources: Thalhimer, RCG

Based on a favorable supply and demand outlook, RCG projects the vacancy rate of the region's office space to decrease approximately 3.5 percentage points to approximately 8.6% by the end of 2016 with suburban office space decreasing approximately 3.3 percentage points to approximately 8.1% by 2016. During the forecast period, RCG anticipates that Class-A asking rents will steadily increase as a result of stronger demand and tightening supply.



Sources: Thalhimer, RCG



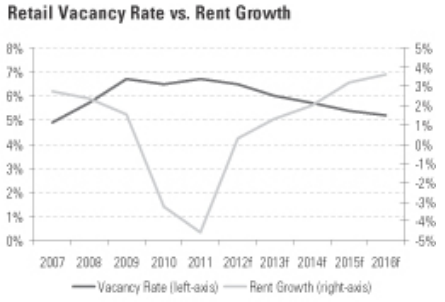
Sources: Thalhimer, RCG

Hampton Roads Retail Market

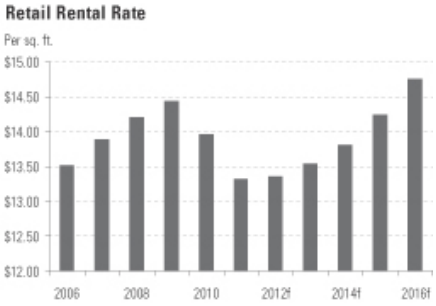
The Hampton Roads retail market consists of approximately 101.5 million square feet of space. In the short term, RCG predicts that an expected bounce-back in job growth and rising home values will fuel an increase in consumer spending and retail demand. Through 2016, RCG projects a cumulative population growth of approximately 3.6%, payroll growth of approximately 6.8% and a per capita income growth of approximately 15.0%. The pace of new supply coming online in the Hampton Roads retail market slowed considerably following 2009, with approximately 253,000 square feet and approximately 552,000 square feet of new space delivered in 2010 and 2011, respectively, down from an average of approximately 1.5 million square feet per year from 2007 to 2009. According to RCG, growth in demand for retail space is expected to continue to outpace new supply of retail space through 2016, as shown in the chart below.

Sources: Thalhimer, RCG

Based on a favorable supply and demand outlook, RCG projects the retail vacancy rate to decrease 1.4 percentage points to 5.2% by year-end 2016, which is comparable to 2006 and 2007 vacancy rates. RCG projects an approximately 11.1% cumulative increase in rent per square foot from 2012 through 2016.



Sources: Thalhimer, RCG



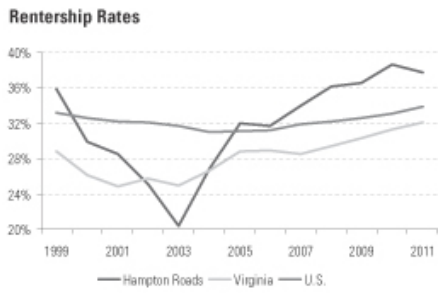
Sources: Thalhimer, RCG

Hampton Roads Apartment Market

The Hampton Roads metropolitan area contained approximately 234,000 renter households at year-end 2011, which represented a larger proportion of total households than the Commonwealth of Virginia and the United States as a whole, likely attributable to its heavy concentration of military activity.

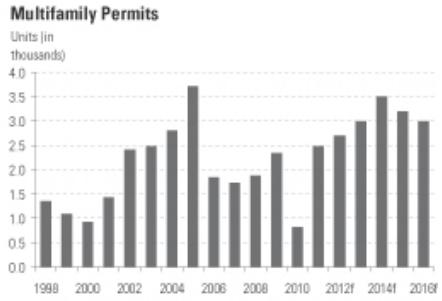
Population growth and household creation, particularly among the prime renting age group of 15 to 34, were and continue to be fundamental drivers of apartment demand. According to RCG, the Hampton Roads population aged 15 to 34 grew at a compound annual growth rate of approximately 0.6% in the nine years ended December 31, 2011, compared with an annual decline of approximately 0.2% nationally.

Approximately 37.7% of Hampton Roads households were renters as in 2011, up from approximately 20.3% in 2003, a level that exceeds that of both the Commonwealth of Virginia and the United States as shown in the table below.



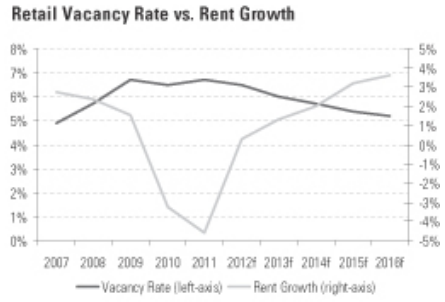
Source: U.S. Census Bureau

RCG expects favorable supply and demand drivers to strengthen operating conditions in the Hampton Roads rental apartment market through the near- and medium-term. Expected expansion in the local economy and structural demographic trends such as the maturation of the echo boom population, combined with the large military presence in Hampton Roads, are expected to continue to have a net positive impact on overall apartment demand. Although new development and construction is likely to accelerate through the near term in response to growing demand and tighter supply conditions, RCG projects that new supply will not outpace demand through 2016.

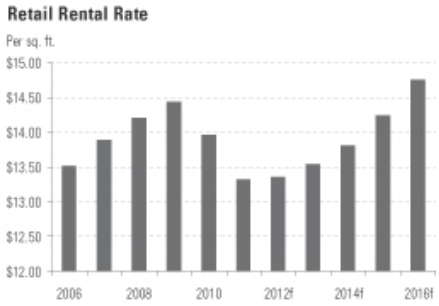


Source: U.S. Census Bureau

RCG forecasts that the multifamily vacancy rate in Hampton Roads will decrease from approximately 5.8% at year-end 2011 to approximately 4.4% by year-end 2016. Tightening supply and growing demand through the forecasted period is expected to provide landlords with improved pricing power on rents, through scaling back of concessions and increases in asking rents. Average monthly rent increased by approximately 0.8% during the first half of 2012 and RCG forecasts vacancy rates to decline and rents to grow through the end of 2016, as shown in the charts below.



Sources: Thalhimer, RCG



Sources: Thalhimer, RCG

Raleigh-Durham

Raleigh-Durham spans two metropolitan statistical areas, the Raleigh-Cary, North Carolina MSA and the Durham-Chapel Hill, North Carolina MSA, and encompasses seven counties, including two anchor cities—Raleigh and Durham—and two primary towns—Cary and Chapel Hill. Combined, the MSAs are known as the Triangle or the Research Triangle Park (RTP), an internationally renowned center for life sciences and technology, research and development. Based on data compiled by RCG, the region's annual economic output was measured at approximately $95.3 billion in nominal terms in 2010, or approximately 22.4% of the gross state product of North Carolina for that year. Along with the local life sciences and technology clusters, preeminent research universities educate young professional talent, attracting employers to the area.

Together, the Raleigh and Durham MSAs were home to approximately 1.69 million residents as of year-end 2011, which represented 17.5% of the population of the state of North Carolina. However, because of the considerable number of

college students in Raleigh-Durham, an appreciable number of whom are dependents of people living outside of the region, the population figure likely understates the local population. The Triangle Business Journal estimates that college students accounted for approximately 11% of the Triangle's population in 2011.

Our initial portfolio includes one retail property in the Raleigh-Durham metropolitan area, which generated 6.3% of our initial portfolio's total annualized base rent, as of December 31, 2012.

The Raleigh-Durham Economy

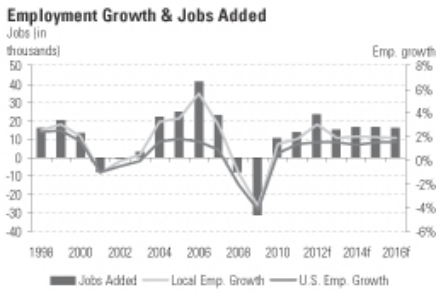
Economic activity in the Raleigh-Durham region is driven by several key sectors, including professional and business services primarily comprised of life sciences and high technology, educational and health services, leisure and hospitality and retail. Raleigh is the capital of North Carolina.

Created in 1959 by a group of state and local governments, universities and business interests, the RTP currently comprises nearly 7,000 acres and features state-of-the-art research facilities and well-developed infrastructure. Integrating private firms and local universities, the RTP has become a primary source of economic activity in the Raleigh-Durham region. More than 170 firms from a broad spectrum of life sciences, technology and engineering industries have a presence in the RTP, including IBM, Cisco, SAS, NetApp and GlaxoSmithKline.

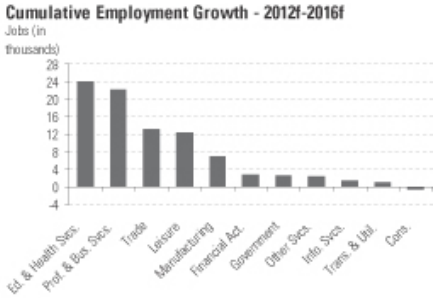
The Raleigh-Durham region is home to a number of prominent higher-education institutions, including Duke University, University of North Carolina-Chapel Hill and North Carolina State University. The educational and health services sector employment base includes payroll employees working at the private colleges and universities in the region, and includes private-sector health-care providers. In addition, with several prominent hospitals and health-care facilities, Raleigh-Durham attracts patients from throughout the region and elsewhere in the United States. According to RCG, demand for both education and health-care services should increase rapidly through the medium-term, driving an expansion in payrolls in the educational and health services sector at a rate that exceeds overall employment growth.

RCG forecasts a continuing recovery for the Raleigh-Durham economy in the near-term with employment growth steadily expanding. Following two years of slow to moderate growth, RCG projects employment growth of approximately 3.0% in 2012, followed by approximately 1.9% average annual growth between 2013 and 2016.

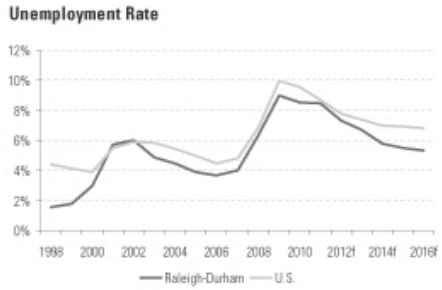
The Raleigh-Durham unemployment rate historically has been lower than the national average, and RCG projects employment growth of approximately 72,200 jobs through year-end 2016, an average annual rate of approximately 1.9%, with unemployment decreasing to approximately 5.3%, compared to national estimates of approximately 6.8%, as shown in the table below.



Sources: U.S. Bureau of Labor Statistics, RCG



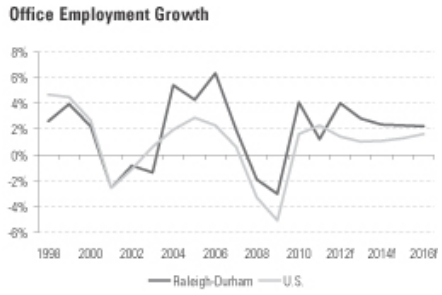
Sources: U.S. Bureau of Labor Statistics, RCG



Sources: U.S. Bureau of Labor Statistics, RCG

Raleigh-Durham Office Market

The Raleigh-Durham office market contains approximately 45.0 million square feet of multi-tenant office space spread throughout the metropolitan area (including approximately 41.0 million square feet located outside the Raleigh CBD). The Raleigh-Durham office tenant base is comprised of diverse industries, including government and the financial, insurance, real estate and legal industries. Additionally, life sciences and technology firms require a mix of specialized research and development space as well as conventional office space, and the recent discovery of high-quality natural gas reserves in the area has also contributed to demand for office space. Several multi-national firms have a large presence in Raleigh-Durham, including IBM Corporation, which maintains its second-largest operations center in the region, GlaxoSmithKline, which maintains its U.S. headquarters in the RTP, and Cisco Systems, which employs more than 3,800 people in the region. RCG projects a cumulative office employment growth of 10.5% from August 2012 through 2016, representing an expected net creation of approximately 20,000 office-using positions.



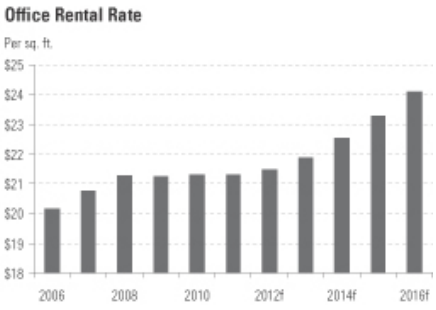
Sources: U.S. Bureau of Labor Statistics, RCG

According to RCG, significantly less new office construction will be delivered through the five-year period ending 2016 relative to the five-year period ended December 31, 2011. Including 2012 deliveries, RCG forecasts a total of approximately 2.8 million square feet of new office supply to come online through year-end 2016. Notably, between 2013 and 2016, the cumulative volume of projected new office space should be on par with the amount of space delivered in 2008 alone, according to RCG.

Sources: Triangle Business Journal, Karnes, RCG

Based on a favorable supply and demand outlook, RCG projects the vacancy rate of the region's office space to decrease approximately 2.4 percentage points to approximately 15.0% by year-end 2016 with the average Class-A rent projected to increase by an annual average of approximately 2.9%. Along with expected growth in traditional office-using industries, strong growth in the life sciences and technology industries and further expansion of the burgeoning regional energy industry is expected to drive demand for quality space, reduce concessions and boost asking rents.

Sources: Triangle Business Journal, Karnes, RCG



Sources: Triangle Business Journal, Karnes, RCG

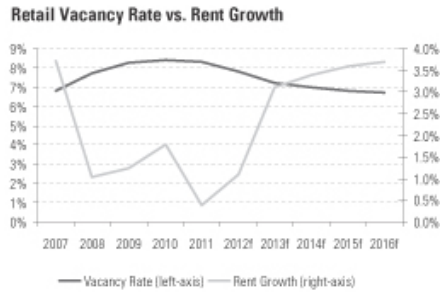
Raleigh-Durham Retail Market

The Raleigh-Durham retail market consists of approximately 40.9 million square feet of space. In the short term, RCG predicts that strong job creation, income growth and an improving for-sale housing market will fuel increased consumer spending and demand for retail space. Through 2016, RCG projects average annual population growth of approximately 3.3%, an aggregate of approximately 72,000 new jobs created and per capita income growth of 12.0%

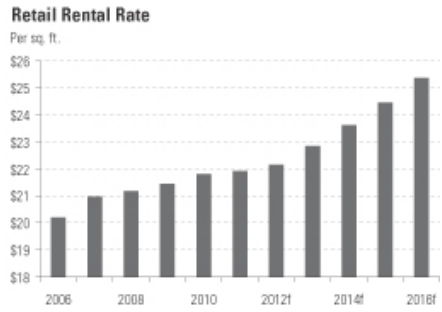
RCG expects growth in the supply of retail space to be restrained through 2016 as many regional banks, historically the primary underwriters of construction loans, are expected to maintain conservative underwriting standards through the medium term. Although RCG predicts that deliveries of new retail space will increase in each year through 2016, annual deliveries are expected to average approximately 600,000 square feet per year from 2012 through 2016, significantly less than the pre-recession average of approximately 1.5 million square feet per year between 2001 and 2009.

Sources: Triangle Business Journal, Karnes, RCG

Based on favorable projected supply and demand and demographic factors, RCG projects the vacancy rate will decrease by 1.2 percentage points to approximately 6.7%, on par with the historical average of approximately 7.0% between 2001 and 2011. RCG projects that demand for retail space and a falling vacancy rate should enable retail landlords to increase rents through the medium term, which is forecast to result in an approximately 14.9% cumulative increase in rent per square foot from 2012 through 2016.



Sources: Triangle Business Journal, Karnes, RCG



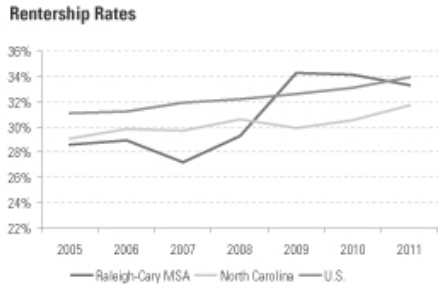
Sources: Triangle Business Journal, Karnes, RCG

Raleigh-Durham Apartment Market

Together, the Raleigh and Durham MSAs contained approximately 221,000 renter households at year-end 2011. The proportion of renter households to total households in Raleigh-Durham slightly exceeded that of the state of North Carolina, likely due to the higher concentration in Raleigh-Durham of residents between the ages of 15 and 34 years, a demographic that historically has accounted for a significant portion of demand for rental housing.

The high concentration of college students in the region, and the preference for rental housing among that demographic group, contributes to the high proportion of renter households in Raleigh-Durham and drives demand for local apartments. Job creation and population growth, particularly among the prime renter demographic group, also were and continue to be fundamental drivers of apartment demand. The Raleigh-Durham population aged 15 to 34 grew at a compound annual growth rate of approximately 2.1% in the eight-year period ended 2011, compared with an annual decline of approximately 0.2% at the national level during that period.

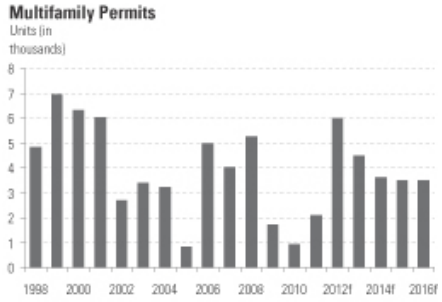
Approximately 33.3% of Raleigh-Durham households were renters as of year-end 2011, up from 28.6% in 2005 but down from approximately 34.3% in 2009. The rentership rate for the region was in-line with that of the overall United States and slightly exceeds the approximately 31.7% rentership rate in the State of North Carolina.



Note: Raleigh-Cary data includes the Raleigh-Cary MSA only, and excludes the Durham MSA

Source: U.S. Census Bureau

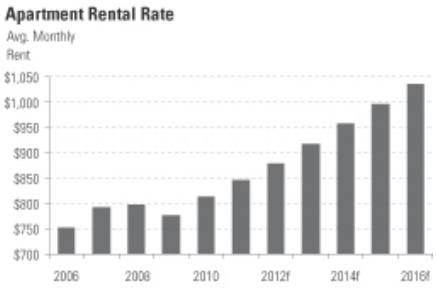
According to RCG, the Raleigh-Durham apartment market is improving along with the recovery of the local economy, and robust job creation has increased demand for apartments. Following the recessionary period from 2007 to 2009, the supply of new rental housing was constrained, with the volume of new building permits approaching historical lows in 2009 and 2010 but rebounding sharply in 2012. RCG predicts that permit filings should decrease substantially in 2013 before increasing to an average of approximately 3,600 per year between 2014 and 2016. Moreover, RCG forecasts that annual permit filings during the five-year period ending 2016 will remain significantly less than the pre-recession peak of approximately 6,900 filings in 1999, and will be on par with the historical, pre-recession average of approximately 3,700 filings per year between 1990 and 2008.



Source: US Census Bureau, RCG

With expected increased demand for apartments and new supply expected to slightly lag demand, RCG forecasts the vacancy rate to decrease from approximately 4.5% during the second quarter of 2012 to approximately 3.9% at year-end 2016. A dwindling supply of available units and increasing demand in the forecasted period is expected to allow landlords to command higher rents. In addition, RCG forecasts the average monthly rent to grow at year-over-year rates of approximately 4.3% and 4.5% in 2013 and 2014, respectively, as shown in the charts below.

Source: US Census Bureau, RCG



Source: MPF, RCG

Richmond

The Richmond, Virginia metropolitan statistical area is located in the central Virginia and is made up of sixteen counties as well as the four independent cities of Richmond, Colonial Heights, Hopewell and Petersburg. The Richmond MSA straddles the James River and is located approximately 100 miles south of Washington, D.C. and 90 miles northwest of the Hampton Roads metropolitan area. According to RCG, in 2010 the region's annual nominal economic output totaled approximately $64.3 billion, or approximately 15.3% of the gross state product of Virginia. Richmond is the capital of Virginia and is home to the United States Court of Appeals for the Fourth Circuit and the Federal Reserve Bank of Richmond, causing the area to have a high concentration of federal, state and local government agencies as well as a large number of firms in the legal and finance industries.

The Richmond MSA was home to approximately 1.27 million residents as of year-end 2011, which comprised approximately 15.7% of the total population of Virginia. Richmond avoided severe job losses during the recent recessionary period due to the concentration of jobs in the government, education and technology sectors.

Our initial portfolio includes one office property in the Richmond metropolitan area, which generated 12.8% of our initial portfolio's total annualized base rent as of December 31, 2012.

The Richmond Economy

Economic activity in the Richmond region is driven by several key sectors, including government, financial and legal services, healthcare and higher education.

Government. As the capital of the Commonwealth of Virginia and the location of the United States Court of Appeals for the Fourth Circuit and the Federal Reserve Bank of Richmond, the Richmond region has a high concentration of federal, state and local government employees. As of August 2012, government was the largest employment sector and accounted for approximately 18.4% of the region's total labor force.

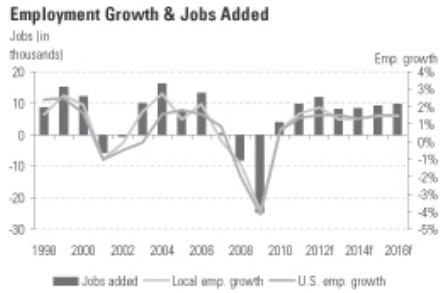
Legal and financial services. The presence of the Federal Reserve and the Fourth Circuit Court of Appeals has contributed to Richmond being a legal and financial center serving Maryland, Virginia, West Virginia, North Carolina, South Carolina and the District of Columbia. The Richmond region is home to four of the largest law firms in the United States, and Fortune 500 Financial Services companies headquartered in Richmond include Genworth Financial and Markel. Richmond's largest employers include financial services companies, such as CapitalOne, Suntrust Bank, Wells Fargo and Bank of America.

Health care. The Richmond area has been designated a Prime Medical Center by the American Medical Association, a designation reserved for areas where residents have local access to nearly all of the services available in modern medicine. The region is home to 21 hospitals, comprising approximately 5,600 patient beds and more than 3,500 physicians. The Virginia Commonwealth University (VCU) Medical Center in downtown Richmond is the fourth-largest medical center in the United States and a leader in research and education. The prominence of Richmond's health-care system is expected to continue to attract health-care workers and students to the educational institutions that train individuals for these careers and further feed the health-care services employment base.

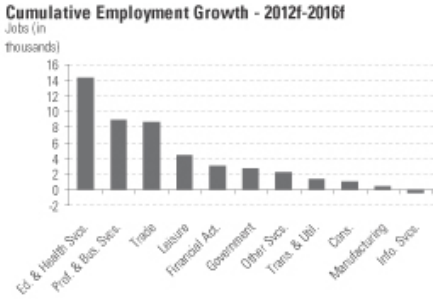
Higher education. Richmond is home to several universities, the largest being VCU with 31,900 students enrolled as of the fall of 2011, followed by Virginia State University and the University of Richmond with 5,890 and 4,349 students, respectively. The region's 30 colleges, universities, and technical and vocational schools provide education and training for the business, engineering, law and medical industries, as well as numerous other fields.

According to RCG, Richmond's economy is expected to continue to recover at a relatively strong pace. Of the jobs that were lost in Richmond during the recessionary period from 2007 to 2009, approximately 60% were regained through August 2012, compared with the approximately 46% regained by the United States overall. RCG projects that overall employment growth will continue strengthening through year-end 2012, with a year-over-year payroll increase of approximately 1.9%.

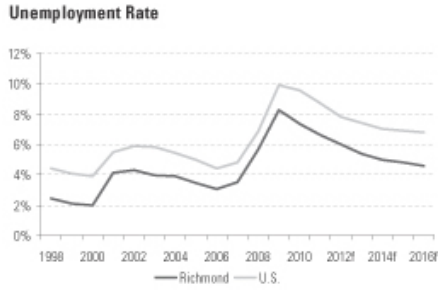
RCG projects net job creation of approximately 47,000 jobs through 2016, an average annual growth rate of approximately 1.5% with unemployment decreasing to approximately 4.6%, compared to national estimates of approximately 6.8% , as shown in the tables below . New job growth is expected to be concentrated in three sectors—educational and health services, professional and business services and trade.



Sources: U.S. Bureau of Labor Statistics, RCG



Sources: U.S. Bureau of Labor Statistics, RCG

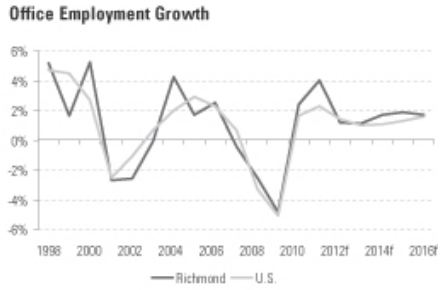


Sources: U.S. Bureau of Labor Statistics, RCG

Richmond Office Market

The Richmond metropolitan area's office market currently totals approximately 58.7 million square feet (including approximately 47.9 million square feet located outside the Richmond CBD), which is larger than other markets in the region, such as Hampton Roads, Raleigh-Durham and Charlotte. Richmond's local business incentives, steady supply of a well-educated workforce provided by its institutions of higher education and low labor costs make the area an attractive destination for employers from diverse industries. Ten Fortune 1000 companies, five of which are Fortune 500 companies, were headquartered in Richmond, ranking the metro area 17th among U.S. metro areas. The Fortune 500 companies headquartered in Richmond span a diverse range of industries and include Altria Group, Dominion Resources, Genworth Financial, CarMax, Owens and Minor, and MeadWestvaco.

RCG projects cumulative office employment growth of 7.9% from August 2012 through 2016, representing the net creation of approximately 11,800 office-using positions. The ongoing rebound and strengthening of Richmond's economy is expected to increase the demand from traditional office-using industries. While year-to-date leasing activity in the third quarter of 2012 was less than the level recorded during the same period in 2011, growth was still positive due to strong projected employment growth and low levels of new office construction in the near term. Although proposed government budget cuts pose a potential risk to government jobs, RCG predicts that most job cuts will likely not be in the agencies with a strong presence in Richmond.

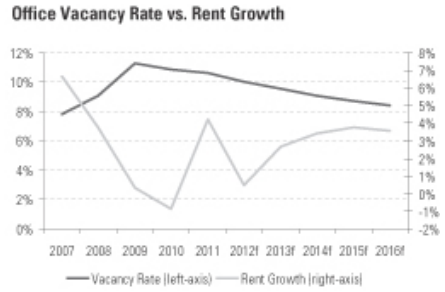


Sources: U.S. Bureau of Labor Statistics, RCG

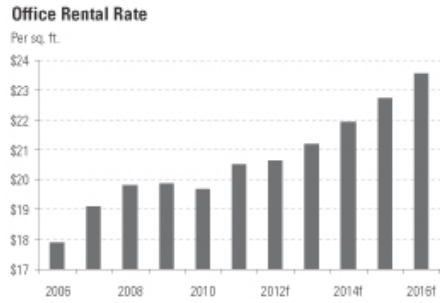
According to RCG, significantly less new office construction will be delivered through the five-year period ending 2016 relative to the five-year period ended 2011. RCG projects a total of approximately 880,000 square feet of new office space to come online in the four years ending in 2016, which collectively represents less than the amount of new office space delivered in 2007 alone.

Sources: Thalhimer, RCG

Based on a favorable supply and demand outlook, RCG projects the vacancy rate of the region's office space will decrease approximately 1.8 percentage points to approximately 8.4% by year-end 2016, with the greatest reduction in vacant space forecasted to be in Richmond's CBD. RCG projects the vacancy rate in downtown Richmond to decrease by a total of approximately 3.2 percentage points to approximately 11.5% by year-end 2016, with the average Class-A market rent projected to increase by an annual average of approximately 2.8%. As market conditions continue to improve and concessions are scaled back, RCG believes growth in effective rents may exceed average market rent growth.



Sources: Thalhimer, RCG



Sources: Thalhimer, RCG

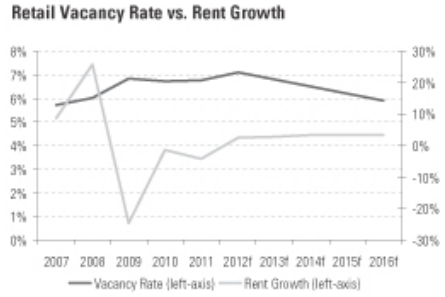
Richmond Retail Market

Richmond's retail market consists of approximately 80 million square feet of space. RCG expects Richmond's retail market to improve as a result of employment growth, rising home values and increasing population, which RCG expects will bolster consumer spending and retail demand. Through 2016, RCG projects cumulative population growth of 6.0%, net job creation resulting in a payroll growth of 7.7%, and a per capita income growth of approximately 14.7%.

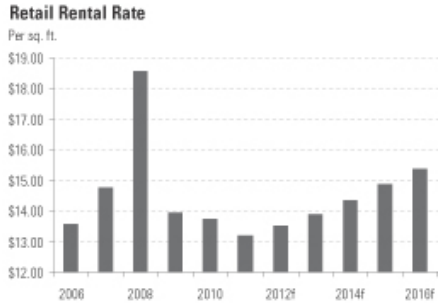
The Richmond retail market is also expected to benefit from a favorable supply and demand profile. Just under 263,000 square feet of retail space was delivered in 2010, but construction levels began increasing in 2011. Deliveries are forecasted by RCG to reach 1.2 million square feet in 2016, which represents a significant increase from the current level of construction, but less than the levels of new retail space delivered during 2008 and 2009 as shown in the chart below.

Sources: Thalhimer, RCG

Based on a positive supply and demand outlook, RCG projects the vacancy rate to decrease by 0.9 percentage points to approximately 5.9% by year-end 2016. In addition, in response to the tightening market and dwindling available supply, RCG projects an approximately 14.4% cumulative increase in rent per square foot from the third quarter of 2012 through 2016.



Sources: Thalhimer, RCG



Sources: Thalhimer, RCG

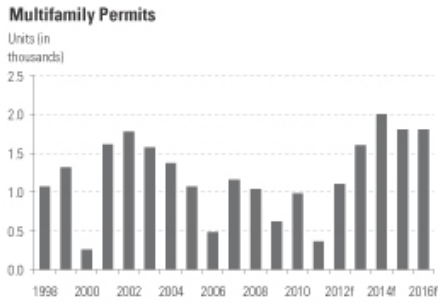
Richmond Apartment Market

The Richmond metropolitan area contained approximately 166,600 renter households at year-end 2011, which accounted for a larger portion of the total households than in the Commonwealth of Virginia and in the United States as a whole. During the recessionary period from 2007 to 2009, many residents in the prime renting age group of 15 to 34 moved in with family or friends resulting in a decline in the rentership rate from 2007 to 2009.

According to RCG, as the economy recovered and hiring picked up, the rentership rate increased in 2010 and 2011 as households uncoupled. As of year-end 2011, approximately 34.7% percent of Richmond households were renters, up from approximately 27.8% in 2009. Additionally, between 1995 and 2011, the growth of Richmond's total population, as well as the population aged 15 to 34 years, outpaced that of the rest of the nation, contributing to this higher proportion of renters.

Source: U.S. Census Bureau

RCG expects favorable supply and demand drivers to strengthen operating conditions in the Richmond apartment rental market through near and medium term. On the demand side, employment growth and positive demographic trends should sustain demand for rental units throughout the forecast period. New supply of apartment units, which is gauged by the level of permitting activity, is expected to accelerate in the near term in response to strong rental-market fundamentals and the limited availability of units.



Sources: U.S. Census Bureau, RCG

RCG forecasts the vacancy rate to decrease from approximately 6.0% at year-end 2011 to approximately 4.5% by year-end 2016 as demand outpaces increases in supply. The average monthly rent increased by approximately 1.8% during the first half of 2012, and RCG forecasts rents to grow at year-over-year rates of approximately 3.9% and approximately 3.7% in 2013 and 2014, respectively.

BUSINESS AND PROPERTIES

Overview

We are a full service real estate company with extensive experience developing, building, owning and managing high-quality, institutional-grade office, retail and multifamily properties in attractive markets throughout the Mid-Atlantic United States. Upon completion of this offering and the formation transactions, we intend to elect to be taxed as a real estate investment trust, or REIT, for U.S. federal income tax purposes. Our initial portfolio consists of properties in various markets in Virginia and North Carolina. We intend to develop office, retail and multifamily properties in the broader Mid-Atlantic region, including, among other cities, Washington, D.C. and Baltimore, Maryland. In this prospectus, we refer to cities in the Mid-Atlantic region as our target markets. We believe our experience, strategic focus on the Mid-Atlantic region and multi-sector portfolio strategy positions us to compete as a leading commercial real estate owner, operator and developer in our target markets. In addition to developing and building properties for our own account, we also provide general construction and development services to third-party clients throughout the Southeastern and Mid-Atlantic regions of the United States.

We were formed as a Maryland corporation in October 2012 to succeed to the business of Armada Hoffler, a privately owned real estate business founded in 1979. Upon completion of this offering and the related formation transactions, our initial portfolio will consist of the following properties:

- **Office**: Seven properties consisting of approximately 1.0 million net rentable square feet, which were approximately 94.1% leased and constituted approximately 43.8% of the total annualized base rent of our initial portfolio as of December 31, 2012.
- **Retail**: Fifteen properties consisting of approximately 1.1 million net rentable square feet, which were approximately 93.9% leased and constituted approximately 38.2% of the total annualized base rent of our initial portfolio as of December 31, 2012.
- **Multifamily**: Two properties consisting of 626 apartment units, which were approximately 94.9% leased and constituted approximately 18.0% of the total annualized base rent of our initial portfolio as of December 31, 2012.

In addition to our initial portfolio described above, prior to the closing of this offering we will enter into a purchase agreement to acquire the Apprentice School Apartments, a 197-unit multifamily property located in Newport News, Virginia upon satisfaction of certain conditions, including completion of construction of all three components of the Apprentice School project, which is currently expected to occur in November 2013. Upon completion of this offering and the formation transactions, we also will succeed to Armada Hoffler's development pipeline, which consists of two office properties, two retail properties and two multifamily properties in various stages of development, which we refer to in this prospectus as our identified development pipeline. Based on current development plans and agreements, we expect that the projects in our identified development pipeline will consist of a total of approximately 290,000 square feet of office space, 90,000 square feet of retail space and 491 apartment units. Prior to the completion of this offering, we will also enter into agreements providing us options to purchase eight parcels of developable land from certain of our executive officers and their affiliates.

We develop and build properties for our own account and through joint ventures between us and unaffiliated partners. We also provide general contracting services to third parties. Our construction and development experience includes mid- and high-rise office buildings, retail strip malls and retail power centers, multifamily apartment communities, hotels and conference centers, single- and multi-tenant industrial, distribution and manufacturing facilities, educational, medical and special purpose facilities, government projects, parking garages and mixed-use town centers. Our third-party construction contracts have included signature properties across the Mid-Atlantic states, including the Inner Harbor East development in Baltimore, Maryland, the Mandarin Oriental Hotel in Washington, D.C., and a $50 million proton therapy institute for Hampton University in Hampton, Virginia. Our construction company historically has been ranked among the "Top 400 General Contractors" nationwide by Engineering News Record and has been ranked among the "Top 50 Retail Contractors" by Shopping Center World. As part of our formation transactions, we expect to acquire construction contracts from Armada Hoffler for seven on-going projects and will assume all of Armada Hoffler's ongoing obligations under those contracts.

In addition to our general expertise and extensive experience in developing, building and owning high-quality commercial properties, we believe that we have particular expertise and a well-established track record forming partnerships between and among public and private entities to develop, construct and own high-quality, institutional-grade properties. Daniel A. Hoffler, our Executive Chairman, has over 33 years of experience in the commercial real estate industry in our target markets. In addition to Mr. Hoffler, our highly experienced management team includes, among others:

Name	Title
Louis S. Haddad	President and Chief Executive Officer
Anthony P. Nero	President of Development
Eric E. Apperson	President of Construction
Shelly R. Hampton	President of Asset Management
Michael P. O'Hara	Chief Financial Officer and Treasurer
John C. Davis	Executive Vice President of Construction
Alan R. Hunt	Executive Vice President of Construction
W. Christopher Harvey	Executive Vice President of Construction/Business Development
Eric L. Smith	Vice President of Operations and Secretary

Our Competitive Strengths

We believe the following competitive strengths distinguish us from many of our competitors:

- **Seasoned, Committed and Aligned Senior Management Team with a Proven Track Record.** Our senior management team, led by Daniel Hoffler, Louis Haddad and Russell Kirk, has extensive experience developing, constructing, owning, operating, renovating and financing institutional-grade office, retail, multifamily and hotel properties in the Mid-Atlantic region. Our senior management team and our other real estate professionals have in-depth knowledge of our properties and target markets, as well as substantial expertise in all aspects of asset and property management, marketing, redevelopment, leasing, facility engineering and financing. Since inception, Armada Hoffler has developed in excess of $1.4 billion of properties, including all but one of the properties in our initial portfolio. Upon completion of this offering and the related formation transactions, our executive officers, directors and their respective affiliates collectively will own approximately 36.8% of our company on a fully diluted basis, which we believe will align their interests with those of our stockholders.

- **High-Quality, Diversified Portfolio**. Our initial portfolio consists of institutional-grade, premier office, retail and multifamily properties located in Virginia and North Carolina. Our properties are generally in the top tier of commercial properties in their markets and offer Class-A amenities and finishes. Our properties have an average age of 11.4 years, and were, with one exception, built by us. We believe that we have maintained our properties to the highest standards and that the quality and location of our properties, together with our active asset management strategies, have resulted in our properties achieving and maintaining competitive rents and occupancy levels relative to competitive properties, including during the recent recessionary period of 2007 to 2009 and subsequent weak recovery. For example, when occupancy rates on our stabilized office and retail portfolios reached post-2007 lows of 92.4% in 2011 and 93.4% in 2010, respectively, the U.S. occupancy rates were 83.3% and 91.2%, respectively, for the comparable periods, according to RCG. Additionally, in 2010, when the U.S. office and retail occupancy rates reached post-2007 lows of 82.1% and 91.2%, respectively, the comparable occupancy rates on our stabilized office and retail portfolios were 96.0% and 93.4%, respectively. For example, the Armada Hoffler Tower in Virginia Beach, Virginia and the Richmond Tower in Richmond, Virginia were built in 2002 and 2010, respectively, and have average annualized base rents per leased square foot of $26.90 and $34.08, respectively, which we believe represents 29.7% and 36.6% premiums to the average annualized base rents in their respective markets, based on data from RCG. Similarly, the retail properties located in the Virginia Beach Town Center, which represent 30.9% of the total annualized base rent of our

retail portfolio as of December 31, 2012, were built from 2002 to 2008 and have an average annualized base rent per leased square foot of $21.94, collectively, which represents an approximate premium of 64.2% to the average annualized base rent in the market, based on data from RCG.

- **Strategic Focus on Attractive Mid-Atlantic Markets**. We focus our activities in our target markets in the Mid-Atlantic region of the United States that demonstrate attractive fundamentals driven by favorable supply and demand characteristics and limited competition from other large, well-capitalized operators. Our properties in the Hampton Roads, Raleigh-Durham and Richmond MSAs comprised 73.5%, 6.3% and 12.8%, respectively, of our total annualized base rent as of December 31. The Hampton Roads, Raleigh-Durham and Richmond MSAs are the 37th, 48th, and 45th largest metropolitan areas in the United States, respectively. The Hampton Roads MSA region, in which properties providing 73.5% of the annualized rent from our initial portfolio are located, had an unemployment rate of 6.4% as of August, 2012 as compared to unemployment rates of 8.3%, 8.2% and 8.1% in the top 10, top 25 and top 50 MSAs, respectively and the U.S. national rate of 7.8%. Additionally, RCG forecasts that Hampton Roads, Raleigh-Durham and Richmond will experience a reduction in their unemployment rates by 2016 to 4.8%, 5.3% and 4.6%, respectively, compared to the forecasted national average of 6.8%. According to RCG, many of our target markets enjoy high concentrations of employers in industry sectors that historically have been resistant to recession, including military, state government, higher education and healthcare. Furthermore, RCG projects steady population growth in all of the markets in which the properties in our initial portfolio are located. We believe that our longstanding presence in our target markets provides us with significant advantages in sourcing and executing development opportunities, identifying and mitigating potential risks and negotiating attractive pricing.

- **Extensive Experience with Construction and Development**. Since 1982, Armada Hoffler has provided third-party general contracting services through both design/build and design/bid/build delivery methods with a commitment to delivering a quality project on schedule and within the established budget. Most of our third-party construction work is pursuant to negotiated contracts, many of which result from long term relationships. A majority of our construction and development projects for third parties are undertaken pursuant to negotiated contracts rather than through a “hard bid” process. A substantial portion of our third-party construction work is repeat business or referrals, which we believe demonstrates the quality of our construction work and our commitment to building long-term relationships with our third-party clients. Our development, design and construction experience includes office buildings; retail strip and power centers; multifamily apartment communities; hotels and conference centers; single- and multi-tenant housing; industrial, distribution and manufacturing properties; educational, medical and special purpose facilities; government projects; parking garages and mixed-use town centers. Our platform consists of development, construction and asset management capabilities, which comprise an integrated delivery system for every project that we build for our own account or for third-party clients. This integrated approach provides a single source of accountability for design and construction, simplifies coordination and communication among the relevant stakeholders in each project and provides us valuable insight from an operational perspective. In addition to building 23 of the 24 properties in our initial portfolio, we have had a lead role in the following construction and development projects for third party clients:

  - *Inner Harbor East, Baltimore MD*: Harbor East is a $1.7 billion, mixed-use waterfront project covering more than eight blocks adjacent to Baltimore’s Inner Harbor and Little Italy. Harbor East is anchored by luxury hotels, including a Four Seasons Hotel & Residences and a Marriott, the Legg Mason office tower and other Class-A office space, entertainment venues, multiple upscale residential properties and a marina. In the aggregate, Harbor East consists of approximately 160,000 square feet of retail space, 1,275,000 square feet of office space, 596 multifamily units and 1,354 hotel rooms. We served as general contractor on all aspects of the project other than the marina.

- *The Mandarin Oriental Hotel, Washington, D.C.*: The Washington, D.C. Mandarin Oriental is a five-star, 400-room luxury hotel overlooking the Potomac River Tidal Basin, Washington Monument and Jefferson Memorial, which was completed in 2004 for approximately $144 million. The hotel's amenities include fifty luxury suites and a fully-appointed Presidential Suite, approximately 38,000 square feet of conference/banquet space, three dining facilities, a private concierge lounge, health spa and fitness center and an approximately 96,000 square foot parking structure.

- *The Embassy of Sweden/Harbourside, Washington, D.C.*: The Embassy of Sweden and Harbourside comprise a two-building Class-A office and residential complex along the Potomac River and Rock Creek Park in Washington, D.C., which was completed in 2004 for a total cost of approximately $100 million. Harbourside consists of approximately 130,000 square feet of office space and six ultra high-end condominium units. House of Sweden comprises approximately 72,000 square feet and is home to the Embassy of Sweden and the Embassy of Iceland.

- *Hampton University Projects, Hampton, VA*: Since the late 1980s, we have been the preferred construction and development partner for Hampton University and have built several facilities for a total cost of approximately $170 million. Significant projects for Hampton University include the Proton Therapy Institute, an approximately $50 million, 99,000 square foot, state-of-the art cancer treatment and research facility which is the largest freestanding proton facility in the world and one of only eight in the U.S.; Hampton University Student Center, an approximately $15 million, 109,000 square foot student center and Hampton University Convocation Center, an approximately $13 million facility.

In addition to the revenue that we generate from our third-party construction and development clients, we believe that being regularly engaged in construction and development projects provides us significant and distinct advantages, including the following:

- *Enhanced Market Intelligence*: ongoing, real-time insight into real estate conditions and fundamentals across markets, which allows us to better advise and serve our third-party clients as well as to make better informed investment decisions for our own business.

- *Greater Operational Insight*: the opportunity to stay current with best practices and improvements in technology, which we believe translates to higher fees and repeat business from our third-party clients and improves our returns on the projects we undertake for our own account.

- *Enhanced Operating Leverage*: increased operating leverage with regard to certain fixed costs and overhead, which reduces our proportionate share of operating overhead costs associated with the development of our own projects.

- *"First Look" Access to Development and Ownership Opportunities*: unique access to opportunities to acquire ownership interests in attractive commercial real estate developments through relationships with our third-party construction clients.

- **Longstanding Public and Private Relationships**. We have extensive experience with public/private real estate development projects dating back to 1984, having worked with the Commonwealth of Virginia, the State of Georgia and the Kingdom of Sweden, as well as various municipalities, including the City of Virginia Beach and the City of Richmond, the District of Columbia and the City of Baltimore. Our ability to work with governmental authorities to structure new and unique public/private development and financing partnerships has led to our successful completion of 20 public/private development projects in the

Mid-Atlantic region. We believe that, in the current environment of constrained municipal budgets, public/private partnerships are a cost-effective method of creating superior value in what have typically been "public" projects. Through our experience and longstanding relationships with governmental entities such as these, we have learned to successfully navigate the often complex and time-consuming government approval process, which has given us the ability to capture opportunities that we believe many of our competitors are unable to pursue. In addition, we believe that the unique nature of public/private partnerships can create significant barriers to entry to competing properties.

Our Business and Growth Strategies

Our primary business objectives are to (i) continue to develop, build and own institutional-grade office, retail and multifamily properties in our target markets, (ii) finance and operate our portfolio in a manner that increases cash flow and property values, (iii) increase the size and volume of our third-party construction business and (iv) pursue selective acquisition opportunities, particularly when the acquisition involves a significant redevelopment aspect. We will seek to achieve our objectives through the following strategies:

- **Complete the Development of our Identified Development Pipeline**. We intend to complete the development of our identified development pipeline of high-quality projects, consisting of two office, two retail and two multifamily projects representing a total of approximately 290,000 square feet of office space, 90,000 square feet of retail space and 491 apartment units. We also intend to acquire the Apprentice School Apartments, a 197-unit multifamily property currently under construction in Newport News, Virginia, upon the satisfaction of certain conditions, including completion of construction of all three components of the Apprentice School project, which is currently expected to occur in November 2013. For a summary of our identified development pipeline, see "—Our Identified Development Pipeline," below.

- **Growth-Oriented Capital Structure**. We intend to use a portion of the net proceeds of this offering to repay approximately $112.8 million of mortgage debt secured by certain properties in our initial portfolio. Going forward, we intend to target a debt to gross total assets ratio of approximately 45.0%, which we believe is in line with that of similar publicly traded REITs. Upon completion of this offering and the formation transactions, we will have four properties that will be unencumbered by mortgages, which we will use as collateral for a $100 million credit facility, which will contain an accordion feature that will allow us to increase the borrowing capacity under the facility up to $250 million, subject to our satisfaction of certain conditions that we intend to enter into concurrently with or shortly after completion of this offering. We intend to use borrowings initially to fund a portion of the cash consideration payable in connection with the completion of the formation transactions and to repay existing lines of credit and repay certain debt relating to the projects in our development pipeline. Longer term, we intend to use borrowings under our credit facility to fund a portion of the completion of our identified development pipeline, for future development and for selective acquisitions. Furthermore, we believe our ability to issue common units in our operating partnership to equity holders of potential acquisition properties will provide us a significant advantage over many of our competitors.

- **Pursue a Disciplined, Opportunistic Development and Acquisition Strategy Focused on Office, Retail and Multifamily Properties**. We intend to grow our asset base through continued strategic development of office, retail and multifamily properties, including the projects in our identified development pipeline, and the selective acquisition of high-quality properties that are well-located in their submarkets. In evaluating property investment opportunities, we intend to focus on supply and demand characteristics, management of property specific risks and diversification opportunities to meet our investment objectives and provide attractive risk-adjusted returns. Generally, we expect to commence the construction phase of an office or retail project for our own account only after a substantial portion of the commercial space is pre-leased, and we often undertake development projects with a strategic partner to mitigate risk. Our underwriting process leverages our extensive knowledge of our target markets and includes comprehensive research of submarkets and competing properties, in-depth asset-level and tenant

evaluations and extensive quantitative analysis to assess long term growth potential rather than focusing only on near term cash returns. We believe that our relationships with real estate developers, governmental entities, brokers, national and regional lenders, high-quality financially stable tenants and other market participants in our target markets will provide us with access to development and acquisition opportunities before they become known to other real estate investors and developers. We seek to create value by developing properties with a minimum expected market capitalization rate approximately 150 basis points higher than the market capitalization rate we could expect to achieve through acquisition. Furthermore, we believe our construction and development expertise provides a high level of quality control while ensuring that the projects we construct and develop are completed more quickly and at a lower cost than if we engaged a third-party general contractor.

- **Pursue New, and Expand Existing, Public/Private Relationships**. We intend to leverage our extensive experience in completing large, complex, mixed-use, public/private projects to establish relationships with new public partners while expanding our relationships with existing public partners. For our own account, we worked with the City of Virginia Beach to develop and construct the transformative Virginia Beach Town Center, which is an on-going project. We are currently working with public and private partners to construct the Newport News Apprentice School of Shipbuilding, a state of the art educational facility. In the current environment of constrained municipal budgets, we believe that public/private partnerships are the most cost-effective method of creating value in what historically have been "public" projects. We believe our experience and expertise in executing these types of projects provide us with a significant competitive advantage in pursuing these often highly complex transactions, and our continuing success with these projects has resulted in repeat business with our public partners.

- **Leverage our Development and Construction Platform**. We believe that we have a unique advantage over many of our competitors due to our integrated construction and development business that provides expertise, oversight and a broad array of client-focused services. We intend to continue to conduct and grow our construction business and other third-party services by pursuing new clients and expanding our relationships with existing clients.

- **Engage in Disciplined Capital Recycling**. Although we do not have any current plans to dispose of any of the properties in our initial portfolio, we intend to opportunistically divest properties when we believe returns have been maximized and to redeploy the capital into new development, acquisition, repositioning or redevelopment projects that are expected to generate higher potential risk-adjusted returns.

Our Initial Portfolio

Upon completion of this offering and the formation transactions, we will own 24 properties located predominantly in the Hampton Roads, Richmond and Raleigh-Durham markets, consisting of a total of approximately 1.0 million net rentable square feet of office space, 1.1 million net rentable square feet of retail space and 626 multifamily units, which we refer to in this prospectus as our initial portfolio. We built and developed 23 of the 24 properties in our initial portfolio. Our initial portfolio includes ten properties within the Virginia Beach Town Center, a $500 million central business district mixed-use project that we developed in partnership with the City of Virginia Beach, Virginia. In addition, two properties in our identified development pipeline are located within the Virginia Beach Town Center. The Virginia Beach Town Center is a 17-block, on-going, multi-phase development. To date, the City of Virginia Beach has invested nearly $150 million in the Virginia Beach Town Center, which has created a vibrant downtown central business district for Virginia Beach and attracted new tenants both to the city and larger MSA, with 51.0% of tenants being new to Virginia Beach and 34.4% of tenants being new to the larger Hampton Roads market.

The following table presents an overview of our initial portfolio as of December 31, 2012. As described in the notes to the table below, we occupy space in the Armada Hoffler Tower, Oyster Point and the 249 Central Park Retail properties. The rent and square footage for such space are reflected in the table below, but the rent paid by us is eliminated in consolidation in the financial statements and other financial statement information herein.

Property	Location	Year Built	Net Rentable Square Feet[1]	% Leased[2]	Annualized Base Rent[3]	Annualized Base Rent per Leased Square Foot[3]	Average Net Effective Annual Base Rent per Leased Square Foot[4]
Office Properties							
Armada Hoffler Tower[5]	Virginia Beach, VA	2002	327,123	98.3%	$ 8,652,192	$ 26.90	$ 27.73
One Columbus	Virginia Beach, VA	1984	129,424	94.7	2,697,265	22.01	24.61
Two Columbus	Virginia Beach, VA	2009	109,512	80.3	2,134,392	24.26	24.60
Virginia Natural Gas[6]	Virginia Beach, VA	2010	31,000	100.0	568,230	18.33	20.17
Richmond Tower	Richmond, VA	2010	206,969	98.0	6,911,970	34.08	41.84
Oyster Point[7]	Newport News, VA	1989	100,214	81.5	1,700,444	20.81	20.73
Sentara Williamsburg[6]	Williamsburg, VA	2008	49,200	100.0	914,628	18.59	20.50
Subtotal/Weighted Average Office Properties[8]			**953,442**	**94.1%**	**$ 23,579,121**	**$ 26.29**	**$ 28.89**
Retail Properties Not Subject to Ground Lease							
Bermuda Crossroads	Chester, VA	2001	111,566	93.6%	$ 1,442,692	$ 13.81	$ 12.92
Broad Creek Shopping Center	Norfolk, VA	1997-2001	227,750	95.5	2,895,024	13.31	11.81
Courthouse 7-Eleven	Virginia Beach, VA	2011	3,177	100.0	125,000	39.35	43.81
Gainsborough Square	Chesapeake, VA	1999	88,862	93.0	1,280,905	15.50	15.36
Hanbury Village	Chesapeake, VA	2006-2009	61,049	84.7	1,332,563	25.76	25.60
North Point Center	Durham, NC	1997-2009	215,699	91.1	2,324,762	11.84	11.30
Parkway Marketplace	Virginia Beach, VA	1998	37,804	100.0	753,568	19.93	19.97
Harrisonburg Regal	Harrisonburg, VA	1999	49,000	100.0	683,550	13.95	13.95
Dick's at Town Center	Virginia Beach, VA	2002	100,804	91.4	908,460	9.86	8.30
249 Central Park Retail[9]	Virginia Beach, VA	2004	92,515	98.7	2,511,180	27.50	27.09
Studio 56 Retail	Virginia Beach, VA	2007	11,600	84.8	333,400	33.91	37.15
Commerce Street Retail	Virginia Beach, VA	2008	20,123	100.0	779,835	38.75[10]	39.99
Fountain Plaza Retail	Virginia Beach, VA	2004	35,961	100.0	972,426	27.04	26.26
South Retail	Virginia Beach, VA	2002	38,763	92.5	825,363	23.02	26.54
Subtotal/Weighted Average Retail Properties Not Subject to Ground Lease[11]			**1,094,673**	**93.9%**	**$ 17,168,728**	**$ 16.70**	**$ 16.16**
Retail Properties Subject to Ground Lease							
Bermuda Crossroads[12]	Chester, VA	2001	[14]	100.0%	$ 155,100	—	—
Broad Creek Shopping Center[13]	Norfolk, VA	1997-2001	[15]	100.0	572,291	—	—
Hanbury Village[10]	Chesapeake, VA	2006-2009	[16]	100.0	1,067,598	—	—
North Point Center[12]	Durham, NC	1998-2009	[17]	100.0	1,048,135	—	—
Tyre Neck Harris Teeter[12]	Portsmouth, VA	2011	[18]	100.0	507,603	—	—
Subtotal/Weighted Average Retail Properties Subject to Ground Lease				**100.0%**	**$ 3,350,727**	**—**	**—**
Total/Weighted Average Retail Properties			**1,094,673[19]**		**$ 20,519,455**	**$ —**	**—**

Property	Location	Year Built	Apartment Units[20]	% Leased[2]	Annualized Base Rent[21]	Average Monthly Base Rent per Leased Unit[22]
Multifamily						
Smith's Landing[23]	Blacksburg, VA	2009	284	98.6%	$ 3,305,046	$ 983.64
The Cosmopolitan	Virginia Beach, VA	2006	342	91.9%	6,389,254[24]	1,494.50
Total/Weighted Average Multifamily Properties			**626**	**94.9%**	**$ 9,694,300**	**$ 1,253.81**
Total Portfolio					**$ 53,792,876**	

(1) The net rentable square footage for each of our office properties is the sum of (a) the square footages of existing leases, plus (b) for available space, management's estimate of net rentable square footage based, in part, on past leases. The net rentable square footage included in office leases is generally determined consistently with the Building Owners and Managers Association, or BOMA, 1996 measurement guidelines. The net rentable square footage for each of our retail properties is the sum of (a) the square footages of existing leases, plus (b) for available space, the field verified square footage.

(2) Percentage leased for each of our office and retail properties is calculated as (a) square footage under commenced leases as of December 31, 2012, divided by (b) net rentable square feet, expressed as a percentage. Percentage leased for our multifamily properties is calculated as (a) total units rented as of December 31, 2012, divided by (b) total units available, expressed as a percentage.

(3) For the properties in our office and retail portfolios, annualized base rent is calculated by multiplying (a) base rental payments (defined as cash base rents (before abatements) excluding tenant reimbursements for expenses paid by the landlord) for the month ended December 31, 2012, by (b) 12. Annualized base rent per leased square foot is calculated by dividing (a) annualized base rent, by (b) square footage under commenced leases as of December 31, 2012. In the case of triple net or modified gross leases, annualized base rent does not include tenant reimbursements for real estate taxes, insurance, common area or other operating expenses.

(4) Average net effective annual base rent per leased square foot represents (a) the contractual base rent for leases in place as of December 31, 2012, calculated on a straight-line basis to amortize free rent periods and abatements, but without regard to tenant improvement allowances and leasing commissions, divided by (b) square footage under commenced leases as of December 31, 2012.

(5) As of December 31, 2012, we occupied 16,151 square feet at this property at an annualized base rent of $484,853, or $30.02 per leased square foot, which amounts are reflected in the % leased, annualized base rent and annualized base rent per square foot columns in the table above. In the combined financial statements of our Predecessor and following completion of this offering and the formation transactions, the rent paid by us is eliminated from our revenues in consolidation. In addition, effective March 1, 2013, we sublease approximately 5,000 square feet of space from a tenant at this property.

(6) This property is subject to a triple net lease pursuant to which the tenant pays operating expenses, insurance and real estate taxes.

(7) As of December 31, 2012, we occupied 1,718 square feet at this property on which we do not pay rent.

(8) Reflects square footage and annualized base rent pursuant to leases for space occupied by us. If the space occupied by us were excluded from the table, net rentable square feet, % leased, annualized base rent and annualized base rent per leased square foot for our office portfolio would be 935,573, 94.0%, $23,094,269 and $26.27, respectively.

(9) As of December 31, 2012, we occupied 13,839 square feet at this property at an annualized base rent of $299,338, or $21.63 per leased square foot, which amounts are reflected in the % leased, annualized base rent and annualized base rent per square foot columns in the table above. In the combined financial statements of our Predecessor and following completion of this offering and the formation transactions, the rent paid by us is eliminated from our revenues in consolidation.

(10) Includes $25,200 of annualized base rent pursuant to a rooftop lease.

(11) Reflects square footage and annualized base rent pursuant to leases for space occupied by us. If the space occupied by us were excluded from the table, net rentable square feet, % leased, annualized base rent and annualized base rent per leased square foot for our retail properties not subject to ground lease portfolio would be 1,080,843, 93.8%, $16,869,391 and $16.63, respectively.

(12) For this ground lease, we own the land and the tenant owns the improvements thereto. We will succeed to the ownership of the improvements to the land upon the termination of the ground lease.

(13) We lease the land underlying this property from the owner of the land pursuant to a ground lease. We re-lease the land to our tenant under a separate ground lease pursuant to which our tenant owns the improvements on the land.

(14) Tenants collectively lease approximately 139,355 square feet of land from us pursuant to ground leases.

(15) Tenants collectively lease approximately 299,170 square feet of land from us pursuant to ground leases.

(16) Tenants collectively lease approximately 105,988 square feet of land from us pursuant to ground leases.

(17) Tenants collectively lease approximately 1,443,985 square feet of land from us pursuant to ground leases.

(18) Tenant leases approximately 200,073 square feet of land from us pursuant to a ground lease.

(19) The total square footage of our retail portfolio excludes the square footage of land subject to ground leases.

(20) Units represent the total number of apartment units available for rent as of December 31, 2012.

(21) For the properties in our multifamily portfolio, annualized base rent is calculated by multiplying (a) base rental payments for the month ended December 31, 2012 by (b) 12.

(22) Average monthly base rent per leased unit represents the average monthly rent for all leased units for the month ended December 31, 2012.

(23) We lease the land underlying this property from the owner of the land pursuant to a ground lease.

(24) The annualized base rent for The Cosmopolitan includes $752,604 of annualized rent from 14 retail leases at the property.

The historical occupancy for the office, retail and multifamily properties in our initial portfolio as of December 31 for each of the years 2006 through 2012 are shown below.

	As of December 31,						
	2012	2011	2010	2009	2008	2007	2006
Office Occupancy	94.1%	92.4%(1)	96.0%(1)	98.0%(2)	98.2%(3)	98.8%	98.3%
Retail Occupancy(4)	93.9%	93.5%	93.4%	94.6%(5)	95.6%(5)	97.6%(6)	97.6%
Multifamily Occupancy	94.9%	93.3%	95.5%	85.9%	88.9%(7)	85.7%	N/A

(1) Excludes 109,489 square feet at Two Columbus, which was in lease-up.

(2) Excludes 109,555 square feet at Two Columbus, which was in lease-up.

(3) Excludes 109,350 square feet at Two Columbus, which was in lease-up.

(4) Excludes ground leases for retail properties.

(5) Excludes 20,950 square feet at Commerce Street Retail, which was in lease-up.

(6) Excludes 30,954 square feet at Broad Creek Shopping Center, which was in lease-up.

(7) Excludes 284 units at Smith's Landing, which was in lease-up.

Lease Expirations

The following table sets forth a summary of the lease expirations for leases in place as of December 31, 2012 for each of the ten full calendar years beginning January 1, 2013 at the retail and office properties in our initial portfolio. The lease expirations for the multifamily portfolio are excluded from this table because multifamily unit leases generally have lease terms ranging from seven to 15 months, with a majority having 12-month lease terms. The information set forth in the table assumes that tenants exercise no renewal options and no early termination rights.

Year of Lease Expiration	Number of Leases Expiring	Annualized Base Rent(1)	% of Portfolio Annualized Base Rent
2013	31	$ 2,453,577	5.6%
2014	30	3,146,693	7.1
2015	30	4,276,445	9.7
2016	30	2,473,427	5.6
2017	28	4,090,110	9.3
2018	21	4,266,706	9.7
2019	15	4,846,846	11.0
2020	8	2,093,434	4.7
2021	7	1,363,189	3.1
2022	10	2,590,872	5.9
2023	8	2,550,401	5.8
Thereafter	14	9,946,877	22.5
Total/Weighted Average	**232**	**$44,098,577**	**100.0%**

(1) Annualized base rent is calculated by multiplying (a) base rental payments (defined as cash base rents (before abatements)) for the month ended December 31, 2012, by (b) 12. Annualized base rent per leased square foot is calculated by dividing (a) annualized base rent, by (b) square footage under commenced leases as of December 31, 2012. In the case of triple net or modified gross leases, annualized base rent does not include tenant reimbursements for real estate taxes, insurance, common area or other operating expenses.

Thirty one leases, representing $2,453,577 of base rent at December 31, 2012, or 5.6% of total office and retail portfolio annualized base rent at December 31, 2012, are scheduled to expire during the year ending December 31, 2013. Based on management's review of the affected space and the current tenants in such space, management believes that a substantial portion of the space can be re-leased to the current tenants, or to new tenants, on terms that provide us effective rents comparable to then-current effective market rents in each of the respective markets in which the affected properties are located and, as shown in the table below under the heading "Business and Properties—Historical Office Lease Retention and Tenant Improvement and Leasing Commission Costs" and "—Historical Retail Lease Retention and Tenant Improvement and Leasing Commission Costs," in recent years, the Company has renewed leases at effective rent rates at or above the effective rent rate on expiring leases. However, the determination of market rents varies by property, market and sub-market and effective rents may vary from publicly quoted market rents for any particular space due to a number of factors, including (i) leasing costs, such as tenant improvements, leasing commissions or leasing incentives, such as free rent for a defined period, (ii) length of the lease, (iii) the size of the space leased, (iv) the quality and location of the space and (v) other factors. For example, we might renew a lease with an existing tenant at a reduced stated rental rate if there are no tenant improvements or if we are not required to pay leasing commissions for an existing lease renewal, as is the case in most of our non-Virginia Beach Town Center retail properties, while achieving the same, or possibly higher, effective rent terms than the existing lease or market rents.

In addition to approximately 28 rentable units in our multifamily portfolio available for lease as of December 31, 2012, 100% of our multifamily units currently under lease are scheduled to expire before December 31, 2014.

Office Portfolio

Our office portfolio contains seven office properties comprising an aggregate of approximately 1.0 million net rentable square feet. As of December 31, 2012, our office properties were approximately 94.1% leased to 80 tenants. As of December 31, 2012, the weighted average remaining lease term for our office portfolio was 92 months.

Tenant Diversification of Office Portfolio

As of December 31, 2012, our office portfolio was leased to 80 tenants in a variety of industries. The following table sets forth information regarding the ten largest tenants in our office portfolio based on annualized base rent as of December 31, 2012:

Tenant	Principal Nature of Business	Number of Leases	Number of Properties	Property(ies)	Lease Expiration[1]	Annualized Base Rent[2]	% of Office Portfolio Annualized Base Rent	% of Total Portfolio Annualized Base Rent
Williams Mullen	Law Firm	3	2	Armada Hoffler Tower, Richmond Tower	3/21/2026	$ 7,635,606	32.4%	14.2%
Troutman Sanders LLP	Law Firm	1	1	Armada Hoffler Tower	1/31/2015	1,026,938	4.4	1.9
Pender & Coward	Law Firm	1	1	Armada Hoffler Tower	1/31/2015	943,888	4.0	1.8
Cherry, Bekaert & Holland, LLP	Accounting	3	3	Armada Hoffler Tower, Richmond Tower, Oyster Point	9/21/2022	925,943	3.9	1.7
Sentara Medical Group	Healthcare	1	1	Sentara Williamsburg	3/31/2023	914,628	3.9	1.7
General Services Administration—US Air Force	Government	1	1	Oyster Point	4/26/2017	850,695	3.6	1.6
The Art Institute	Arts	1	1	Two Columbus	12/31/2019	747,136	3.2	1.4
Virginia Natural Gas	Energy	1	1	Virginia Natural Gas	9/30/2025	568,230	2.4	1.1
Hankins & Anderson	Consulting	1	1	Armada Hoffler Tower	4/30/2022	562,363	2.4	1.0
Kimley Horn	Consulting	1	1	Two Columbus	12/31/2018	534,660	2.3	1.0
Total						**$ 14,710,087**	**62.5%**	**27.3%**

(1) For tenants with leases at more than one property, the lease expiration represents the weighted average lease expiration by annualized base rent.

(2) Annualized base rent is calculated by multiplying (i) base rental payments (defined as cash base rents (before abatements)) for the month ended December 31, 2012 by (ii) 12.

Lease Distributions of Office Portfolio

The following table sets forth information relating to the distribution of leases not subject to ground leases in our office portfolio, based on net rentable square feet under lease as of December 31, 2012:

Square Feet Under Lease	Number of Leases	Percentage of Office Leases	Total Leased Square Feet	Percentage of Office Portfolio Leased Square Feet	Annualized Base Rent[1]	Percentage of Office Portfolio Annualized Base Rent
2,500 or less	30	37.5%	29,365	3.3%	$ 753,485	3.2%
2,501-10,000	22	27.5	135,368	15.1	3,186,128	13.5
10,001-20,000	17	21.3	232,274	25.9	5,620,710	23.8
20,001-40,000	8	10.0	239,641	26.7	5,833,444	24.7
40,001-100,000	2	2.5	100,422	11.2	2,322,721	9.9
Greater than 100,000	1	1.2	159,805	17.8	5,862,634	24.9
Office Portfolio Total	**80**	**100.0%**	**896,875**	**100.0%**	**$23,579,122**	**100.0%**

(1) Annualized base rent is calculated by multiplying (i) base rental payments (defined as cash base rents (before abatements)) for the month ended December 31, 2012 by (ii) 12.

Lease Expirations of Office Portfolio

The following table sets forth a summary schedule of the lease expirations for leases in place as of December 31, 2012 plus available space, for each of the ten full calendar years beginning January 1, 2012 at the properties in our office portfolio. The information set forth in the table assumes that tenants exercise no renewal options and no early termination rights.

Year of Lease Expiration	Number of Leases Expiring	Square Footage of Leases Expiring	% Portfolio Net Rentable Square Feet	Annualized Base Rent[1]	% of Portfolio Annualized Base Rent	Annualized Base Rent per Leased Square Foot[2]
Available	—	56,567	5.9%	—	—	—
2013	14	67,898	7.1	$ 1,806,238	7.7%	$ 26.60
2014	13	74,730	7.8	1,856,059	7.9	24.84
2015	10	98,295	10.3	2,556,946	10.8	26.01
2016	8	32,361	3.4	717,976	3.0	22.19
2017	6	79,693	8.4	1,907,857	8.1	23.94
2018	9	114,530	12.0	2,871,406	12.2	25.07
2019	3	52,408	5.5	1,177,424	5.0	22.47
2020	3	25,283	2.7	749,571	3.2	29.65
2021	4	41,363	4.3	912,138	3.9	22.05
2022	3	48,117	5.0	1,258,877	5.3	26.16
2023	4	71,392	7.5	1,333,766	5.7	18.68
Thereafter	3	190,805	20.1	6,430,864	27.2	33.70
Total/Weighted Average	**80**	**953,442**	**100.0%**	**$23,579,121**	**100.0%**	**$ 26.29**

(1) Annualized base rent is calculated by multiplying (i) base rental payments (defined as cash base rents (before abatements)) for the month ended December 31, 2012 for the leases expiring during the applicable period by (ii) 12.

(2) Annualized base rent per leased square foot is calculated by dividing (i) annualized base rent under the applicable leases by (ii) square footage under such lease.

Historical Office Lease Retention and Tenant Improvement and Leasing Commission Costs

The following table sets forth certain historical information regarding tenant improvement and leasing commission costs per square foot, in addition to net effective renewal rents, where applicable, on expiring leases, at the properties in our office portfolio for the years ended December 31, 2012, 2011 and 2010.

	Year Ended December 31,		
	2012	2011	2010
Expirations			
Number of leases expired during the period	14	14	13
Aggregate net rentable square footage of expiring leases[1]	130,563	118,765	65,091
Renewals			
Number of leases renewed during the period[2]	13	9	6
Aggregate net rentable square footage of renewed leases[1]	124,965	83,423	53,817
Retention percentage by square feet	95.7%	70.2%	82.7%
Tenant improvement costs	$ 350,786	$ 239,566	$ 13,614
Leasing commission costs	250,955	337,334	82,086
Total tenant improvements and leasing commission costs	$ 601,741	$ 576,900	$ 95,700
Tenant improvement costs per square foot	$ 2.81	$ 2.87	$ 0.25
Leasing commission costs per square foot	$ 2.01	$ 4.04	$ 1.53
Total tenant improvements and leasing commission costs per square foot	$ 4.82	$ 6.91	$ 1.78
Weighted average net effective rent for expiring leases[3]	$ 21.81	$ 22.27	$ 22.14
Weighted average net effective rent for renewed leases[3]	$ 24.03	$ 22.83	$ 21.86
Percentage increase (decrease)	10.2%	2.5%	(1.3)%
New Leases			
Number of new leases	11	8	3
Square feet	72,333	47,872	3,615
Tenant improvement costs	$ 535,477	$1,255,315	$ 10,450
Leasing commission costs	412,606	730,317	1,460
Total tenant improvements and leasing commission costs	$ 948,083	$1,985,632	$ 11,910
Tenant improvement costs per square foot	$ 7.40	$ 26.22	$ 2.89
Leasing commission costs per square foot	$ 5.70	$ 15.26	$ 0.40
Total tenant improvements and leasing commission costs per square foot	$ 13.10	$ 41.48	$ 3.29
Total Tenant Improvements and Leasing Commissions			
Square feet	197,298	131,295	57,432
Tenant improvement costs[2]	$ 886,262	$1,494,880	$ 24,064
Leasing commission costs[2]	663,561	1,067,651	83,546
Total tenant improvement and leasing commission costs[2]	$1,549,823	$2,562,531	$107,610
Tenant improvement costs per square foot[2]	$ 4.49	$ 11.39	$ 0.42
Leasing commission costs per square foot[2]	$ 3.36	$ 8.13	$ 1.45
Total tenant improvement and leasing commission costs per square foot	$ 7.85	$ 19.52	$ 1.87

(1) Excludes properties subject to ground lease.

(2) Reflects tenant improvement and leasing commissions incurred during the calendar year, which may be different than the year in which the lease commenced.

(3) Excludes a renewal in 2010 for 1,316 square feet, for which rents were not calculated.

Description of Our Office Properties

Armada Hoffler Tower

The Armada Hoffler Tower is the largest office property in our initial portfolio. The property contains 327,123 square feet of leasable office space and is situated within the Virginia Beach Town Center complex surrounded by upscale retail stores, restaurants and high-end apartment complexes. The Armada Hoffler Tower was completed in 2002 and as of December 31, 2012 was approximately 98.3% occupied, with major tenants including Williams Mullen, Troutman Sanders, LLP, Pender & Coward, Hankins & Anderson and Cherry, Bekaert & Holland, LLP. In addition to these tenants, we occupy 16,151 square feet in the Armada Hoffler Tower.

Other than recurring capital expenditures, we have no immediate plans with respect to major renovation or redevelopment of the Armada Hoffler Tower Property. The 2012 annual property taxes for the Armada Hoffler Tower were $888,577 based on a tax rate of $1.34 per $100 of assessed value.

Armada Hoffler Tower Primary Tenants

The following table summarizes information regarding the top five tenants, by annualized base rent, of Armada Hoffler Tower as of December 31, 2012. We occupy space in this property as described in the notes to the tables below:

Tenant	Principal Nature of Business	Lease Expiration	Total Leased Square Feet	% Property Net Rentable Square Feet[5]	Annualized Base Rent[1]	% of Property Annualized Base Rent[5]	Annualized Base Rent per Leased Square Foot[2]	Renewal Option
Williams Mullen	Law Firm	5/31/2018[3]	51,222	15.7%	$ 1,408,093	16.3%	$ 27.49	[6]
Troutman Sanders LLP	Law Firm	1/31/2015	35,109	10.7	1,026,938	11.9	29.25	[6]
Pender & Coward	Law Firm	1/31/2015	31,449	9.6	923,343	10.7	29.36	—
Cherry, Bekaert & Holland, LLP	Accounting	11/30/2022[4]	23,177	7.1	660,545	7.6	28.50	—
Hankins & Anderson	Architecture	4/30/2022	23,267	7.1	562,363	6.5	24.17	—
Top 5 Total/Weighted Average			**164,224**	**50.2%**	**$ 4,581,282**	**53.0%**	**$ 27.90**	

(1) Annualized base rent is calculated by multiplying (i) base rental payments (defined as cash base rents (before abatements)) for the month ended December 31, 2012 by (ii) 12.

(2) Annualized base rent per leased square foot is calculated by dividing (i) annualized base rent under the applicable leases by (ii) square footage under such lease.

(3) Effective March 1, 2013, we sub-lease approximately 5,000 square of space from this tenant.

(4) This lease contains an early termination right that allows the tenant a one-time right to terminate the lease effective as of the last day of the seventh year of the lease (November 30, 2019) with nine months prior written notice if the tenant is no longer our primary accounting firm. Such termination would result in a $150,000 penalty payable by the tenant.

(5) As of December 31, 2012, we occupied 16,151 square feet at this property at an annualized base rent of $484,853, or $30.02 per leased square foot, which amounts are reflected in the % property net rentable square feet and % of property annualized base rent columns in the table above. In the combined financial statements of our Predecessor and following completion of this offering and the formation transactions, the rent paid by us will be eliminated from our revenues in consolidation.

(6) This lease provides for two renewal terms of five years each.

Armada Hoffler Tower Lease Expirations

The following table sets forth the lease expirations for leases in place at Armada Hoffler Tower as of December 31, 2012 for each of the ten full calendar years beginning January 1, 2013, plus available space as of December 31, 2012. The information set forth in the table assumes that tenants exercise no renewal options and no early termination rights.

Year of Lease Expiration	Number of Leases Expiring	Square Footage of Leases Expiring	% Property Net Rentable Square Feet	Annualized Base Rent[1]	% of Property Annualized Base Rent	Annualized Base Rent per Leased Square Foot[2]
Available	—	5,459	1.7%	—	—	—
2013[3][4]	9	59,375	18.2	$ 1,575,475	18.2%	$ 26.53
2014[5]	5	25,749	7.9	742,151	8.6	28.82
2015	4	67,855	20.7	1,977,142	22.9	29.14
2016	2	10,552	3.2	255,203	2.9	24.19
2017	3	22,109	6.8	587,676	6.8	26.58
2018	3	66,861	20.4	1,801,169	20.8	26.94
2019	1	9,336	2.9	256,740	3.0	27.50
2020	—	—	—	—	—	—
2021	—	—	—	—	—	—
2022	3	48,117	14.7	1,258,877	14.5	26.16
2023	2	11,710	3.5	197,759	2.3	16.89
Thereafter	—	—	—	—	—	—
Total/Weighted Average	**32**	**327,123**	**100.0%**	**$ 8,652,192**	**100.0%**	**$ 26.90**

(1) Annualized base rent is calculated by multiplying (i) base rental payments (defined as cash base rents (before abatements)) for the month ended December 31, 2012 for the leases expiring during the applicable period by (ii) 12.

(2) Annualized base rent per leased square foot is calculated by dividing (i) annualized base rent under the applicable leases by (ii) square footage under such leases.

(3) Includes $33,708 of annualized base rent for rooftop leases.

(4) As of December 31, 2012, we occupied 16,151 square feet at this property at an annualized base rent of $484,853, or $30.02 per leased square foot, which amounts are included in the table above.

(5) Includes $1,200 of annualized base rent for a drop box lease.

Armada Hoffler Tower Percentage Leased and Base Rent

The following table sets forth the percentage leased, annualized base rent per leased square foot and average net effective annual base rent per leased square foot for Armada Hoffler Tower as of the dates indicated below:

Date	Percentage Leased[1]	Annualized Base Rent Per Leased Square Foot[2][3]	Average Net Effective Annual Base Rent Per Leased Square Foot[4]
December 31, 2012	98.3%	$ 26.90	$ 27.73
December 31, 2011	97.1	27.03	24.84
December 31, 2010	98.0	26.98	23.85
December 31, 2009	99.7	26.43	25.54
December 31, 2008	98.5	25.71	25.52

(1) Percentage leased is calculated as (i) square footage under commenced leases as of the date indicated, divided by (ii) net rentable square feet, expressed as a percentage.

(2) Annualized base rent per leased square foot is calculated by dividing (i) base rental payments (defined as cash base rent (before abatements)) for the month ended as of the date indicated multiplied by 12, by (ii) square footage under commenced leases as of the date indicated.

(3) As of December 31, 2012, we occupied 16,151 square feet at this property at an annualized base rent of $484,853, or $30.02 per leased square foot, which amounts are reflected in the table above. In the combined financial statements of our Predecessor and following completion of this offering and the formation transactions, the rent paid by us is eliminated from our revenues in consolidation

(4) Average net effective annual base rent per leased square foot represents (a) contractual base rent for leases in place as of December 31, 2012, calculated on a straight-line basis to amortize free rent periods and abatements, but without regard to tenant improvement allowances and leasing commissions, divided by (b) square footage under commenced leases as of December 31, 2012.

Armada Hoffler Tower Tax Basis and Depreciation

	Tax Basis	Net Value	Life in Years	Method (all under Modified Accelerated Cost Recovery System (MACRS))
Armada Hoffler Tower				
Land	1,976,387	1,976,387	N/A	N/A
Building	34,687,178	26,561,141	39	Straight line-mid year convention
FF&E	6,245,396	6,497	5	Double declining balance- mid year convention
Site Work	12,072	1,618	15	150% declining balance- mid year convention
Improvements	341,123	303,941	39	Straight line- mid month convention
Improvements	10,726	2,574	5	Double declining balance- mid year convention
Tenant Improvements	1,856,726	873,946	39	Straight line- mid month convention
Tenant Improvements	2,221,145	386,885	15	150% declining balance- mid year convention
Total	47,350,753	30,112,989		

Virginia Natural Gas

The Virginia Natural Gas property is a two-story brick and glass Class-A office building with 31,000 leasable square feet located in the Lakeview Office Park adjacent to Interstate 264 in Virginia Beach, Virginia. The property qualified for LEED certification in 2010. The property has been 100% occupied by Virginia Natural Gas pursuant to a triple net lease since it was completed in 2010. Virginia Natural Gas serves more than 275,000 residential, commercial and industrial customers in southeastern Virginia.

As of December 31, 2012, Virginia Natural Gas generated approximately $568,200 of annualized base rent or $18.33 per leased square foot. The lease with Virginia Natural Gas terminates on September 30, 2025, subject to four renewal options available to the tenant.

Other than recurring capital expenditures, we have no immediate plans with respect to major renovation or redevelopment of Virginia Natural Gas.

Virginia Natural Gas Percentage Leased and Base Rent

The following table sets forth the percentage leased and annualized base rent per leased square foot for Virginia Natural Gas as of the dates indicated below:

Date	Percentage Leased[1]	Annualized Base Rent Per Leased Square Foot[2]
December 31, 2012	100.0%	$ 18.33
December 31, 2011	100.0	18.33
December 31, 2010	100.0	18.33

(1) Percentage leased is calculated as (i) square footage under commenced leases as of the date indicated, divided by (ii) net rentable square feet, expressed as a percentage.

(2) Annualized base rent per leased square foot is calculated by dividing (i) base rental payments (defined as cash base rent (before abatements)) for the month ended as of the date indicated multiplied by 12, by (ii) square footage under commenced leases as of the date indicated.

Richmond Tower

The Richmond Tower property is a 15-story Class-A office building with 206,969 leasable square feet located on South 10th Street in downtown Richmond, Virginia. The property was completed in 2010 and, at the time of construction, was the first new office tower built in downtown Richmond in the previous two decades. The property contains 5,500 square feet of first floor retail space. The property is positioned in close proximity to the Downtown Expressway, which feeds into Interstate 95. As of December 31, 2012, the property was approximately 98% occupied, with major tenants including Williams Mullen, one of the Mid-Atlantic's most prominent law firms, which occupies over 82% of the available space, Capital One, Cherry, Bekaert & Holland, LLP and Agincort.

Other than recurring capital expenditures, we have no immediate plans with respect to major renovation or redevelopment of Richmond Tower. The 2012 annual property taxes for Richmond Tower was $685,400 based on a tax rate of $1.20 per $100 of assessed value.

Richmond Tower Primary Tenants

The following table summarizes information regarding the top five tenants, by annualized base rent, of Richmond Tower as of December 31, 2012:

Tenant	Principal Nature of Business	Lease Expiration	Total Leased Square Feet	% Property Net Rentable Square Feet	Annualized Base Rent[1]	% of Property Annualized Base Rent	Annualized Base Rent per Leased Square Foot[2]	Renewal Option
Williams Mullen	Law Firm	12/25/2027[3]	170,287	82.3%	$ 6,227,513	90.1%	$ 36.57	[4]
Capital One	Bank	6/30/2017	13,063	6.3	270,796	3.9	20.73	—
Cherry, Bekaert & Holland, LLP	Accounting	1/30/2023	10,482	5.1	221,380	3.2	21.12	—
Agincort	Investments	4/16/2016	6,630	3.2	146,456	2.1	22.09	—
LaParisienne	Restaurant	7/24/2021	2,350	1.1	45,825	0.7	19.50	—
Top 5 Total/Weighted Average			**202,812**	**98.0%**	**$ 6,911,970**	**100.0%**	**$ 34.08**	

(1) Annualized base rent is calculated by multiplying (i) base rental payments (defined as cash base rents (before abatements)) for the month ended December 31, 2012 by (ii) 12.

(2) Annualized base rent per leased square foot is calculated by dividing (i) annualized base rent under the applicable leases by (ii) square footage under such lease.

(3) Represents the weighted average lease expirations of two leases, one of which expires June 13, 2028 and one of which expires June 30, 2020.

(4) This lease provides for two renewal terms of five years each.

Richmond Tower Lease Expirations

The following table sets forth the lease expirations for leases in place at Richmond Tower as of December 31, 2012 for each of the ten full calendar years beginning January 1, 2013, plus available space as of December 31, 2012. The information set forth in the table assumes that tenants exercise no renewal options and no early termination rights.

Year of Lease Expiration	Number of Leases Expiring	Square Footage of Leases Expiring	% Property Net Rentable Square Feet	Annualized Base Rent[1]	% of Property Annualized Base Rent	Annualized Base Rent Per Leased Square Foot[2]
Available	—	4,157	2.0%	—	—	—
2013	—	—	—	—	—	—
2014	—	—	—	—	—	—
2015	—	—	—	—	—	—
2016	1	6,630	3.2	$ 146,457	2.1%	$ 22.09
2017	1	13,063	6.3	270,796	3.9	20.73
2018	—	—	—	—	—	—
2019	—	—	—	—	—	—
2020	1	10,482	5.1	364,878	5.3	34.81
2021	1	2,350	1.1	45,825	0.7	19.50
2022	—	—	—	—	—	—
2023	1	10,482	5.1	221,380	3.2	21.12
Thereafter	1	159,805	77.2	5,862,634	84.8	36.69
Total/Weighted Average	**6**	**206,969**	**100.0%**	**$ 6,911,970**	**100.0%**	**$ 34.08**

(1) Annualized base rent is calculated by multiplying (i) base rental payments (defined as cash base rents (before abatements)) for the month ended December 31, 2012 for the leases expiring during the applicable period by (ii) 12.

(2) Annualized base rent per leased square foot is calculated by dividing (i) annualized base rent under the applicable lease by (ii) square footage under such lease.

Richmond Tower Percentage Leased and Base Rent

The following table sets forth the percentage leased and annualized base rent per leased square foot for Richmond Tower as of the dates indicated below:

Date	Percentage Leased[1]	Annualized Base Rent Per Leased Square Foot[2]	Average Net Effective Annual Base Rent per Leased Square Foot[3]
December 31, 2012	98.0%	$ 34.08	41.84
December 31, 2011	98.6	33.20	39.96
December 31, 2010	91.7	33.34	39.49
December 31, 2009	N/A	N/A	N/A
December 31, 2008	N/A	N/A	N/A

(1) Percentage leased is calculated as (i) square footage under commenced leases as of the date indicated, divided by (ii) net rentable square feet, expressed as a percentage.

(2) Annualized base rent per leased square foot is calculated by dividing (i) base rental payments (defined as cash base rent (before abatements)) for the month ended as of the date indicated multiplied by 12, by (ii) square footage under commenced leases as of the date indicated.

(3) Average net effective annual base rent per leased square foot represents (a) the contractual base rent of leases in place as of December 31 for each applicable period, calculated on a straight-line basis to amortize free rent periods and abatements, but without regard to tenant improvement allowances and leasing commissions, divided by (b) square footage under commenced leases as of December 31 for each applicable period.

Richmond Tower Tax Basis and Depreciation

	Tax Basis	Net Value	Life in Years	Method (all under Modified Accelerated Cost Recovery System (MACRS))
Richmond Tower				
Land	$ 2,628,905	$ 2,628,905	N/A	
Building	24,797,797	24,442,082	39	Straight line- mid month convention
FF&E	54,595	11,794	5	Double declining balance- mid year convention
Tenant Improvement	11,133,099	10,722,541	39	Straight line- mid month convention
Total	$38,614,396	$37,805,322		

Oyster Point

The Oyster Point building is a 6-story, full service office building with 100,214 leasable square feet located on Canon Boulevard in Newport News, Virginia. The building is located in a multi-use development situated between Canon Boulevard and Thimble Shoals Boulevard, in close proximity to Interstate 64. The mixed-use development has extensive public spaces in addition to office, retail, multifamily and hotel properties. The Oyster Point building was completed in 1989. As of December 31, 2012, the building was over 81% occupied with major tenants, including the United States Air Force, SunTrust Bank, Wells Fargo, TEC, Inc. and Odyssey Systems Consulting Group. The United States Air Force has renewed its lease at each instance when the option to renew has arisen since the original term expired in 1997. In addition to these tenants, we occupy 1,718 square feet in the Oyster Point building for which we do not pay rent.

Other than recurring capital expenditures, we have no immediate plans with respect to major renovation or redevelopment of the Oyster Point building.

Oyster Point Primary Tenants

The following table summarizes information regarding the top five tenants, by annualized base rent, of Oyster Point as of December 31, 2012:

Tenant	Principal Nature of Business	Lease Expiration	Total Leased Square Feet	% Property Net Rentable Square Feet	Annualized Base Rent[1]	% of Property Annualized Base Rent	Annualized Base Rent per Leased Square Foot[2]
General Services Administration—US Air Force	Government	4/26/2017[3]	36,649	36.6%	$ 850,695	50.0%	$ 23.21
Sun Trust Bank	Bank	7/31/2015	19,800	19.8	404,712	23.8	20.44
Wells Fargo	Bank	3/31/2016[4]	7,099	7.1	139,566	8.2	19.66
TEC, Inc.	Manufacturing	10/31/2014	3,500	3.5	69,755	4.1	19.93
Odyssey Systems Consulting Group	Consulting	5/14/2015	3,406	3.4	62,296	3.7	18.29
Top 5 Total/Weighted Average			**70,454**	**70.4%**	**$ 1,527,024**	**89.8%**	**$ 21.67**

(1) Annualized base rent is calculated by multiplying (i) base rental payments (defined as cash base rents (before abatements)) for the month ended December 31, 2012 by (ii) 12.

(2) Annualized base rent per leased square foot is calculated by dividing (i) annualized base rent under the applicable lease by (ii) square footage under such lease.

(3) This lease contains an early termination right that allows the tenant to terminate its lease at any time after October 24, 2013 with 180 days written notice. Such termination will not result in any penalty.

(4) This lease contains an early termination right that allows the tenant to terminate its lease at the end of the 36th month (August 31, 2013) with prior written notice no later than March 31, 2013. As of the date of this prospectus, this tenant has not provided written notice of termination.

Oyster Point Lease Expirations

The following table sets forth the lease expirations for leases in place at Oyster Point as of December 31, 2012 for each of the ten full calendar years beginning January 1, 2012, plus available space as of December 31, 2012. The information set forth in the table assumes that tenants exercise no renewal options and no early termination rights.

Year of Lease Expiration	Number of Leases Expiring	Square Footage of Leases Expiring[3]	% Property Net Rentable Square Feet	Annualized Base Rent[1][3]	% of Property Annualized Base Rent	Annualized Base Rent per Leased Square Foot[2][3]
Available	—	18,518	18.5%	—	—	—
2013	1	1,120	1.1	$ 24,326	1.5%	$ 21.72
2014	2	4,606	4.6	89,022	5.2	19.33
2015	5	28,482	28.4	531,832	31.3	18.67
2016	2	8,211	8.2	160,550	9.4	19.55
2017	1	36,649	36.6	850,695	50.0	23.21
2018	1	2,628	2.6	44,019	2.6	16.75
2019	—	—	—	—	—	—
2020	—	—	—	—	—	—
2021	—	—	—	—	—	—
2022	—	—	—	—	—	—
2023	—	—	—	—	—	—
Thereafter	1	—	—	—	—	—
Total/Weighted Average	**13**	**100,214**	**100.0%**	**$ 1,700,444**	**100.0%**	**$ 20.81**

(1) Annualized base rent is calculated by multiplying (i) base rental payments (defined as cash base rents (before abatements)) for the month ended December 31, 2012 for the leases expiring during the applicable period by (ii) 12.

(2) Annualized base rent per leased square foot is calculated by dividing (i) annualized base rent under the applicable lease by (ii) square footage under such lease.

(3) As of December 31, 2012, we occupied 1,718 square feet at this property for which we do not pay rent.

Oyster Point Percentage Leased and Base Rent

The following table sets forth the percentage leased and annualized base rent per leased square foot for Oyster Point as of the dates indicated below:

Date	Percentage Leased[1]	Annualized Base Rent Per Leased Square Foot[2]
December 31, 2012	81.5%	$ 20.81
December 31, 2011	78.8	20.22
December 31, 2010	89.9	20.13

(1) Percentage leased is calculated as (i) square footage under commenced leases as of the date indicated, divided by (ii) net rentable square feet, expressed as a percentage.

(2) Annualized base rent per leased square foot is calculated by dividing (i) base rental payments (defined as cash base rent (before abatements)) for the month ended as of the date indicated multiplied by 12, by (ii) square footage under commenced leases as of the date indicated.

One Columbus

One Columbus is a 11-story office building with 129,424 leasable square feet located in Virginia Beach, Virginia within the Virginia Beach Town Center development. The building was completed in 1984 and acquired by Armada Hoffler in 2000. The acquisition provided Armada Hoffler with the development rights for the Virginia Beach Town Center. As of December 31, 2012, the building was approximately 95.0% occupied, with major tenants including BB&T, Columbus Executive Suites, Divaris Real Estate, Inc. and Lincoln Financial Advisors.

Other than recurring capital expenditures, we have no immediate plans with respect to major renovation or redevelopment of the One Columbus building.

One Columbus Primary Tenants

The following table summarizes information regarding the top five tenants, by annualized base rent, of One Columbus as of December 31, 2012:

Tenant	Principal Nature of Business	Lease Expiration	Total Leased Square Feet	% Property Net Rentable Square Feet	Annualized Base Rent[1]	% of Property Annualized Base Rent	Annualized Base Rent Per Leased Square Foot[2]
BB&T	Bank	5/23/2021	23,990	18.5%	$ 494,194	18.3%	$ 20.60
Hargrove, Brockwell & Associates	Architecture	1/31/2014	16,624	12.8	388,170	14.4	23.35
Divaris Real Estate, Inc.	Real Estate	4/30/2014[3]	10,372	8.0	256,292	9.5	24.71
Columbus Executive Suites	Office Services	3/31/2014[4]	11,995	9.3	249,016	9.2	20.76
Lincoln Financial Advisors	Financial Advisor	1/31/2018[5]	9,894	7.6	224,198	8.3	22.66
Top 5 Total/Weighted Average			**72,875**	**56.2%**	**$ 1,611,870**	**59.7%**	**$ 22.12**

(1) Annualized base rent is calculated by multiplying (i) base rental payments (defined as cash base rents (before abatements)) for the month ended December 31, 2012 by (ii) 12.

(2) Annualized base rent per leased square foot is calculated by dividing (i) annualized base rent under the applicable lease by (ii) square footage under such lease.

(3) This lease contains an early termination right, which allows the tenant to terminate by providing written notice within 90 days after receiving notice of the termination of Divaris Real Estate, Inc. as manager or leasing agent with respect to the property from the landlord. Such termination will be effective 180 days after the tenant provides notice, and tenant will receive unamortized tenant improvements and lease commissions.

(4) This lease contains an early termination right that allows tenant to terminate upon 365 days advance written notice at any time after Divaris Real Estate, Inc. is no longer the manager or leasing representative for the property. Such termination will not result in any penalty.

(5) This lease contains an early termination right that allows the tenant a one-time termination right on September 30, 2014 by providing written notice no later than December 31, 2013. Such termination will result in a penalty consisting of an approximately $60,000 cash payment and various other components.

One Columbus Lease Expirations

The following table sets forth the lease expirations for leases in place at One Columbus as of December 31, 2012, for each of the ten full calendar years beginning January 1, 2013, plus available space as of December 31, 2012. The information set forth in the table assumes that tenants exercise no renewal options and no early termination rights.

Year of Lease Expiration	Number of Leases Expiring	Square Footage of Leases Expiring	% Property Net Rentable Square Feet	Annualized Base Rent[1]	% of Property Annualized Base Rent	Annualized Base Rent per Leased Square Foot[2]
Available	—	6,897	5.3%	—	—	—
2013[3]	4	7,403	5.7	$ 206,436	7.7%	$ 27.89
2014	6	44,375	34.3	1,024,866	38.0	23.10
2015	1	1,958	1.5	47,971	1.8	24.50
2016[4]	3	6,968	5.4	155,766	5.8	22.35
2017	1	7,872	6.1	198,689	7.4	25.24
2018[5]	3	21,889	16.9	395,024	14.6	18.05
2019	1	8,072	6.2	173,548	6.4	21.50
2020	—	—	—	—	—	—
2021[6]	2	23,990	18.6	494,945	18.3	20.63
2022	—	—	—	—	—	—
2023	—	—	—	—	—	—
Thereafter	—	—	—	—	—	—
Total / Weighted Average	**21**	**129,424**	**100.0%**	**$ 2,697,265**	**100.0%**	**$ 22.01**

(1) Annualized base rent is calculated by multiplying (i) base rental payments (defined as cash base rents (before abatements)) for the month ended December 31, 2012 for the leases expiring during the applicable period by (ii) 12.

(2) Annualized base rent per leased square foot is calculated by dividing (i) annualized base rent under the applicable leases by (ii) square footage under such lease.

(3) Includes $24,744 of annualized base rent for a rooftop lease.

(4) Includes $18,000 of annualized base rent for a rooftop lease.

(5) Includes $41,880 of annualized base rent for a rooftop lease.

(6) Includes $750 of annualized base rent for an ATM lease.

One Columbus Percentage Leased and Base Rent

The following table sets forth the percentage leased and annualized base rent per leased square foot for One Columbus as of the dates indicated below:

Date	Percentage Leased[1]	Annualized Base Rent Per Leased Square Foot[2]
December 31, 2012	94.7%	$ 22.01
December 31, 2011	76.2	22.56
December 31, 2010	100.0	23.60

(1) Percentage leased is calculated as (i) square footage under commenced leases as of the dates indicated, divided by (ii) net rentable square feet, expressed as a percentage.

(2) Annualized base rent per leased square foot is calculated by dividing (i) base rental payments (defined as cash base rent (before abatements)) for the month ended as of the date indicated multiplied by 12, by (ii) square footage under commenced leases as of the date indicated.

Two Columbus

Two Columbus is a six-story office building with 109,512 leasable square feet located in Virginia Beach, Virginia within the Virginia Beach Town Center development. The building was completed in 2009 and as of December 31, 2012 was approximately 80% occupied, with major tenants including The Art Institute, Kimley Horn, Vanasse Hangen Brustlin, Inc. and Communication Consultants.

Other than recurring capital expenditures, we have no immediate plans with respect to major renovation or redevelopment of the Two Columbus building.

Two Columbus Primary Tenants

The following table summarizes information regarding the top five tenants, by annualized base rent, of Two Columbus as of December 31, 2012:

Tenant	Principal Nature of Business	Lease Expiration	Total Leased Square Feet	% Property Net Rentable Square Feet	Annualized Base Rent[1]	% of Property Annualized Base Rent	Annualized Base Rent per Leased Square Foot[2]
The Art Institute	Arts	12/31/2019[3]	35,000	32.0%	$ 747,136	35.0%	$ 21.35
Kimley Horn	Consulting	12/31/2018[4]	19,000	17.3	534,660	25.0	28.14
Vanasse Hangen Brustlin, Inc.	Consulting	4/30/2021[5]	15,023	13.7	371,369	17.4	24.72
Communication Consultants	Consulting	8/31/2020[6]	13,316	12.2	346,083	16.2	25.99
MOI, Inc.	Furniture	2/28/2018	4,152	3.8	96,534[7]	4.5	23.25
Top 5 Total / Weighted Average			**86,491**	**79.0%**	**$ 2,095,782**	**98.1%**	**$ 24.23**

(1) Annualized base rent is calculated by multiplying (i) base rental payments (defined as cash base rents (before abatements)) for the month ended December 31, 2012 by (ii) 12.

(2) Annualized base rent per leased square foot is calculated by dividing (i) annualized base rent under the applicable lease by (ii) square footage under such lease.

(3) This lease contains an early termination right, which provides the tenant a one-time right to terminate as of the end of the sixth year of the lease (December 31, 2015) by providing notice 12 months in advance.

(4) This lease contains an early termination right that provides the tenant a one-time right to terminate as of the end of the seventh year of the lease (December 31, 2015) by providing notice nine months in advance.

(5) This lease contains an early termination right that provides the tenant a one-time right to terminate as of the end of the seventh year of the lease (April 30, 2018) by providing notice 12 months in advance.

(6) This lease contains an early termination right that provides the tenant a one-time right to terminate as of the end of the seventh year of the lease (April 30, 2017) by providing notice nine months in advance.

(7) Lease commencement date was March 1, 2013.

Two Columbus Lease Expirations

The following table sets forth the lease expirations for leases in place at Two Columbus as of December 31, 2012 for each of the ten full calendar years beginning January 1, 2013, plus available space as of December 31, 2012. The information set forth in the table assumes that tenants exercise no renewal options and no early termination rights.

Year of Lease Expiration	Number of Leases Expiring	Square Footage of Leases Expiring	% Property Net Rentable Square Feet	Annualized Base Rent[1]	% of Property Annualized Base Rent	Annualized Base Rent Per Leased Square Foot[2]
Available	—	21,536	19.7%	—	—	—
2013	—	—	—	—	—	—
2014	—	—	—	—	—	—
2015	—	—	—	—	—	—
2016	—	—	—	—	—	—
2017	—	—	—	—	—	—
2018	2	23,152	21.1	$ 631,194	29.6%	$ 27.26
2019	1	35,000	32.0	747,136	35.0	21.35
2020	2	14,801	13.5	384,693	18.0	25.99
2021	1	15,023	13.7	371,369	17.4	24.72
2022	—	—	—	—	—	—
2023	—	—	—	—	—	—
Thereafter	—	—	—	—	—	—
Total/Weighted Average	**6**	**109,512**	**100.0%**	**$ 2,134,392**	**100.0%**	**$ 24.26**

(1) Annualized base rent is calculated by multiplying (i) base rental payments (defined as cash base rents (before abatements)) for the month ended December 31, 2012 for the leases expiring during the applicable period by (ii) 12.

(2) Annualized base rent per leased square foot is calculated by dividing (i) annualized base rent under the applicable lease by (ii) square footage under such lease.

Two Columbus Percentage Leased and Base Rent

The following table sets forth the percentage leased and annualized base rent per leased square foot for Two Columbus as of the dates indicated below:

Date	Percentage Leased[1]	Annualized Base Rent Per Leased Square Foot[2]
December 31, 2012	80.3%	$ 24.26
December 31, 2011[3]	76.5	23.70
December 31, 2010[3]	76.5	23.23

(1) Percentage leased column is calculated as (i) square footage under commenced leases as of the date indicated, divided by (ii) net rentable square feet, expressed as a percentage.

(2) Annualized base rent per leased square foot is calculated by dividing (i) base rental payments (defined as cash base rent (before abatements)) for the month ended as of the date indicated multiplied by 12, by (ii) square footage under commenced leases as of the date indicated.

(3) Property in lease up during these periods.

Sentara Williamsburg

The Sentara Williamsburg property is a two-story, brick building with 49,200 square feet of build-to-suit medical office space. The building is located in the New Town section of Williamsburg, Virginia within close proximity to Interstate 64. The building was completed in 2008 and has been 100% occupied by the Sentara Medical Group, a division of Sentara Healthcare, on a triple net lease basis since opening. The Sentara Medical Group brings together more than 380 primary care physicians and specialized internal medicine physicians servicing southeastern Virginia and northeastern North Carolina.

As of December 31, 2012, Sentara Williamsburg generated approximately $914,600 of annualized base rent or $18.59 per leased square foot. Assuming no renewal options, Sentara Medical Group's lease will expire on March 31, 2023.

Other than recurring capital expenditures, we have no immediate plans with respect to major renovation or redevelopment of the Sentara Williamsburg property.

Sentara Williamsburg Percentage Leased and Base Rent

The following table sets forth the percentage leased and annualized base rent per leased square foot for Sentara Williamsburg as of the dates indicated below:

Date	Percentage Leased[1]	Annualized Base Rent Per Leased Square Foot[2]
December 31, 2012	100.0%	$ 18.59
December 31, 2011	100.0	18.59
December 31, 2010	100.0	18.59

(1) Percentage leased is calculated as (i) square footage under commenced leases as of the date indicated, divided by (ii) net rentable square feet, expressed as a percentage.

(2) Annualized base rent per leased square foot is calculated by dividing (i) base rental payments (defined as cash base rent (before abatements)) for the month ended as of the date indicated multiplied by 12, by (ii) square footage under commenced leases as of the date indicated.

Retail Portfolio

Our initial portfolio contains 15 retail properties comprising an aggregate of approximately 1.1 million net rentable square feet. As of December 31, 2012, our retail properties were approximately 93.9% leased to 152 tenants. As of December 31, 2012, the weighted average remaining lease term for our retail portfolio, excluding ground leases, was 89 months.

Tenant Diversification of Retail Portfolio

As of December 31, 2012, our retail portfolio was leased to 152 tenants in a variety of industries. The following table sets forth information regarding the ten largest retail tenants in our retail portfolio based on annualized base rent as of December 31, 2012:

Tenant	Number of Leases	Number of Properties	Property(ies)	Lease Expiration[1]	Annualized Base Rent[2]	% of Retail Portfolio Annualized Base Rent	% of Total Portfolio Annualized Base Rent
Home Depot	2	2	Broad Creek Shopping Center, North Point Center	12/27/2019	$ 2,032,600	9.9%	3.8%
Harris Teeter	2	2	Tyre Neck Harris Teeter, Hanbury Village	10/15/2028	1,430,001	7.0	2.7
Food Lion	3	3	Broad Creek Shopping Center, Bermuda Crossroads, Gainsborough Square	3/19/2020	1,282,568	6.3	2.4
Dick's Sporting Goods	1	1	Dick's at Town Center	1/31/2020	798,000	3.9	1.5
Regal Cinemas	1	1	Harrisonburg Regal	4/23/2019	683,550	3.3	1.3
PetsMart	2	2	Broad Creek Chopping Center, North Point Center	2/7/2016	618,704	3.0	1.2
Kroger	1	1	North Point Center	8/31/2018	552,864	2.7	1.0
Yard House	1	1	Commerce Street Retail	11/30/2023	538,000	2.6	1.0
Rite Aid	2	2	Gainsborough Square, Parkway Marketplace	5/29/2019	484,193	2.4	0.9
Walgreens	1	1	Hanbury Village	12/31/2083	447,564	2.2	0.8
Total					**$ 8,868,044**	**43.3%**	**16.6%**

(1) For tenants with leases at more than one property, the lease expiration represents the weighted average lease expiration by annualized base rent.

(2) Annualized base rent is calculated by multiplying (i) base rental payments (defined as cash base rents (before abatements)) for the month ended December 31, 2012 by (ii) 12.

Lease Distribution of Retail Portfolio

The following table sets forth information relating to the distribution of leases in our retail portfolio, based on net rentable square feet under lease as of December 31, 2012:

Square Feet Under Lease	Number of Leases	Percentage of Retail Leases	Total Leased Square Feet	Percentage of Retail Portfolio Leased Square Feet	Annualized Base Rent[1]	Percentage of Retail Portfolio Annualized Base Rent
2,500 or less	69	50.4%	$ 100,591	9.8%	$ 2,007,906	11.7%
2,501-10,000	45	32.8	231,420	22.5	5,255,888	30.6
10,001-20,000	12	8.8	153,122	14.9	3,771,738	21.9
20,001-40,000	6	4.4	177,410	17.3	2,019,155	11.8
40,001-100,000	4	2.9	235,464	22.9	2,541,041	14.8
Greater than 100,000	1	0.7	130,000	12.6	1,573,000	9.2
Retail Portfolio Total	**137**	**100.0%**	**$ 1,028,007**	**100.0%**	**$17,168,728**	**100.0%**

(1) Annualized base rent is calculated by multiplying (i) base rental payments (defined as cash base rents (before abatements)) for the month ended December 31, 2012 by (ii) 12. Excludes $3,350,728 of annualized base rent from 15 retail ground leases described below.

Lease Expirations of Retail Portfolio

The following table sets forth a summary schedule of the lease expirations for leases not subject to ground leases and in place as of December 31, 2012 for each of the ten full calendar years beginning January 1, 2013, plus available space as of December 31, 2012 at the properties in our retail portfolio. The information set forth in the table assumes that tenants exercise no renewal options and no early termination rights.

Year of Lease Expiration	Number of Leases Expiring	Square Footage of Leases Expiring	% Portfolio Net Rentable Square Feet	Annualized Base Rent[1]	% of Portfolio Annualized Base Rent	Annualized Base Rent Per Leased Square Foot[2]
Available	—	66,666	6.1%	—	—	—
2013	17	34,054	3.1	$ 647,339	3.8%	$ 19.01
2014	17	55,170	5.0	1,290,634	7.5	23.39
2015	20	95,161	8.7	1,719,499	10.0	18.07
2016	21	72,245	6.6	1,660,285	9.7	22.98
2017	21	151,605	13.8	2,103,054	12.2	13.87
2018	10	88,986	8.1	1,243,830	7.3	13.98
2019	10	260,229	23.8	3,503,042	20.4	13.46
2020	5	105,946	9.7	1,343,863	7.8	12.68
2021	3	15,068	1.4	451,051	2.6	29.93
2022	6	84,588	7.7	1,186,794	6.9	14.03
2023	3	24,944	2.3	757,036	4.4	30.35
Thereafter	4	40,011	3.7	1,262,301	7.4	31.55
Total/Weighted Average	**137**	**1,094,673**	**100.0%**	**$17,168,728**	**100.0%**	**$ 16.70**

(1) Annualized base rent is calculated by multiplying (i) base rental payments (defined as cash base rents (before abatements)) for the month ended December 31, 2012 for the leases expiring during the applicable period, by (ii) 12.

(2) Annualized base rent per leased square foot is calculated by dividing (i) annualized base rent for leases expiring during the applicable period, by (ii) square footage under such expiring leases.

Ground Leases of Retail Portfolio

The following table sets forth certain information relating to the ground leases in place at certain of the properties in our retail portfolio as of December 31, 2012. We are the lessor under each of these ground leases. As a result, upon termination of each of these ground leases, whether due to expiration or default by the tenant, we have the right to take possession of all buildings and improvements to the land underlying the ground lease.

Property	Tenant	Ground Lease Square Footage[1]	Initial Expiration	Annualized Base Rent[2]
Bermuda Crossroads	O'Charley's	91,140	4/30/2018	$ 82,500
Bermuda Crossroads	IHOP	48,216	12/31/2027	72,600
Subtotal Bermuda Crossroads		**139,356**		**$ 155,100**
Broad Creek Shopping Center	7-Eleven	51,836	11/30/2022	$ 145,200
Broad Creek Shopping Center	Ruby Tuesdays	51,401	1/31/2016	95,166
Broad Creek Shopping Center	IHOP	66,995	11/30/2025	94,380
Broad Creek Shopping Center	Kentucky Fried Chicken	43,560	10/7/2019	89,375
Broad Creek Shopping Center	Wendy's	44,649	12/31/2017	79,200
Broad Creek Shopping Center	Chick-Fil-A	40,729	10/31/2018	68,970
Subtotal Broad Creek Shopping Center		**299,170**		**$ 572,291**
Hanbury Village	7-Eleven	53,579	3/31/2027	145,200
Hanbury Village	Harris Teeter	52,409	10/31/2026	922,398
Subtotal Hanbury Village		**105,988**		**$ 1,067,598**
North Point Center	Costco	787,129	9/30/2025	$ 441,529
North Point Center	Home Depot	537,269	1/31/2023	459,600
North Point Center	Texas Roadhouse Holdings	64,266	4/25/2019	77,004
North Point Center	IHOP	55,321	5/31/2028	70,002
Subtotal North Point Center		**1,443,985**		**$ 1,048,135**
Tyre Neck Harris Teeter	Harris Teeter	200,073	5/8/2032	507,603
Subtotal Tyre Neck Harris Teeter		**200,073**		**$ 507,603**
Total		**2,188,572**		**$ 3,550,727**

(1) Represents approximate land square footage, not the square footage of buildings on the land.

(2) Annualized base rent is calculated by multiplying (i) base rental payments (defined as cash base rents (before abatements)) for the month ended December 31, 2012 by (ii) 12.

Historical Retail Lease Retention and Tenant Improvement and Leasing Commission Costs

The following table sets forth certain historical information regarding tenant improvement and leasing commission costs per square foot, in addition to net effective renewal rents, where applicable, on expiring leases, at the properties in our retail portfolio for the years ended December 31, 2012, 2011 and 2010.

	Year Ended December 31,		
	2012	2011	2010
Expirations			
Number of leases expired during the period	17	21	11
Aggregate net rentable square footage of expiring leases[1]	56,882	66,928	34,637
Renewals			
Number of leases renewed during the period[2]	16	16	8
Aggregate net rentable square footage of renewed leases[1]	55,257	55,780	30,557
Retention percentage by square feet	97.1%	83.3%	88.2%
Tenant improvement costs	$ 58,892	$ 281,328	$19,008
Leasing commission costs	73,153	21,737	9,494
Total tenant improvements and leasing commission costs	$132,045	$ 303,065	$28,502
Tenant improvement costs per square foot	$ 1.07	$ 5.04	$ 0.62
Leasing commission costs per square foot	$ 1.32	$ 0.39	$ 0.31
Total tenant improvements and leasing commission costs per square foot	$ 2.39	$ 5.43	$ 0.93
Weighted average net effective rent for expiring leases[3]	$ 20.92	$ 15.18	$ 19.43
Weighted average net effective rent for renewed leases[3]	$ 22.01	$ 14.86	$ 21.12
Percentage increase (decrease)	5.2%	(2.1)%	8.7%
New Leases			
Number of new leases	5	9	5
Square feet	9,090	36,569	8,914
Tenant improvement costs	$109,789	$ 784,433	$27,049
Leasing commission costs	52,866	300,623	33,286
Total tenant improvements and leasing commission costs	$162,655	$1,085,056	$60,335
Tenant improvement costs per square foot	$ 12.08	$ 21.45	$ 3.03
Leasing commission costs per square foot	$ 5.82	$ 8.22	$ 3.73
Total tenant improvements and leasing commission costs per square foot	$ 17.90	$ 29.67	$ 6.76
Total Tenant Improvements and Leasing Commissions			
Square feet	64,347	92,349	39,471
Tenant improvement costs[2]	$168,681	$1,065,761	$46,057
Leasing commission costs[2]	126,019	322,360	42,780
Total tenant improvement and leasing commission costs[2]	$294,700	$1,388,121	$88,837
Tenant improvement costs per square foot[2]	$ 2.62	$ 11.54	$ 1.17
Leasing commission costs per square foot[2]	$ 1.96	$ 3.49	$ 1.08
Total tenant improvement and leasing commission costs per square foot	$ 4.58	$ 15.03	$ 2.25

(1) Excludes properties subject to ground lease.

(2) Reflects tenant improvement and leasing commissions incurred during the calendar year, which may be different than the year in which the lease commenced.

(3) Excludes certain renewals in 2010, 2011 and 2012 totaling 6,000, 7,686 and 2,800 square feet, respectively, for which net effective rents were not calculated.

Description of our Retail Properties

Bermuda Crossroads

Bermuda Crossroads is a retail center with 111,566 square feet of rentable space situated on 19-acres in Chester, Virginia, approximately 21 miles south of Richmond. Bermuda Crossroads was completed in 2001 and is conveniently located off Jefferson Davis Highway in a high traffic retail area just off Interstate 95. As of December 31, 2012, the retail center was approximately 94% occupied and is anchored by Food Lion, which has approximately 38,000 square feet under lease. Other tenants include Office Max, Dollar General, smaller retail shops and two outparcel spaces, which are under ground lease.

Other than recurring capital expenditures, we have no immediate plans with respect to major renovation or redevelopment of the Bermuda Crossroads property.

Bermuda Crossroads Primary Tenants

The following table summarizes information regarding the top five tenants, by annualized base rent, of Bermuda Crossroads as of December 31, 2012:

Tenant	Principal Nature of Business	Lease Expiration	Total Leased SquareFeet	% Property Net Rentable Square Feet	Annualized Base Rent[1]	% of Property Annualized Base Rent	Annualized Base Rent Per Leased Square Foot[2]
Food Lion	Grocery	7/23/2022	37,961	34.0%	$ 437,690	27.4%	$ 11.53
Office Max	Office Supplies	7/31/2017[3]	19,950	17.9	270,000	16.9	13.53
Buffalo Wild Wings	Restaurant	6/30/2023	6,032	5.4	108,576	6.8	18.00
Aaron Rents	Dept. Store	6/30/2013	6,000	5.4	90,000	5.6	15.00
Fitness Together	Fitness Center	11/30/2017	4,868	4.4	85,190	5.3	17.50
Top 5 Total/Weighted Average			**74,811**	**67.1%**	**$ 991,456**	**62.0%**	**$ 13.25**

(1) Annualized base rent is calculated by multiplying (i) base rental payments (defined as cash base rents (before abatements)) for the month ended December 31, 2012 for the leases expiring during the applicable period, by (ii) 12.

(2) Annualized base rent per leased square foot is calculated by dividing (i) annualized base rent under the applicable lease by (ii) square footage under such lease. Excludes annualized base rent associated with ground leases.

(3) This lease contains an early termination right that provides the tenant the right to terminate upon 90 days prior written notice if the co-tenancy clause in its lease is not met for 12 consecutive months.

Bermuda Crossroads Lease Expirations

The following table sets forth the lease expirations for leases not subject to ground leases and in place at Bermuda Crossroads for each of the ten full calendar years beginning January 1, 2013, plus available space as of December 31, 2012. The information set forth in the table assumes that tenants exercise no renewal options and no early termination rights.

Year of Lease Expiration	Number of Leases Expiring	Square Footage of Leases Expiring	% Property Net Rentable Square Feet(1)	Annualized Base Rent(2)	% of Property Annualized Base Rent	Annualized Base Rent per Leased Square Foot(3)
Available	—	7,100	6.4%	—	—	—
2013	3	10,569	9.5	$ 171,559	11.9%	$ 16.23
2014	1	2,000	1.8	41,520	2.9	20.76
2015	1	7,686	6.9	71,249	4.9	9.27
2016	—	—	—	—	—	—
2017	6	33,618	30.1	506,798	35.2	15.08
2018	1	1,600	1.4	28,800	2.0	18.00
2019	—	—	—	—	—	—
2020	—	—	—	—	—	—
2021	—	—	—	—	—	—
2022	2	42,961	38.5	514,190	35.6	11.97
2023	1	6,032	5.4	108,576	7.5	18.00
Thereafter	—	—	—	—	—	—
Total / Weighted Average	**15**	**111,566**	**100.0%**	**$ 1,442,692**	**100.0%**	**$ 13.81**

(1) Percentage of property net rentable square feet excludes an aggregate of 139,356 square feet of building space subject to two ground leases to O'Charley's and IHOP. The 91,140 square foot ground lease to O'Charley's will expire on April 30, 2018, and the 48,216 square foot ground lease to IHOP will expire on December 31, 2027.

(2) Annualized base rent is calculated by multiplying (i) base rental payments (defined as cash base rents (before abatements)) for the month ended December 31, 2012 for the leases expiring during the applicable period, by (ii) 12. Annualized base rent excludes an aggregate of $155,100 of rent pursuant to the two ground leases described in Note 1 above.

(3) Annualized base rent per leased square foot is calculated by dividing (i) annualized base rent under the applicable lease by (ii) square footage under such lease.

Bermuda Crossroads Percentage Leased and Base Rent

The following table sets forth the percentage leased and annualized base rent per leased square foot for Bermuda Crossroads as of the dates indicated below:

Date	Percentage Leased(1)	Annualized Base Rent Per Leased Square Foot(2)
December 31, 2012	93.6%	$ 13.81
December 31, 2011	90.3	12.61
December 31, 2010	95.3	12.69

(1) Percentage leased is calculated as (i) square footage under commenced leases as of the date indicated, divided by (ii) net rentable square feet, expressed as a percentage. Percentage of property net rentable square feet excludes square feet leased pursuant to two ground leases to O'Charley's and IHOP. See "—Ground Leases of Retail Portfolio".

(2) Annualized base rent per leased square foot is calculated by dividing (i) base rental payments (defined as cash base rent (before abatements)) for the month ended as of the date indicated multiplied by 12, by (ii) square footage under commenced leases as of the date indicated. Annualized base rent excludes rent pursuant to the two ground leases described above.

Broad Creek Shopping Center

Broad Creek Shopping Center is a 43 acre retail center. We own improvements on this land that contain 227,750 square feet of rentable retail space in Norfolk, Virginia. We also lease land in this retail center to third parties pursuant to six ground leases. The center was built in three phases starting in 1997, with the final phase completed six years later in 2001. The property is located off the Military Highway in one of Norfolk's busiest shopping districts that is easily accessible by Interstate 64. As of December 31, 2012, the retail center was approximately 95.5% occupied and anchored by Home Depot, which leases 130,000 square feet. Other major tenants include Food Lion, PetsMart, Party City and Salon Plaza.

Other than recurring capital expenditures, we have no immediate plans with respect to major renovation or redevelopment of the Broad Creek Shopping Center.

Broad Creek Shopping Center Primary Tenants

The following table summarizes information regarding the top five tenants, by annualized base rent, of Broad Creek Shopping Center as of December 31, 2012:

Tenant	Principal Nature of Business	Lease Expiration	Total Leased Square Feet	Square Foot Leased Pursuant to Ground Leases	% Property Net Rentable Square Feet	Annualized Base Rent[1]	% of Property Annualized Base Rent	Annualized Base Rent Per Leased Square Foot[2]
Home Depot	Lumber & Supplies	1/31/2019	130,000	N/A	57.1%	$ 1,573,000	45.4%	$ 12.10
Food Lion	Grocery	8/12/2017[3]	33,000	N/A	14.5	338,250	9.8	10.25
PetsMart	Pet Supplies	1/31/2017	20,114	N/A	8.8	315,388	9.1	15.68
Party City	Dept. Store	1/31/2019	11,708	N/A	5.1	194,353	5.6	16.60
7-Eleven	Convenience Store	11/30/2022	Ground	51,836	N/A	145,200	4.2	N/A
Top 5 Total/ Weighted Average			**194,822**	**51,836**	**85.5%**	**$ 2,566,191**	**74.1%**	**$ 12.43**

(1) Annualized base rent is calculated by multiplying (i) base rental payments (defined as cash base rents (before abatements)) for the month ended December 31, 2012 by (ii) 12.

(2) Annualized base rent per leased square foot is calculated by dividing (i) annualized base rent under the applicable lease by (ii) square footage under such lease. Excludes annualized base rent associated with ground leases.

(3) This lease contains an early termination right that allows the tenant to terminate at any time during the term of the lease if zoning or other restrictions prevent the tenant from using the leased premises to conduct its business.

Broad Creek Shopping Center Lease Expirations

The following table sets forth the lease expirations for leases not subject to ground leases and in place at Broad Creek Shopping Center as of December 31, 2012 for each of the ten full calendar years beginning January 1, 2013, plus available space as of December 31, 2012. The information set forth in the table assumes that tenants exercise no renewal options and no early termination rights.

Year of Lease Expiration	Number of Leases Expiring	Square Footage of Leases Expiring	% Property Net Rentable Square Feet[1]	Annualized Base Rent[2]	% of Property Annualized Base Rent	Annualized Base Rent per Leased Square Foot[3]
Available	—	10,174	4.5%	—	—	—
2013[4]	3	3,120	1.4	$ 81,619	2.8%	$ 26.16
2014	1	2,000	0.9	44,000	1.5	22.00
2015	1	1,492	0.6	24,588	0.8	16.48
2016	4	5,040	2.2	100,195	3.5	19.88
2017	4	56,364	24.7	714,524	24.7	12.68
2018[5]	3	6,360	2.8	138,874	4.8	21.84
2019	2	141,708	62.2	1,767,353	61.0	12.47
2020	1	1,492	0.7	23,871	0.9	16.00
2021	—	—	—	—	—	—
2022	—	—	—	—	—	—
2023	—	—	—	—	—	—
Thereafter	—	—	—	—	—	—
Total/Weighted Average	**19**	**227,750**	**100.0%**	**$ 2,895,024**	**100.0%**	**$ 13.31**

(1) Percentage leased is calculated as (i) square footage under commenced leases as of the date indicated, divided by (ii) net rentable square feet, expressed as a percentage. Percentage of property net rentable square feet excludes an aggregate of 299,170 square feet leased pursuant to six ground leases to 7-Eleven, Ruby Tuesdays, IHOP, Kentucky Fried Chicken, Wendy's and Chick-Fil-A. The 51,836 square foot ground lease to 7-Eleven will expire on November 30, 2022. The 51,401 square foot ground lease to Ruby Tuesdays will expire on January 31, 2016. The 66,995 square foot ground lease to IHOP will expire on November 30, 2025. The 43,560 square foot ground lease to Kentucky Fried Chicken will expire on October 7, 2019. The 44,649 square foot ground lease to Wendy's will expire on December 31, 2017. The 40,729 square foot ground lease to Chick-Fil-A will expire on October 31, 2018. See "—Ground Leases of Retail Portfolio."

(2) Annualized base rent is calculated by multiplying (i) base rental payments (defined as cash base rents (before abatements)) for the month ended December 31, 2012 for the leases expiring during the applicable period by (ii) 12. Annualized base rent excludes an aggregate of $572,291 of rent pursuant to the six ground leases described in the preceding footnote.

(3) Annualized base rent per leased square foot is calculated by dividing (i) annualized base rent under the applicable lease by (ii) square footage under such lease.

(4) Includes $18,000 of annualized base rent for billboard lease to Adam's Outdoor Advertising.

(5) Includes $11,880 of annualized base rent for ATM lease to Wachovia.

Broad Creek Shopping Center Percentage Leased and Base Rent

The following table sets forth the percentage leased, annualized base rent per leased square foot and average net effective annual base rent per leased square foot for Broad Creek Shopping Center as of the dates indicated below:

Date	Percentage Leased[1]	Annualized Base Rent Per Leased Square Foot[2]
December 31, 2012	95.5%	$ 13.31
December 31, 2011	96.5	13.87
December 31, 2010	96.4	13.14

(1) Percentage leased is calculated as (i) square footage under commenced leases as of the date indicated, divided by (ii) net rentable square feet, expressed as a percentage. Percentage of property net rentable square feet excludes square feet leased pursuant to six ground leases to 7-Eleven, Ruby Tuesdays, IHOP, Kentucky Fried Chicken, Wendy's, Chick-Fil-A.

(2) Annualized base rent per leased square foot is calculated by dividing (i) base rental payments (defined as cash base rent (before abatements)) for the month ended as of the date indicated multiplied by 12, by (ii) square footage under commenced leases as of the date indicated. Annualized base rent excludes rent pursuant to the six ground leases described in Note 1 above.

Broad Creek Shopping Center Ground Leases

We lease the land upon which the property is located from the third-party land owner pursuant to two ground leases. One of the ground leases expires on May 31, 2047. This ground lease permits us to renew or extend the ground lease for four successive ten-year terms, subject to certain conditions. As of December 31, 2012, we were required to pay $28,284 per month under this ground lease, and such rent will increase to $31,112 on June 1, 2017 and will increase at the beginning of each five year period that follows by 10% of the prior rent. The other ground lease expires on August 31, 2048. This ground lease permits us to renew or extend the ground lease for four successive ten-year terms, subject to certain conditions. As of December 31, 2012, we are required to pay $57,147 per month under this ground lease. The rent will increase on September 1, 2013 to $62,862 per month for the following five years and will increase at the beginning of each five year period that follows by 10% of the prior rent.

Courthouse 7-Eleven

Courthouse 7-Eleven is a convenience store property that has 3,177 square feet of leasable space located in Virginia Beach, Virginia. The property is located at the intersection of Nimmo Parkway and Princess Anne Road, driving high volumes of traffic to the location. The property was built in 2011.

As of December 31, 2012, Courthouse 7-Eleven was 100% occupied by a 7-Eleven convenience store and generated annualized base rent of approximately $125,000 or $39.35 per leased square foot. Assuming no renewal options and no early termination rights, the lease will expire on December 31, 2026.

Other than recurring capital expenditures, we have no immediate plans with respect to major renovation or redevelopment to Courthouse 7-Eleven.

Courthouse 7-Eleven Percentage Leased and Base Rent

The following table sets forth the percentage leased and annualized base rent per leased square foot for Courthouse 7-Eleven as of the date indicated below:

Date	Percentage Leased[1]	Annualized Base Rent Per Leased Square Foot[2]
December 31, 2012	100.0%	$ 39.35

(1) Percentage leased column is calculated as (i) square footage under commenced leases as of the date indicated, divided by (ii) net rentable square feet, expressed as a percentage.

(2) Annualized base rent per leased square foot is calculated by dividing (i) base rental payments (defined as cash base rent (before abatements)) for the month ended as of the date indicated multiplied by 12, by (ii) square footage under commenced leases as of the date indicated.

Tyre Neck Harris Teeter

We lease the land underlying the Tyre Neck Harris Teeter to a third party pursuant to a ground lease pertaining to 200,073 square feet of land located on Tyre Neck Road in Portsmouth, Virginia. This property was completed in 2012. Harris Teeter is the sole tenant of the space pursuant to a long-term ground lease on the property and has been the anchor tenant since 2012.

As of December 31, 2012, Tyre Neck Harris Teeter generated an annualized base rent of approximately $507,600. Assuming no renewal options and no early termination rights, Harris Teeter's lease will expire on May 8, 2032.

Other than recurring capital expenditures, we have no immediate plans with respect to major renovation or redevelopment of Tyre Neck Harris Teeter.

Tyre Neck Harris Teeter Percentage Leased and Base Rent

The following table sets forth the percentage leased, annualized base rent per leased square foot and average net effective annual base rent per leased square foot for Tyre Neck Harris Teeter as of the dates indicated below:

Date	Percentage Leased[1]
December 31, 2012	100.0%
December 31, 2011	100.0
December 31, 2010	68.5

(1) Percentage leased is calculated as (i) square footage under commenced leases as of the date indicated, divided by (ii) net rentable square feet, expressed as a percentage.

Tyre Neck Ground Lease

We lease the land upon which the property is located from the third-party landowner pursuant to a ground lease that expires on May 31, 2032. As of December 31, 2012, this property is currently in the fourth year of the ground lease. The ground lease will automatically be extended for ten successive extension periods of five years each following the initial term, subject to certain conditions. As of December 31, 2012, our monthly payments pursuant to the lease were $16,250. The rent payments will increase by 5% on July 1, 2014 to $17,062 per month and will increase by 5% every five years thereafter during the remaining term of the lease.

Gainsborough Square

Gainsborough Square is an 88,862 square foot retail center situated on 10 acres in central Chesapeake, Virginia. The property is located on North Battlefield Boulevard, one of the major thoroughfares in the region, which brings traffic from local residential communities and the Chesapeake Regional Medical Center. Gainsborough Square was completed in 1999. As of December 31, 2012, Gainsborough Square was approximately 93% occupied with Food Lion as the major tenant leasing approximately 44,900 square feet. Other tenants include Rite-Aid, Navy Federal Credit Union, Pirate's Cove Restaurant, Nagoya Sushi and Lucky Star Chinese Restaurant along with several other small retailers.

Other than recurring capital expenditures, we have no immediate plans with respect to major renovation or redevelopment of Gainsborough Square.

Gainsborough Square Primary Tenants

The following table summarizes information regarding the top five tenants, by annualized base rent, of Gainsborough Square as of December 31, 2012:

Tenant	Principal Nature of Business	Lease Expiration	Total Leased Square Feet	% Property Net Rentable Square Feet	Annualized Base Rent[1]	% of Property Annualized Base Rent	Annualized Base Rent per Leased Square Foot[2]
Food Lion	Grocery	12/7/2019	44,874	50.5%	$ 506,627	39.6%	$ 11.29
Rite Aid	Pharmacy	1/24/2020	10,908	12.3	254,811	19.9	23.36
Navy Federal Credit Union	Bank	3/31/2015	6,400	7.2	131,008	10.2	20.47
Pirate's Cove Restaurant	Restaurant	10/31/2019	4,800	5.4	84,048	6.6	17.51
Subway	Restaurant	1/18/2015	1,600	1.8	41,056	3.2	25.66
Top 5 Total/Weighted Average			**68,582**	**77.2%**	**$ 1,017,550**	**79.5%**	**$ 14.84**

(1) Annualized base rent is calculated by multiplying (i) base rental payments (defined as cash base rents (before abatements)) for the month ended December 31, 2012 by (ii) 12.

(2) Annualized base rent per leased square foot is calculated by dividing (i) annualized base rent under the applicable lease by (ii) square footage under such lease.

Gainsborough Square Lease Expirations

The following table sets forth the lease expirations for leases in place at Gainsborough Square as of December 31, 2012 for each of the ten full calendar years beginning January 1, 2013, plus available space as of December 31, 2012. The information set forth in the table assumes that tenants exercise no renewal options and no early termination rights.

Year of Lease Expiration	Number of Leases Expiring	Square Footage of Leases Expiring	% Property Net Rentable Square Feet	Annualized Base Rent[1]	% of Property Annualized Base Rent	Annualized Base Rent per Leased Square Foot[2]
Available	—	6,240	7.0%	—	—	—
2013	1	1,200	1.4	$ 22,920	1.8%	$ 19.10
2014	—	—	—	—	—	—
2015	7	16,040	18.1	324,946	25.4	20.26
2016	—	—	—	—	—	—
2017	2	3,200	3.6	58,752	4.6	18.36
2018	—	—	—	—	—	—
2019	2	49,674	55.9	590,675	46.1	11.89
2020	2	12,508	14.0	283,612	22.1	22.67
2021	—	—	—	—	—	—
2022	—	—	—	—	—	—
2023	—	—	—	—	—	—
Thereafter	—	—	—	—	—	—
Total / Weighted Average	**14**	**88,862**	**100.0%**	**$ 1,280,905**	**100.0%**	**$ 15.50**

(1) Annualized base rent is calculated by multiplying (i) base rental payments (defined as cash base rents (before abatements)) for the month ended December 31, 2012 for the leases expiring during the applicable period by (ii) 12.

(2) Annualized base rent per leased square foot is calculated by dividing (i) annualized base rent under the applicable leases by (ii) square footage under such lease.

Gainsborough Square Percentage Leased and Base Rent

The following table sets forth the percentage leased and annualized base rent per leased square foot for Gainsborough Square as of the dates indicated below:

Date	Percentage Leased[1]	Annualized Base Rent per Leased Square Foot[2]
December 31, 2012	93.0%	$ 15.50
December 31, 2011	91.2	15.38
December 31, 2010	91.2	15.41

(1) Percentage leased column is calculated as (i) square footage under commenced leases as of the date indicated, divided by (ii) net rentable square feet, expressed as a percentage.

(2) Annualized base rent per leased square foot is calculated by dividing (i) base rental payments (defined as cash base rent (before abatements)) for the month ended as of the date indicated multiplied by 12, by (ii) square footage under commenced leases as of the date indicated.

Hanbury Village

Hanbury Village is a 17-acre retail center with 61,049 net rentable square feet located in Chesapeake, Virginia. Construction on Hanbury Village was completed in 2009. The property is situated just off the Chesapeake Expressway in close proximity to the residential communities in the area. As of December 31, 2012, Hanbury Village was approximately 85% occupied. Tenants include Bon Secours, The Little Gym, Walgreens and other small shop retail tenants. Hanbury Village has an outparcel of 53,579 square feet of land that is ground leased by 7-Eleven and an outparcel of 52,409 square feet of land that is ground leased by Harris Teeter.

Other than recurring capital expenditures, we have no immediate plans with respect to major renovation or redevelopment of Hanbury Village.

Hanbury Village Primary Tenants

The following table summarizes information regarding the top five tenants, by annualized base rent, of Hanbury Village as of December 31, 2012:

Tenant	Principal Nature of Business	Lease Expiration	Total Leased Square Feet	Square Foot Leased Pursuant to Ground Leases	% Property Net Rentable Square Feet	Annualized Base Rent[1]	% of Property Annualized Base Rent	Annualized Base Rent Per Leased Square Foot[2]
Harris Teeter	Grocery	10/31/2026	Ground	52,409	N/A	$ 922,398	38.4%	N/A
Walgreens	Dept. Store	12/31/2083	14,820	N/A	24.3%	447,564	18.6	$ 30.20
7-Eleven	Convenience Store	3/31/2027	N/A	53,579	N/A	145,200	6.0	N/A
Costa Azul Mexican Restaurant	Restaurant	2/2/2014	3,600	N/A	5.9	94,608	3.9	26.28
The Little Gym	Children's Gym	1/31/2017	3,916	N/A	6.4	89,441	3.7	22.84
Top 5 Total / Weighted Average			**22,336**	**105,988**	**36.6%**	**$ 1,699,211**	**70.6%**	**$ 28.28**

(1) Annualized base rent is calculated by multiplying (i) base rental payments (defined as cash base rents (before abatements)) for the month ended December 31, 2012 for the leases expiring during the applicable period by (ii) 12.

(2) Annualized base rent per leased square foot is calculated by dividing (i) annualized base rent under the applicable leases by (ii) square footage under such lease. Excludes annualized base rent associated with ground leases.

Hanbury Village Lease Expirations

The following table sets forth the lease expirations for leases in place at Hanbury Village as of December 31, 2012 for each of the ten full calendar years beginning January 1, 2013, plus available space as of December 31, 2012. The information set forth in the table assumes that tenants exercise no renewal options and no early termination rights.

Year of Lease Expiration	Number of Leases Expiring	Square Footage of Leases Expiring	% Property Net Rentable Square Feet[1]	Annualized Base Rent[2]	% of Property Annualized Base Rent	Annualized Base Rent per Leased Square Foot[3]
Available	—	9,325	15.3%	—	—	—
2013	2	6,160	10.1	$ 156,178	11.7%	$ 25.35
2014	2	5,000	8.2	124,176	9.3	24.84
2015	2	2,850	4.7	61,431	4.6	21.55
2016	4	5,728	9.4	149,849	11.2	26.16
2017	5	11,976	19.6	280,775	21.1	23.44
2018	—	—	—	—	—	—
2019	1	3,990	6.5	83,790	6.3	21.00
2020	—	—	—	—	—	—
2021	1	1,200	2.0	28,800	2.2	24.00
2022	—	—	—	—	—	—
2023	—	—	—	—	—	—
Thereafter	1	14,820	24.2	447,564	33.6	30.20
Total / Weighted Average	**18**	**61,049**	**100.0%**	**$ 1,332,563**	**100.0%**	**$ 25.76**

(1) Percentage of property net rentable square feet and excludes a 53,579 square foot ground lease to 7-Eleven that will expire on March 31, 2027 and a 52,409 square foot ground lease to Harris Teeter that will expire on October 31, 2026.

(2) Annualized base rent is calculated by multiplying (i) base rental payments (defined as cash base rents (before abatements)) for the month ended December 31, 2012 for the leases expiring during the applicable period by (ii) 12. Annualized base rent excludes an aggregate of $1,067,598 of rent pursuant to the two ground leases described in Note 1 above.

(3) Annualized base rent per leased square foot is calculated by dividing (i) annualized base rent under the applicable lease by (ii) square footage under such lease.

Hanbury Village Percentage Leased and Base Rent

The following table sets forth the percentage leased and annualized base rent per leased square foot for Hanbury Village as of the dates indicated below:

Date	Percentage Leased[1]	Annualized Base Rent Per Leased Square Foot[2]
December 31, 2012	84.7%	$ 25.76
December 31, 2011	91.3	25.80
December 31, 2010	93.5	26.20

(1) Percentage leased is calculated as (i) square footage under commenced leases as of the date indicated, divided by (ii) net rentable square feet, expressed as a percentage. Percentage of property net rentable square feet excludes ground lease to 7-Eleven and Harris Teeter.

(2) Annualized base rent per leased square foot is calculated by dividing (i) base rental payments (defined as cash base rent (before abatements)) for the month ended as of the date indicated multiplied by 12, by (ii) square footage under commenced leases as of the date indicated. Annualized base rent excludes rent pursuant to the ground lease described in Note 1 above.

North Point Center

North Point Center is a 62 acre retail center with 215,699 square feet of leasable space across six parcels in northwest Durham, North Carolina. North Point Center also includes 1,443,985 square feet of land ground leased to multiple tenants. North Point Center is located on North Point Drive approximately two miles from Duke University. Construction on the North Point Center began in 1997 and was completed in four phases, with construction of the final phase completed in 2009. The retail center is occupied by multiple triple net and ground lease tenants. As of December 31, 2012, North Point Center was approximately 91% occupied with anchor tenants including Home Depot, Costco and Kroger. The retail center has other well-known national retail tenants such as Bed, Bath & Beyond, Ross, PetsMart, IHOP, Texas Roadhouse, Verizon and GNC.

Other than recurring capital expenditures, we have no immediate plans with respect to major renovation or redevelopment of North Point Center.

North Point Center Primary Tenants

The following table summarizes information regarding the top five tenants, by annualized base rent, of North Point Center as of December 31, 2012:

Tenant	Principal Nature of Business	Lease Expiration	Total Leased Square Feet	Square Foot Leased Pursuant to Ground Leases	% Property Net Rentable Square Feet	Annualized Base Rent[1]	% of Property Annualized Base Rent	Annualized Base Rent per Leased Square Foot[2]
Kroger	Grocery Store	8/31/2018	57,590	N/A	26.7%	$ 552,864	16.4%	$ 9.60
Home Depot	Lumber & Supplies	1/31/2023	Ground	537,269	N/A	459,600	13.6	N/A
Costco	Wholesale	9/30/2025	Ground	787,129	N/A	441,529	13.1	N/A
Ross	Dept. Store	1/31/2017	30,187	N/A	14.0	324,510	9.6	10.75
PetsMart	Pet Supplies	1/31/2015[3]	26,148	N/A	12.1	303,317	9.0	11.60
Top 5 Total / Weighted Average			**113,925**	**1,324,398**	**52.8%**	**$ 2,081,820**	**61.7%**	**$ 10.36**

(1) Annualized base rent is calculated by multiplying (i) base rental payments (defined as cash base rents (before abatements)) for the month ended December 31, 2012 by (ii) 12.

(2) Annualized base rent per leased square foot is calculated by dividing (i) annualized base rent under the applicable leases by (ii) square footage under such lease. Excludes annualized base rent associated with ground leases.

(3) This lease contains an early termination right that allows the tenant to terminate the lease if at least two of three specified tenants fail to maintain leases at the property for 12 consecutive months.

North Point Center Lease Expirations

The following table sets forth the lease expirations for leases not subject to ground leases and in place at North Point Center as of December 31, 2012 for each of the ten full calendar years beginning January 1, 2013, plus available space as of December 31, 2012. The information set forth in the table assumes that tenants exercise no renewal options and no early termination rights.

Year of Lease Expiration	Number of Leases Expiring	Square Footage of Leases Expiring	% Property Net Rentable Square Feet(1)	Annualized Base Rent(2)	% of Property Annualized Base Rent	Annualized Base Rent per Leased Square Foot(3)
Available	—	19,300	8.9%	—	—	—
2013	1	2,247	1.0	$ 31,458	1.4%	$ 14.00
2014	5	14,505	6.7	203,672	8.8	14.04
2015	3	31,298	14.6	366,760	15.7	11.72
2016	2	7,485	3.5	130,124	5.6	17.38
2017	2	42,247	19.6	469,230	20.2	11.11
2018	2	62,590	29.0	614,114	26.4	9.81
2019	1	4,500	2.1	171,000	7.3	38.00
2020	—	—	—	—	—	—
2021	—	—	—	—	—	—
2022	2	31,527	14.6	338,404	14.6	10.73
2023	—	—	—	—	—	—
Thereafter	—	—	—	—	—	—
Total / Weighted Average	**18**	**215,699**	**100.0%**	**$ 2,324,762**	**100.0%**	**$ 11.84**

(1) Percentage of property net rentable square feet excludes approximately 1,443,985 square feet pursuant to four ground leases to Costco, Home Depot, Texas Roadhouse and IHOP.

(2) Annualized base rent is calculated by multiplying (i) base rental payments (defined as cash base rents (before abatements)) for the month ended December 31, 2012 for the leases expiring during the applicable period by (ii) 12. Annualized base rent excludes an aggregate of $1,048,135 of rent pursuant to the four ground leases described in Note 1 above. See "—Ground Leases of Retail Portfolio."

(3) Annualized base rent per leased square foot is calculated by dividing (i) annualized base rent under the applicable lease by (ii) square footage under such lease.

North Point Center Percentage Leased and Base Rent

The following table sets forth the percentage leased, annualized base rent per leased square foot and average net effective annual base rent per leased square foot for North Point Center as of the dates indicated below:

Date	Percentage Leased(1)	Annualized Base Rent Per Leased Square Foot(2)
December 31, 2012	91.1%	$ 11.84
December 31, 2011	88.7	11.67
December 31, 2010	88.1	11.86

(1) Percentage leased is calculated as (i) square footage under commenced leases as of the date indicated, divided by (ii) net rentable square feet, expressed as a percentage. Percentage of property net rentable square feet excludes an aggregate of approximately 1,443,985 square feet of land leased pursuant to four ground leases to Costco, Home Depot, Texas Roadhouse and IHOP.

(2) Annualized base rent per leased square foot is calculated by dividing (i) base rental payments (defined as cash base rent (before abatements)) for the month ended as of the date indicated multiplied by 12, by (ii) square footage under commenced leases as of the date indicated. Annualized base rent excludes rent pursuant to the four ground leases described in Note 1 above.

Parkway Marketplace

Parkway Marketplace is a four acre shopping center with 37,804 square feet of leasable space located in close proximity to Interstate 64 in Virginia Beach, Virginia. Parkway Marketplace was built in 1998. As of December 31, 2012, Parkway Marketplace was 100% occupied. The retail center is anchored by a corporate-owned Food Lion and a Rite-Aid.

Other than recurring capital expenditures, we have no immediate plans with respect to major renovation or redevelopment of Parkway Marketplace.

Parkway Marketplace Primary Tenants

The following table summarizes information regarding the top five tenants, by annualized base rent, of Parkway Marketplace as of December 31, 2012:

Tenant	Principal Nature of Business	Lease Expiration	Total Leased Square Feet	% Property Net Rentable Square Feet	Annualized Base Rent[1]	% of Property Annualized Base Rent	Annualized Base Rent per Leased Square Foot[2]
Rite Aid	Pharmacy	9/5/2018	11,202	29.6%	$ 229,382	30.4%	$ 20.48
Chartway FCU	Bank	8/31/2016	3,200	8.5	$ 77,024	10.2	24.07
Radio Shack	Electronic Goods	3/31/2017	2,700	7.1	46,575	6.2	17.25
Pizza Express, Inc.	Restaurant	9/30/2022	2,100	5.6	46,200	6.1	22.00
ABC Store	Liquor Store	6/30/2015[3]	2,335	6.2	40,442	5.4	17.32
Top 5 Total/Weighted Average			**21,537**	**57.0%**	**$ 439,623**	**58.3%**	**$ 20.41**

(1) Annualized base rent is calculated by multiplying (i) base rental payments (defined as cash base rents (before abatements)) for the month ended December 31, 2012 by (ii) 12.

(2) Annualized base rent per leased square foot is calculated by dividing (i) annualized base rent under the applicable lease by (ii) square footage under such lease.

(3) This lease contains an early termination right that allows the tenant to terminate if the primary anchor store vacates or ceases operations by providing notice within 18 months after the primary tenant vacates or ceases operations.

Parkway Marketplace Lease Expirations

The following table sets forth the lease expirations for leases in place at Parkway Marketplace for each of the ten full calendar years beginning January 1, 2013, plus available space as of December 31, 2012. The information set forth in the table assumes that tenants exercise no renewal options and no early termination rights.

Year of Lease Expiration	Number of Leases Expiring	Square Footage of Leases Expiring	% Property Net Rentable Square Feet	Annualized Base Rent[1]	% of Property Annualized Base Rent	Annualized Base Rent Per Leased Square Foot[2]
Available	—	—	—	—	—	—
2013	5	8,800	23.3%	$ 170,880	22.7%	$ 19.42
2014	1	1,600	4.2	37,584	5.0	23.49
2015	1	2,335	6.2	40,442	5.4	17.32
2016	3	5,367	14.2	116,373	15.4	21.68
2017	2	4,200	11.1	72,975	9.7	17.38
2018	1	11,202	29.6	229,382	30.4	20.48
2019	1	2,200	5.8	39,732	5.3	18.06
2020	—	—	—	—	—	—
2021	—	—	—	—	—	—
2022	1	2,100	5.6	46,200	6.1	22.00
2023	—	—	—	—	—	—
Thereafter	—	—	—	—	—	—
Total/Weighted Average	15	37,804	100.0%	$ 753,568	100.0%	$ 19.93

(1) Annualized base rent is calculated by multiplying (i) base rental payments (defined as cash base rents (before abatements)) for the month ended December 31, 2012 by (ii) 12.

(2) Annualized base rent per leased square foot is calculated by dividing (i) annualized base rent under the applicable lease by (ii) square footage under such lease.

Parkway Marketplace Percentage Leased and Base Rent

The following table sets forth the percentage leased and annualized base rent per leased square foot for Parkway Marketplace as of the dates indicated below:

Date	Percentage Leased[1]	Annualized Base Rent Per Leased Square Foot[2]
December 31, 2012	100.0%	$ 19.93
December 31, 2011	95.0	19.64
December 31, 2010	91.9	19.58

(1) Percentage leased is calculated as (i) square footage under commenced leases as of the date indicated, divided by (ii) net rentable square feet, expressed as a percentage.

(2) Annualized base rent per leased square foot is calculated by dividing (i) base rental payments (defined as cash base rent (before abatements)) for the month ended as of the date indicated multiplied by 12, by (ii) square footage under commenced leases as of the date indicated.

Harrisonburg Regal

Harrisonburg Regal is a 10-acre movie theater retail property with 49,000 square feet of leasable space in Harrisonburg, Virginia. This property is located on University Boulevard just outside the campus of James Madison University. The property was built in 1999 and is 100% occupied by a sole tenant, Regal Cinemas.

As of December 31, 2012, Harrisonburg Regal generated annualized base rent of approximately $683,600, or $13.95 per leased square foot. Assuming no renewal options and no early termination rights, Regal Cinemas' lease will expire on April 23, 2019.

Other than recurring capital expenditures, we have no immediate plans with respect to major renovation or redevelopment of Harrisonburg Regal.

Harrisonburg Regal Percentage Leased and Base Rent

The following table sets forth the percentage leased, annualized base rent per leased square foot and average net effective annual base rent per leased square foot for Harrisonburg Regal as of the dates indicated below:

Date	Percentage Leased[1]	Annualized Base Rent Per Leased Square Foot[2]
December 31, 2012	100.0%	$ 13.95
December 31, 2011	100.0	13.95
December 31, 2010	100.0	13.95

(1) Percentage leased column is calculated as (i) square footage under commenced leases as of the date indicated, divided by (ii) net rentable square feet, expressed as a percentage.

(2) Annualized base rent per leased square foot is calculated by dividing (i) base rental payments (defined as cash base rent (before abatements)) for the month ended as of the date indicated multiplied by 12, by (ii) square footage under commenced leases as of the date indicated.

Dick's at Town Center

Dick's at Town Center is a 100,804 square foot retail center located in the Virginia Beach Town Center. The property was built in 2002. As of December 31, 2012, Dick's at Town Center was approximately 91% occupied and is anchored by a Dick's Sporting Goods retail store as well as Guadalajara, a Mexican-themed restaurant.

Other than recurring capital expenditures, we have no immediate plans with respect to major renovation or redevelopment of Dick's at Town Center.

Dick's at Town Center Primary Tenants

The following table summarizes information regarding the tenants of Dick's at Town Center as of December 31, 2012:

Tenant	Principal Nature of Business	Lease Expiration	Total Leased Square Feet	% Property Net Rentable Square Feet	Annualized Base Rent[1]	% of Property Annualized Base Rent	Annualized Base Rent Per Leased Square Foot[2]
Dick's Sporting Goods	Sporting Goods	1/31/2020	84,000	83.3%	$ 798,000	87.8%	$ 9.50
Guadalajara	Restaurant	1/31/2023	8,152	8.1	110,460	12.2	13.55
Total/Weighted Average			**92,152**	**91.4%**	**$ 908,460**	**100.0%**	**$ 9.86**

(1) Annualized base rent is calculated by multiplying (i) base rental payments (defined as cash base rents (before abatements)) for the month ended December 31, 2012 by (ii) 12.

(2) Annualized base rent per leased square foot is calculated by dividing (i) annualized base rent under the applicable lease by (ii) square footage under such lease.

Dick's at Town Center Lease Expirations

The following table sets forth the lease expirations for leases in place at Dick's at Town Center, for each of the ten full calendar years beginning January 1, 2013, plus available space as of December 31, 2012. The information set forth in the table assumes that tenants exercise no renewal options and no early termination rights.

Year of Lease Expiration	Number of Leases Expiring	Square Footage of Leases Expiring	% Property Net Rentable Square Feet	Annualized Base Rent[1]	% of Property Annualized Base Rent	Annualized Base Rent per Leased Square Foot[2]
Available	—	8,652	8.6%	—	—	—
2013	—	—	—	—	—	—
2014	—	—	—	—	—	—
2015	—	—	—	—	—	—
2016	—	—	—	—	—	—
2017	—	—	—	—	—	—
2018	—	—	—	—	—	—
2019	—	—	—	—	—	—
2020	1	84,000	83.3	$ 798,000	87.8%	$ 9.50
2021	—	—	—	—	—	—
2022	—	—	—	—	—	—
2023	1	8,152	8.1	110,460	12.2	13.55
Thereafter	—	—	—	—	—	—
Total/Weighted Average	**2**	**100,804**	**100.0%**	**$ 908,460**	**100.0%**	**$ 9.86**

(1) Annualized base rent is calculated by multiplying (i) base rental payments (defined as cash base rents (before abatements)) for the month ended December 31, 2012 for the leases expiring during the applicable period by (ii) 12.

(2) Annualized base rent per leased square foot is calculated by dividing (i) annualized base rent under the applicable lease by (ii) square footage under such lease.

Dick's at Town Center Percentage Leased

The following table sets forth the percentage leased and annualized base rent per leased square foot for Dick's at Town Center as of the dates indicated below:

Date	Percentage Leased[1]	Annualized Base Rent Per Leased Square Foot[2]
December 31, 2012	91.4%	$ 9.86
December 31, 2011	91.4	9.80
December 31, 2010	94.4	11.21

(1) Percentage leased is calculated as (i) square footage under commenced leases as of the date indicated, divided by (ii) net rentable square feet, expressed as a percentage.

(2) Annualized base rent per leased square foot is calculated by dividing (i) base rental payments (defined as cash base rent (before abatements)) for the month ended as of the date indicated multiplied by 12, by (ii) square footage under commenced leases as of the date indicated.

249 Central Park Retail

249 Central Park Retail is a 92,515 square foot retail center located in the Virginia Beach Town Center. The retail center was built in 2004. As of December 31, 2012, the property was approximately 99% occupied, with major tenants including Strayer University, Armada Hoffler, Cheesecake Factory, Brooks Brothers and Gordon Biersch.

Other than recurring capital expenditures, we have no immediate plans with respect to major renovation or redevelopment of 249 Central Park Retail.

249 Central Park Retail Primary Tenants

The following table summarizes information regarding the top five tenants, by annualized base rent, of 249 Central Park Retail as of December 31, 2012. We occupy space in this property as described in the notes to the tables below:

Tenant	Principal Nature of Business	Lease Expiration	Total Leased Square Feet	% Property Net Rentable Square Feet[4]	Annualized Base Rent[1]	% of Property Annualized Base Rent[4]	Annualized Base Rent Per Leased Square Foot[2]
Strayer University	Secondary Education	6/30/2014	13,906	15.0%	$ 406,751	16.2%	$ 29.25
Cheesecake Factory	Restaurant	1/31/2025[3]	11,507	12.4	368,224	14.7	32.00
Armada Hoffler	Real Estate Services	5/31/2016	13,839	15.0	299,338[4]	11.9	21.63
Issue Track, Inc.	Software Services	8/31/2015	11,955	12.9	297,082	11.8	24.85
Brooks Bros.	Apparel	5/31/2016	8,593	9.3	270,680	10.8	31.50
Top 5 Total / Weighted Average			**59,800**	**64.6%**	**$ 1,642,075**	**65.4%**	**$ 27.46**

(1) Annualized base rent is calculated by multiplying (i) base rental payments (defined as cash base rents (before abatements)) for the month ended December 31, 2012 by (ii) 12.

(2) Annualized base rent per leased square foot is calculated by dividing (i) annualized base rent under the applicable lease by (ii) square footage under such lease.

(3) This lease contains an early termination right that allows the tenant to terminate if its gross sales fall below specified thresholds as of the sixth and tenth years of the lease. Notice of the intent to terminate must be provided on May 1 of the year following the sixth or tenth year of the lease and termination would be effective 12 months after notice is given.

(4) As of December 31, 2012, we occupied 13,839 square feet at this property at an annualized base rent of $299,338, or $21.63 per leased square foot, which amounts are reflected in the % property net rentable square feet and % of property annualized base rent columns in the table above. In the combined financial statements of our Predecessor and following completion of this offering and the formation transactions, the rent paid by us will be eliminated from our revenues in consolidation.

249 Central Park Retail Lease Expirations

The following table sets forth the lease expirations for leases in place at 249 Central Park Retail for each of the ten full calendar years beginning January 1, 2013, plus available space as of December 31, 2012. The information set forth in the table assumes that tenants exercise no renewal options and no early termination rights.

Year of Lease Expiration	Number of Leases Expiring	Square Footage of Leases Expiring	% Property Net Rentable Square Feet	Annualized Base Rent[1]	% of Property Annualized Base Rent	Annualized Base Rent Per Leased Square Foot[2]
Available	—	1,199	1.3%	—	—	—
2013	1	128	0.1	$ 720	0.0%	$ 5.63
2014	4	20,310	22.0	545,824	21.7	26.87
2015	1	11,955	12.9	297,082	11.8	24.85
2016[3]	5	39,519	42.7	1,030,832	41.1	26.08
2017	—	—	—	—	—	—
2018	—	—	—	—	—	—
2019	—	—	—	—	—	—
2020	—	—	—	—	—	—
2021	1	7,897	8.5	268,498	10.7	34.00
2022	—	—	—	—	—	—
2023	—	—	—	—	—	—
Thereafter	1	11,507	12.5	368,224	14.7	32.00
Total / Weighted Average	**13**	**92,515**	**100.0%**	**$ 2,511,180**	**100.0%**	**$ 27.50**

(1) Annualized base rent is calculated by multiplying (i) base rental payments (defined as cash base rents (before abatements)) for the month ended December 31, 2012 for the leases expiring during the applicable period by (ii) 12.

(2) Annualized base rent per leased square foot is calculated by dividing (i) annualized base rent under the applicable lease by (ii) square footage under such lease.

(3) As of December 31, 2012, we occupied 13,839 square feet at this property at an annualized base rent of $299,338, or $21.63 per leased square foot, which amounts are reflected in the table above.

249 Central Park Retail Percentage Leased and Base Rent

The following table sets forth the percentage leased and annualized base rent per leased square foot for 249 Central Park Retail as of the dates indicated below:

Date	Percentage Leased[1][3]	Annualized Base Rent per Leased Square Foot[2][3]
December 31, 2012	98.7%	$ 27.50
December 31, 2011	100.0	26.73
December 31, 2010	100.0	26.91

(1) Percentage leased column is calculated as (i) square footage under commenced leases as of the date indicated, divided by (ii) net rentable square feet, expressed as a percentage.

(2) Annualized base rent per leased square foot is calculated by dividing (i) base rental payments (defined as cash base rent (before abatements)) for the month ended as of the date indicated multiplied by 12, by (ii) square footage under commenced leases as of the date indicated.

(3) As of December 31, 2012, we occupied 13,839 square feet at this property at an annualized base rent of $299,338, or $21.63 per leased square foot, which amounts are reflected in the table above.

Studio 56 Retail

Studio 56 Retail is a 11,600 square foot retail center located in the Virginia Beach Town Center. The property was built in 2007. As of December 31, 2012, the property was approximately 85% occupied, with major tenants including McCormick & Schmick's and Confetti: Café & Gelato.

Other than recurring capital expenditures, we have no immediate plans with respect to major renovation or redevelopment of Studio 56 Retail.

Studio 56 Retail Primary Tenants

The following table summarizes information regarding the tenants of Studio 56 Retail as of December 31, 2012:

Tenant	Principal Nature of Business	Lease Expiration	Total Leased Square Feet	% Property Net Rentable Square Feet	Annualized Base Rent[1]	% of Property Annualized Base Rent	Annualized Base Rent per Leased Square Foot[2]
McCormick & Schmick's	Restaurant	12/31/2022	8,000	69.0%	$ 288,000	86.4%	$ 36.00
Confetti: Café & Gelato	Restaurant	7/31/2018	1,832	15.8	45,400	13.6	24.78
Total / Weighted Average			**9,832**	**84.8%**	**$ 333,400**	**100.0%**	**$ 33.91**

(1) Annualized base rent is calculated by multiplying (i) base rental payments (defined as cash base rents (before abatements)) for the month ended December 31, 2012 by (ii) 12.

(2) Annualized base rent per leased square foot is calculated by dividing (i) annualized base rent under the applicable lease by (ii) square footage under such lease.

Studio 56 Lease Expirations

The following table sets forth the lease expirations for leases in place at Studio 56 Retail for each of the ten full calendar years beginning January 1, 2013, plus available space as of December 31, 2012. The information set forth in the table assumes that tenants exercise no renewal options and no early termination rights.

Year of Lease Expiration	Number of Leases Expiring	Square Footage of Leases Expiring	% Property Net Rentable Square Feet	Annualized Base Rent[1]	% of Property Annualized Base Rent	Annualized Base Rent per Leased Square Foot[2]
Available	—	1,768	15.2%	—	—	—
2013	—	—	—	—	—	—
2014	—	—	—	—	—	—
2015	—	—	—	—	—	—
2016	—	—	—	—	—	—
2017	—	—	—	—	—	—
2018	1	1,832	15.8%	$ 45,400	13.6%	$ 24.78
2019	—	—	—	—	—	—
2020	—	—	—	—	—	—
2021	—	—	—	—	—	—
2022	1	8,000	69.0	288,000	86.4	36.00
2023	—	—	—	—	—	—
Thereafter	—	—	—	—	—	—
Total / Weighted Average	**2**	**11,600**	**100.0%**	**$ 333,400**	**100.0%**	**$ 33.91**

(1) Annualized base rent is calculated by multiplying (i) base rental payments (defined as cash base rents (before abatements)) for the month ended December 31, 2012 for the leases expiring during the applicable period by (ii) 12.

(2) Annualized base rent per leased square foot is calculated by dividing (i) annualized base rent under the applicable lease by (ii) square footage under such lease.

Studio 56 Retail Percentage Leased and Base Rent

The following table sets forth the percentage leased and annualized base rent per leased square foot for Studio 56 Retail as of the dates indicated below:

Date	Percentage Leased[1]	Annualized Base Rent Per Leased Square Foot[2]
December 31, 2012	84.8%	$ 33.91
December 31, 2011	84.8	33.63
December 31, 2010	84.8	33.68

(1) Percentage leased is calculated as (i) square footage under commenced leases as of the date indicated, divided by (ii) net rentable square feet, expressed as a percentage.

(2) Annualized base rent per leased square foot is calculated by dividing (i) base rental payments (defined as cash base rent (before abatements)) for the month ended as of the date indicated multiplied by 12, by (ii) square footage under commenced leases as of the date indicated.

Commerce Street Retail

The Commerce Street Retail property is a 20,123 square foot retail center located in the Virginia Beach Town Center. The property was built in 2008. As of December 31, 2012, the property was 100% occupied, with major tenants including the Yard House and Havana Nights restaurants.

Other than recurring capital expenditures, we have no immediate plans with respect to major renovation or redevelopment of Commerce Street Retail.

Commerce Street Retail Primary Tenants

The following table summarizes information regarding the tenants of Commerce Street Retail as of December 31, 2012:

Tenant	Principal Nature of Business	Lease Expiration	Total Leased Square Feet	% Property Net Rentable Square Feet	Annualized Base Rent[1][3]	% of Property Annualized Base Rent	Annualized Base Rent Per Leased Square Foot[2]
Yard House	Restaurant	11/30/2023	10,760	53.5%	$ 538,000	69.0%	$ 50.00
Laser Skin & Vein-Dr. McDaniel	Cosmetic Services	1/31/2021	5,971	29.7	153,753	19.7	25.75
Havana Nights	Restaurant	6/30/2014	2,442	12.1	62,882	8.1	25.75
WVEC	Antenna	5/1/2018	rooftop	N/A	25,200	3.2	N/A
TC Block 7 Hotel	Café	6/30/2014	950	4.7	—	—	—
Top 5 Total / Weighted Average			**20,123**	**100.0%**	**$ 779,835**	**100.0%**	**$ 38.75**

(1) Annualized base rent is calculated by multiplying (i) base rental payments (defined as cash base rents (before abatements)) for the month ended December 31, 2012 by (ii) 12.

(2) Annualized base rent per leased square foot is calculated by dividing (i) annualized base rent under the applicable lease by (ii) square footage under such lease.

(3) TC Block 7 Hotel has a special rent structure. The entire cash flow from tenant's business is payable to the landlord until the landlord has received sufficient funds to cover operating, real estate tax and insurance expenses. Any additional cash flow above this level is retained by tenant until tenant has recovered the full amount paid by tenant for tenant improvements put in place upon lease commencement. Any additional cash flow above this level is payable to us until we have recovered the full amount paid by us for the tenant improvements put in place upon lease commencement. Any additional cash flow is split between us and the tenant such that we receive (i) 70% of the cash flow until we receive $10,000 in one lease year, then (ii) 50% of cash flow until we receive an additional $5,000 in the same lease year and then (iii) 30% of cash flow thereafter.

Commerce Street Retail Lease Expirations

The following table sets forth the lease expirations for leases in place at Commerce Street Retail for each of the ten full calendar years beginning January 1, 2012, plus available space as of December 31, 2012. The information set forth in the table assumes that tenants exercise no renewal options and no early termination rights.

Year of Lease Expiration	Number of Leases Expiring	Square Footage of Leases Expiring	% Property Net Rentable Square Feet	Annualized Base Rent[1]	% of Property Annualized Base Rent	Annualized Base Rent per Leased Square Foot[2]
Available	—	—	—	—	—	—
2013	—	—	—	—	—	—
2014	2	3,392	16.8%	$ 62,882	8.1%	$ 18.54
2015	—	—	—	—	—	—
2016	—	—	—	—	—	—
2017	—	—	—	—	—	—
2018[3]	1	—	—	25,200	3.2	—
2019	—	—	—	—	—	—
2020	—	—	—	—	—	—
2021	1	5,971	29.7	153,753	19.7	25.75
2022	—	—	—	—	—	—
2023	1	10,760	53.5	538,000	69.0	50.00
Thereafter	—	—	—	—	—	—
Total / Weighted Average	**5**	**20,123**	**100.0%**	**$ 779,835**	**100.0%**	**$ 38.75**

(1) Annualized base rent is calculated by multiplying (i) base rental payments (defined as cash base rents (before abatements)) for the month ended December 31, 2012 for the leases expiring during the applicable period by (ii) 12.

(2) Annualized base rent per leased square foot is calculated by dividing (i) annualized base rent under the applicable lease by (ii) square footage under such lease.

(3) Includes $25,200 of annualized base rent for a rooftop lease.

Commerce Street Retail Percentage Leased and Base Rent

The following table sets forth the percentage leased and annualized base rent per leased square foot for Commerce Street Retail as of the dates indicated below:

Date	Percentage Leased[1]	Annualized Base Rent Per Leased Square Foot[2]
December 31, 2012	100.0%	$ 38.75
December 31, 2011	100.0%	25.07
December 31, 2010	84.4%	23.80

(1) Percentage leased is calculated as (i) square footage under commenced lease as of the date indicated, divided by (ii) net rentable square feet, expressed as a percentage. Percentage of property net rentable square feet includes a rooftop antenna lease. See "—Ground Leases of Retail Portfolio."

(2) Annualized base rent per leased square foot is calculated by dividing (i) base rental payments (defined as cash base rent (before abatements)) for the month ended as of the date indicated multiplied by 12, by (ii) square footage under commenced leases as of the date indicated.

Fountain Plaza Retail

The Fountain Plaza Retail property is a 35,961 square foot retail center located in the Virginia Beach Town Center. The property was built in 2004. As of December 31, 2012, the property was 100% occupied with major tenants, including restaurant chains Ruth's Chris, Bravo! Cucino Italiana and Funny Bone, as well as retailer Ann Taylor Loft.

Other than recurring capital expenditures, we have no immediate plans with respect to major renovation or redevelopment of Fountain Plaza Retail.

Fountain Plaza Retail Primary Tenants

The following table summarizes information regarding the top five tenants, by annualized base rent, of Fountain Plaza Retail as of December 31, 2012:

Tenant	Principal Nature of Business	Lease Expiration	Total Leased Square Feet	% Property Net Rentable Square Feet	Annualized Base Rent[1]	% of Property Annualized Base Rent	Annualized Base Rent Per Leased Square Foot[2]
Ruth's Chris	Restaurant	5/31/2025	10,507	29.2%	$ 321,514	33.1%	$ 30.60
Bravo! Cucino Italiana	Restaurant	1/31/2020	7,946	22.1	238,380	24.5	30.00
Funny Bone	Restaurant	6/30/2015	6,735	18.7	161,640	16.6	24.00
Sonoma Wine Bar	Restaurant	11/30/2015	3,833	10.7	153,320	15.8	40.00
Ann Taylor Loft	Apparel	1/31/2015[3]	5,305	14.8	82,647	8.5	15.58
Top 5 Total/Weighted Average			**34,326**	**95.5%**	**$ 957,501**	**98.5%**	**$ 27.89**

(1) Annualized base rent is calculated by multiplying (i) base rental payments (defined as cash base rents (before abatements)) for the month ended December 31, 2012 by (ii) 12.

(2) Annualized base rent per leased square foot is calculated by dividing (i) annualized base rent under the applicable lease by (ii) square footage under such lease.

(3) This lease contains an early termination right that allows the tenant to terminate by providing 60 days prior written notice if a co-tenancy clause in its lease is not met for 12 consecutive months.

Fountain Plaza Retail Lease Expirations

The following table sets forth the lease expirations for leases in place at Fountain Plaza Retail for each of the ten full calendar years beginning January 1, 2013, plus available space as of December 31, 2012. The information set forth in the table assumes that tenants exercise no renewal options and no early termination rights.

Year of Lease Expiration	Number of Leases Expiring	Square Footage of Leases Expiring	% Property Net Rentable Square Feet	Annualized Base Rent[1]	% of Property Annualized Base Rent	Annualized Base Rent per Leased Square Foot[2]
Available	—	—	—	—	—	—
2013	—	—	—	—	—	—
2014	—	—	—	—	—	—
2015	3	15,873	44.2%	$ 397,607	40.9%	$ 25.05
2016	1	1,635	4.5	14,925	1.5	9.13
2017	—	—	—	—	—	—
2018	—	—	—	—	—	—
2019	—	—	—	—	—	—
2020	1	7,946	22.1	238,380	24.5	30.00
2021	—	—	—	—	—	—
2022	—	—	—	—	—	—
2023	—	—	—	—	—	—
Thereafter	1	10,507	29.2	321,514	33.1	30.60
Total / Weighted Average	**6**	**35,961**	**100.0%**	**$ 972,426**	**100.0%**	**$ 27.04**

(1) Annualized base rent is calculated by multiplying (i) base rental payments (defined as cash base rents (before abatements)) for the month ended December 31, 2012 for the leases expiring during the applicable period by (ii) 12.

(2) Annualized base rent per leased square foot is calculated by dividing (i) annualized base rent under the applicable lease by (ii) square footage under such lease.

Fountain Plaza Retail Percentage Leased and Base Rent

The following table sets forth the percentage leased and annualized base rent per leased square foot for Fountain Plaza Retail as of the dates indicated below:

Date	Percentage Leased[1]	Annualized Base Rent Per Leased Square Foot[2]
December 31, 2012	100.0%	$ 27.04
December 31, 2011	100.0	26.50
December 31, 2010	95.5	25.43

(1) Percentage leased column is calculated as (i) square footage under commenced leases as of the date indicated, divided by (ii) net rentable square feet, expressed as a percentage.

(2) Annualized base rent per leased square foot is calculated by dividing (i) base rental payments (defined as cash base rent (before abatements)) for the month ended as of the date indicated multiplied by 12, by (ii) square footage under commenced leases as of the date indicated.

South Retail

South Retail is a 38,763 square foot retail center located in the Virginia Beach Town Center. The property was completed in 2002. As of December 31, 2012, the property was approximately 93% occupied with major tenants including the Town Center City Club, Red Star Tavern and California Pizza Kitchen.

Other than recurring capital expenditures, we have no immediate plans with respect to major renovation or redevelopment of South Retail.

South Retail Primary Tenants

The following table summarizes information regarding the top five tenants, by annualized base rent, of South Retail as of December 31, 2012:

Tenant	Principal Nature of Business	Lease Expiration	Total Leased Square Feet	% Property Net Rentable Square Feet	Annualized Base Rent[1]	% of Property Annualized Base Rent	Annualized Base Rent per Leased Square Foot[2]
Red Star Tavern	Restaurant	4/30/2014	6,363	16.4%	$ 230,977	28.0%	$ 36.30
Town Center City Club	Specialty	2/28/2019	8,368	21.6	166,942	20.2	19.95
California Pizza Kitchen, Inc.	Restaurant	8/25/2018	5,402	13.9	162,060	19.6	30.00
RBC Wealth Management	Bank	8/31/2015	5,632	14.5	135,393	16.4	24.04
Zushi	Restaurant	10/31/2016	2,706	7.0	66,000	8.0	24.39
Top 5 Total / Weighted Average			**28,471**	**73.4%**	**$ 761,372**	**92.2%**	**$ 26.74**

(1) Annualized base rent is calculated by multiplying (i) base rental payments (defined as cash base rents (before abatements)) for the month ended December 31, 2012 by (ii) 12.

(2) Annualized base rent per leased square foot is calculated by dividing (i) annualized base rent under the applicable lease by (ii) square footage under such lease.

South Retail Lease Expirations

The following table sets forth the lease expirations for leases in place at South Retail for each of the ten full calendar years beginning January 1, 2013, plus available space as of December 31, 2012. The information set forth in the table assumes that tenants exercise no renewal options and no early termination rights.

Year of Lease Expiration	Number of Leases Expiring	Square Footage of Leases Expiring	% Property Net Rentable Square Feet	Annualized Base Rent[1]	% of Property Annualized Base Rent	Annualized Base Rent per Leased Square Foot[2]
Available	—	2,908	7.5%	—	—	—
2013	1	1,830	4.7	$ 12,005	1.5%	$ 6.56
2014	1	6,363	16.4	230,977	28.0	36.30
2015	1	5,632	14.5	135,393	16.4	24.04
2016	2	7,471	19.3	117,986	14.3	15.79
2017	—	—	—	—	—	—
2018	1	5,402	13.9	162,060	19.6	30.00
2019	2	9,157	23.7	166,942	20.2	18.23
2020	—	—	—	—	—	—
2021	—	—	—	—	—	—
2022	—	—	—	—	—	—
2023	—	—	—	—	—	—
Thereafter	—	—	—	—	—	—
Total / Weighted Average	**8**	**38,763**	**100.0%**	**$ 825,363**	**100.0%**	**$ 23.02**

(1) Annualized base rent is calculated by multiplying (i) base rental payments (defined as cash base rents (before abatements)) for the month ended December 31, 2012 for the leases expiring during the applicable period by (ii) 12.

(2) Annualized base rent per leased square foot is calculated by dividing (i) annualized base rent under the applicable lease by (ii) square footage under such lease.

South Retail Percentage Leased and Base Rent

The following table sets forth the percentage leased and annualized base rent per leased square foot for South Retail as of the dates indicated below:

Date	Percentage Leased[1]	Annualized Base Rent Per Leased Square Foot[2]
December 31, 2012	92.5%	$ 23.02
December 31, 2011	92.5	24.47
December 31, 2010	92.5	24.36

(1) Percentage leased is calculated as (i) square footage under commenced leases as of the date indicated, divided by (ii) net rentable square feet, expressed as a percentage.

(2) Annualized base rent per leased square foot is calculated by dividing (i) base rental payments (defined as cash base rent (before abatements)) for the month ended as of the date indicated multiplied by 12, by (ii) square footage under commenced leases as of the date indicated.

Multifamily Portfolio

Our initial portfolio contains two multifamily properties with an aggregate of 626 units. As of December 31, 2012, our multifamily properties were 94.9% leased.

Property	Location	Year Built	Units[1]	% Leased	Annualized Base Rent[2]	Average Monthly Base Rent Per Leased Unit[3]
Smith's Landing	Blacksburg, VA	2009	284	98.6%	$ 3,305,046	$ 983.64
The Cosmopolitan[4]	Virginia Beach, VA	2006	342	91.9	6,389,254[5]	1,494.50[6]
Total/Weighted Average			626	94.9%	$ 9,694,300[5]	$ 1,253.81[6]

(1) Units represent the total number of apartment units available for rent at December 31, 2012.

(2) For the properties in our multifamily portfolio, annualized base rent is calculated by multiplying (a) base rental payments for the month ended December 31, 2012 by (b) 12.

(3) Average monthly base rent per leased unit represents the average monthly rent for all leased units for the month ended December 31, 2012.

(4) This property includes 41,422 square feet of retail space.

(5) Includes $752,604 of annualized rent from 14 retail leases.

(6) Does not reflect base rent from retail leases.

Smith's Landing

Smith's Landing is a 284-unit multifamily property located in Blacksburg, Virginia. Built in 2009, Smith's Landing is approximately two miles from the campus of Virginia Tech, which is the largest state university in Virginia with approximately 24,000 undergraduate students enrolled. As of December 31, 2012, Smith's Landing was 98.6% leased and had an annualized rent of approximately $3.3 million and an average monthly base rent per leased unit of approximately $984.

Smith's Landing Ground Lease

We lease the land upon which the property is located from the third-party land owner pursuant to a ground lease that expires on July 31, 2048. The ground lease will automatically be extended for five successive extension periods of five years each following the initial term, subject to certain conditions. As of December 31, 2012, we are required to pay the land owner $7,409 per month under this ground lease. The rent will increase on each anniversary of the lease to an amount equal to 102% of the prior year's rent. In addition, during the initial term, we must pay the landlord annually a sum equal to 25% of the cash available, if any, for distribution (both cash flow and capital transactions, including sales and refinancings) and actually distributed to us from the property after the payment of a cumulative preferred return on our Predecessor's initial investment equal to 10%. During the first renewal term, we must pay the landlord annually a sum equal to 50% of the cash available, if any, for distribution (both cash flow and capital transactions, including sales and refinancings) and actually distributed to us from the property after the payment of a cumulative preferred return on our Predecessor's initial investment equal to 10%. This additional rent to be paid during renewal terms will increase by 5% of the cash available for distribution for each renewal term thereafter. For example, in the second renewal term we will be required to pay the landlord 55% of the cash available for distribution.

The Cosmopolitan

The Cosmopolitan is a 342-unit multifamily property built in 2006 and located within the Virginia Beach Town Center. In addition to the 342 multifamily units, The Cosmopolitan also has 41,422 square feet of retail space, which, as of December 31, 2012, generated annualized base rent of $752,604 pursuant to 14 retail leases at the property. As of December 31, 2012, the multifamily units at The Cosmopolitan were 91.9% leased and had an annualized base rent of approximately $5.6 million and an average monthly base rent per leased unit of approximately $1,495. As of December 31, 2012, the multifamily units and retail space at The Cosmopolitan generated an aggregate annualized base rent of approximately $6.4 million.

Other than recurring capital expenditures, we have no immediate plans with respect to major renovation or redevelopment of The Cosmopolitan. The 2012 annual property taxes for the Cosmopolitan was $792,889 based on a tax rate of $1.34 per $100 of assessed value.

The following table sets forth the percentage leased and the average monthly base rent per leased unit for The Cosmopolitan as of the dates indicated below:

Date	Percentage Leased[1]	Average Monthly Base Rent per Leased Unit[2]
December 31, 2012	91.9%	$ 1,494.50
December 31, 2011	91.5%	1,537.88
December 31, 2010	91.8%	1,462.91
December 31, 2009	81.3%	1,412.26
December 31, 2008	88.9%	1,495.06

(1) Percentage leased is calculated as (i) total units rented as of the dates indicated above, divided by (ii) total units available, expressed as a percentage.
(2) Average monthly base rent per leased unit represents the average monthly rent for all leased units for the 12-month period ended as of the dates indicated above.

The Cosmopolitan Tax Basis and Depreciation

	Tax Basis	Net Value	Life in Years	Method Call under Modified Accelerated Cost Recovery System (MACRS)
Land	$ 984,945	$ 984,945	N/A	N/A
Building	43,989,721	36,449,397	27.5	Straight line
FF&E	7,219,657	754,915	5-7	Double Declining balance
Tenant Improvement	1,182,106	1,138,038	27.5	Straight line
	$ 53,376,429	$ 39,327,295		

Property Under Contract

In addition to the properties in our identified development pipeline, prior to the completion of this offering, we will enter into a purchase agreement to acquire the Apprentice School Apartments project, which is currently under construction, from affiliates of our Predecessor, including Messrs. Hoffler, Haddad and Kirk and certain of our other officers. The Apprentice School Apartments are expected to have 197 units and approximately 28,000 square feet of retail space when completed and are located in Newport News, Virginia adjacent to the Newport News Apprentice School of Shipbuilding, a state-of-the-art educational facility that we are building for a related-party construction client. Under the terms of the development agreement with the Development Authority of the City of Newport News, ownership of the Apprentice School Apartments cannot be transferred to us until certain aspects of the overall development are completed, which we currently expect to occur in November 2013. Pursuant to the purchase agreement, we expect to acquire the Apprentice School Apartments project when these conditions, including the completion of the project's overall construction, including the Apprentice School and Apprentice School Garage, have been met. We expect to acquire the Apprentice School Apartments for approximately $31.9 million, which will be comprised of approximately $8.0 million in common units, repayment of a $3.0 million mezzanine loan which affiliates of our Predecessor borrowed to fund the equity portion of the project and the assumption of an approximately $20.9 million mortgage loan, which has a 30-year term and 5.66% interest rate. The purchase agreement will also provide for the release of certain of our directors and executive officers from guaranties of loans related to this project. The Apprentice School Apartments will be a well-located housing option for students of the Apprentice School, shipyard workers, locally-stationed military personnel and the residents of downtown Newport News who seek a high-quality and convenient rental option.

Our Identified Development Pipeline

The projects in our identified development pipeline are currently owned, and the development is being undertaken, by entities in which certain of our officers, including Messrs. Hoffler, Haddad and Kirk, own some or all of the interests. Except where otherwise indicated below, as part of the formation transactions, we will succeed to equity interests owned by the Armada Hoffler affiliates in these development entities and certain third parties will continue to own their existing interests in certain of these projects, as set forth in the table below. In addition, as part of the formation transactions, certain of our officers are expected to be released from any personal guarantees of loans related to the development project.

Property	Location	Property Type	Estimated Square Footage[1]	Estimated Units[1]	Estimated Cost[1]	Cost Incurred through December 31, 2012	Estimated Date of Completion[1]	Estimated Ownership %[1]	Principal Tenants
					(In thousands)	(In thousands)			
Main Street Office[2]	Virginia Beach, VA	Office	234,000[3]	N/A	$ 50,863	$ 750	July 2014	100%	Clark Nexsen, Development Authority of Virginia Beach[4]
Main Street Apartments[2]	Virginia Beach, VA	Multifamily	N/A	288	32,845	277	July 2014	100%	N/A
Jackson Street Apartments	Durham, NC	Multifamily	N/A	203	26,182	218	July 2014	80%	N/A
Sandbridge Commons	Virginia Beach, VA	Retail	75,000	N/A	13,675	266	September 2014	85%	Harris Teeter[4]
Brooks Crossing	Newport News, VA	Office[5]	60,000	N/A	12,793	476	February 2015	65%	Huntington Ingalls[4], City of Newport News[4]
Greentree Shopping Center[6]	Chesapeake, VA	Retail	15,600	N/A	5,402	103	September 2014	100%	WaWa[4]
Total			**384,600**	**491**	**$ 141,760**	**$ 2,090**			

(1) Represents estimates that may change as the development process proceeds.

(2) This property will be located within the Virginia Beach Town Center.

(3) Approximately 83,600 square feet have been pre-leased by Clark Nexsen, an architectural firm. We expect approximately 23,300 square feet to be pre-leased by the Development Authority of Virginia Beach, although no lease has been signed as of the date of this prospectus.

(4) No lease agreement has been signed as of the date of this prospectus. We expect the lease agreement to be in place prior to the commencement of construction on this project.

(5) We expect that this property will include 28,200 square feet of retail space.

(6) We expect this property to be adjacent to a Wal-Mart, which we will not own.

In November 2012, Armada Hoffler was selected by Johns Hopkins University, after an extensive competitive selection process, to join with the university in the redevelopment of a 1.12 acre property adjacent to the university's Homewood campus in Baltimore, Maryland. The project is expected to include market-rate student housing, a hotel, retail space, restaurants and parking. The goal of the completed project will be to complement the Homewood campus and nearby Charles Village neighborhood and provide a catalyst for future development in the area. Upon completion of this offering and the formation transactions, we will succeed to Armada Hoffler's right to develop and build the Johns Hopkins project.

The commencement of construction on all of the projects identified in the table above and the Johns Hopkins project are subject to, among other factors, regulatory approvals, the acquisition of financing and suitable market conditions and we have not incurred any significant development costs on any of the projects.

Main Street Apartments, Virginia Beach, VA: The Main Street Apartments will be located within the Virginia Beach Town Center and are expected to contain approximately 288 multifamily units at an estimated total cost of approximately

$34.1 million. Construction began in January 2013 and pre-leasing is expected to begin in May 2014. The project's estimated completion date is July 2014. The Main Street Apartments and the Main Street Office Tower described below will be separate condominiums in the same building, which will also include a first floor retail condominium that we will own. We will own a 100.0% interest in Main Street Apartments and a 100.0% interest in Main Street Office Tower. Inclusive of capital spent as of December 31, 2012, we intend to capitalize the Main Street Apartments and Main Street Office projects with a combination of secured debt and borrowing under our credit facility.

Main Street Office Tower, Virginia Beach, VA: The Main Street Office Tower will be located within the Virginia Beach Town Center and will have approximately 213,000 square feet of office space and approximately 21,000 square feet of retail space at an estimated total cost of approximately $52.3 million. A description of how we intend to capitalize this project is described above. Construction began in January 2013, and the project's estimated completion date is July 2014. The development's principal office space tenant, Clark Nexsen, an international architecture and engineering firm, has signed a lease for approximately 83,600 square feet.

Until July 1, 2016, the third-party partner from whom we are acquiring a 20% interest in the Main Street Office and the Main Street Apartments development projects will have the right to acquire up to a 20% interest in each of these properties. In order to exercise this right with respect to a 15% interest in these properties, the third-party partner must repay to us the $800,000 cash amount paid to such partner and allocable to such partner's interest in these properties in the contribution agreements, and repay all leasing fees that we have paid to the third party partner with respect to Main Street Office and Main Street Apartments (net of amounts paid to leasing agents), but not to exceed 15% of the difference between the net equity invested in these properties less $3.0 million. In order to acquire an additional 5% interest in these properties, the third party must pay us 5% of the difference between our invested equity in these properties and $3.0 million.

Jackson Street Apartments, Durham, NC: The Jackson Street Apartments are expected to have approximately 203 multifamily units when completed at an estimated total cost of approximately $27.4 million. Construction is expected to begin in June 2013 and preleasing is expected to begin in June 2014. The project's estimated completion date is July 2014. We expect to fund our investment in the project with a combination of secured debt and borrowings under our credit facility.

Sandbridge Commons, Virginia Beach, VA: Sandbridge Commons will be a build-to-suit, approximately 53,365 square foot grocery store with an additional approximately 22,200 square feet of small retail shops, with an estimated total cost of approximately $14.1 million. Construction is expected to begin in July 2013. The project's estimated completion date is September 2014. Although the parties have not yet signed a lease, we expect a tenant lease for this project will be in place with Harris Teeter for the grocery store portion of this project prior to the commencement of construction. We expect to fund our portion of the project with a combination of secured debt and borrowing under our credit facility.

Brooks Crossing, Newport News, VA: Brooks Crossing is expected to have approximately 60,000 square feet of office space. Estimated total development costs are approximately $13.4 million. Construction is expected to begin in April 2013. The project's projected completion date is July 2014. Although the parties have not yet signed leases, we expect Huntington Ingalls and the City of Newport News to be among the development's principal office tenants. We expect to fund our portion of the project with a combination of secured debt and borrowing under our credit facility.

Greentree Shopping Center, Chesapeake, VA: Greentree Shopping Center will be a 15,600 square feet retail power center located adjacent to a Walmart center that we will not own. The estimated total cost is approximately $5.6 million. Construction is expected to begin in July 2013. The project's estimated completion date is July 2014. Although the parties have not yet signed a lease, we expect WaWa, a Mid-Atlantic convenience store and gas station chain, to be a principal tenant. We expect to fund the project with a combination of secured debt and borrowing under our credit facility.

Our Third-Party Construction Business

Upon the completion of this offering and the formation transactions, we will succeed to Armada Hoffler's construction business, which was engaged as general contractor with respect to 20 construction projects for both third-party and related party clients as of December 31, 2012. As part of the formation transactions, we will acquire from Armada Hoffler

all of the construction contracts in place on the date of the completion of this offering and, as a result, will assume all of Armada Hoffler's obligations under those contracts. Of the 20 construction projects in progress as of December 31, 2012, we currently expect that seven of these construction projects will be on-going upon completion of this offering. As of December 31, 2012, these seven construction projects have an estimated contract value of approximately $82.8 million with approximately $20.1 million of work in place and a balance to complete of approximately $62.7 million.

Four of the seven contracts expected to be on-going following completion of this offering are with third parties, two of which have contract values in excess of $1 million. One of those contracts expected to be assumed by us upon the completion of this offering is a third-party contract for the City of Suffolk Municipal Center, which has a total contract value of approximately $23.4 million. As of December 31, 2012, this contract had work in place of approximately $0.6 million, a balance to complete of approximately $22.8 million and an estimated completion date of June 2014. The City of Suffolk Municipal Center is a two-story, design-build project that will consist of a 911 emergency call center, city council chambers, large public lobbies and office space for various departments within the municipal government.

Three of the seven contracts expected to be on-going following completion of the offering are related party contracts for the three components of the Apprentice School project in Newport News, Virginia—the Apprentice School Apartments, Apprentice School Garage and Apprentice School. The Apprentice School project is an approximately $70 million public/private, mixed-use development project sponsored by the Newport News Shipbuilding Division of Huntington Ingalls Industries, the Commonwealth of Virginia and the Industrial Development Authority of the City of Newport News, Virginia. The Apprentice School and Apprentice School Garage are being developed by affiliates of Armada Hoffler for eventual sale to the Newport News Shipbuilding Division of Huntington Ingalls Industries and the Industrial Development Authority of the City of Newport News, Virginia, respectively. We will enter into an agreement to purchase the Apprentice School Apartments from this related party as described in "Business and Properties—Property Under Contract." The Apprentice School Apartments are expected to consist of 197 apartment units and approximately 28,000 square feet of retail space. All three components of the Apprentice School project are being built on the same site. The Apprentice School is a state of the art education facility and will feature eight computer labs, seven standard classrooms, an auditorium-style classroom, a physics lab and a gymnasium. The Apprentice School Garage is a four-story garage that will be operated by, and eventually sold to, the Industrial Development Authority of the City of Newport News. These three contracts have a total combined contract value of approximately $48.0 million, a combined work in place of approximately $17.1 million and a balance to complete of approximately $30.9 million as of December 31, 2012. All three components of the Apprentice School project have an estimated completion date of November 2013.

In addition, we expect to enter into a related party contract for the construction of a parking garage to be developed by certain of our officers and trustees at a total construction contract price of approximately $17.7 million. The parking garage will be built at the site of our Main Street Apartments and Main Street office development projects at the Virginia Beach Town Center. Certain site costs and foundation costs have been allocated among our Main Street Apartments project, our Main Street office project and the parking garage project developed by certain of our officers and trustees.

Our Third-Party Construction Pipeline

As of December 31, 2012, Armada Hoffler also had 16 additional third-party construction contracts in various stages of negotiation with both third parties and related parties, which we refer to as our third-party construction pipeline. As of December 31, 2012, no contracts had been executed with respect to any projects in our third-party construction pipeline. We cannot assure you that any or all of these contracts will be executed or that, once executed, we will commence or complete construction on all or any of the projects. Twelve of the 16 construction projects being negotiated are expected to be built in Virginia, including 11 in the Hampton Roads region of Virginia. The other four construction projects being negotiated are expected to be built in Maryland, including two located in Baltimore, Maryland. We currently estimate that the aggregate contract value of these contracts under negotiations will exceed $200 million, but the actual value of construction contracts we enter into may be significantly less than this amount. The commencement of construction on all of the projects in our third-party construction pipeline is subject to, among other factors, regulatory approvals, financing contingencies and suitable market conditions.

Option Properties

Prior to or concurrently with the completion of the formation transactions, we will enter into option agreements with regard to eight parcels of developable land, which are owned by third parties and by certain of our officers and directors. The option agreements for each of four parcels not located within the Virginia Beach Town Center will provide us, for five years after the completion of the formation transactions, with the right to purchase the applicable property for cash or such other form of compensation as we and the applicable sellers may agree in an amount equal to the fair market value of the property at the time of sale, as determined by an appraiser mutually agreed upon between us and the sellers. Each agreement will also provide us with a right of first refusal to purchase the applicable property in the event that the owners of the property receive a bona fide offer to purchase from a third party, with such purchase to be on the terms of the third-party offer.

We will also have the option to acquire three properties located in the Virginia Beach Town Center following the completion of the formation transactions. An entity controlled by Armada Hoffler is a party to an option agreement with the Virginia Beach Development Authority, or the VBDA, pursuant to which it has the option to acquire the three parcels within the Virginia Beach Town Center from the VBDA at any time before April 30, 2015. The parcels may be acquired by paying the expenses associated with the parcel through the date of acquisition and the purchase price for the parcel which was $1.3 million, $4.7 million and $0.5 million, respectively, as of December 31, 2012. If we elect to acquire these three parcels, we will assume Armada Hoffler's obligations under the option agreement with the VBDA and acquire these parcels as a result of the exercise of the option.

Operating Strategies

We employ an integrated asset management, development and general contracting platform. This integrated platform provides a single source of accountability for design and construction, simplifies coordination and communication among the relevant stakeholders in each project and provides us valuable insight from an operational perspective. The core operating strategies we employ within our integrated platform are discussed below.

General Contracting Strategy

In addition to building new properties for our portfolio, our construction team also generates third-party general contracting services revenue for our company through fees earned on the volume, or value, of the construction contracts we complete. This third-party business allows our construction team to maintain current market knowledge of prices, subcontractors, and design and construction techniques, while generating significant revenues to our company. Additionally, we believe our general contracting services activities provide us with unique development opportunities.

We believe that our experience building properties for our own account has resulted in general contracting practices that deliver high-quality products for us and our third-party clients, resulting in a well-established third-party construction customer base. We have built multiple projects for several clients including Hampton University in Hampton, Virginia, H&S Development, the primary developer of Harbour East in Baltimore, Maryland, and Skye Hospitality, a prominent hotel developer in Maryland. A majority of our third-party general contracting revenue comes from negotiated contracts with organizations with whom Armada Hoffler has a current or historic relationship.

We believe that we benefit from negotiated general contracting business, which generally results in higher fees to the general contractor when compared to a competitive bid process. Our general contracting volume from negotiated work is supplemented with projects awarded on a competitive bid basis. We maintain an internal risk management program with policies and procedures in place to mitigate risks associated with general construction. Our risk management program requires, among other things, that owners demonstrate proof of financing for their project before we will engage, that all subcontractors pass a rigorous prequalification process including an evaluation of their financial condition, safety record, substance abuse policy, insurance coverage and work load, and that any subcontractor performing design work has professional liability insurance.

We believe that our unique experience and knowledge gained through being part of a larger real estate services company and constructing projects for our own account differentiates us from other companies that only perform general construction contracting services and that our unique perspective as an owner and developer of real estate is attractive to our third-party construction clients.

Development Strategy

Our development expertise and market knowledge spans three decades across many different types of income-generating commercial real estate properties across a variety of markets in the Eastern United States. Our development and operating experience allows us to effectively evaluate development opportunities that efficiently use capital, meet our underwriting criteria and have a reasonable probability of achieving a targeted investment return.

Our development strategy is to develop, build, and transition to our asset management team high-quality, institutional-grade office, retail, and multifamily assets that are (i) built in premium locations within our target markets, (ii) leased to high credit-quality tenants with proven operating track records, (iii) designed to be leasable, profitable and operationally efficient, and (iv) constructed by high-quality subcontractors with significant quality control oversight by our in-house construction team. Our ability to develop properties with these characteristics is strengthened a number of factors, including our development experience and expertise, market knowledge, deal sourcing and integrated development process, each of which we discuss in more detail below.

We historically have been successful in sourcing development opportunities as a result of our development experience and track record, relationships with certain anchor tenants and relationships developed through our third-party general contracting business as well as our business development activities. We have been successful at developing multiple retail centers with select grocery anchor tenants, sourcing development opportunities in near proximity to large third-party construction projects, and executing public-private partnership projects, all of which have resulted in our ability to maintain an active development pipeline. Additionally, we have a history of partnering with third-party developers who have brought together components of a development project, such as land or an anchor tenant, but seek a majority partner who has financing relationships, development and construction knowledge and the resources to complete the development project.

We believe that our integrated development process sets us apart from many of our competitors, including those that develop properties for their own account. Our integrated development, construction and asset management teams have the knowledge and experience to plan, design, build, lease and manage properties. By leveraging our internal development, construction and asset management expertise and regularly verifying our knowledge with third-party service providers such as leasing agents and subcontractors, we are able to incorporate real time information into our financial projections to evaluate development opportunities. Additionally, for our office and retail development opportunities, we generally require that we have executed leases sufficient to obtain third-party financing, which we believe mitigates the risk associated with leasing up a newly developed property.

Asset Management and Property Management Strategy

Our dedicated asset management team will regularly review, evaluate and implement programs to build value by improving cash flow for both our owned properties as well as those of our third-party clients. We also intend to involve our asset management team at the outset of any new development project to provide input from an operational perspective.

We believe our asset management team creates value at our properties by ensuring that we receive competitive rental rates for our properties relative to the local market and by actively managing our property expenses. Historically, we have sought to generate competitive rental rates by developing and constructing high-quality properties and providing high-quality asset management services.

We believe we provide high-quality asset management services by maintaining in depth knowledge of our markets through our network of tenant brokers, which provides us with a current perspective of current market conditions. We believe in forming “partnerships” with our tenants by establishing and developing long term tenant relationships and seek to manage

exposure to tenant risk by personally meeting with prospective tenants, evaluating their creditworthiness and reviewing their business plan and keeping in close contact with our tenants to proactively address their changing needs. We believe this personal involvement has been especially invaluable during recessions and slower economic cycles. The result of these efforts is stable occupancy levels across our portfolio, as summarized below:

	As of December 31,						
	2012	2011	2010	2009	2008	2007	2006
Office Occupancy	94.1%	92.4%(1)	96.0%(1)	98.0%(2)	98.2%(3)	98.8%	98.3%
Retail Occupancy(4)	93.9%	93.5%	93.4%	94.6%(5)	95.6%(5)	97.6%(6)	97.6%
Multifamily Occupancy	94.9%	93.3%	95.5%	85.9%	88.9%	85.7%	N/A

(1) Excludes 109,489 square feet at Two Columbus, which was in lease-up.

(2) Excludes 109,555 square feet at Two Columbus, which was in lease-up.

(3) Excludes 109,350 square feet at Two Columbus, which was in lease-up.

(4) Excludes ground leases for retail properties.

(5) Excludes 20,950 square feet at Commerce Street Retail, which was in lease-up.

(6) Excludes 30,954 square feet at Broad Creek Shopping Center, which was in lease-up.

(7) Excludes 284 units at Smith's Landing, which was in lease-up.

In addition to our tenant management and retention efforts, our asset management team is in daily communication with property managers, leasing agents, property accountants and lease administrators. Property expenses are managed through researching and implementing operating efficiencies, real estate tax assessment challenges and effectively managing third-party service contracts. We manage our risk exposure by seeking to utilize high-quality third-party service contractors as well as address the maintenance needs of our properties through proactive repairs and maintenance. We generally receive third-party bids on an annual basis to ensure the contracts in place are competitive for the property and the market. Our asset management team oversees specialists, including attorneys, accountants, architects, engineers, construction managers, security consultants, energy consultants, real estate tax specialists and appraisers.

Asset Management and In-House Property Management

Our asset management team serves as property manager for, or assists in the property management of, eight of the properties in our initial portfolio and as leasing representative for, or assists in the leasing of, four of the properties in our initial portfolio. Effective upon completion of the formation transactions, our asset management team also will serve as property manager for six properties and approximately ten vacant parcels of land owned by third parties, and the total asset management fee income expected from the properties listed below is less than $100,000 annually, as summarized below.

Property(1)	Asset Management Fee
Harbour Center	1.5% of base rents, paid monthly
Harbourside	1.0% of gross office revenue paid annually in arrears
Ten Vacant Parcels of Land	$300 per quarter per parcel
Two Hotels	0.5% of revenue paid monthly
Apprentice School	$500 per quarter
Apprentice School Garage	$500 per quarter per asset

(1) Certain of our directors and executive officers own interests in these properties. See "Certain Relationships and Related Transactions."

Third-Party Property Managers and Leasing Representatives

As a result of the formation transactions, we will succeed to agreements with third-party property managers for 18 of the properties in our initial portfolio and third-party leasing representatives for 19 of the properties in our initial portfolio. Divaris Real Estate, Inc., or Divaris, serves as property manager and leasing agent for 13 properties in our initial portfolio, including all of our properties at the Virginia Beach Town Center. Drucker and Falk serves as property manager and leasing

agent for the two multifamily properties in our initial portfolio. The term of each of these agreements is one year, and the agreements are at market rates. After completion of this offering, contingent upon certain principals remaining associated with Divaris, Divaris will have management and leasing contracts with five-year terms for each of the properties in our initial portfolio located in the Virginia Beach Town Center, the terms of which begin upon the completion of this offering. Divaris will also have management and leasing contracts with five-year terms for all future properties that we will own that are located in the Virginia Beach Town Center, including the Main Street Office Tower and Main Street Apartments projects in our identified development pipeline, and such contracts will also be contingent upon certain principals remaining associated with Divaris. Similarly, Sodi, Inc., or Sodi, will have a five-year property management agreement with respect to North Point Center, which will be contingent upon certain principals remaining associated with Sodi and the term of which will begin upon the completion of this offering. Many of our property management agreements are the result of strategic relationships and the involvement of these strategic partners in the development process. In addition, we utilize third-party property managers and leasing representatives for a number of other reasons, including competency, market knowledge, tenant relationships and proximity of personnel to assets.

As a result of the formation transactions, we will enter into an agreement with Divaris whereby Divaris will receive a fee as a local co-broker in the event we sell a portfolio property located in the Virginia Beach Town Center. Such fee will be equal to 25% of the sale commission for each property sold.

The property management fees and leasing commissions that we pay in connection with the properties in our initial portfolio typically are calculated as a percentage of a certain property-specific metric, such as base rent, gross income or gross revenue. We believe that the property management fees and leasing commissions that we pay generally are consistent with market fees and commissions.

Principals of Divaris will receive an aggregate 892,883 of common units in exchange for their contribution of interests in the Virginia Beach Town Center as part of the formation transactions (based on the midpoint of the price range set forth on the cover of this prospectus). Principals of Sodi will receive an aggregate 375,000 of common units in exchange for their contribution of interests in North Point Center as part of the formation transactions (based on the midpoint of the price range set forth on the cover of this prospectus). Principals of Drucker & Falk will receive an aggregate 185,684 of common units in exchange for their contribution or interests as part of the formation transactions (based on the midpoint of the price range set forth on the cover of this prospectus).

Regulation

General

Our properties are subject to various covenants, laws, ordinances and regulations, including regulations relating to common areas and fire and safety requirements. We believe that each of the properties in our initial portfolio has the necessary permits and approvals to operate its business.

Americans With Disabilities Act

Our properties must comply with Title III of the Americans with Disabilities Act, or ADA, to the extent that such properties are “public accommodations” as defined by the ADA. Under the ADA, all public accommodations must meet federal requirements related to access and use by disabled persons. The ADA may require removal of structural barriers to access by persons with disabilities in certain public areas of our properties where such removal is readily achievable. Although we believe that the properties in our initial portfolio in the aggregate substantially comply with present requirements of the ADA, we have not conducted a comprehensive audit or investigation of all of our properties to determine our compliance, and we are aware that some particular properties may currently be in non-compliance with the ADA. Noncompliance with the ADA could result in the incurrence of additional costs to attain compliance, the imposition of fines, an award of damages to private litigants and a limitation on our ability to refinance outstanding indebtedness. The obligation to make readily achievable accommodations is an ongoing one, and we will continue to assess our properties and to make alterations as appropriate in this respect.

Environmental Matters

Under various federal, state and local laws and regulations relating to the environment, as a current or former owner or operator of real property, we may be liable for costs and damages resulting from the presence or discharge of hazardous or toxic substances, waste or petroleum products at, on, in, under, or migrating from such property, including costs to investigate and clean up such contamination and liability for harm to natural resources. Such laws often impose liability without regard to whether the owner or operator knew of, or was responsible for, the presence of such contamination, and the liability may be joint and several. These liabilities could be substantial and the cost of any required remediation, removal, fines, or other costs could exceed the value of the property and our aggregate assets. In addition, the presence of contamination or the failure to remediate contamination at our properties may expose us to third-party liability for costs of remediation and personal or property damage or materially adversely affect our ability to sell, lease or develop our properties or to borrow using the properties as collateral. In addition, environmental laws may create liens on contaminated sites in favor of the government for damages and costs it incurs to address such contamination. Moreover, if contamination is discovered on our properties, environmental laws may impose restrictions on the manner in which property may be used or businesses may be operated, and these restrictions may require substantial expenditures.

Some of our properties contain, have contained, or are adjacent to or near other properties that have contained or currently contain storage tanks for the storage of petroleum products, propane or other hazardous or toxic substances. Similarly, some of our properties were used in the past for commercial or industrial purposes, or are currently used for commercial purposes, that involve or involved the use of petroleum products or other hazardous or toxic substances, or are adjacent to or near properties that have been or are used for similar commercial or industrial purposes. As a result, some of our properties have been or may be impacted by contamination arising from the releases of such hazardous substances or petroleum products. Where we have deemed appropriate, we have taken steps to address identified contamination or mitigate risks associated with such contamination; however, we are unable to ensure that further actions will not be necessary. As a result of the foregoing, we could potentially incur materially liability.

We obtained Phase I Environmental Site Assessments for the properties in our initial portfolio. None of the site assessments identified any known past or present contamination that we believe would have a material adverse effect on us, including our business, assets or operations. However, the assessments are limited in scope (e.g., they do not generally include soil sampling, subsurface investigations or hazardous materials survey) and may have failed to identify all environmental conditions or concerns. A prior owner or operator of a property or historic operations at our properties may have created a material environmental condition that is not known to us or the independent consultants preparing the site assessments. Material environmental conditions may have arisen after the review was completed or may arise in the future, and future laws, ordinances or regulations may impose material additional environmental liability. In some instances, the assessments we obtained many years ago and, therefore, may not be aware of all potential or existing environmental contamination liabilities at our properties.

Environmental laws also govern the presence, maintenance and removal of asbestos-containing building materials, or ACBM, and may impose fines and penalties for failure to comply with these requirements or expose us to third-party liability. Such laws require that owners or operators of buildings containing ACBM (and employers in such buildings) properly manage and maintain the asbestos, adequately notify or train those who may come into contact with asbestos, and undertake special precautions, including removal or other abatement, if asbestos would be disturbed during renovation or demolition of a building. In addition, the presence of ACBM in our properties may expose us to third-party liability (e.g. liability for personal injury associated with exposure to asbestos). We are not presently aware of any material adverse issues at our properties including ACBM.

Similarly, environmental laws govern the presence, maintenance and removal of lead-based paint in residential buildings, and may impose fines and penalties for failure to comply with these requirements. Such laws require, among other things, that owners or operators of residential facilities that contain or potentially contain lead-based paint notify residents of the presence or potential presence of lead-based paint prior to occupancy and prior to renovations and manage lead-based paint waste appropriately. In addition, the presence of lead-based paint in our buildings may expose us to third-party liability (e.g., liability for personal injury associated with exposure to lead-based paint). We are not presently aware of any material adverse issues at our properties involving lead-based paint.

In addition, the properties in our initial portfolio also are subject to various federal, state, and local environmental and health and safety requirements, such as state and local fire requirements. Moreover, some of our tenants may handle and use hazardous or regulated substances and wastes as part of their operations at our properties, which are subject to regulation. Such environmental and health and safety laws and regulations could subject us or our tenants to liability resulting from these activities. Environmental liabilities could affect a tenant's ability to make rental payments to us. In addition, changes in laws could increase the potential liability for noncompliance. Our leases sometimes require our tenants to comply with environmental and health and safety laws and regulations and to indemnify us for any related liabilities. But in the event of the bankruptcy or inability of any of our tenants to satisfy such obligations, we may be required to satisfy such obligations. In addition, we may be held directly liable for any such damages or claims regardless of whether we knew of, or were responsible for, the presence or disposal of hazardous or toxic substances or waste and irrespective of tenant lease provisions. The costs associated with such liability could be substantial and could have a material adverse effect on us.

When excessive moisture accumulates in buildings or on building materials, mold growth may occur, particularly if the moisture problem remains undiscovered or is not addressed over a period of time. Some molds may produce airborne toxins or irritants. Indoor air quality issues can also stem from inadequate ventilation, chemical contamination from indoor or outdoor sources, and other biological contaminants such as pollen, viruses and bacteria. Indoor exposure to airborne toxins or irritants above certain levels can be alleged to cause a variety of adverse health effects and symptoms, including allergic or other reactions. As a result, the presence of significant mold or other airborne contaminants at any of our properties could require us to undertake a costly remediation program to contain or remove the mold or other airborne contaminants from the affected property or increase indoor ventilation. In addition, the presence of significant mold or other airborne contaminants could expose us to liability from our tenants, employees of our tenants or others if property damage or personal injury occurs. We are not presently aware of any material adverse indoor air quality issues at our properties.

Insurance

We carry comprehensive liability, fire, extended coverage, business interruption and rental loss insurance covering all of the properties in our initial portfolio under a blanket insurance policy, in addition to other coverages that may be appropriate for certain of our properties. We believe the policy specifications and insured limits are appropriate and adequate for our properties given the relative risk of loss, the cost of the coverage and industry practice; however, our insurance coverage may not be sufficient to fully cover our losses. We do not carry insurance for certain losses, including, but not limited to, losses caused by riots or war. Some of our policies, like those covering losses due to terrorism and earthquakes, are insured subject to limitations involving large deductibles or co-payments and policy limits that may not be sufficient to cover losses, for such events. In addition, all of the properties in our initial portfolio are located in Virginia and North Carolina, which are areas subject to an increased risk of hurricanes. While we will carry hurricane insurance on certain of our properties, the amount of our hurricane insurance coverage may not be sufficient to fully cover losses from hurricanes. We may reduce or discontinue hurricane, terrorism or other insurance on some or all of our properties in the future if the cost of premiums for any of these policies exceeds, in our judgment, the value of the coverage discounted for the risk of loss. Also, if destroyed, we may not be able to rebuild certain of our properties due to current zoning and land use regulations. As a result, we may be required to incur significant costs in the event of adverse weather conditions and natural disasters. In addition, our title insurance policies may not insure for the current aggregate market value of our portfolio, and we do not intend to increase our title insurance coverage as the market value of our portfolio increases. If we or one or more of our tenants experiences a loss that is uninsured or that exceeds policy limits, we could lose the capital invested in the damaged properties as well as the anticipated future cash flows from those properties. In addition, if the damaged properties are subject to recourse indebtedness, we would continue to be liable for the indebtedness, even if these properties were irreparably damaged. Furthermore, we may not be able to obtain adequate insurance coverage at reasonable costs in the future as the costs associated with property and casualty renewals may be higher than anticipated.

Competition

We compete with a number of developers, owners and operators of office, retail and multifamily real estate, many of which own properties similar to ours in the same markets in which our properties are located and some of which have greater financial resources than we do. In operating and managing our portfolio, we compete for tenants based on a number of

factors, including location, rental rates, security, flexibility and expertise to design space to meet prospective tenants' needs and the manner in which the property is operated, maintained and marketed. As leases at our properties expire, we may encounter significant competition to renew or re-let space in light of the large number of competing properties within the markets in which we operate. As a result, we may be required to provide rent concessions or abatements, incur charges for tenant improvements and other inducements, including early termination rights or below-market renewal options, or we may not be able to timely lease vacant space.

We also face competition when pursuing development and acquisition opportunities. Our competitors may be able to pay higher property acquisition prices, may have private access to opportunities not available to us and otherwise be in a better position to acquire or develop a property. Competition may also have the effect of reducing the number of suitable development and acquisition opportunities available to us, increase the price required to consummate a development or acquisition opportunity.

In addition, we face competition in our construction business from other construction companies in the markets in which we operate, including small local companies and large regional and national companies. In our construction business, we compete for construction projects based on several factors, including cost, reputation for quality and timeliness, access to machinery and equipment, access to and relationships with high-quality subcontractors, financial strength, knowledge of local markets and project management abilities. We believe that we compete favorably on the basis of the foregoing factors, and that our construction business is well-positioned to compete effectively in the markets in which we operate. However, some of the construction companies with which we compete have different cost structures and greater financial and other resources than we do, which may put them at an advantage when competing with us for construction projects. Competition from other construction companies may reduce the number of construction projects that we are hired to complete and increase pricing pressure, either of which could reduce the profitability of our construction business.

Employees

Upon the completion of this offering and the formation transactions, we expect to have approximately 100 employees, none of which will be members of a labor union.

Principal Executive Offices

Our principal executive office is located at 222 Central Park Avenue, Suite 2100, Virginia Beach, Virginia 23462 in the Armada Hoffler Tower at the Virginia Beach Town Center. In addition, we have construction offices located at 249 Central Park Avenue, Suite 300, Virginia Beach, Virginia 23462 and 720 Aliceanna Street, Suite 320-A, Baltimore, Maryland 21202. The telephone number for our principal executive office is (757) 366-4000. We maintain a website located at *www.armadahoffler.com*. The information on, or accessible through, our website is not incorporated into and does not constitute a part of this prospectus or any other report or document we file with or furnish to the SEC.

Legal Proceedings

There are no legal proceedings pending or, to our knowledge, threatened involving Armada Hoffler Properties, Inc. as of the date of this prospectus. Following the completion of this offering and the formation transactions, we may be subject to on-going litigation, including existing claims relating to properties in our initial portfolio. If we were to become subject to the legal proceedings pending against properties in our initial portfolio as of December 31, 2012 as a result of the completion of the formation transactions, we do not believe that the ultimate outcome of these matters, individually or in the aggregate, could have a material adverse effect on our financial condition or results of operations. Under the leases in place for the properties in our initial portfolio, a tenant is typically obligated to indemnify us, as the property owner, from and against all liabilities, costs and expenses imposed upon or asserted against it as owner of the properties due to certain matters relating to the operation of the property by the tenant. In addition, we expect to otherwise be party from time to time to various lawsuits, claims and other legal proceedings that arise in the ordinary course of our business. There can be no assurance that these matters that arise in the future, individually or in aggregate, will not have a material adverse effect on our financial condition or results of operations in any future period.

MANAGEMENT

Our Directors, Director Nominees and Executive Officers

Upon completion of this offering, our board of directors will consist of seven members, including a majority of directors who are independent within the meaning of the listing standards of the NYSE. Each of our directors will be elected by our stockholders at our annual meeting of stockholders to serve until the next annual meeting of our stockholders and until his or her successor is duly elected and qualifies. See "Certain Provisions of Maryland Law and of Our Charter and Bylaws—Our Board of Directors." The first annual meeting of our stockholders after this offering will be held in 2014. Subject to rights pursuant to any employment agreements, officers serve at the pleasure of our board of directors.

The following table sets forth certain information concerning our directors, executive officers and certain other officers upon completion of this offering:

Name	Age	Position
Daniel A. Hoffler#	64	Executive Chairman of the Board
A. Russell Kirk#	65	Vice Chairman of the Board
John W. Snow†#	73	Lead Independent Director
George F. Allen†#	60	Independent Director
James A. Carroll†#	44	Independent Director
James C. Cherry†#	62	Independent Director
Louis S. Haddad*	55	President, Chief Executive Officer, Director
Anthony P. Nero*	59	President of Development
Eric E. Apperson*	49	President of Construction
Shelly R. Hampton	45	President of Asset Management
Michael P. O'Hara	53	Chief Financial Officer and Treasurer
John C. Davis	53	Executive Vice President of Construction
Alan R. Hunt	53	Executive Vice President of Construction
W. Christopher Harvey	39	Executive Vice President of Construction/Business Development
Eric L. Smith	39	Vice President of Operations and Secretary

* Denotes our named executive officers.

† Independent within the meaning of the NYSE listing standards.

It is expected that this individual will become a director upon completion of this offering.

The following are biographical summaries of the experience of our directors, executive officers and certain other officers.

Name	Biographical Summary
Daniel A. Hoffler	Mr. Hoffler will serve as Executive Chairman of our board of directors. Mr. Hoffler founded Armada Hoffler in 1979 and currently serves as chairman of the board of directors of Armada Hoffler Holding Company. Before founding Armada Hoffler, Mr. Hoffler was employed as vice president of marketing for Eastern International, Inc., a commercial real estate development and construction company specializing in construction of warehouse and office buildings. Prior to that, Mr. Hoffler was employed as a regional manager for Dun and Bradstreet, a credit information provider. From 1992 through 1996, Mr. Hoffler served on the University of Virginia's Board of Visitors. In 1987, he was chosen as the Outstanding Citizen of Hampton Roads, Virginia. In 1986, Mr. Hoffler was appointed to a five-year term in the Virginia Governor's Advisory Board for Industrial Development for the Commonwealth of Virginia. Mr. Hoffler has also previously served on the boards of the Virginia Racing Commission, the Virginia Department of Game and Inland Fisheries, Virginia Department of Transportation and as Chair of the Hampton Roads Partnership. He is a former director of the Shaw Group. Mr. Hoffler graduated from Campbell College with a degree in business. Based on his knowledge of our company, its business and properties and his extensive experience in the commercial real estate and construction industries, we have determined that Mr. Hoffler should serve as a director.
A. Russell Kirk	Mr. Kirk will serve as Vice Chairman of our board of directors. Mr. Kirk brings to his role more than 35 years of experience in commercial real estate, tax, mergers and acquisitions and financial law. Mr. Kirk currently serves as Vice Chairman of Armada Hoffler Holding Company, where he is responsible for strategic aspects of Armada Hoffler's businesses, including acquisition and development proposals, investment decisions, structuring partnerships and joint ventures, reviewing contracts, designing exit strategies as well as securing financial commitments from the company's lenders. Prior to joining Armada Hoffler in 1983, Mr. Kirk was a partner with the law firm of Kaufman & Canoles, where he practiced for ten years, specializing in structuring, marketing and financing real estate investments. Mr. Kirk also served on the Virginia Port Authority for eight years and served as its Chairman for a portion of that time. Mr. Kirk received a degree from the University of Virginia and graduated from Washington and Lee School of Law, where he was elected to the Order of the Coif. Based on his knowledge of our company, its business and properties and his extensive experience in the commercial real estate and construction industries, we have determined that Mr. Kirk should serve as a director.

Name	Biographical Summary
John W. Snow	Mr. Snow will serve as our lead independent director. From February 2003 until June 2006, Mr. Snow served as United States Treasury Secretary under President George W. Bush, position which allowed him to provide a guiding voice on domestic and global economic issues and steer the effort to pass the 2003 Jobs and Growth Tax Relief Act. Mr. Snow held the position of Chairman and Chief Executive Officer of CSX Corporation (NYSE: CSX) until 2003. Prior to becoming the Chairman and Chief Executive Officer of CSX Corporation, Mr. Snow served as Chairman of the Business Roundtable, a prestigious business policy group comprised of 250 chief executive officer of the nation's largest companies. During his time in this position, he made significant contributions to the passage of the North American Free Trade Agreement and various federal deficit reduction measures. Mr. Snow currently serves on the boards of Cerberus Capital Management LP, where he is non-executive chair, Marathon Petroleum Corporation (NYSE: MPC), Amerigroup Corporation (NYSE: AGP) and International Consolidated Airlines Group, S.A. (NYSE ARCA Eu: IAG). Mr. Snow holds a B.A. from University of Toledo, a master's from The Johns Hopkins University, a law degree from the George Washington University and a Ph.D in Economics from the University of Virginia. Based on his extensive experience with complex economic issues, his service on the boards of multiple public companies and his exemplary record of leadership, we have determined that Mr. Snow should serve as a director.
George F. Allen	Mr. Allen will serve as an independent director. Mr. Allen currently serves as the President of George Allen Strategies, a consulting firm founded by Mr. Allen, as well as on the board of directors of several technology companies, including Lee Technologies, nanoRisk Assessment and Hillsdale Group. He is also presently the Reagan Ranch Presidential Scholar for the Young America's Foundation. Mr. Allen has served the Commonwealth of Virginia in the House of Delegates, U.S. House of Representatives, as Governor of Virginia and in the U.S. Senate. Mr. Allen also served as the Chairman of the National Republican Senatorial Committee for the 2004 election cycle. Mr. Allen holds an undergraduate degree and a law degree from the University of Virginia. Based on his demonstrated leadership abilities and his experience in government representing a state in which we do business, we have determined that Mr. Allen should serve as a director.
James A. Carroll	Mr. Carroll will serve as an independent director. Mr. Carroll is the President and Chief Executive Officer of Barceló Crestline and Crestline Hotels & Resorts, Inc., a leading hospitality management company that manages 45 hotel properties throughout ten states, the District of Columbia and the Cayman Islands. Mr. Carroll joined Barceló Crestline Corporation in 2004 as Senior Vice President and Treasurer. He was named Chief Financial Officer in 2006 and promoted to President and Chief Executive Officer of Crestline Hotels & Resorts, Inc. in 2010. Prior to joining Crestline, Mr. Carroll held several operations and financial management positions at Dell, Inc. until joining Barceló Crestline Corporation in 2004. Mr. Carroll served as a Naval Aviator and Lieutenant Commander in the United States Navy. Mr. Carroll holds an M.B.A. from the Harvard Business School and is a graduate of the U.S. Naval Academy. Based on his experience in multiple executive roles at a leading company in the real estate industry, his demonstrated leadership abilities and his financial expertise, we have determined Mr. Carroll should serve as a director.

Name	Biographical Summary
James C. Cherry	Mr. Cherry will serve as an independent director. He has served as CEO of Park Sterling Corporation (NASDAQ: PSTB), a bank holding company headquartered in Charlotte, North Carolina, since its formation in August 2010 and its wholly-owned subsidiary, Park Sterling Bank, a regional financial services company, since its initial public offering in August 2010. From June 2006 until August 2010, he was retired, having served as the Chief Executive Officer for the Mid-Atlantic Banking Region at Wachovia Corporation, President of Virginia Banking, Head of Trust and Investment Management, and in various positions with North Carolina based banks including as Regional Executive, Area Executive, City Executive, Corporate Banking and Loan Administration Manager, and Retail Banking Branch Manager for Wachovia. He chaired the Virginia June Bankers Association in 2006-2007. Based on his experience as an executive at a publicly-traded company and his financial and banking expertise, we have determined that Mr. Cherry should serve as a director.
Louis S. Haddad	Mr. Haddad will serve as our President and Chief Executive Officer and as a director. Mr. Haddad has more than 25 years of experience in the commercial real estate industry. Mr. Haddad has served in executive roles within Armada Hoffler since 1987 and is currently the Chief Executive Officer of Armada Hoffler Holding Company. Mr. Haddad has served as Chief Executive Officer of Armada Hoffler Holding Company since 1999 and has served as President since 1996. From 1987 to 1996, Mr. Haddad served as President of Armada Hoffler Construction Company. Additionally, Mr. Haddad served as an on-site construction supervisor for Armada Hoffler from 1985 until 1987. Prior to joining Armada Hoffler, Mr. Haddad worked at Harkins Builders, which provides construction management services, in Baltimore, Maryland. Based on his knowledge of our company, its business and properties and his extensive experience in the commercial real estate and construction industries, we have determined that Mr. Haddad should serve as a director.
Anthony P. Nero	Mr. Nero will serve as our President of Development. Mr. Nero has over 20 years of experience in real estate development operations. My Nero currently serves as President of Development of Armada Hoffler, a position he has held since 1996. From 1989 until 1996, Mr. Nero served as Treasurer and Chief Financial Officer of Armada Hoffler Development Company. Prior to joining Armada Hoffler, Mr. Nero served as Vice President and Treasurer of the Washington Corporation, a development company in Northern Virginia and was with Arthur Anderson. Mr. Nero received a B.S. in Finance from Georgetown University, where he graduated with honors, as well as an MBA in accounting from George Washington University. He is a certified public accountant and licensed real estate agent.
Eric E. Apperson	Mr. Apperson will serve as our President of Construction. Mr. Apperson has over 25 years of experience in real estate management, development and construction. Mr. Apperson currently serves as President of Construction of Armada Hoffler, a position he assumed in 2000. Prior to being named President of Construction, Mr. Apperson served as President of the Armada Hoffler subsidiary formerly known as Goodman Segar Hogan Hoffler Construction. Beginning in 1987, Mr. Apperson served Armada Hoffler as project manager. Mr. Apperson earned a B.A. from Hampden-Sydney College.

Name	Biographical Summary
Shelly R. Hampton	Ms. Hampton will serve as our President of Asset Management. Ms. Hampton has over 25 years of experience in accounting, finance, administration, operations and management. Ms. Hampton has served as President of Asset Management of Armada Hoffler since 2011. From 2009 to 2011, Ms. Hampton served as Vice President of Asset Management of Armada Hoffler. From 1999 until 2011, Ms. Hampton served as the Director of Asset Management of Armada Hoffler. Ms. Hampton previously served as Vice President of Finance as JLM Holdings. Ms. Hampton holds an AAS in Business Management from Metropolitan College and graduated cum laude with a B.S. in Business Administration from Western New England College.
Michael P. O'Hara	Mr. O'Hara will serve as our Chief Financial Officer and Treasurer. Mr. O'Hara has more than 25 years of experience in commercial real estate, accounting, tax, information technology and structured finance. Since 2002, Mr. O'Hara served as chief financial officer for Armada Hoffler. Mr. O'Hara joined Armada Hoffler in 1996 as Controller of the construction company and was promoted to Controller of Armada Hoffler Holding Company in 1999. Prior to joining Armada Hoffler, Mr. O'Hara served as Controller of Beacon Construction in Boston, Massachusetts. Mr. O'Hara received a B.S. in accounting from Fairfield University. Mr. O'Hara is also a certified public accountant.
John C. Davis	Mr. Davis will serve as our Executive Vice President of Construction. Mr. Davis has over 20 years of experience in construction operations management. Mr. Davis currently serves as Executive Vice President of Construction, where he is responsible for the overall operations management of our construction company, which includes risk management, recruitment, legal, contractual agreements, policies and procedures. Since joining Armada Hoffler in 1985, Mr. Davis has held numerous positions within the construction business. Mr. Davis holds a Class-A Contractors License in Virginia, North Carolina and South Carolina. Mr. Davis graduated cum laude with a degree in civil engineering from Old Dominion University.
Alan R. Hunt	Mr. Hunt will serve as our Executive Vice President of Construction. Mr. Hunt currently serves as Executive Vice President, a position he has held since 2007. Mr. Hunt has over 20 years of experience in the construction industry relating to hotel, office, retail, mixed-use, renovations/additions and institutional facilities. From 2004 until 2007, Mr. Hunt served as Vice President of Armada Hoffler Construction Company. From 2001 until 2004, he served as a Site Manager at Armada Hoffler, and worked as a Project Superintendent from 1991 until 1993. Mr. Hunt has overseen the Baltimore office of Armada Hoffler since the mid-1990's and is responsible for scheduling, budgets, pre-construction and knowledge into the design phase. Mr. Hunt received a degree in computer science from the State University of New York at Alfred.
W. Christopher Harvey	Mr. Harvey will serve as our Executive Vice President of Construction/Business Development. Mr. Harvey has served as Executive Vice President of Development of Armada Hoffler since 2010 which included the oversight of Alliance Hospitality, Armada Hoffler's joint-venture with Crestline Hotels and Resorts, which was created to develop multiple hotel and hospitality projects around the country. Since joining the firm in 2002, Mr. Harvey's previous positions within Armada Hoffler included Director of Business and Hotel Development, Development Coordinator, and Project Engineer. Mr. Harvey received a B.A. in government from the University of Virginia and an MBA in management and business development from the Kogod School of Business at American University.

Name	Biographical Summary
Eric L. Smith	Mr. Smith will serve as our Vice President of Operations and Secretary. Mr. Smith has over 17 years of experience in asset management, strategic planning, finance and development. Mr. Smith currently serves as Vice President of Operations for Armada Hoffler Holding Company. From 2005 until 2011, Mr. Smith served as Asset Manager, Manager of Real Estate Finance and Director of Real Estate Finance. Prior to joining Armada Hoffler, Mr. Smith was an associate within the commercial consulting business of Booz Allen Hamilton, a financial analyst in the international corporate finance group of Federal Express, and owned his own seat as a financial derivative trader on the New York Futures Exchange. Mr. Smith holds a B.S. in finance from the University of Connecticut and an MBA from the Wharton School at the University of Pennsylvania.

Corporate Governance Profile

We have structured our corporate governance in a manner we believe closely aligns our interests with those of our stockholders. Notable features of our corporate governance structure include the following:

- our board of directors is not classified, with each of our directors subject to re-election annually;
- of the seven persons who will serve on our board of directors immediately after the completion of this offering, we expect our board of directors to determine that four of our directors satisfy the listing standards for independence of the NYSE and Rule 10A-3 under the Exchange Act;
- we anticipate that at least one of our directors will qualify as an “audit committee financial expert” as defined by the SEC;
- we intend to comply with the requirements of the NYSE listing standards, including having committees comprised solely of independent directors;
- we have opted out of the business combination and control share acquisition statutes in the MGCL; and
- we do not have a stockholder rights plan.

Our directors will stay informed about our business by attending meetings of our board of directors and its committees and through supplemental reports and communications. Our independent directors will meet regularly in executive sessions without the presence of our corporate officers or non-independent directors.

Role of the Board in Risk Oversight

One of the key functions of our board of directors is informed oversight of our risk management process. Our board of directors administers this oversight function directly, with support from its three standing committees, the audit committee, the nominating and corporate governance committee and the compensation committee, each of which addresses risks specific to their respective areas of oversight. In particular, our audit committee has the responsibility to consider and discuss our major financial risk exposures and the steps our management has taken to monitor and control these exposures, including guidelines and policies to govern the process by which risk assessment and management is undertaken. The audit committee also monitors compliance with legal and regulatory requirements, in addition to oversight of the performance of our internal audit function. Our nominating and corporate governance committee monitors the effectiveness of our corporate governance guidelines, including whether they are successful in preventing illegal or improper liability-creating conduct. Our compensation committee assesses and monitors whether any of our compensation policies and programs has the potential to encourage excessive risk-taking.

Board Committees

Upon completion of this offering, our board of directors will establish three standing committees: an audit committee, a compensation committee and a nominating and corporate governance committee. The principal functions of each

committee are described below. We intend to comply with the listing requirements and other rules and regulations of the NYSE, as amended or modified from time to time, and each of these committees will be comprised exclusively of independent directors. Additionally, our board of directors may from time to time establish certain other committees to facilitate the management of our company.

Audit Committee

Upon completion of this offering, our audit committee will be comprised of Messrs. Cherry, Carroll and Snow. We expect that Mr. Cherry, the chairman of our audit committee, will qualify as an "audit committee financial expert" as that term is defined by the applicable SEC regulations and NYSE corporate governance listing standards. We expect that our board of directors will determine that each of the audit committee members is "financially literate" as that term is defined by the NYSE corporate governance listing standards. Prior to the completion of this offering, we expect to adopt an audit committee charter, which will detail the principal functions of the audit committee, including oversight related to:

- our accounting and financial reporting processes;
- the integrity of our consolidated financial statements and financial reporting process;
- our systems of disclosure controls and procedures and internal control over financial reporting;
- our compliance with financial, legal and regulatory requirements;
- the evaluation of the qualifications, independence and performance of our independent registered public accounting firm;
- the performance of our internal audit function; and
- our overall risk profile.

The audit committee will also be responsible for engaging an independent registered public accounting firm, reviewing with the independent registered public accounting firm the plans and results of the audit engagement, approving professional services provided by the independent registered public accounting firm, including all audit and non-audit services, reviewing the independence of the independent registered public accounting firm, considering the range of audit and non-audit fees and reviewing the adequacy of our internal accounting controls. The audit committee also will prepare the audit committee report required by SEC regulations to be included in our annual proxy statement.

Compensation Committee

Upon completion of this offering, our compensation committee will be comprised of Messrs. Allen, Cherry and Snow, with Mr. Snow serving as chairman. Prior to the completion of this offering, we expect to adopt a compensation committee charter, which will detail the principal functions of the compensation committee, including:

- reviewing and approving on an annual basis the corporate goals and objectives relevant to our chief executive officer's compensation, evaluating our chief executive officer's performance in light of such goals and objectives and determining and approving the remuneration of our chief executive officer based on such evaluation;
- reviewing and approving the compensation of all of our other officers;
- reviewing our executive compensation policies and plans;
- implementing and administering our incentive compensation equity-based remuneration plans;

- assisting management in complying with our proxy statement and annual report disclosure requirements;
- producing a report on executive compensation to be included in our annual proxy statement; and
- reviewing, evaluating and recommending changes, if appropriate, to the remuneration for directors.

Nominating and Corporate Governance Committee

Upon completion of this offering, our nominating and corporate governance committee will be comprised of Messrs. Allen, Carroll and Cherry, with Mr. Allen serving as chairman. Prior to the completion of this offering, we expect to adopt a nominating and corporate governance committee charter, which will detail the principal functions of the nominating and corporate governance committee, including:

- identifying and recommending to the full board of directors qualified candidates for election as directors and recommending nominees for election as directors at the annual meeting of stockholders;
- developing and recommending to the board of directors corporate governance guidelines and implementing and monitoring such guidelines;
- reviewing and making recommendations on matters involving the general operation of the board of directors, including board size and composition, and committee composition and structure;
- recommending to the board of directors nominees for each committee of the board of directors;
- annually facilitating the assessment of the board of directors' performance as a whole and of the individual directors, as required by applicable law, regulations and the NYSE corporate governance listing standards; and
- overseeing the board of directors' evaluation of management.

In identifying and recommending nominees for directors, the nominating and corporate governance committee may consider diversity of relevant experience, expertise and background.

Code of Business Conduct and Ethics

Upon completion of this offering, our board of directors will establish a code of business conduct and ethics that applies to our officers, directors and employees. Among other matters, our code of business conduct and ethics will be designed to deter wrongdoing and to promote:

- honest and ethical conduct, including the ethical handling of actual or apparent conflicts of interest between personal and professional relationships;
- full, fair, accurate, timely and understandable disclosure in our SEC reports and other public communications;
- compliance with applicable laws, rules and regulations;
- prompt internal reporting of violations of the code to appropriate persons identified in the code; and
- accountability for adherence to the code of business conduct and ethics.

Any waiver of the code of business conduct and ethics for our executive officers or directors must be approved by a majority of our independent directors, and any such waiver shall be promptly disclosed as required by law or NYSE regulations.

Indemnification of Directors and Officers and Limitation of Liability

For information concerning indemnification applicable to our directors and officers, see “Certain Provisions of Maryland Law and of Our Charter and Bylaws.”

EXECUTIVE COMPENSATION

Compensation of Named Executive Officers

Prior to the completion of the formation transactions, because we did not conduct business in the corporate format we will utilize following the completion of the formation transactions, we did not pay any compensation to any of our named executive officers, and, accordingly, no compensation policies or objectives governed our named executive officer compensation. The following table sets forth the compensation expected to be paid in fiscal year 2013 to our named executive officers in order to provide some understanding of our expected compensation levels. While the table below accurately reflects our current expectations with respect to 2013 named executive officer compensation, actual 2013 compensation for these officers may be increased or decreased, including through the use of compensation components not currently contemplated or described herein. As discussed below under "—Severance Benefits," we expect that each of our named executive officers will participate in our Executive Severance Benefit Plan effective upon completion of this offering.

Summary Compensation Table

Name and Principal Position	Year	Salary[1]	Bonus[2]	Stock Awards[2][3]	All Other Compensation[4]	Total
Louis S. Haddad—President, Chief Executive Officer	2013	$475,000	$120,000	$ 120,000	$ 30,654	$745,654
Anthony P. Nero—President of Development	2013	300,000	75,000	75,000	30,082	480,082
Eric Apperson—President of Construction	2013	300,000	75,000	75,000	29,683	479,683

(1) Salary amounts are annualized for the year ending December 31, 2013 based on the expected base salary levels to be effective upon completion of this offering.

(2) Amounts shown reflect target bonuses for each officer. Any bonus awards to our named executive officers will be determined after the end of the 2013 fiscal year in the sole discretion of our compensation committee contingent upon such factors as the compensation committee may deem appropriate in its sole discretion.

(3) We expect that approximately half of the officers' bonuses will be paid in the form of shares of our common stock.

(4) Includes annualized costs related to all-inclusive vehicle allowances and premiums payable on behalf of the officers under our executive healthcare plan.

Equity Incentive Plan

Prior to the completion of this offering, our board of directors expects to adopt, and our sole stockholder is expected to approve, an equity incentive plan, which we refer to as the 2013 Equity Incentive Plan. We expect to use the 2013 Equity Incentive Plan to attract and retain independent directors, executive officers and other key employees and service providers, including officers and employees of our affiliates, including our operating partnership. The 2013 Equity Incentive Plan provides for the grant of options to purchase shares of common stock, stock awards, stock appreciation rights, performance units, incentive awards and other equity-based awards.

Administration of the 2013 Equity Incentive Plan

The 2013 Equity Incentive Plan will be administered by the compensation committee of our board of directors, except that the 2013 Equity Incentive Plan will be administered by our board of directors with respect to awards made to directors who are not employees. This summary uses the term "administrator" to refer to the compensation committee or our board of directors, as applicable. The administrator will approve all terms of awards under the 2013 Equity Incentive Plan. The administrator also will determine who will receive grants under the 2013 Equity Incentive Plan and the terms of each grant; provided that no individual may receive awards for more than 100,000 shares of common stock in any calendar year and a director who is not an employee may not receive awards for more than 20,000 shares of common stock in any calendar year.

Eligibility

All of our employees and employees of our subsidiaries and affiliates, including our operating partnership, are eligible to receive grants under the 2013 Equity Incentive Plan. In addition, our independent directors and individuals who perform services for us and our subsidiaries and affiliates, including individuals who perform services for our operating partnership, may receive grants under the 2013 Equity Incentive Plan.

Share Authorization

The number of shares of common stock that may be issued under the 2013 Equity Incentive Plan is 583,333 shares (approximately 2.1% of our outstanding equity on a fully diluted basis). In connection with stock splits, stock dividends, recapitalizations and certain other events, our board of directors will make adjustments that it deems appropriate in the aggregate number of shares of common stock that may be issued under the 2013 Equity Incentive Plan, the individual grant limits and the terms of outstanding awards. If any awards terminate, expire or are canceled, forfeited, exchanged or surrendered without having been exercised or paid or are settled in cash, the shares of common stock subject to such awards will again be available for future grants under the 2013 Equity Incentive Plan. Shares of common stock tendered or withheld to satisfy the exercise price or for tax withholding are available for future grants under the 2013 Equity Incentive Plan. No awards under the 2013 Equity Incentive Plan will be outstanding prior to completion of this offering. The initial grants described below will become effective upon completion of this offering.

Options

The 2013 Equity Incentive Plan authorizes the grant of incentive stock options (under Section 422 of the Code) and options that do not qualify as incentive stock options. The exercise price of each option will be determined by the administrator, provided that the price cannot be less than 100% of the fair market value of the shares of common stock on the date on which the option is granted (or 110% of the shares' fair market value on the grant date in the case of an incentive stock option granted to an individual who is a "ten percent stockholder" under Sections 422 and 424 of the Code). The exercise price for any option is generally payable (i) in cash, (ii) by certified check, (iii) by the surrender of shares of common stock (or attestation of ownership of shares of common stock) with an aggregate fair market value on the date on which the option is exercised, equal to the exercise price, or (iv) by payment through a broker in accordance with procedures established by the Federal Reserve Board. The term of an option cannot exceed ten years from the date of grant (or five years in the case of an incentive stock option granted to a "ten percent stockholder").

Stock Awards

The 2013 Equity Incentive Plan also provides for the grant of stock awards. A stock award is an award of shares of common stock that may be subject to restrictions on transferability and other restrictions as the administrator determines in its sole discretion on the date of grant. The restrictions, if any, may lapse over a specified period of time or through the satisfaction of conditions, in installments or otherwise, as the administrator may determine. Unless otherwise specified in the applicable award agreement, a participant who receives a stock award will have all of the rights of a stockholder as to those shares, including, without limitation, the right to vote the shares and the right to receive dividends or distributions on the shares; provided, however, that dividends payable on common stock subject to a stock award that does not vest solely on account of continued employment or service will be distributed only when, and to the extent that, the stock award vests. During the period, if any, when stock awards are non-transferable or forfeitable, (i) a participant is prohibited from selling, transferring, pledging, exchanging, hypothecating or otherwise disposing of his or her stock award shares, (ii) we will retain custody of any certificates evidencing such shares and (iii) a participant must deliver a stock power to us for each stock award.

Concurrently with the closing of this offering, we will grant restricted stock awards to each of our independent directors for a number of shares of common stock determined by dividing $25,000 by the initial public offering price (or 2,083 shares based on the midpoint of the price range set forth on the front cover of this prospectus). In addition, we will grant restricted stock awards to Messrs. Hoffler and Kirk for a number of shares of common stock determined by dividing $50,000 and $40,000,

respectively, by the initial public offering price (or 4,167 and 3,333 shares, respectively, based on the midpoint of the price range set forth on the cover of this prospectus). These restricted stock awards are expected to vest ratably as to one-third of the shares on each of the date of grant and the first two anniversaries of the date of grant, subject to the director's continued service on our board of directors.

Stock Appreciation Rights

The 2013 Equity Incentive Plan authorizes the grant of stock appreciation rights. A stock appreciation right provides the recipient with the right to receive, upon exercise of the stock appreciation right, cash, shares of common stock or a combination of the two. The amount that the recipient will receive upon exercise of the stock appreciation right generally will equal the excess of the fair market value of the shares of common stock on the date of exercise over the shares' fair market value on the date of grant. Stock appreciation rights will become exercisable in accordance with terms determined by the administrator. Stock appreciation rights may be granted in tandem with an option grant or as independent grants. The term of a stock appreciation right cannot exceed ten years from the date of grant or five years in the case of a stock appreciation right granted in tandem with an incentive stock option awarded to a "ten percent stockholder."

Performance Units

The 2013 Equity Incentive Plan also authorizes the grant of performance units. Performance units represent the participant's right to receive an amount, based on the value of a specified number of shares of common stock, if performance goals established by the administrator are met. The administrator will determine the applicable performance period, the performance goals and such other conditions that apply to the performance unit. Performance goals may relate to our financial performance or the financial performance of our operating partnership, the participant's performance or such other criteria determined by the administrator. If the performance goals are met, performance units will be paid in cash, shares of common stock or a combination thereof.

Incentive Awards

The 2013 Equity Incentive Plan also authorizes the grant of incentive awards. An incentive award entitles the participant to receive a payment if certain requirements are met. The administrator will establish the requirements that must be met before an incentive award is earned, and the requirements may be stated with reference to one or more performance measures or criteria prescribed by the administrator. A performance goal or objective may be expressed on an absolute basis or relative to the performance of one or more similarly situated companies or a published index and may be adjusted for unusual or non-recurring events, changes in applicable tax laws or accounting principles. An incentive award that is earned will be settled in a single payment that may be in cash, common stock or a combination of cash and common stock. The 2013 Equity Incentive Plan provides that no participant may receive an incentive award payment in any calendar year that exceeds the lesser of two times the participant's annual base salary or $1,000,000.

Other Equity-Based Awards; LTIP Units

The administrator may grant other types of stock-based awards under the 2013 Equity Incentive Plan, including long-term incentive plan, or LTIP, units. Other equity-based awards are payable in cash, shares of common stock or other equity, or a combination thereof, as determined by the administrator. The terms and conditions of other equity-based awards are determined by the administrator.

LTIP units are a special class of partnership interest in our operating partnership. Each LTIP unit awarded will be deemed equivalent to an award of one share of common stock under the 2013 Equity Incentive Plan, reducing the plan's share authorization for other awards on a one-for-one basis. We will not receive a tax deduction for the value of any LTIP units granted to our employees. The vesting period for any LTIP units, if any, will be determined at the time of issuance. LTIP units, whether or not vested, will receive the same quarterly per unit distributions as units in our operating partnership, which distributions will generally equal the per share distributions on our shares of common stock. This treatment with respect to quarterly distributions is similar to the expected treatment of our stock awards, which will generally receive full dividends whether vested or not. Initially, LTIP units will not have full parity with units in our operating partnership with respect to

liquidating distributions. Under the terms of the LTIP units, our operating partnership will revalue its assets upon the occurrence of certain specified events, and any increase in our operating partnership's valuation from the time of grant until such event will be allocated first to the holders of LTIP units to equalize the capital accounts of such holders with the capital accounts of operating partnership unit holders. Upon equalization of the capital accounts of the holders of LTIP units with the other holders of operating partnership units, the LTIP units will achieve full parity with operating partnership units for all purposes, including with respect to liquidating distributions. If such parity is reached, vested LTIP units may be converted into an equal number of operating partnership units at any time, and thereafter enjoy all the rights of operating partnership units, including redemption/exchange rights. However, there are circumstances under which such parity would not be reached. Until and unless such parity is reached, the value that a holder of LTIP units will realize for a given number of vested LTIP units will be less than the value of an equal number of our shares of common stock.

Dividend Equivalents

The administrator may grant dividend equivalents in connection with the grant of performance units and other equity-based awards. Dividend equivalents may be paid currently or accrued as contingent cash obligations (in which case they may be deemed to have been invested in shares of common stock); provided, however, that if the related performance units or other equity-based awards will not vest solely on account of continued employment or service, dividend equivalents will be paid only when, and to the extent that, the underlying award vests. Dividend equivalents may be payable in cash, shares of common stock or other property dividends declared on shares of common stock. The administrator will determine the terms of any dividend equivalents.

Change in Control

If we experience a change in control, the administrator may, at its discretion, provide that all outstanding options, stock appreciation rights, stock awards, performance units, incentive awards or other equity-based awards that are outstanding will be assumed by the surviving entity, or will be replaced by a comparable substitute award of the same type as the original award and that has substantially equal value granted by the surviving entity. The administrator may also provide that all outstanding options and stock appreciation rights will be fully exercisable upon the change in control, restrictions and conditions on outstanding stock awards will lapse upon the change in control and performance units, incentive awards or other equity-based awards will become earned in their entirety. The administrator may also provide that participants must surrender their outstanding options and stock appreciation rights, stock awards, performance units, incentive awards and other equity-based awards in exchange for a payment, in cash or shares of our common stock or other securities or consideration received by stockholders in the change in control transaction, equal to (i) the entire amount that can be earned under an incentive award, (ii) the value received by stockholders in the change in control transaction for each share subject to a stock award, performance unit or other equity-based award or (iii) in the case of options and stock appreciation rights, the amount by which that transaction value exceeds the exercise price.

In summary, a change in control under the 2013 Equity Incentive Plan occurs if:

- a person, entity or affiliated group (with certain exceptions) acquires, in a transaction or series of transactions, at least 50% of the total combined voting power of our outstanding securities;
- we merge into another entity, unless the holders of our voting securities immediately prior to the merger have more than 50% of the combined voting power of the securities in the merged entity or its parent;
- we sell or dispose of all or substantially all of our assets, other than a sale or disposition to any entity more than 50% of the combined voting power and common stock of which is owned by our stockholders immediately before the sale or disposition; or
- during any period of two consecutive years individuals who, at the beginning of such period, constitute our board of directors together with any new directors (other than individuals who become directors in connection with certain transactions or election contests) cease for any reason to constitute a majority of our board of directors.

The Code has special rules that apply to "parachute payments," i.e., compensation or benefits the payment of which is contingent upon a change in control. If certain individuals receive parachute payments in excess of a safe harbor amount prescribed by the Code, the payor is denied a federal income tax deduction for a portion of the payments and the recipient must pay a 20% excise tax, in addition to income tax, on a portion of the payments.

If we experience a change in control, benefits provided under the 2013 Equity Incentive Plan could be treated as parachute payments. In that event, the 2013 Equity Incentive Plan provides that the plan benefits, and all other parachute payments provided under other plans and agreements, will be reduced to the safe harbor amount, *i.e.*, the maximum amount that may be paid without excise tax liability or loss of deduction, if the reduction allows the recipient to receive greater after-tax benefits. The benefits under the 2013 Equity Incentive Plan and other plans and agreements will not be reduced, however, if the recipient will receive greater after-tax benefits (taking into account the 20% excise tax payable by the recipient) by receiving the total benefits. The 2013 Equity Incentive Plan also provides that these provisions do not apply to a participant who has an agreement with us providing that the individual is entitled to indemnification from us for the 20% excise tax.

Amendment; Termination

Our board of directors may amend or terminate the 2013 Equity Incentive Plan at any time, provided that no amendment may adversely impair the rights of participants under outstanding awards. Our stockholders must approve any amendment if such approval is required under applicable law or NYSE requirements. Our stockholders also must approve any amendment that materially increases the benefits accruing to participants under the 2013 Equity Incentive Plan, materially increases the aggregate number of shares of common stock that may be issued under the 2013 Equity Incentive Plan (other than on account of stock dividends, stock splits, or other changes in capitalization as described above) or materially modifies the requirements as to eligibility for participation in the 2013 Equity Incentive Plan. Unless terminated sooner by our board of directors or extended with stockholder approval, the 2013 Equity Incentive Plan will terminate on the day before the tenth anniversary of the date our board of directors adopts the 2013 Equity Incentive Plan.

401(k) Plan

We may establish and maintain a retirement savings plan under section 401(k) or the Code, of the 401(k) plan, to cover our eligible employees and the eligible employees of our affiliates. The Code allows eligible employees to defer a portion of their compensation, within prescribed limits, on a pre-tax basis through contributions to the 401(k) plan. We may match employees' annual contributions, within prescribed limits. Our common stock may be an investment option under the 401(k) plan and our contributions to the plan may be made in shares of our common stock.

Severance Benefits

We do not have employment or severance agreements with our named executive officers. However, we expect that we and our operating partnership will adopt the Executive Severance Benefit Plan, or the Severance Plan, and we expect that our named executive officers, in their capacity as employees of our operating partnership, will participate in the Severance Plan.

We expect that participation in the Severance Plan will be limited to employees of our operating partnership and its affiliates who are members of a select group of management or highly compensated employees and who are selected to participate in the Severance Plan by our board of directors or by a committee thereof. We also expect that a Severance Plan participant will be entitled to receive benefits thereunder only if the participant's employment is terminated by his or her employer for a reason other than "Cause" or the participant resigns with "Good Reason." We also expect that the Severance Plan generally will define the term "Cause" as (i) a participant's willful failure or refusal to perform specific written directives that are consistent with the scope and nature of the participant's duties, (ii) a conviction of, or plea of guilty or *nolo contendre* to, a felony, (iii) any act of dishonesty which results in a material unjust gain to the participant at the expense of his or her employer, (iv) any act of a participant involving moral turpitude which materially and adversely affects the business of his or her employer or (v) a material breach of the restrictive covenants set forth in the Severance Plan. We also expect that the Severance Plan generally will define the term "Good Reason" as (i) a material breach by the participant's employer of a

written agreement between those parties, (ii) a material reduction in the nature or scope of the participant's title, authority, powers, duties or responsibilities, (iii) a material reduction in the participant's base salary or bonus opportunity or (iv) a requirement that the participant change his or her principal office to a location that is more than fifty miles from the participant's then-current principal office.

We expect that the benefits payable to a Severance Plan participant who is terminated without Cause or resigns with Good Reason will be (i) payment of accrued but unpaid salary, bonus and vacation pay, (ii) a pro rated amount of the participant's "target" bonus for the year of termination, (iii) a multiple of the sum of the participant's annual salary and "target" bonus for the year of termination, (iv) a multiple of the annual COBRA premium for the participant's health plan coverage and (v) a multiple of the annual employer premium for the participant's life insurance, long-term disability insurance and accidental death and dismemberment insurance. The Severance Plan provides three levels of benefit: Tier I, Tier II and Tier III. If a "target" level of bonus is not established for a participant, then the "target" will be 75%, 50% or 25% of base salary for Tier I, Tier II and Tier III participants, respectively. The Severance Plan provides for three levels of multiples, as described above: three times, two times and one time, for participants who are designated as Tier I, Tier II and Tier III participants, respectively. However, the multiple will be two and one-half for a Tier II participant and one and one-half for a Tier III participant who has a covered termination within ninety days before or within one year after we experience a change in control (which is defined in the Severance Plan in the same terms in the 2013 Equity Incentive Plan). We expect that the Severance Plan multiple for our named executive officers will be three times in the case of Mr. Haddad and two times in the case of Messrs. Nero and Apperson. The committee that we appoint to administer the Severance Plan or we (in our capacity as the general partner of our operating partnership) will determine which employees will participate in the Severance Plan and each participant's multiple.

No benefits will be paid under the Severance Plan unless the participant signs a release, in a form provided by our operating partnership, releasing us and our operating partnership and such other parties as are named in the release from any claims that the participant may have.

As a condition of participation in the Severance Plan, each participant will agree to comply with the following covenants:

- a covenant against competition and non-solicitation of employees and clients during employment and for one year after employment ends for any reason; and
- a covenant against disclosure of confidential information.

Director Compensation

We will pay our Executive Chairman, Mr. Hoffler, a cash retainer of $250,000 annually payable in quarterly installments in conjunction with quarterly meetings of our board of directors. In addition, concurrently with the completion of this offering, he will receive a grant of a number of restricted shares of our common stock equal to $50,000 divided by the initial public offering price of our shares in this offering (or 4,167 shares based on the midpoint of the price range set forth on the cover of this prospectus), which will vest ratably as to one-third of the shares subject to each grant on each of the date of grant and the first two anniversaries of the date of grant, subject to Mr. Hoffler's continued service on our board of directors. Mr. Hoffler will also receive healthcare coverage under our executive healthcare plan.

We will pay Mr. Kirk, our Vice Chairman, a cash retainer of $100,000 annually payable in quarterly installments in conjunction with quarterly meetings of our board of directors. In addition, concurrently with the completion of this offering, he will receive a grant of a number of restricted shares of our common stock equal to $40,000 divided by the initial public offering price of our shares in this offering (or 3,333 shares based on the midpoint of the price range set forth on the cover of this prospectus), which will vest ratably as to one-third of the shares on each of the date of grant and the first two anniversaries of the date of grant, subject to Mr. Kirk's continued service on our board of directors. Mr. Kirk will also receive healthcare coverage under our executive healthcare plan.

We will pay Mr. Snow, our lead independent director, an annual cash retainer of $60,000 payable in quarterly installments in conjunction with quarterly meetings of our board of directors. In addition, concurrently with the completion of

this offering, he will receive a grant of a number of restricted shares of our common stock equal to $25,000 divided by the initial public offering price of our shares in this offering (or 2,083 shares based on the midpoint of the price range set forth on the cover of this prospectus), which will vest ratably as to one-third of the shares on each of the date of grant and the first two anniversaries of the date of grant, subject to Mr. Snow's continued service on our board of directors.

We will pay Mr. Cherry, an independent director, an annual cash retainer of $55,000 payable in quarterly installments in conjunction with quarterly meetings of our board of directors. In addition, concurrently with the completion of this offering, he will receive a grant of a number of restricted shares of our common stock equal to $25,000 divided by the initial public offering price of our shares in this offering (or 2,083 shares based on the midpoint of the price range set forth on the cover of this prospectus), which will vest ratably as to one-third of the shares on each of the first three anniversaries of the date of grant, subject to Mr. Cherry's continued service on our board of directors.

We will pay Mr. Allen, an independent director, an annual cash retainer of $50,000 payable in quarterly installments in conjunction with quarterly meetings of our board of directors. In addition, concurrently with the completion of this offering, he will receive a grant of a number of restricted shares of our common stock equal to $25,000 divided by the initial public offering price of our shares in this offering (or 2,083 shares based on the midpoint of the price range set forth on the cover of this prospectus), which will vest ratably as to one-third of the shares on each of the first three anniversaries of the date of grant, subject to Mr. Allen's continued service on our board of directors.

We will pay Mr. Carroll, an independent director, an annual cash retainer of $50,000 payable in quarterly installments in conjunction with quarterly meetings of our board of directors. In addition, concurrently with the completion of this offering, he will receive a grant of a number of restricted shares of our common stock equal to $25,000 divided by the initial public offering price of our shares in this offering (or 2,083 shares based on the midpoint of the price range set forth on the cover of this prospectus), which will vest ratably as to one-third of the shares on each of the first three anniversaries of the date of grant, subject to Mr. Carroll's continued service on our board of directors.

Mr. Haddad will not receive any additional compensation in exchange for his service on the board.

We intend to approve and implement a compensation program for our independent directors that consists of annual cash retainers, meeting fees and long-term equity awards. Following the completion of this offering, each independent director is expected to receive an annual base retainer for his services of $50,000 payable in cash in quarterly installments in conjunction with quarterly meetings of the board of directors. In addition, Mr. Snow, who will serve as our lead independent director, will receive an additional annual cash retainer of $10,000, and Mr. Cherry, who will serve as chairman of the audit committee, will receive an additional annual cash retainer of $5,000, in each case, payable in quarterly installments in conjunction with quarterly meetings of the board of directors. We intend to reimburse each of our directors for his travel expenses incurred in connection with his attendance at full board of directors and committee meetings.

We have not made any payments to any of our independent directors or director nominees to date. Following completion of this offering, each of our independent directors will be eligible to receive automatic grants of restricted stock under our 2013 Equity Incentive Plan. On the date of each annual meeting of stockholders, beginning with the 2014 annual meeting of stockholders, each independent director who will continue to serve on our board of directors following such annual meeting will be granted an award of restricted stock with a value equal to $25,000, based on the closing price of our common stock on the date of such grant. These awards of restricted stock are expected to vest ratably as to one-third of the shares subject to each grant on each of the date of grant and the first two anniversaries of the date of grant, subject to the director's continued service on our board of directors. All awards of restricted stock granted to each independent director will vest in full upon a change in control (as defined in the 2013 Equity Incentive Plan).

CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS

Formation Transactions

The properties that will be owned by us through our operating partnership upon the completion of this offering and the formation transactions are currently owned directly or indirectly by partnerships, limited liability companies or corporations in which Daniel A. Hoffler and his affiliates, certain of our other directors and executive officers and their affiliates and other third parties own a direct or indirect interest. We refer to these partnerships, limited liability companies and corporations collectively as the "ownership entities." The current owners of the ownership entities, whom we refer to as the "prior investors," have entered into contribution agreements with us or our operating partnership, pursuant to which they will contribute their interests in the ownership entities to us or our operating partnership or its subsidiaries in exchange for cash and common units, in each case substantially concurrently with the completion of this offering. Armada Hoffler will contribute certain assets of its construction and asset management businesses to our operating partnership in exchange for cash pursuant to asset purchase agreements. See "Structure and Formation of Our Company—Formation Transactions."

Each of the prior investors has had a substantive, pre-existing relationship with us and agreed, prior to the filing with the SEC of the registration statement of which this prospectus is a part, to contribute its ownership interests in the ownership entity or entities in which it holds an investment and made an election to receive cash and common units in the formation transactions. Each prior investor receiving common units has represented to us that it is an "accredited investor" as defined under Regulation D of the Securities Act. The issuance of such units will be effected in reliance upon exemptions from registration provided by Section 4(a)(2) of the Securities Act and Regulation D under the Securities Act.

The following table sets forth the consideration to be received by certain of our directors and our named executive officers and their affiliates in connection with the formation transactions, assuming a price per share of our common stock equal to the midpoint of the price range set forth on the cover of this prospectus.

Prior Investors	Relationship with Us	Number of Units Received in Formation Transactions	Total Value of Formation Transaction Consideration
Daniel A. Hoffler[1]	Executive Chairman of the Board	5,464,702	$ 81,630,314
Russell A. Kirk[2]	Vice Chairman of the Board	1,432,175	$ 20,984,525
Louis S. Haddad	President, Chief Executive Officer, Director	1,996,682	$ 29,750,165
Anthony P. Nero[3]	President of Development	680,659	$ 10,600,349
Eric E. Apperson	President of Construction	214,003	$ 3,919,307

(1) Includes 877,809 common units to be received by trusts for the benefit of Mr. Hoffler's family members.

(2) Includes 416,857 common units to be received by a trust and certain entities established for the benefit of Mr. Kirk's family members.

(3) Includes 28,840 common units to be received by a trust for the benefit of Mr. Nero's family members.

We have not obtained independent third-party appraisals of the properties in our portfolio. Accordingly, there can be no assurance that the fair market value of the cash and common units that we pay or issue to the prior investors will not exceed the fair market value of the properties and other assets acquired by us in the formation transactions. See "Risk Factors—Risks Related to Our Properties and Our Business—We have not obtained any third-party appraisals of the properties and other assets to be acquired by us from the prior investors in connection with the formation transactions. Accordingly, the value of the cash and common units to be paid or issued as consideration for the properties and assets to be acquired by us in the formation transactions may exceed their aggregate fair market value and will exceed their aggregate historical combined net tangible book value of approximately $(41.3) million as of December 31, 2012."

Excluded Assets

Our management team will retain ownership interests in certain properties that will not be contributed to us in our formation transactions. These interests include interests in four hotel properties, minority interests in a portion of the Baltimore Inner Harbor East project, a minority interest in a Washington, D.C. office building, three parcels of undeveloped residential

land, eight parcels of developable land and a multifamily project involving historic tax credits. We will have options to purchase the eight parcels of developable land from the owners of such parcels, which include certain of our directors and officers. See “Business and Properties—Option Properties.” We will provide asset management services to certain of these properties following the completion of this offering. As a result of these ownership interests and the option and asset management agreements, our management team will have conflicts of interests when deciding whether to take any action under these agreements.

Asset Management Agreements

Effective upon completion of the formation transactions, our asset management team will serve as asset manager for six properties and approximately ten vacant parcels of land in which certain of our officers and directors own interests, as summarized below.

Property[1]	Asset Management Fee
Harbour Center	1.5% of base rents, paid monthly
Harbourside	1.0% of gross office revenue paid annually in arrears
Ten Vacant Parcels of Land	$300 per quarter per parcel
Two Hotels	0.5% of revenue paid monthly
Apprentice School	$500 per quarter
Apprentice School Garage	$500 per quarter per asset

(1) Certain of our directors and executive officers own interests in these properties. See “Certain Relationships and Related Transactions.”

Partnership Agreement

In connection with the completion of the formation transactions, we will enter into an amended and restated partnership agreement with the various persons receiving common units in the formation transactions, including certain directors and officers of our company. As a result, these persons will become limited partners of our operating partnership. See “Description of the Partnership Agreement of Armada Hoffler, L.P.” Upon completion of this offering and the formation transactions, our officers, directors and their respective affiliates will own 36.8% of the outstanding common units (or 34.2% if the underwriters’ overallotment option is exercised in full).

Pursuant to the partnership agreement, limited partners of our operating partnership and some assignees of limited partners will have the right, beginning 12 months after the completion of the formation transactions, to require our operating partnership to redeem part or all of their common units for cash equal to the then-current market value of an equal number of shares of our common stock (determined in accordance with and subject to adjustment under the partnership agreement) or, at our election, for shares of our common stock on a one-for-one basis, subject to certain adjustments and the restrictions on ownership and transfer of our stock set forth in our charter and described under the section titled “Description of Capital Stock—Restrictions on Ownership and Transfer.”

Option Properties

Prior to completion of the formation transactions, we will enter into option agreements with regard to eight parcels of developable land from the owners of such parcels, which include certain of our directors and officers. For more information on the option properties and the option agreements, see “Our Business and Properties—Option Properties.”

Registration Rights

Pursuant to the terms of the partnership agreement of our operating partnership, we will agree to file, following the date on which we become eligible to file a registration statement on Form S-3 under the Securities Act of 1933, as amended, one or more registration statements registering the issuance and resale of the common stock issuable upon redemption of the common units issued in connection with the formation transactions, including those issued to our officers and directors and their affiliates. We will agree to pay all of the expenses relating to such registration statements. See “Shares Eligible for Future Sale—Registration Rights.”

Tax Protection Agreements

We intend to enter into tax protection agreements that will provide benefits to certain prior investors, including Messrs. Hoffler, Haddad, Kirk, Nero, Apperson and their affiliates and certain of our other officers effective upon completion of the formation transactions. For a description of these tax protection agreements, see "Structure and Formation of Our Company—Tax Protection Agreements."

Reimbursement of Pre-closing Transaction Costs

In connection with this offering, the Armada Hoffler affiliates anticipate advancing or incurring an aggregate of in excess of approximately $6.9 million in organizational, legal, accounting and other similar expenses in connection with this offering and the formation transactions. We will reimburse the Armada Hoffler affiliates for these expenses, assume the debt incurred in paying these expenses or otherwise assume responsibility for paying these expenses upon completion of this offering and formation transactions.

Release of Guarantees

Messrs. Hoffler, Haddad and Kirk are guarantors of approximately $70.7 million of indebtedness, in the aggregate, which will be repaid with a portion of the net proceeds from this offering and, as a result, Messrs. Hoffler, Haddad and Kirk will be released from these guarantee obligations.

In addition, Messrs. Hoffler, Haddad and Kirk are guarantors of approximately $109.2 million of indebtedness, in the aggregate, that will be assumed by us upon completion of this offering. In connection with this assumption, we will seek to have Messrs. Hoffler, Haddad and Kirk released from such guarantees and to have our operating partnership directly assume any such guarantee obligations as replacement guarantor or, alternatively, we will agree to reimburse Messrs. Hoffler, Haddad and Kirk for any amounts paid by them under guarantees with respect to the assumed indebtedness.

Severance Plan

Effective upon completion of this offering, employees of our operating partnership and its affiliates who are members of a select group of management or highly compensated employees will be subject to our Severance Plan, which will provide severance benefits upon a termination of employment under certain circumstances. The material terms of the Severance Plan are described under "Executive Compensation—Severance Benefits" and "Executive Compensation—Summary Compensation Table."

Construction Business Asset Purchase Agreement

We will succeed to the construction business of Armada Hoffler as a result of the sale by Armada Hoffler, which is indirectly controlled by Mr. Hoffler, of certain of the assets associated with the construction business to our services company for $1.0 million in cash. Upon consummation of the formation transactions, substantially all employees of Armada Hoffler will be terminated by Armada Hoffler and hired by our operating partnership, our services company or another affiliate of our operating partnership. These employees will receive offers of employment on substantially the same terms and conditions of their employment as were in effect immediately prior to this transition and will be eligible to participate in any employee benefit plans maintained following the consummation of this offering by our operating partnership, our services company or such affiliate. The new employer will provide service credit to each transferred employee for all service time with Armada Hoffler under its employee benefit plans and programs. The transferred employees will roll over their accrued paid time off, flexible spending account balances and deferred compensation plan balances, subject to the requirements of applicable law and any restrictions on transfer set forth in the Code. Except as described above, Armada Hoffler will retain all liabilities related to the transferred employees to the extent those liabilities arose prior to the closing of the foregoing transactions.

Asset Management and Development Business Contribution Agreements

In connection with the formation transactions, the owners of the asset management and development businesses of Armada Hoffler will contribute certain assets to our operating partnership pursuant to contribution agreements in exchange for nominal consideration.

Equity Incentive Plan

In connection with this offering and the formation transactions, we expect to adopt a cash and equity-based incentive award plan for our directors, officers, employees and consultants. We expect that an aggregate of 583,333 shares of our common stock and common units will be available for issuance under awards granted pursuant to our 2013 Equity Incentive Plan. Upon completion of this offering, an aggregate of 8,332 shares of common stock will be granted to our independent directors and an aggregate of 158,335 restricted shares of common stock will be granted to Messrs. Hoffler and Kirk and certain of our officers and employees, in each case under our 2013 Equity Incentive Plan. The shares granted to our officers and employees will vest ratably as to one-third of the shares on each of the first two anniversaries of the date of grant. See “Executive Compensation—Equity Incentive Plan.”

Indemnification of Officers and Directors

Effective upon completion of this offering, our charter and bylaws will provide for certain indemnification rights for our directors and officers and we will enter into an indemnification agreement with each of our executive officers and directors, providing for procedures for indemnification and advancements by us of certain expenses and costs relating to claims, suits or proceedings arising from their service to us or, at our request, service to other entities, as officers or directors, or in certain other capacities, to the maximum extent permitted by Maryland law. See “Certain Provisions of Maryland Law and of Our Charter and Bylaws—Limitation of Directors’ and Officers’ Liability and Indemnification.”

POLICIES WITH RESPECT TO CERTAIN ACTIVITIES

The following is a discussion of certain of our investment, financing and other policies. These policies have been determined by our board of directors and, in general, may be amended or revised from time to time by our board of directors without a vote of our stockholders.

Investment Policies

Investments in Real Estate or Interests in Real Estate

We will conduct all of our investment activities through our operating partnership and its subsidiaries. Our investment objectives are to maximize the cash flow of our properties, acquire properties with cash flow growth potential, provide quarterly cash distributions and achieve long-term capital appreciation for our stockholders through increases in the value of our company. Consistent with our policy to acquire assets for both income and capital gain, our operating partnership intends to hold its properties for investment with a view to long-term appreciation, to engage in the business of acquiring, developing and owning its properties and to make occasional sales of the properties as are consistent with our investment objectives. We have not established a specific policy regarding the relative priority of these investment objectives. For a discussion of our properties and our acquisition and other strategic objectives, see “Business and Properties.”

We expect to pursue our investment objectives primarily through the ownership by our operating partnership of our portfolio of properties and other acquired properties and assets. We currently intend to invest primarily in office, retail and multifamily properties. Future investment or development activities will not be limited to any geographic area, property type or to a specified percentage of our assets. While we may diversify in terms of property locations, size and market, we do not have any limit on the amount or percentage of our assets that may be invested in any one property or any one geographic area. We intend to engage in such future investment activities in a manner that is consistent with the maintenance of our status as a REIT for U.S. federal income tax purposes. In addition, we may purchase or lease income-producing office or other types of properties for long-term investment, expand and improve the properties we presently own or other acquired properties, or sell such properties, in whole or in part, when circumstances warrant.

We may also participate with third parties in property ownership, through joint ventures or other types of co-ownership. We also may acquire real estate or interests in real estate in exchange for the issuance of common stock, units, preferred stock or options to purchase stock. These types of investments may permit us to own interests in larger assets without unduly restricting our diversification and, therefore, provide us with flexibility in structuring our portfolio. We will not, however, enter into a joint venture or other partnership arrangement to make an investment that would not otherwise meet our investment policies.

Equity investments in acquired properties may be subject to existing mortgage financing and other indebtedness or to new indebtedness which may be incurred in connection with acquiring or refinancing these properties. Debt service on such financing or indebtedness will have a priority over any dividends with respect to our common stock. Investments are also subject to our policy not to fall within the definition of an “investment company” under the Investment Company Act of 1940, as amended, or the 1940 Act.

Investments in Real Estate Mortgages

While our initial portfolio consists of, and our business objectives emphasize, equity investments in office, retail and multifamily properties, we may, at the discretion of our board of directors and without a vote of our stockholders, invest in mortgages and other types of real estate interests in a manner that is consistent with our qualification as a REIT. We do not presently intend to invest in mortgages or deeds of trust, but may invest in participating or convertible mortgages if we conclude that we may benefit from the gross revenues or any appreciation in value of the property. If we choose to invest in mortgages, we would expect to invest in mortgages secured by office, retail or multifamily properties. However, there is no restriction on the proportion of our assets that may be invested in a type of mortgage or any single mortgage or type of mortgage loan. Investments in real estate mortgages run the risk that one or more borrowers may default under the mortgages and that the collateral securing those mortgages may not be sufficient to enable us to recoup our full investment.

Securities of or Interests in Persons Primarily Engaged in Real Estate Activities and Other Issuers

Subject to the percentage of ownership limitations and the income and asset tests necessary for REIT qualification, we may in the future invest in securities of other REITs, other entities engaged in real estate activities or securities of other issuers where such investment would be consistent with our investment objectives. We may invest in the debt or equity securities of such entities, including for the purpose of exercising control over such entities. We have no current plans to invest in entities that are not engaged in real estate activities. We do not have any limit on the amount or percentage of our assets that may be invested in any one entity, property or geographic area. Our investment objectives are to maximize cash flow of our investments, acquire investments with growth potential and provide cash distributions and long-term capital appreciation to our stockholders through increases in the value of our company. We have not established a specific policy regarding the relative priority of these investment objectives. We will limit our investment in such securities so that we will not fall within the definition of an "investment company" under the 1940 Act.

Investments in Other Securities

Other than as described above, we do not intend to invest in any additional securities such as bonds, preferred stocks or common stock.

Dispositions

We do not currently intend to dispose of any of our properties, although we reserve the right to do so if, based upon management's periodic review of our portfolio, our board of directors determines that such action would be in our best interests. The tax consequences to our directors and executive officers who hold common units in our operating partnership resulting from a proposed disposition of a property may influence their decision as to the desirability of such proposed disposition. See "Risk Factors—Risks Related to Our Organizational Structure—Conflicts of interest may exist or could arise in the future between the interests of our stockholders and the interests of holders of units in our operating partnership, which may impede business decisions that could benefit our stockholders."

Financings and Leverage Policy

Upon completion of this offering, we will use a significant amount of the net proceeds of this offering to repay mortgage indebtedness on certain of the properties in our portfolio. Other uses of the net proceeds from this offering are described in greater detail under "Use of Proceeds" elsewhere in this prospectus. In the future, however, we anticipate using a number of different sources to finance our acquisitions and operations, including cash flows from operations, asset sales, seller financing, issuance of debt securities, private financings (such as additional bank credit facilities, which may or may not be secured by our assets), property-level mortgage debt, common or preferred equity issuances or any combination of these sources, to the extent available to us, or other sources that may become available from time to time. Any debt that we incur may be recourse or non-recourse and may be secured or unsecured. We also may take advantage of joint venture or other partnering opportunities as such opportunities arise in order to acquire properties that would otherwise be unavailable to us. We may use the proceeds of our borrowings to acquire assets, to refinance existing debt or for general corporate purposes.

Although we are not required to maintain any particular leverage ratio, we intend, when appropriate, to employ prudent amounts of leverage and to use debt as a means of providing additional funds for the acquisition of assets, to refinance existing debt or for general corporate purposes. We expect to use leverage conservatively, assessing the appropriateness of new equity or debt capital based on market conditions, including prudent assumptions regarding future cash flow, the creditworthiness of tenants and future rental rates. Our charter and bylaws do not limit the amount of debt that we may incur. Our board of directors has not adopted a policy limiting the total amount of debt that we may incur. Going forward, we intend to target a debt to gross total assets ratio of approximately 45.0%, which is in line with similar publicly traded REITs.

Our board of directors will consider a number of factors in evaluating the amount of debt that we may incur. If we adopt a debt policy, our board of directors may from time to time modify such policy in light of then-current economic conditions, relative costs of debt and equity capital, market values of our properties, general conditions in the market for debt

and equity securities, fluctuations in the market price of our common stock, growth and acquisition opportunities and other factors. In addition, pursuant to the tax protection agreements that we will enter into with certain of the prior investors who will become limited partners in our operating partnership, including certain of our directors and officers, we will be required to maintain a minimum level of indebtedness sufficient to avoid triggering taxable gain for such limited partners or either (i) provide such limited partners the opportunity to guarantee a portion of our operating partnership's indebtedness or (ii) enter into deficit restoration obligations with such limited partners, which could influence the decision of our directors and officers to repay, retire, refinance or otherwise reduce our operating partnership's liabilities. Our decision to use leverage in the future to finance our assets will be at our discretion and will not be subject to the approval of our stockholders, and we are not restricted by our governing documents or otherwise in the amount of leverage that we may use.

Lending Policies

Although we do not have a policy limiting our ability to make loans to other persons, following completion of this offering, we do not intend to make loans to third parties although we may consider offering purchase money financing in connection with the sale of properties where the provision of that financing will increase the value to be received by us for the property sold. We also may make loans to joint ventures in which we participate. However, we do not intend to engage in significant lending activities. Any loan we make will be consistent with maintaining our status as a REIT.

Equity Capital Policies

To the extent that our board of directors determines to obtain additional capital, we may issue debt or equity securities, including additional common units or senior securities of our operating partnership, retain earnings (subject to provisions in the Code requiring distributions of income to maintain REIT qualification) or pursue a combination of these methods. As long as our operating partnership is in existence, we will generally contribute the proceeds of all equity capital raised by us to our operating partnership in exchange for additional interests in our operating partnership, which will dilute the ownership interests of the limited partners in our operating partnership.

Existing common stockholders will have no preemptive rights to common or preferred stock or units issued in any securities offering by us, and any such offering might cause a dilution of a stockholder's investment in us. Although we have no current plans to do so, we may in the future issue shares of capital stock or operating partnership units in connection with acquisitions of property.

We may, under certain circumstances, purchase shares of our common stock or other securities in the open market or in private transactions with our stockholders, provided that those purchases are approved by our board of directors. Our board of directors has no present intention of causing us to repurchase any shares of our common stock or other securities, and any such action would only be taken in conformity with applicable federal and state laws and the applicable requirements for qualification as a REIT.

Conflict of Interest Policies

Overview. Conflicts of interest could arise in the future as a result of the relationships between us and our affiliates, on the one hand, and our operating partnership or any partner thereof, on the other. Our directors and officers have duties to our company under applicable Maryland law in connection with their management of our company. At the same time, we, as the general partner of our operating partnership, have fiduciary duties and obligations to our operating partnership and its other partners under Maryland law and the partnership agreement in connection with the management of our operating partnership. Our fiduciary duties and obligations, as the general partner of our operating partnership, may come into conflict with the duties of our directors and officers to our company. Our officers and certain of our directors will be limited partners of our operating partnership.

Under Virginia law, a general partner of a Virginia limited partnership has fiduciary duties of loyalty and care to the partnership and its partners and must discharge its duties and exercise its rights as general partner under the partnership agreement or Virginia law consistently with the obligation of good faith and fair dealing. The duty of loyalty requires a general partner of a Virginia general partnership to account to the partnership and hold as trustee for it any property, profit, or benefit derived by the general partner in the conduct of the partnership business or derived from a use by the general partner of

partnership property, including the appropriation of a partnership opportunity, to refrain from dealing with the partnership in the conduct of the partnership's business as or on behalf of a party having an interest adverse to the partnership and to refrain from competing with the partnership in the conduct of the partnership business, although the partnership agreement may identify specific types or categories of activities that do not violate the duty of loyalty. The partnership agreement provides that, in the event of a conflict between the interests of our operating partnership or any partner, on the one hand, and the separate interests of our company or our stockholders, on the other hand, we, in our capacity as the general partner of our operating partnership, are under no obligation not to give priority to the separate interests of our company or our stockholders, and that any action or failure to act on our part or on the part of our directors that gives priority to the separate interests of our company or our stockholders that does not result in a violation of the contract rights of the limited partners of the operating partnership under its partnership agreement does not violate the duty of loyalty that we, in our capacity as the general partner of our operating partnership, owe to the operating partnership and its partners. The duty of care requires a general partner to refrain from engaging in grossly negligent or reckless conduct, intentional misconduct or a knowing violation of law, and this duty may not be unreasonably reduced by the partnership agreement.

The partnership agreement provides that we are not be liable to our operating partnership or any partner for monetary damages for losses sustained, liabilities incurred or benefits not derived by our operating partnership or any limited partner, except for liability for our intentional harm or gross negligence. The partnership agreement also provides that any obligation or liability in our capacity as the general partner of our operating partnership that may arise at any time under the partnership agreement or any other instrument, transaction or undertaking contemplated by the partnership agreement will be satisfied, if at all, out of our assets or the assets of our operating partnership only, and no obligation or liability of the general partner will be personally binding upon any of our directors, stockholders, officers, employees or agents, regardless of whether such obligation or liability is in the nature of contract, tort or otherwise, and none of our directors or officers will be liable or accountable in damages or otherwise to the partnership, any partner or any assignee of a partner for losses sustained, liabilities incurred or benefits not derived as a result of errors in judgment or mistakes of fact or law or any act or omission. Our operating partnership must indemnify us, our directors and officers and any other person designated by us against any and all losses, claims, damages, liabilities (whether joint or several), expenses (including, without limitation, attorneys' fees and other legal fees and expenses), judgments, fines, settlements and other amounts arising from any and all claims, demands, actions, suits or proceedings, whether civil, criminal, administrative or investigative, that relate to the operations of the operating partnership, unless (1) an act or omission of the person was material to the matter giving rise to the action and either was committed in bad faith or was the result of active and deliberate dishonesty, (2) for any transaction for which such person actually received an improper personal benefit in violation or breach of any provision of the partnership agreement, or (3) in the case of a criminal proceeding, the person had reasonable cause to believe the act or omission was unlawful.

Our operating partnership must also pay or reimburse the reasonable expenses of any such person upon its receipt of a written affirmation of the person's good faith belief that the standard of conduct necessary for indemnification has been met and a written undertaking to repay any amounts paid or advanced if it is ultimately determined that the person did not meet the standard of conduct for indemnification. Our operating partnership will not indemnify or advance funds to any person with respect to any action initiated by the person seeking indemnification without our approval (except for any proceeding brought to enforce such person's right to indemnification under the partnership agreement) or if the person is found to be liable to our operating partnership on any portion of any claim in the action.

Sale or Refinancing of Properties. Upon the sale of certain of the properties to be owned by us at the completion of the formation transactions, certain unitholders could incur adverse tax consequences which are different from the tax consequences to us and to holders of our common stock. Consequently, unitholders may have differing objectives regarding the appropriate pricing and timing of any such sale or repayment of indebtedness.

While we will have the exclusive authority under the partnership agreement to determine whether, when, and on what terms to sell a property or when to refinance or repay indebtedness, any such decision would require the approval of our board of directors. In addition, our operating partnership has agreed to indemnify certain limited partners, including certain of our executive officers, employees and directors, for their tax liabilities (plus an additional amount equal to the taxes incurred as a result of such indemnity payment) attributable to their share of the built-in gain, as of the closing of the formation transactions, with respect to their interest in the tax protected properties.

Policies Applicable to All Directors and Officers. Our charter and bylaws do not restrict any of our directors, officers, stockholders or affiliates from having a pecuniary interest in an investment or transaction that we have an interest in or from conducting, for their own account, business activities of the type we conduct. We intend, however, to adopt policies that are designed to eliminate or minimize potential conflicts of interest, including a policy for the review, approval or ratification of any related party transactions. This policy will provide that the audit committee of our board of directors will review the relevant facts and circumstances of each related party transaction, including if the transaction is on terms comparable to those that could be obtained in arm's length dealings with an unrelated third party before approving such transaction. We will also adopt a code of business conduct and ethics, which will provide that all of our directors, officers and employees are prohibited from taking for themselves opportunities that are discovered through the use of corporate property, information or position without our consent. See "Management—Code of Business Conduct and Ethics." However, we cannot assure you that these policies or provisions of law will always be successful in eliminating the influence of such conflicts, and if they are not successful, decisions could be made that might fail to reflect fully the interests of all stockholders.

In addition, our management team will retain ownership interests in certain properties that will not be contributed to us in our formation transactions. These interests include interests in four hotel properties, small minority interests in a portion of the Baltimore Inner Harbor East project, a minority interest in a Washington, D.C. office building, three parcels of undeveloped residential land and eight parcels of developable land that we will have options to purchase. See "Our Business and Properties—Option Properties." We will provide asset management services to certain of these properties following the completion of this offering. See "Our Business and Properties—Asset Management and Property Management." As a result of these ownership interests and option and asset management agreements, our management team will have conflicts of interests when deciding whether to take any action under these agreements.

Interested Director and Officer Transactions

Pursuant to the MGCL, a contract or other transaction between us and a director or between us and any other corporation, firm or other entity in which any of our directors is a director or has a material financial interest is not void or voidable solely on the grounds of such common directorship or interest, the presence of such director at the meeting at which the contract or transaction is authorized, approved or ratified or the counting of the director's vote in favor thereof, provided that:

- the fact of the common directorship or interest is disclosed or known to our board of directors or a committee of our board, and our board or such committee authorizes, approves or ratifies the transaction or contract by the affirmative vote of a majority of disinterested directors, even if the disinterested directors constitute less than a quorum;
- the fact of the common directorship or interest is disclosed or known to our stockholders entitled to vote thereon, and the transaction or contract is authorized, approved or ratified by a majority of the votes cast by the stockholders entitled to vote other than the votes of shares owned of record or beneficially by the interested director or corporation, firm or other entity; or
- the transaction or contract is fair and reasonable to us at the time it is authorized, ratified or approved.

Furthermore, under Virginia law (where our operating partnership is formed), we, as general partner, have a fiduciary duty of loyalty to our operating partnership and its partners and, consequently, such transactions also are subject to the duties that we, as general partner, owe to the operating partnership and its limited partners (as such duty has been modified by the partnership agreement). We will also adopt a policy that requires that all contracts and transactions between us, our operating partnership or any of our subsidiaries, on the one hand, and any of our directors or executive officers or any entity in which such director or executive officer is a director or has a material financial interest, on the other hand, must be approved by the affirmative vote of a majority of our disinterested directors even if less than a quorum. Where appropriate, in the judgment of the disinterested directors, our board of directors may obtain a fairness opinion or engage independent counsel to represent the interests of non-affiliated security holders, although our board of directors will have no obligation to do so.

Policies With Respect To Other Activities

We will have authority to offer common stock, preferred stock or options to purchase stock in exchange for property and to repurchase or otherwise acquire our common stock or other securities in the open market or otherwise, and we may engage in such activities in the future. As described in "Description of the Partnership Agreement of Armada Hoffler, L.P." we expect, but are not obligated, to issue common stock to holders of common units upon some or all of their exercises of their redemption rights. Except in connection with the initial capitalization of our company and our operating partnership, we have not issued common stock, common units or any other securities in exchange for property or any other purpose, and our board of directors has no present intention of causing us to repurchase any common stock other than the shares of common stock we issued in connection with an initial capitalization. Our board of directors has the authority, without further stockholder approval, to amend our charter to increase or decrease the number of authorized shares of common stock or preferred stock or the number of shares of stock of any class or series that we have authority to issue and our board of directors, without stockholder approval, has the authority to authorize us to issue additional shares of common stock or preferred stock, in one or more series, including senior securities, in any manner, and on the terms and for the consideration, it deems appropriate. See "Description of Capital Stock." We have not engaged in trading, underwriting or agency distribution or sale of securities of other issuers other than our operating partnership and do not intend to do so. At all times, we intend to make investments in such a manner as to qualify as a REIT, unless because of circumstances or changes in the Code, or the Treasury regulations, our board of directors determines that it is no longer in our best interests to qualify as a REIT. In addition, we intend to make investments in such a way that we will not be treated as an investment company under the 1940 Act.

Reporting Policies

We intend to make available to our stockholders annual reports, including our audited financial statements. After this offering, we will become subject to the information reporting requirements of the Exchange Act. Pursuant to those requirements, we will be required to file annual and periodic reports, proxy statements and other information, including audited financial statements, with the SEC.

STRUCTURE AND FORMATION OF OUR COMPANY

Our Operating Entities

Our Company

We were formed as a Maryland corporation in October 2012 and will commence operations upon completion of this offering and the formation transactions. We will conduct our business through an UPREIT structure in which our properties are owned by our operating partnership directly or through limited partnerships, limited liability companies or other subsidiaries, as described below under "—Our Operating Partnership." We are the sole general partner of our operating partnership and, upon completion of this offering and the formation transactions, will own approximately % of the common units in our operating partnership. Our board of directors will oversee our business and affairs.

Our Operating Partnership

Following the completion of this offering and the formation transactions, substantially all of our assets will be held by, and our operations will be conducted through, our operating partnership. We will contribute the net proceeds from this offering to our operating partnership in exchange for common units in our operating partnership. Our interest in our operating partnership will generally entitle us to share in cash distributions from, and in the profits and losses of, our operating partnership in proportion to our percentage ownership. As the sole general partner of our operating partnership, we will generally have the exclusive power under the partnership agreement to manage and conduct its business and affairs, subject to certain limited approval and voting rights of the limited partners, which are described more fully below in "Description of the Partnership Agreement of Armada Hoffler, L.P." Our board of directors will manage our business and affairs.

Beginning on the first anniversary of the completion of the formation transactions, each limited partner of our operating partnership will have the right to require our operating partnership to redeem part or all of its common units for cash, based upon the value of an equivalent number of shares of our common stock at the time of the redemption, or, at our election, shares of our common stock on a one-for-one basis, subject to certain adjustments and the restrictions on ownership and transfer of our stock set forth in our charter and described under the section titled "Description of Capital Stock—Restrictions on Ownership and Transfer." With each redemption of common units, our percentage ownership interest in our operating partnership and our share of our operating partnership's cash distributions and profits and losses will increase. See "Description of the Partnership Agreement of Armada Hoffler, L.P."

Our Services Company

As part of our formation transactions, we formed AHP Holding, Inc., a Virginia corporation that is wholly owned by our operating partnership, which we refer to as our services company. We will elect with our services company to treat it as a taxable REIT subsidiary for federal income tax purposes. Our services company will conduct, through its wholly-owned subsidiaries, our third-party construction, development and asset management businesses. A taxable REIT subsidiary generally may provide non-customary and other services to our tenants and engage in activities that we may not engage in directly without adversely affecting our qualification as a REIT, provided a taxable REIT subsidiary may not operate or manage a lodging facility or provide rights to any brand name under which any lodging facility is operated. See "Material U.S. Federal Income Tax Considerations—Requirements for Qualification—Taxable REIT Subsidiaries." We may form additional taxable REIT subsidiaries in the future, and our operating partnership may contribute some or all of its interests in certain wholly owned subsidiaries or their assets to our services company. Any income earned by our taxable REIT subsidiaries will not be included in our taxable income for purposes of the 75% or 95% gross income tests, except to the extent such income is distributed to us as a dividend, in which case such dividend income will qualify under the 95%, but not the 75%, gross income test. See "Material U.S. Federal Income Tax Considerations—Gross Income Tests." Because a taxable REIT subsidiary is subject to federal income tax, and state and local income tax (where applicable) as a corporation, the income earned by our taxable REIT subsidiaries generally will be subject to an additional level of tax as compared to the income earned by our other subsidiaries.

Formation Transactions

The properties and businesses that will be owned by us through our operating partnership upon completion of this offering and the formation transactions are currently owned directly or indirectly by partnerships, limited liability companies and corporations in which Messrs. Hoffler, Haddad, Kirk and their affiliates and certain of our other officers and their affiliates, whom we refer to as the Armada Hoffler affiliates, and other third parties own a direct or indirect interest. We refer to these partnerships, limited liability companies and corporations collectively as the "ownership entities." The current owners of the ownership entities or their parent companies, whom we refer to as the "prior investors," have entered into contribution agreements with our operating partnership pursuant to which they will contribute their interests in the ownership entities, or sell certain assets, to our operating partnership or its subsidiaries concurrently with the completion of this offering. The owners of the equity interests in the ownership entities that own, directly or indirectly, the properties in our initial portfolio, will contribute those equity interests to our operating partnership in exchange for cash and /or common units pursuant to the contribution agreements. In addition, (i) Armada Hoffler Construction Company and Armada Hoffler Construction Company of Virginia will transfer to our services company, pursuant to an asset purchase agreement, certain assets of their construction business, including construction contracts in progress, which we refer to as the "construction business," and (ii) the owners of the asset management business of Armada Hoffler will contribute certain assets to our operating partnership pursuant to contribution agreements. See "Certain Relationships and Related Transactions." The value of the consideration to be paid to the prior investors in the formation transactions will be based upon the terms of the applicable contribution agreements and asset purchase agreements and was not based on arms-length negotiations, and no appraisal of our initial portfolio and other assets was obtained. See "—Our Structure—Determination of Consideration Payable in the Formation Transactions."

The numbers and values of common units set forth below herein assume a value per common unit equal to the price to the public of our common stock in this offering based upon the midpoint of the price range set forth on the front cover of this prospectus. Pursuant to the terms of the contribution agreements entered into with the prior investors other than the Armada Hoffler affiliates, the value to be received by them in exchange for their contribution of interests in the ownership entities is fixed. As a result, in the event the price to the public in this offering is less than the midpoint of the price range set forth on the front cover of this prospectus, the number of common units issuable to prior investors other than the Armada Hoffler affiliates will increase and the number of common units issuable to the Armada Hoffler affiliates will decrease by a corresponding amount. Similarly, in the event the price to the public in this offering is greater than the midpoint of the price range set forth on the front cover of this prospectus, the number of common units issuable to prior investors other than the Armada Hoffler affiliates will decrease and the number of common units issuable to the Armada Hoffler affiliates will increase by a corresponding amount.

Pursuant to the formation transactions, the following have occurred or will occur substantially concurrently with the completion of this offering.

- We were formed as a Maryland corporation, and our operating partnership was formed as a Virginia limited partnership, in October 2012.
- We will sell 14,583,333 shares of our common stock in this offering and an additional 2,187,500 shares if the underwriters exercise their overallotment option in full, and we will contribute the net proceeds from this offering to our operating partnership in exchange for 14,583,333 common units (or 16,770,833 common units if the underwriters exercise their overallotment option in full).
- Our operating partnership will consolidate the ownership of our initial portfolio of properties by acquiring from the prior owners all of the equity interests in the ownership entities that directly or indirectly own such properties in exchange for cash and common units of our operating partnership pursuant to contribution agreements between us and such prior owners.
- Our services company will succeed to the construction business of Armada Hoffler through its acquisition of the construction contracts and certain other assets of Armada Hoffler Construction Company and Armada Hoffler Construction Company of Virginia pursuant to an asset purchase agreement.

- Our services company will succeed to the development and asset management businesses of Armada Hoffler through the sale of certain assets to our services company.
- Our operating partnership will acquire equity interests in entities that own or control the projects in our identified development pipeline from Armada Hoffler and its affiliates and assume certain debt related to the development projects, which we currently expect will be approximately $2.2 million in the aggregate.
- Prior investors, other than the Armada Hoffler affiliates, will receive as consideration for such contributions an aggregate of approximately $17.8 million of cash, including amounts representing repayments of debt, and 2,815,283 common units having an aggregate value of approximately $33.8 million in accordance with the terms of the applicable contribution and asset purchase agreements.
- Prior investors who are Armada Hoffler affiliates, including Messrs. Hoffler, Haddad and Kirk and certain of our other officers, will receive as consideration for such contributions, an aggregate of approximately $31.9 million of cash, including amounts representing repayments of debt, and 10,224,714 common units having an aggregate value of approximately $122.7 million.
- We will enter into a purchase agreement to acquire the Apprentice School Apartments project from Messrs. Hoffler, Haddad and Kirk and certain of our other officers, upon the satisfaction of certain conditions, including the completion of construction of all three components of the Apprentice School project, which is currently expected to occur in November 2013, for approximately $8.0 million in common units, the repayment of $3.0 million of mezzanine indebtedness and the assumption of approximately $20.9 million of first mortgage debt.
- We and our operating partnership will enter into agreements providing for options to acquire eight vacant parcels of developable land from entities owned or controlled by Messrs. Hoffler, Haddad and Kirk and certain of our other officers. See “Our Business and Properties—Option Properties.”
- Mr. Hoffler will enter into a representation, warranty and indemnity agreement, pursuant to which he will make certain representations and warranties to us regarding the properties being acquired in the formation transactions and agree to indemnify us and our operating partnership for certain breaches of such representations and warranties for one year after the completion of the formation transactions. Mr. Hoffler will also agree to indemnify us with respect to certain aspects of the construction business. See “Structure and Formation of Our Company—Formation Transactions.” Other than Mr. Hoffler, none of the prior investors will provide us with any indemnification, other than with respect to representations regarding their interests in the ownership entities that they will contribute to us.
- We will enter into tax protection agreements with certain of the prior investors who will become limited partners of our operating partnership, including the Armada Hoffler affiliates, pursuant to which we will agree to indemnify them against certain adverse tax consequences to them, which may affect the way in which we conduct our business, including with respect to when and under what circumstances we sell properties in our initial portfolio or interests therein or repay debt during the restriction period.
- The current management team of Armada Hoffler will become our senior management team, and approximately 100 current employees of Armada Hoffler and its affiliates will become our employees.
- Our operating partnership intends to use a portion of the net proceeds of this offering to repay approximately $112.8 million of outstanding indebtedness, including associated fees and costs. As a result, we expect to have approximately $280 million of total debt outstanding upon completion of this offering and the formation transactions, including amounts to be drawn from our credit facility at or shortly after the completion of this offering.
- Concurrently with or shortly after completion of this offering, we will enter into an agreement for a $100 million secured credit facility, which we expect to contain an accordion feature that will allow us to increase the borrowing capacity under the facility up to $250 million, subject to our satisfaction

of certain conditions. We expect to use this credit facility initially to fund a portion of the cash consideration for the formation transactions, to acquire the projects in our identified development pipeline and to repay existing lines of credit and certain debt relating to the projects in our development pipeline and thereafter for general corporate purposes, including funding acquisitions and development and redevelopment of properties in our portfolio and for working capital.

- As a result of the foregoing, (i) we will own 100% of the interests in the properties in our initial portfolio, (ii) our services company will succeed to the ongoing construction and development business of Armada Hoffler, (iii) we will assume asset management of certain of the properties in our initial portfolio, (iv) our services company will succeed to the third party- asset management business of Armada Hoffler, (v) we will own interests in entities that own or control the six development projects in our identified development pipeline, (vi) we will have options to acquire nine parcels of land from Armada Hoffler, and (vii) we will enter into a purchase agreement to acquire the Apprentice School Apartments, a 197-unit multifamily property currently under construction in Newport News, Virginia, upon completion of construction of all three components of the Apprentice School project, which is currently expected to occur in November 2013.

Tax Protection Agreements

Under the Code, taxable gain recognized upon a sale of an asset contributed to a partnership must be allocated to the contributing partner, or original contributor, in a manner that takes into account the variation between the tax basis and the fair market value of the asset at the time of the contribution. This requirement may result in a significant allocation of taxable gain to the original contributor without an increased cash distribution. In addition, when a partner contributes an asset subject to a liability to a partnership, any reduction in the partner's share of partnership liabilities that exceeds the partner's adjusted tax basis in the partnership would result in taxable gain to the partner.

Our operating partnership will enter into tax protection agreements with certain of the original contributors who receive OP units in the formation transactions, including Messrs. Hoffler, Haddad, Kirk, Nero and Apperson and their respective affiliates and certain of our other officers. See "Certain Relationships and Related Transactions—Tax Protection Agreements." These agreements are intended to protect these original contributors against the tax consequences described above. If we dispose of any interest in the protected properties in a taxable transaction within seven (or, in a limited number of cases, ten) years of the closing of this offering, then we will indemnify those contributors for their tax liabilities attributable to the built-in gain that exists with respect to such properties as of the time of this offering and the tax liabilities incurred as a result of such tax protection payment. Pursuant to the tax protection agreements, it is anticipated that the total amount of protected built in gain on the protected properties will be approximately $146.9 million. Of that amount, it is anticipated that Messrs. Hoffler, Haddad, Kirk, Nero and Apperson and their affiliates will be protected against approximately $116.3 million of built in gain on the protected properties and certain of our other officers will be protected against approximately $3.3 million of built in gain on the protected properties. With respect to each of the protected properties, the tax indemnities described above will not apply to a disposition of a protected property if such disposition constitutes a "like-kind exchange" under section 1031 of the Code, an involuntary conversion under section 1033 of the Code, or another transaction (including, but not limited to, (i) a contribution of property that qualifies for the non-recognition of gain under sections 721 or 351 of the Code or (ii) a merger or consolidation of our operating partnership with or into another entity that qualifies for taxation as a partnership for federal income tax purposes) if such transaction does not result in the recognition of taxable income or gain to a contributor with respect to its OP units. In the case of the exception discussed in the preceding sentence, the tax protection then would apply to the replacement property (or the partnership interest) received in the transaction, to the extent that the sale or other disposition of that replacement asset would result in the recognition of any of the built-in gain that existed for that property at the time of our formation transactions.

In addition, the tax protection agreements will provide that the operating partnership will offer certain of the original contributors, including Messrs. Hoffler, Haddad, Kirk, Nero and Apperson and their respective affiliates and certain of our other officers, the opportunity to guarantee debt, or, alternatively, to enter into a deficit restoration obligation, for ten years from the closing of this offering in a manner intended to provide an allocation of operating partnership liabilities to the partner for federal income tax purposes. We are currently evaluating, and have not yet determined, whether such limited partners will

have a need to guarantee debt immediately upon the completion of the formation transactions and the closing of this offering. In addition to any guarantee opportunities provided immediately upon the completion of the formation transactions and this offering, this opportunity will also be offered upon certain future repayments, retirements, refinancings or other reductions (other than scheduled amortization) of the currently outstanding liabilities of the entities that held those properties prior to the formation transactions during the ten years following the closing of this offering. If we fail to make such opportunities available, we will be required to deliver to each such contributor a cash payment intended to approximate the contributor's tax liability resulting from our failure to make such opportunities available to that contributor and the tax liabilities incurred as a result of such tax protection payment.

Any original contributor that guarantees debt of the operating partnership pursuant to the tax protection agreements will be responsible, under certain circumstances, for the repayment of the guaranteed amount to the lender in the event that the lender would otherwise recognize a loss on the loan, such as, for example, if property securing the loan was foreclosed and the value was not sufficient to repay a certain amount of the debt. Likewise, a contributor that enters into a deficit restoration obligation will be required to pay the operating partnership an amount of cash equal to all or part of its deficit book capital account upon the liquidation of the operating partnership. If the operating partnership fails to offer these original contributors the opportunity to guarantee such debt or to enter into a deficit restoration obligation, the operating partnership will be required to deliver to each original contributor who was not offered the opportunity to guarantee debt or enter into a deficit restoration obligation a cash payment intended to approximately compensate for the tax liability resulting from the operating partnership's failure to make this opportunity available and tax liabilities increased as a result of such payment.

The tax protection agreements are expected to benefit certain of the holders of our common units by assisting them in continuing to defer federal income taxes in connection with the formation transactions and thereafter.

Benefits of the Formation Transactions to Related Parties

In connection with this offering and the formation transactions, affiliates of Armada Hoffler will receive material benefits described in "Certain Relationships and Related Transactions," including those described below. All amounts are based on a value equal to the midpoint of the price range on the front cover of this prospectus.

- Mr. Hoffler, our Executive Chairman, and his affiliates, including certain trusts he established for the benefit of his family, will receive common units having an aggregate value of approximately $ 65.6 million and approximately $16.0 million in cash in connection with the formation transactions. As a result, Mr. Hoffler and his affiliates will own approximately 19.7% of the combined shares of our common stock and common units in our operating partnership upon completion of this offering and the formation transactions, or 18.2% if the underwriters' overallotment option is exercised in full.

- Mr. Haddad, our President and Chief Executive Officer, will receive common units having an aggregate value of approximately $24.0 million and approximately $5.8 million in cash in connection with the formation transactions. As a result, Mr. Haddad will own approximately 7.2% of the combined shares of our common stock and common units in our operating partnership upon completion of this offering and the formation transactions, or 6.7% if the underwriters' overallotment option is exercised in full.

- Mr. Kirk, our Vice Chairman, and his affiliates, including certain trusts he established for the benefit of his family, will receive common units having an aggregate value of approximately $17.2 million and approximately $3.8 million in cash in connection with the formation transactions. As a result, Mr. Kirk and his affiliates will own approximately 5.2% of the combined shares of our common stock and common units in our operating partnership upon completion of this offering and the formation transactions, or 4.8% if the underwriters' overallotment option is exercised in full.

- Other executive officers and employees of our company upon completion of this offering and the formation transactions will receive, in the aggregate, common units having an aggregate value of approximately $16.0 million and approximately $6.4 million in cash in connection with the formation transactions.

- Messrs. Hoffler, Haddad and Kirk are guarantors of approximately $70.7 million of indebtedness, in the aggregate, which will be repaid with a portion of the net proceeds from this offering and, as a result, Messrs. Hoffler, Haddad and Kirk will be released from these guarantee obligations. In addition, Messrs. Hoffler, Haddad and Kirk are guarantors of approximately $109.2 million of indebtedness, in the aggregate, that will be assumed by us upon completion of this offering. In connection with this assumption, we will seek to have Messrs. Hoffler, Haddad and Kirk released from such guarantees and to have our operating partnership directly assume any such guarantee obligations as replacement guarantor or, alternatively, we will agree to reimburse Messrs. Hoffler, Haddad and Kirk for any amounts paid by them under guarantees with respect to the assumed indebtedness.

- Our operating partnership will enter into tax protection agreements with certain of the prior investors who become limited partners of our operating partnership, including Messrs. Hoffler, Haddad, Kirk, Nero and Apperson, and their affiliates, and certain of our other officers, pursuant to which our operating partnership will agree to indemnify such limited partners against adverse tax consequences (including as a result of receiving a tax protection payment) in connection with: (i) our sale of the protected properties in our initial portfolio in a taxable transaction until the seventh (or, in a limited number of cases, the tenth) anniversary of the completion of the formation transactions; and (ii) our operating partnership's failure to provide such limited partners the opportunity to guarantee certain debt of our operating partnership until the tenth anniversary of the completion of the formation transactions. Pursuant to the tax protection agreements, it is anticipated that the total amount of protected built in gain on the protected properties will be approximately $146.9 million. Of that amount, it is anticipated that Messrs. Hoffler, Haddad, Kirk, Nero and Apperson and their affiliates will be protected against approximately $116.3 million of built in gain on the protected properties and certain of our other officers will be protected against approximately $3.3 million of built in gain on the protected properties. Our operating partnership also will agree to provide certain prior investors, including Messrs. Hoffler, Haddad, Kirk, Nero and Apperson and their affiliates, as well as certain of our other officers, the opportunity to guarantee a portion of our operating partnership's indebtedness, or, alternatively, to enter into deficit restoration obligations, to provide them with certain tax protections. We are currently evaluating, and have not yet determined, whether such limited partners will have a need to guarantee debt immediately upon the completion of the formation transactions and this offering. In addition to any guarantee opportunities provided immediately upon the completion of the formation transactions and this offering, this opportunity will also be provided upon future repayment, retirement, refinancing, or other reduction (other than scheduled amortization) of our operating partnership's liabilities, and we will indemnify those partners for any tax liabilities they incur as a result of our failure to timely provide such opportunity and any tax liabilities incurred as a result of such tax protection payment. See "Structure and Formation of Our Company—Benefits of the Formation Transactions to Related Parties."

- Pursuant to the terms of the partnership agreement of our operating partnership, we will agree to file, following the date on which we become eligible to file a registration statement on Form S-3 under the Securities Act of 1933, as amended, one or more registration statements registering the issuance or resale of the common stock issuable upon redemption of the common units issued in connection with the formation transactions, including those issued to Messrs. Hoffler, Haddad and Kirk, their affiliates, and related trusts and certain of our other directors and executive officers and their affiliates. We will agree to pay all of the expenses relating to such registration statements. See "Shares Eligible for Future Sale—Registration Rights."

- We intend to adopt a severance plan, effective upon completion of this offering, in which certain of our officers will be participants, including our named executive officers. The material terms of the plan are described under "Executive Compensation—Severance Benefits" and "Executive Compensation—Summary Compensation Table."

- We intend to enter into indemnification agreements with our directors and executive officers effective upon the closing of this offering, providing for procedures for indemnification by us to the fullest extent

permitted by law and advancements by us of certain expenses and costs relating to claims, suits or proceedings arising from their service to us or, at our request, service to other entities, as officers or directors or in certain other capacities.

¡ We intend to adopt our 2013 Equity Incentive Plan, under which we may grant cash or equity incentive awards to our directors, officers, employees and consultants. Upon completion of this offering, we will issue an aggregate of shares of restricted common stock to Messrs. Hoffler and Kirk (based on the midpoint of the price range set forth on the cover of this prospectus), and an aggregate of shares of restricted common stock to our independent directors (based on the midpoint of the price range set forth on the cover of this prospectus). See “Executive Compensation—Equity Incentive Plan.”

Our Structure

The following diagram depicts our expected ownership structure upon completion of this offering and the formation transactions. Our operating partnership will own the various properties in our portfolio directly or indirectly, and in some cases through special purpose entities that were created in connection with various financings. All amounts are based on the midpoint of the price range set forth on the front cover page of this prospectus.

(1) Reflects (a) 4,167 and 3,333 shares of restricted common stock to be granted to Messrs. Hoffler and Kirk, respectively, concurrently with the completion of this offering, (b) 2,083 shares of restricted common stock to be granted to each of our independent directors concurrently with the completion of this offering and (c) an aggregate of 150,835 shares of restricted common stock to be granted to certain officers and employees of our company concurrently with the completion of this offering.

Determination of Consideration Payable in the Formation Transactions

The value of the consideration to be paid to the prior investors in the formation transactions will be based upon the terms of the applicable contribution agreements and the asset purchase agreement and was determined based on negotiations with the third-party partners in the ownership entities. The actual value of the consideration to be paid by us to each of the prior investors, in the form of common units or cash, ultimately will be determined at pricing of this offering based on the initial public offering price of our common stock, which will be determined as described below under the heading “—Determination of Offering Price.”

We have not obtained independent third-party appraisals of the properties in our initial portfolio or the assets we will acquire in the formation transactions. Accordingly, there can be no assurance that the fair market value of the cash and common units that we pay or issue to the prior investors will not exceed the fair market value of the properties and other assets acquired by us in the formation transactions. See “Risk Factors—Risks Related to Our Properties and Our Business— We have not obtained any third-party appraisals of the properties and other assets to be acquired by us from the prior investors in connection with the formation transactions. Accordingly, the value of the cash and common units to be paid or issued as consideration for the properties and assets to be acquired by us in the formation transactions may exceed their aggregate fair market value and will exceed their aggregate historical combined net tangible book value of approximately $(41.3) million as of December 31, 2012.”

Determination of Offering Price

Prior to this offering, there has been no public market for our common stock. The initial public offering price for our common stock in this offering will be negotiated between the representatives of the underwriters and us. In determining the initial public offering price of our common stock, the representatives of the underwriters will consider, among other things, the history and prospects for the industry in which we compete, our results of operations, the ability of our management, our business potential and earnings prospects, our estimated net income, our estimated funds from operations, our estimated cash available for distribution, our anticipated dividend yield, our growth prospects, the prevailing securities markets at the time of this offering, the recent market prices of, and the demand for, publicly traded shares of companies considered by us and the underwriters to be comparable to us and the current state of the commercial real estate industry and the economy as a whole. The initial public offering price does not necessarily bear any relationship to the book value of the properties and assets to be acquired in the formation transactions, our financial condition or any other established criteria of value and may not be indicative of the market price for our common stock after this offering.

DESCRIPTION OF THE PARTNERSHIP AGREEMENT OF ARMADA HOFFLER, L.P.

The following summarizes the material terms of the agreement of limited partnership of our operating partnership, a copy of which is an exhibit to the registration statement of which this prospectus is a part. See "Where You Can Find More Information."

Management

We are the sole general partner of our operating partnership, a Virginia limited partnership. We will conduct substantially all of our operations and make substantially all of our investments through our operating partnership. Pursuant to the partnership agreement, we, as the general partner, will have full, complete and exclusive responsibility and discretion in the management and control of our operating partnership, including the ability to cause our operating partnership to enter into certain major transactions including acquisitions, dispositions, refinancings and selection of lessees, to make distributions to partners and to cause changes in our operating partnership's business activities.

Transferability of Interests

Holders of common units may not transfer their units without our consent, as general partner of the operating partnership. We may not engage in any merger, consolidation or other combination, or sale of all or substantially all of our assets in a transaction that results in a change in control of our company unless:

- we receive the consent of limited partners holding more than 50% of the partnership interests of the limited partners (other than those held by our company or our subsidiaries);
- as a result of such transaction, all limited partners (other than our company or our subsidiaries) will receive, or have the right to receive, for each common unit an amount of cash, securities or other property equal or substantially equivalent in value to the product of the conversion factor and the greatest amount of cash, securities or other property paid in the transaction to a holder of one of our shares of common stock, provided that if, in connection with the transaction, a purchase, tender or exchange offer shall have been made to and accepted by the holders of more than 50% of the outstanding common stock, each holder of common units (other than those held by our company or our subsidiaries) shall be given the option to exchange its common units for the greatest amount of cash, securities or other property that a limited partner would have received had it (A) exercised its redemption right (described below) and (B) sold, tendered or exchanged pursuant to the offer common stock received upon exercise of the redemption right immediately prior to the expiration of the offer; or
- we are the surviving entity in the transaction and either (A) our stockholders do not receive cash, securities or other property in the transaction or (B) all limited partners (other than our company or our subsidiaries) receive for each common unit an amount of cash, securities or other property equal or substantially equivalent in value to the product of the conversion factor and the greatest amount of cash, securities or other property received in the transaction by a holder of one of our shares of common stock.

We also may merge with or into or consolidate with another entity if immediately after such merger or consolidation (i) substantially all of the assets of the successor or surviving entity, other than common units held by us, are contributed, directly or indirectly, to the partnership as a capital contribution in exchange for common units with a fair market value equal to the value of the assets so contributed as determined by the survivor in good faith and (ii) the survivor expressly agrees to assume all of our obligations under the partnership agreement, including those of the general partner, and the partnership agreement shall be amended after any such merger or consolidation so as to arrive at a new method of calculating the amounts payable upon exercise of the redemption right that approximates the existing method for such calculation as closely as reasonably possible.

We also may cause the general partner to (i) transfer all or any portion of its general partnership interest to (A) a wholly-owned subsidiary or (B) a parent company, and following such transfer may withdraw as the general partner, and (ii) engage in a transaction required by law or by the rules of any national securities exchange or OTC interdealer quotation system on which our common stock is listed.

We, through a wholly-owned subsidiary serving as the general partner, without the consent of the limited partners, may (i) merge or consolidate our operating partnership with or into any other domestic or foreign partnership, limited partnership, limited liability company or corporation or (ii) sell all or substantially all of the assets of our operating partnership in a transaction pursuant to which the limited partners (other than us or any of our subsidiaries) receive consideration as set forth above.

Capital Contributions

We will contribute, directly, to our operating partnership substantially all of the net proceeds of this offering as a capital contribution in exchange for common units. Upon completion of the formation transactions and this offering and the contribution of the net proceeds of this offering to our operating partnership, we will own an approximate 53.1% (56.5% if the underwriters exercise their overallotment option in full) interest in our operating partnership. The partnership agreement provides that if our operating partnership requires additional funds at any time in excess of funds available to our operating partnership from borrowing or capital contributions, we may borrow such funds from a financial institution or other lender and lend such funds to our operating partnership on the same terms and conditions as are applicable to our borrowing of such funds. Under the partnership agreement, we are obligated to contribute the net proceeds of any future offering of common or preferred equity securities as additional capital to our operating partnership. If we contribute additional capital to our operating partnership, we will receive additional common or preferred units, as applicable, and our percentage interest will be increased on a proportionate basis based upon the amount of such additional capital contributions and the value of our operating partnership at the time of such contributions. Conversely, the percentage interests of the limited partners will be decreased on a proportionate basis in the event of additional capital contributions by us. In addition, if we contribute additional capital to our operating partnership, the general partner will revalue the property of our operating partnership to its fair market value (as determined by the general partner) and the capital accounts of the partners will be adjusted to reflect the manner in which the unrealized gain or loss inherent in such property (that has not been reflected in the capital accounts previously) would be allocated among the partners under the terms of the partnership agreement if there were a taxable disposition of such property for its fair market value (as determined by the general partner) on the date of the revaluation. Our operating partnership may issue preferred partnership interests, in connection with acquisitions of property or otherwise, which could have priority over common partnership interests with respect to distributions from our operating partnership, including the partnership interests we own as the general partner.

Redemption Rights

Pursuant to the partnership agreement, limited partners, other than us, will receive redemption rights, which will enable them to cause our operating partnership to redeem their common units in exchange for cash or, at our operating partnership's option, for shares of our common stock on a one-for-one basis, commencing one year from the date of issuance of such units. Redemptions will generally occur only on the first day of each calendar quarter. Limited partners must submit an irrevocable notice to our operating partnership of the intention to be redeemed no less than 60 days prior to the redemption date, and each limited partner must submit for redemption at least 1,000 common units or, if such limited partner holds less than 1,000 common units, all the common units owned by such limited partner. The number of shares of common stock issuable upon redemption of common units held by limited partners may be adjusted upon the occurrence of certain events such as share dividends, share subdivisions or combinations. We expect to fund any cash redemptions out of available cash or borrowings. Notwithstanding the foregoing, a limited partner will not be entitled to exercise its redemption rights if the delivery of common stock to the redeeming limited partner would:

- result in any person owning, directly or indirectly, shares of common stock in excess of the stock ownership limit in our charter;
- result in our being owned by fewer than 100 persons (determined without reference to any rules of attribution);

- result in our being “closely held” within the meaning of Section 856(h) of the Code;
- cause us to own, actually or constructively, 10% or more of the ownership interests in a tenant (other than a TRS) of ours, our operating partnership’s or a subsidiary partnership’s real property, within the meaning of Section 856(d)(2)(B) of the Code;
- cause us to fail to qualify as a REIT under the Code, including, but not limited to, as a result of any hotel management company failing to qualify as an eligible independent contractor under the Code; or
- cause the acquisition of common stock by such redeeming limited partner to be “integrated” with any other distribution of common stock or common units for purposes of complying with the registration provisions of the Securities Act.

The general partner may, in its sole and absolute discretion, waive any of these restrictions.

The partnership agreement requires that our operating partnership be operated in a manner that enables us to satisfy the requirements for being classified as a REIT, to avoid any federal income or excise tax liability imposed by the Code (other than any federal income tax liability associated with our retained capital gains) and to ensure that the partnership will not be classified as a “publicly traded partnership” taxable as a corporation under Section 7704 of the Code.

Partnership Expenses

In addition to the administrative and operating costs and expenses incurred by our operating partnership, our operating partnership generally will pay all of our administrative costs and expenses, including:

- all expenses relating to our continuity of existence and our subsidiaries’ operations;
- all expenses relating to offerings and registration of securities;
- all expenses associated with any repurchase by us of any securities;
- all expenses associated with the preparation and filing of any of our periodic or other reports and communications under federal, state or local laws or regulations;
- all expenses associated with our compliance with laws, rules and regulations promulgated by any regulatory body;
- all administrative costs and expenses, including salaries and other payments to directors, officers or employees;
- all expenses associated with any 401(k) plan, incentive plan, bonus plan or other plan providing compensation to our employees;
- all expenses incurred by us relating to any issuance or redemption of common units; and
- all of our other operating or administrative costs incurred in the ordinary course of business on behalf of our operating partnership.

These expenses, however, do not include any of our administrative and operating costs and expenses incurred that are attributable to properties that, in the future, may be owned by us directly rather than by our operating partnership or its subsidiaries.

General Partner Duties

Our directors and officers have duties under applicable Maryland law to oversee our management in a manner consistent with our best interests. At the same time, we, as the general partner of our operating partnership, have fiduciary duties to manage our operating partnership in a manner beneficial to our operating partnership and its partners. Our duties, as general partner to our operating partnership and its limited partners, therefore, may come into conflict with the duties of our directors and officers to us. The partnership agreement provides that in the event of a conflict between the interests of our stockholders, on the one hand, and the limited partners of the operating partnership, on the other hand, as general partner we will endeavor in good faith to resolve the conflict in a manner not adverse to either our stockholders or the limited partners; provided, however, that so long as we own a controlling interest in the operating partnership, any such conflict that we, in our sole and absolute discretion, determine cannot be resolved in a manner not adverse to either our stockholders or the limited partners shall be resolved in favor of our stockholders and we shall not be liable for monetary damages for losses sustained, liabilities incurred or benefits not derived by the limited partners in connection with such decisions.

Distributions

The partnership agreement provides that our operating partnership will distribute cash from operations (including net sale or refinancing proceeds, but excluding net proceeds from the sale of our operating partnership's property in connection with the liquidation of our operating partnership) at such time and in such amounts as determined by the general partner in its sole discretion, to us and the other limited partners in accordance with their respective percentage interests in our operating partnership.

Upon liquidation of our operating partnership, after payment of, or adequate provision for, debts and obligations of the partnership, including any partner loans, any remaining assets of the partnership will be distributed to us and the other limited partners with positive capital accounts in accordance with their respective positive capital account balances.

LTIP Units

LTIP units are a class of common units in our operating partnership and, if issued, will receive the same quarterly per-unit profit distributions as the other outstanding units in our operating partnership. We have no current plan to issue any LTIP units. LTIP units, if issued, will not have full parity with other outstanding units with respect to liquidating distributions. Generally, under the terms of the LTIP units, if issued, our operating partnership will revalue its assets upon the occurrence of certain specified events, and any increase in valuation from the last revaluation of our operating partnership assets until such event will be allocated first to the LTIP unit holders to equalize the capital accounts of such holders with the capital accounts of holders of our other outstanding common units. Upon equalization of the capital accounts of the LTIP unit holders with the capital accounts of the other holders of our common units, the LTIP units will achieve full parity with our other common units for all purposes, including with respect to liquidating distributions. If such parity is reached, vested LTIP units may be converted into an equal number of common units at any time, and thereafter enjoy all the rights of such units, including redemption rights. However, there are circumstances under which such parity would not be reached. Until and unless such parity is reached, the value for a given number of vested LTIP units will be less than the value of an equal number of shares of our common stock.

Allocations

Profits and losses of the partnership (including depreciation and amortization deductions) for each fiscal year generally will be allocated to us and the other limited partners in accordance with the respective percentage interests in the partnership. All of the foregoing allocations are subject to compliance with the provisions of Sections 704(b) and 704(c) of the Code and Treasury regulations promulgated thereunder. To the extent Treasury regulations promulgated pursuant to Section 704(c) of the Code permit, the general partner shall have the authority to elect the method to be used by our operating partnership for allocating items with respect to (i) the difference between our predecessor's adjusted tax basis in our portfolio and the proceeds of the offering that we will contribute to our operating partnership in exchange for common units and (ii) contributed property acquired for common units for which fair market value differs from the adjusted tax basis at the

time of contribution. Any such election shall be binding on all partners. Upon the occurrence of certain specified events, our operating partnership will revalue its assets and any net increase in valuation will be allocated first to the LTIP units to equalize the capital accounts of such holders with the capital accounts of the holders of the other outstanding units in our operating partnership.

Registration Rights

We have granted those persons with a direct or indirect interest in the property entities who will receive common units in the formation transactions certain registration rights with respect to the shares of our common stock that may be issued to them in connection with the exercise of the redemption rights under the partnership agreement.

Following the date on which we become eligible to use a registration statement on Form S-3 for the registration of securities and subject to certain further conditions as set forth in our operating partnership's partnership agreement, we will be obligated to file a shelf registration statement covering the issuance and resale of common stock received by limited partners upon redemption of their common units. In furtherance of such registration rights, we have also agreed as follows:

- to use our commercially reasonable efforts to have the registration statement declared effective;
- to furnish to limited partners redeeming their common units for our shares of common stock prospectuses, supplements, amendments, and such other documents reasonably requested by them;
- to register or qualify such shares under the securities or blue sky laws of such jurisdictions within the United States as required by law;
- to list shares of our common stock issued pursuant to the exercise of redemption rights on any securities exchange or national market system upon which our shares of common stock are then listed; and
- to indemnify limited partners exercising redemption rights against all losses caused by any untrue statement of a material fact contained in the registration statement, preliminary prospectus or prospectus or caused by any omission to state a material fact required to be stated or necessary to make the statements therein not misleading, except insofar as such losses are caused by any untrue statement or omission based upon information furnished to us by such limited partners.

Notwithstanding the foregoing, we are not required to file more than two registration statements in any 12-month period and, as a condition to our obligations with respect to the registration rights of limited partners, each limited partner will agree:

- that no limited partner will offer or sell shares of our common stock that are issued upon redemption of their common units until such shares have been included in an effective registration statement;
- that, if we determine in good faith that registration of shares for resale would require the disclosure of important information that we have a business purpose for preserving as confidential, the registration rights of each limited partner will be suspended until we notify such limited partners that suspension of their registration rights is no longer necessary (so long as we do not suspend their rights for more than 180 days in any 12-month period);
- that if we propose an underwritten public offering, each limited partner will agree not to effect any offer, sale or distribution of our shares during the period commencing on the tenth day prior to the expected effective date of a registration statement filed with respect to the public offering or commencement date of a proposed offering and ending on the date specified by the managing underwriter for such offering; and
- to indemnify us and each of our officers, directors and controlling persons against all losses caused by any untrue statement or omission contained in (or omitted from) any registration statement based upon information furnished to us by such limited partner.

Subject to certain exceptions, our operating partnership will pay all expenses in connection with the exercise of registration rights under our operating partnership's partnership agreement.

Amendments of the Partnership Agreement

The general partner, without the consent of the limited partners, may amend the partnership agreement in any respect; provided that the following amendments require the consent of limited partners holding more than 50% of the partnership interests of the limited partners (other than those held by us or our subsidiaries):

- any amendment affecting the operation of the conversion factor (for holders of LTIP units) or the redemption right (except as otherwise provided in the partnership agreement) in a manner that adversely affects the limited partners in any material respect;
- any amendment that would adversely affect the rights of the limited partners to receive the distributions payable to them under the partnership agreement, other than with respect to the issuance of additional common units pursuant to the partnership agreement;
- any amendment that would alter our operating partnership's allocations of profit and loss to the limited partners, other than with respect to the issuance of additional common units pursuant to the partnership agreement; or
- any amendment that would impose on the limited partners any obligation to make additional capital contributions to our operating partnership.

Indemnification and Limitation of Liability

The limited partners of our operating partnership expressly acknowledge that the general partner of our operating partnership is acting for the benefit of our operating partnership, the limited partners (including us) and our stockholders collectively and that we are under no obligation to consider the separate interests of the limited partners (including, without limitation, the tax consequences to some or all of the limited partners) in deciding whether to cause our operating partnership to take, or decline to take, any actions. The partnership agreement provides that in the event of a conflict between the interests of our stockholders on the one hand, and the limited partners of our operating partnership on the other hand, the general partner will endeavor in good faith to resolve the conflict in a manner not adverse to either our stockholders or the limited partners, provided however, that so long as we own a controlling interest in our operating partnership, any such conflict that the general partner, in its sole and absolute discretion, determines cannot be resolved in a manner not adverse to either our stockholders or the limited partners will be resolved in favor of our stockholders, and neither the general partner nor our company will be liable for monetary damages for losses sustained, liabilities incurred or benefits not derived by the limited partners in connection with such decisions.

To the extent permitted by applicable law, the partnership agreement will provide for the indemnification of the general partner, and our officers, directors, employees, agents and any other persons we may designate from and against any and all claims arising from operations of our operating partnership in which any indemnitee may be involved, or is threatened to be involved, as a party or otherwise, unless it is established by a court of competent jurisdiction that:

- the act or omission of the indemnitee was material to the matter giving rise to the proceeding and either was committed in bad faith or was the result of active and deliberate dishonesty;
- the indemnitee actually received an improper personal benefit in money, property or services; or
- in the case of any criminal proceeding, the indemnitee had reasonable cause to believe that the act or omission was unlawful.

Similarly, the general partner of our operating partnership, and our officers, directors, agents or employees, will not be liable for monetary damages to our operating partnership or the limited partners for losses sustained or liabilities incurred as a result of errors in judgment or mistakes of fact or law or of any act or omission so long as any such party acted in good faith.

Insofar as indemnification for liabilities arising under the Securities Act may be permitted to directors, officers or persons controlling our company pursuant to the foregoing provisions, we have been informed that in the opinion of the SEC such indemnification is against public policy as expressed in the Securities Act and is therefore unenforceable.

Term

Our operating partnership will continue indefinitely or until sooner dissolved upon:

- the bankruptcy, dissolution, removal or withdrawal of the general partner (unless the limited partners elect to continue the partnership);
- the passage of 90 days after the sale or other disposition of all or substantially all of the assets of the partnership;
- the redemption of all common units (other than those held by us, if any) unless we decide to continue the partnership by the admission of one or more limited partners; or
- an election by us in our capacity as the general partner.

Tax Matters

Our partnership agreement will provide that the sole general partner of our operating partnership will be the tax matters partner of our operating partnership and, as such, will have authority to handle tax audits and to make tax elections under the Code on behalf of our operating partnership.

PRINCIPAL STOCKHOLDERS

The following table sets forth, as of the completion of this offering, certain information regarding the beneficial ownership of shares of our common stock and shares of common stock issuable upon redemption of common units immediately following the completion of this offering and the formation transactions for (1) each person who is expected to be the beneficial owner of 5% or more of our outstanding common stock immediately following the completion of this offering, (2) each of our directors, director nominees and named executive officers, and (3) all of our directors, director nominees and executive officers as a group. This table assumes that the formation transactions and this offering are completed, and gives effect to the expected issuance of common stock and common units in connection with this offering and the formation transactions (based on the midpoint of the price range set forth on the cover of this prospectus). Each person named in the table has sole voting and investment power with respect to all of the shares of our common stock shown as beneficially owned by such person, except as otherwise set forth in the footnotes to the table. The extent to which a person will hold shares of common stock as opposed to common units is set forth in the footnotes below.

The SEC has defined “beneficial ownership” of a security to mean the possession, directly or indirectly, of voting power or investment power over such security. A stockholder is also deemed to be, as of any date, the beneficial owner of all securities that such stockholder has the right to acquire within 60 days after that date through (1) the exercise of any option, warrant or right, (2) the conversion of a security, (3) the power to revoke a trust, discretionary account or similar arrangement or (4) the automatic termination of a trust, discretionary account or similar arrangement. In computing the number of shares beneficially owned by a person and the percentage ownership of that person, shares of our common stock subject to options or other rights (as set forth above) held by that person that are exercisable as of the completion of this offering or will become exercisable within 60 days thereafter, are deemed outstanding, while such shares are not deemed outstanding for purposes of computing percentage ownership of any other person.

Unless otherwise indicated, the address of each named person is c/o Armada Hoffler Properties, Inc., 222 Central Park Avenue, Suite 2100, Virginia Beach, Virginia 23462. No shares beneficially owned by any executive officer, director or director nominee have been pledged as security for a loan.

Name of Beneficial Owner	Number of Shares of Common Stock Beneficially Owned[1]	Number of Shares and Units Beneficially Owned	Percentage of All Shares[2]	Percentage of All Shares and Units[2]
Daniel A. Hoffler	4,167	5,468,869	*	19.7%
A. Russell Kirk	3,333	1,435,503	*	5.2%
John W. Snow	2,083	2,083	*	*
George F. Allen	2,083	2,083	*	*
James A. Carroll	2,083	2,083	*	*
James C. Cherry	2,083	2,083	*	*
Louis S. Haddad	—	1,996,682	—	7.2%
Anthony P. Nero	—	680,659	—	2.5%
Eric E. Apperson	—	214,003	—	*
All executive officers, directors and director nominees as a group (9 people)	15,832	9,804,053	*	35.3%

* Less than 1.0%

(1) Represents number of shares of common stock expected to be granted to the named individual pursuant to the 2013 Equity Incentive Plan concurrently with the completion of this offering, based upon an assumed public offering price equal to the midpoint of the price range set forth on the cover page of this prospectus.

(2) Assumes an aggregate of 14,750,000 shares of common stock and an aggregate of 13,039,997 common units (other than common units to be held by us) are outstanding immediately following this offering.

(3) Includes an aggregate of 877,809 common units to be held by trusts established by Mr. Hoffler for the benefit of family members and 4,167 shares of restricted common stock to be granted to Mr. Hoffler under our 2013 Equity Incentive Plan concurrently with the completion of this offering, which shares will vest ratably as to one-third of the shares on each of the date of grant and the first two anniversaries of the date of grant.

(4) Includes an aggregate of 416,857 common units to be held by trusts and other entities established by Mr. Kirk for the benefit of family members and 3,333 shares of restricted common stock to be granted to Mr. Kirk under our 2013 Equity Incentive Plan concurrently with the completion of this offering, which shares will vest ratably as to one-third of the shares on each of the date of grant and the first two anniversaries of the date of grant.

(5) Includes 2,083 restricted shares to be granted to each of our independent directors concurrently with completion of this offering, which shares will vest ratably as to one-third of the shares on each of the date of grant and the first two anniversaries of the date of grant.

(5) Includes 28,840 common units to be held by a trust for the benefit of Mr. Nero's family members.

DESCRIPTION OF CAPITAL STOCK

The following is a summary of the material terms of our capital stock and certain terms of our charter and bylaws as we expect they will be at the time of completion of this offering and the formation transactions. For a complete description, we refer you to the MGCL and to our charter and bylaws. For a more complete understanding of our capital stock, we encourage you to read carefully this entire prospectus, as well as our charter and bylaws, the forms of which are filed as exhibits to the registration statement of which this prospectus forms a part.

General

We are authorized to issue 600,000,000 shares of stock, consisting of 500,000,000 shares of common stock, $0.01 par value per share, or our common stock, and 100,000,000 shares of preferred stock, $0.01 par value per share, or our preferred stock. Our charter authorizes our board of directors, with the approval of a majority of the entire board of directors and without any action on the part of our stockholders, to amend our charter to increase or decrease the aggregate number of authorized shares of stock or the number of authorized shares of stock of any class or series without stockholder approval. As of the date of this prospectus, we had 1,000 outstanding shares of common stock and no outstanding shares of preferred stock. Upon completion of this offering, the formation transactions and the grants of restricted stock described elsewhere in this prospectus, 14,750,000 shares of our common stock will be issued and outstanding and no shares of our preferred stock will be issued and outstanding. Under Maryland law, stockholders generally are not liable for a corporation's debts or obligations.

Common Stock

Subject to the preferential rights, if any, of holders of any other class or series of stock and to the provisions of our charter regarding restrictions on ownership and transfer of our stock, holders of our common stock:

- have the right to receive ratably any distributions from funds legally available therefor, when, as and if authorized by our board of directors and declared by us; and
- are entitled to share ratably in the assets of our company legally available for distribution to the holders of our common stock in the event of our liquidation, dissolution or winding up of our affairs.

There are generally no redemption, sinking fund, conversion, preemptive or appraisal rights with respect to our common stock.

Subject to the provisions of our charter regarding restrictions on ownership and transfer of our stock and except as may otherwise be specified in the terms of any class or series of stock, each outstanding share of our common stock entitles the holder to one vote on all matters submitted to a vote of stockholders, including the election of directors and, except as may be provided with respect to any other class or series of stock, the holders of such shares will possess the exclusive voting power. There is no cumulative voting in the election of our directors, and directors will be elected by a plurality of the votes cast in the election of directors. Consequently, at each annual meeting of stockholders, the holders of a majority of the outstanding shares of our common stock can elect all of the directors then standing for election, and the holders of the remaining shares will not be able to elect any directors.

Power to Reclassify and Issue Stock

Our board of directors may classify any unissued shares of preferred stock, and reclassify any unissued shares of common stock or any previously classified but unissued shares of preferred stock into other classes or series of stock, including one or more classes or series of stock that have priority over our common stock with respect to voting rights or distributions or upon liquidation, and authorize us to issue the newly classified shares. Prior to the issuance of shares of each class or series, our Board of Directors is required by the MGCL and our charter to set, subject to the provisions of our charter regarding the restrictions on ownership and transfer of our stock, the preferences, conversion or other rights, voting powers, restrictions, limitations as to dividends or other distributions, qualifications or terms or conditions of redemption for each such

class or series. These actions can be taken without stockholder approval, unless stockholder approval is required by applicable law, the terms of any other class or series of our stock or the rules of any stock exchange or automated quotation system on which our stock may be then listed or quoted.

Power to Increase or Decrease Authorized Stock and Issue Additional Shares of Our Common Stock and Preferred Stock

Our charter authorizes our board of directors, with the approval of a majority of the entire board of directors, to amend our charter to increase or decrease the aggregate number of authorized shares of stock or the number of authorized shares of stock of any class or series without stockholder approval. We believe that the power of our board of directors to increase or decrease the number of authorized shares of stock and to classify or reclassify unissued shares of our common stock or preferred stock and thereafter to cause us to issue such shares of stock will provide us with increased flexibility in structuring possible future financings and acquisitions and in meeting other needs which might arise. The additional classes or series, as well as the additional shares of stock, will be available for future issuance without further action by our stockholders, unless such action is required by applicable law, the terms of any other class or series of stock or the rules of any stock exchange or automated quotation system on which our securities may be listed or traded. Our board of directors could authorize us to issue a class or series that could, depending upon the terms of the particular class or series, delay, defer or prevent a transaction or a change in control of our company that might involve a premium price for our stockholders or otherwise be in their best interests.

Restrictions on Ownership and Transfer

In order to qualify as a REIT under the Code, our shares of stock must be beneficially owned by 100 or more persons during at least 335 days of a taxable year of 12 months (other than the first year for which an election to be a REIT has been made) or during a proportionate part of a shorter taxable year. Also, not more than 50% of the value of our outstanding shares of capital stock may be owned, directly or indirectly, by five or fewer individuals (as defined in the Code to include certain entities) during the last half of a taxable year (other than the first year for which an election to be a REIT has been made).

Because our board of directors believes it is at present essential for us to qualify as a REIT, among other purposes, our charter, subject to certain exceptions, will contain restrictions on the number of our shares of stock that a person may own. Our charter provides that, subject to certain exceptions, no person may beneficially or constructively own more than 9.8% in value or in number of shares, whichever is more restrictive, of the outstanding shares of any class or series of our capital stock, or the ownership limit.

Our charter will also prohibit any person from:

- beneficially owning shares of our capital stock to the extent that such beneficial ownership would result in our being “closely held” within the meaning of Section 856(h) of the Code (without regard to whether the ownership interest is held during the last half of the taxable year);
- transferring shares of our capital stock to the extent that such transfer would result in our shares of capital stock being beneficially owned by fewer than 100 persons (determined under the principles of Section 856(a)(5) of the Code);
- beneficially or constructively owning shares of our capital stock to the extent such beneficial or constructive ownership would cause us to constructively own ten percent or more of the ownership interests in a tenant (other than a taxable REIT subsidiary) of our real property within the meaning of Section 856(d)(2)(B) of the Code; or
- beneficially or constructively owning or transferring shares of our capital stock if such beneficial or constructive ownership or transfer would otherwise cause us to fail to qualify as a REIT under the Code including, but not limited to, as a result of any hotel management companies failing to qualify as an “eligible independent contractor” under the REIT rules.

Our board of directors, in its sole discretion, may prospectively or retroactively exempt a person from certain of the limits described in the paragraph above and may establish or increase an excepted holder percentage limit for that person. The person seeking an exemption must provide to our board of directors any representations, covenants and undertakings that our board of directors may deem appropriate in order to conclude that granting the exemption will not cause us to lose our status as a REIT. Our board of directors may not grant an exemption to any person if that exemption would result in our failing to qualify as a REIT. Our board of directors may require a ruling from the IRS or an opinion of counsel, in either case in form and substance satisfactory to our board of directors, in its sole discretion, in order to determine or ensure our status as a REIT.

Notwithstanding the receipt of any ruling or opinion, our board of directors may impose such guidelines or restrictions as it deems appropriate in connection with granting such exemption. In connection with granting a waiver of the ownership limit or creating an exempted holder limit or at any other time, our board of directors from time to time may increase or decrease the ownership limit, subject to certain exceptions.

Any attempted transfer of shares of our capital stock which, if effective, would violate any of the restrictions described above will result in the number of shares of our capital stock causing the violation (rounded up to the nearest whole share) to be automatically transferred to a trust for the exclusive benefit of one or more charitable beneficiaries, except that any transfer that results in the violation of the restriction relating to shares of our capital stock being beneficially owned by fewer than 100 persons will be null and void. In either case, the proposed transferee will not acquire any rights in those shares. The automatic transfer will be deemed to be effective as of the close of business on the business day prior to the date of the purported transfer or other event that results in the transfer to the trust. Shares held in the trust will be issued and outstanding shares. The proposed transferee will not benefit economically from ownership of any shares held in the trust, will have no rights to dividends or other distributions and will have no rights to vote or other rights attributable to the shares held in the trust. The trustee of the trust will have all voting rights and rights to dividends or other distributions with respect to shares held in the trust. These rights will be exercised for the exclusive benefit of the charitable beneficiary. Any dividend or other distribution paid prior to our discovery that shares have been transferred to the trust will be paid by the recipient to the trustee upon demand. Any dividend or other distribution authorized but unpaid will be paid when due to the trustee. Any dividend or other distribution paid to the trustee will be held in trust for the charitable beneficiary. Subject to Maryland law, the trustee will have the authority (i) to rescind as void any vote cast by the proposed transferee prior to our discovery that the shares have been transferred to the trust and (ii) to recast the vote in accordance with the desires of the trustee acting for the benefit of the charitable beneficiary. However, if we have already taken irreversible corporate action, then the trustee will not have the authority to rescind and recast the vote.

Within 20 days of receiving notice from us that shares of our stock have been transferred to the trust, the trustee will sell the shares to a person, designated by the trustee, whose ownership of the shares will not violate the above ownership and transfer limitations. Upon the sale, the interest of the charitable beneficiary in the shares sold will terminate and the trustee will distribute the net proceeds of the sale to the proposed transferee and to the charitable beneficiary as follows. The proposed transferee will receive the lesser of (i) the price paid by the proposed transferee for the shares or, if the proposed transferee did not give value for the shares in connection with the event causing the shares to be held in the trust (*e.g.,* a gift, devise or other similar transaction), the market price (as defined in our charter) of the shares on the day of the event causing the shares to be held in the trust and (ii) the price per share received by the trustee (net of any commission and other expenses of sale) from the sale or other disposition of the shares. The trustee may reduce the amount payable to the proposed transferee by the amount of dividends or other distributions paid to the proposed transferee and owed by the proposed transferee to the trustee. Any net sale proceeds in excess of the amount payable to the proposed transferee will be paid immediately to the charitable beneficiary. If, prior to our discovery that our shares of our stock have been transferred to the trust, the shares are sold by the proposed transferee, then (i) the shares shall be deemed to have been sold on behalf of the trust and (ii) to the extent that the proposed transferee received an amount for the shares that exceeds the amount he or she was entitled to receive, the excess shall be paid to the trustee upon demand.

In addition, shares of our stock held in the trust will be deemed to have been offered for sale to us, or our designee, at a price per share equal to the lesser of (i) the price per share in the transaction that resulted in the transfer to the trust (or, in the case of a devise or gift, the market price at the time of the devise or gift) and (ii) the market price on the date we, or our

designee, accept the offer, which we may reduce by the amount of dividends and distributions paid to the proposed transferee and owed by the proposed transferee to the trustee. We will have the right to accept the offer until the trustee has sold the shares. Upon a sale to us, the interest of the charitable beneficiary in the shares sold will terminate and the trustee will distribute the net proceeds of the sale to the proposed transferee.

If a transfer to a charitable trust, as described above, would be ineffective for any reason to prevent a violation of a restriction, the transfer that would have resulted in a violation will be null and void, and the proposed transferee shall acquire no rights in those shares.

Any certificate representing shares of our capital stock, and any notices delivered in lieu of certificates with respect to the issuance or transfer of uncertificated shares, will bear a legend referring to the restrictions described above.

Any person who acquires or attempts or intends to acquire beneficial or constructive ownership of shares of our capital stock that will or may violate any of the foregoing restrictions on transferability and ownership, or any person who would have owned shares of our capital stock that resulted in a transfer of shares to a charitable trust, is required to give written notice immediately to us, or in the case of a proposed or attempted transaction, to give at least 15 days' prior written notice, and provide us with such other information as we may request in order to determine the effect of the transfer on our status as a REIT. The foregoing restrictions on transferability and ownership will not apply if our board of directors determines that it is no longer in our best interests to attempt to qualify, or to continue to qualify, as a REIT.

Every owner of more than 5% (or any lower percentage as required by the Code or the regulations promulgated thereunder) in number or value of the outstanding shares of our capital stock, within 30 days after the end of each taxable year, is required to give us written notice, stating his or her name and address, the number of shares of each class and series of shares of our capital stock that he or she beneficially owns and a description of the manner in which the shares are held. Each of these owners must provide us with additional information that we may request in order to determine the effect, if any, of his or her beneficial ownership on our status as a REIT and to ensure compliance with the ownership limits. In addition, each stockholder will upon demand be required to provide us with information that we may request in good faith in order to determine our status as a REIT and to comply with the requirements of any taxing authority or governmental authority or to determine our compliance.

These ownership limitations could delay, defer or prevent a transaction or a change in control that might involve a premium price for shares of our common stock or otherwise be in the best interests of our stockholders.

CERTAIN PROVISIONS OF MARYLAND LAW AND OF OUR CHARTER AND BYLAWS

Although the following summary describes certain provisions of Maryland law and the material provisions of our charter and bylaws, it is not a complete description of our charter and bylaws, copies of which are filed as exhibits to the registration statement of which this prospectus is a part, or of Maryland law. See "Where You Can Find More Information."

Our Board of Directors

Our charter and bylaws provide that the number of directors of our company may be established, increased or decreased by our board of directors, but may not be less than the minimum number required under the MGCL, which is one, or, unless our bylaws are amended, more than fifteen. We have elected by a provision of our charter to be subject to a provision of Maryland law requiring that, subject to the rights of holders of one or more classes or series of preferred stock, any vacancy may be filled only by a majority of the remaining directors, even if the remaining directors do not constitute a quorum, and any director elected to fill a vacancy will serve for the full term of the directorship in which such vacancy occurred and until his or her successor is duly elected and qualifies.

Each member of our board of directors is elected by our stockholders to serve until the next annual meeting of stockholders and until his or her successor is duly elected and qualifies. Holders of shares of our common stock will have no right to cumulative voting in the election of directors, and directors will be elected by a plurality of the votes cast in the election of directors. Consequently, at each annual meeting of stockholders, the holders of a majority of the shares of our common stock will be able to elect all of our directors.

Removal of Directors

Our charter provides that, subject to the rights of holders of one or more classes or series of preferred stock to elect or remove one or more directors, a director may be removed only for cause (as defined in our charter) and only by the affirmative vote of holders of shares entitled to cast at least two-thirds of the votes entitled to be cast generally in the election of directors. This provision, when coupled with the exclusive power of our Board of Directors to fill vacant directorships, may preclude stockholders from removing incumbent directors except for cause and by a substantial affirmative vote and filling the vacancies created by such removal with their own nominees.

Business Combinations

Under the MGCL, certain "business combinations" (including a merger, consolidation, share exchange or, in circumstances specified in the statute, an asset transfer or issuance or reclassification of equity securities) between a Maryland corporation and an interested stockholder (*i.e.,* any person (other than the corporation or any subsidiary) who beneficially owns 10% or more of the voting power of the corporation's outstanding voting stock after the date on which the corporation had 100 or more beneficial owners of its stock, or an affiliate or associate of the corporation who, at any time within the two-year period immediately prior to the date in question, was the beneficial owner of 10% or more of the voting power of the then outstanding stock of the corporation after the date on which the corporation had 100 or more beneficial owners of its stock) or an affiliate of an interested stockholder, are prohibited for five years after the most recent date on which the interested stockholder becomes an interested stockholder. Thereafter, any such business combination between the Maryland corporation and an interested stockholder generally must be recommended by the Board of Directors of such corporation and approved by the affirmative vote of at least (1) 80% of the votes entitled to be cast by holders of outstanding shares of voting stock of the corporation and (2) two-thirds of the votes entitled to be cast by holders of voting stock of the corporation other than shares held by the interested stockholder with whom (or with whose affiliate) the business combination is to be effected or held by an affiliate or associate of the interested stockholder, unless, among other conditions, the corporation's common stockholders receive a minimum price (as defined in the MGCL) for their shares and the consideration is received in cash or in the same form as previously paid by the interested stockholder for its shares. A person is not an interested stockholder under the statute if the Board of Directors approved in advance the transaction by which the person otherwise would have become an interested stockholder. The Board of Directors may provide that its approval is subject to compliance, at or after the time of approval, with any terms and conditions determined by it.

The statute permits various exemptions from its provisions, including business combinations that are exempted by the board of directors prior to the time that the interested stockholder became an interested stockholder. As permitted by the MGCL, our Board of Directors has adopted a resolution exempting any business combination between us and any other person from the provisions of this statute, provided that the business combination is first approved by our Board of Directors (including a majority of directors who are not affiliates or associates of such persons). However, our Board of Directors may repeal or modify this resolution at any time in the future, in which case the applicable provisions of this statute will become applicable to business combinations between us and interested stockholders.

Control Share Acquisitions

The MGCL provides that holders of "control shares" of a Maryland corporation acquired in a "control share acquisition" have no voting rights with respect to those shares except to the extent approved by the affirmative vote of at least two-thirds of the votes entitled to be cast by stockholders entitled to vote generally in the election of directors, excluding votes cast by (1) the person who makes or proposes to make a control share acquisition, (2) an officer of the corporation or (3) an employee of the corporation who is also a director of the corporation. "Control shares" are voting shares of stock which, if aggregated with all other such shares of stock previously acquired by the acquirer or in respect of which the acquirer is able to exercise or direct the exercise of voting power (except solely by virtue of a revocable proxy), would entitle the acquirer to exercise voting power in electing directors within one of the following ranges of voting power: (1) one-tenth or more but less than one-third, (2) one-third or more but less than a majority or (3) a majority or more of all voting power. Control shares do not include shares the acquiring person is then entitled to vote as a result of having previously obtained stockholder approval. A "control share acquisition" means the acquisition of issued and outstanding control shares, subject to certain exceptions.

A person who has made or proposes to make a control share acquisition, upon satisfaction of certain conditions (including an undertaking to pay expenses), may compel the Board of Directors to call a special meeting of stockholders to be held within 50 days of demand to consider the voting rights of the shares. If no request for a meeting is made, the corporation may itself present the question at any stockholders meeting.

If voting rights are not approved at the meeting or if the acquiring person does not deliver an acquiring person statement as required by the statute, then, subject to certain conditions and limitations, the corporation may redeem any or all of the control shares (except those for which voting rights have previously been approved) for fair value determined, without regard to the absence of voting rights for the control shares, as of the date of the last control share acquisition by the acquirer or of any meeting of stockholders at which the voting rights of such shares are considered and not approved. If voting rights for control shares are approved at a stockholders meeting and the acquirer becomes entitled to vote a majority of the shares entitled to vote, all other stockholders may exercise appraisal rights. The fair value of the shares as determined for purposes of such appraisal rights may not be less than the highest price per share paid by the acquirer in the control share acquisition.

The control share acquisition statute does not apply to, among other things, (1) shares acquired in a merger, consolidation or share exchange if the corporation is a party to the transaction or (2) acquisitions approved or exempted by the charter or bylaws of the corporation.

Our bylaws contain a provision exempting from the control share acquisition statute any acquisition by any person of shares of our stock. There can be no assurance that such provision will not be amended or eliminated at any time in the future by our Board of Directors.

Subtitle 8

Subtitle 8 of Title 3 of the MGCL permits a Maryland corporation with a class of equity securities registered under the Exchange Act and at least three independent directors to elect to be subject, by provision in its charter or bylaws or a resolution of its board of directors, without stockholder approval, and notwithstanding any contrary provision in the charter or bylaws, to any or all of five provisions of the MGCL which provide, respectively, that:

- the corporation's board of directors will be divided into three classes;
- the affirmative vote of two-thirds of the votes cast in the election of directors generally is required to remove a director;

- the number of directors may be fixed only by vote of the directors;
- a vacancy on its board of directors be filled only by the remaining directors and that directors elected to fill a vacancy will serve for the remainder of the full term of the class of directors in which the vacancy occurred; and
- the request of stockholders entitled to cast at least a majority of all the votes entitled to be cast at the meeting is required for stockholders to require the calling of a special meeting of stockholders.

We have elected by a provision in our charter to be subject to the provisions of Subtitle 8 relating to the filling of vacancies on our Board of Directors. In addition, without our having elected to be subject to Subtitle 8, our charter and bylaws already (1) require the affirmative vote of holders of shares entitled to cast at least two-thirds of all the votes entitled to be cast generally in the election of directors to remove a director from our Board of Directors, (2) vest in our Board of Directors the exclusive power to fix the number of directors and (3) require, unless called by our chairman, our president and chief executive officer or our Board of Directors, the request of stockholders entitled to cast not less than a majority of all the votes entitled to be cast at the meeting to call a special meeting. Our Board of Directors is not currently classified. In the future, our Board of Directors may elect, without stockholder approval, to classify our Board of Directors or elect to be subject to any of the other provisions of Subtitle 8.

Meetings of Stockholders

Pursuant to our bylaws, an annual meeting of our stockholders for the purpose of the election of directors and the transaction of any business will be held on a date and at the time and place set by our Board of Directors. Each of our directors is elected by our stockholders to serve until the next annual meeting and until his or her successor is duly elected and qualifies under Maryland law. In addition, our chairman, our president and chief executive officer or our Board of Directors may call a special meeting of our stockholders. Subject to the provisions of our bylaws, a special meeting of our stockholders to act on any matter that may properly be considered by our stockholders will also be called by our secretary upon the written request of stockholders entitled to cast a majority of all the votes entitled to be cast at the meeting on such matter, accompanied by the information required by our bylaws. Our secretary will inform the requesting stockholders of the reasonably estimated cost of preparing and mailing the notice of meeting (including our proxy materials), and the requesting stockholder must pay such estimated cost before our secretary may prepare and mail the notice of the special meeting.

Amendments to Our Charter and Bylaws

Under the MGCL, a Maryland corporation generally cannot amend its charter unless approved by the affirmative vote of stockholders entitled to cast at least two-thirds of the votes entitled to be cast on the matter unless a lesser percentage (but not less than a majority of all of the votes entitled to be cast on the matter) is set forth in the corporation's charter. Except for certain amendments related to the removal of directors and the restrictions on ownership and transfer of our stock and the vote required to amend those provisions (which must be declared advisable by our Board of Directors and approved by the affirmative vote of stockholders entitled to cast not less than two-thirds of all the votes entitled to be cast on the matter), our charter generally may be amended only if the amendment is declared advisable by our Board of Directors and approved by the affirmative vote of stockholders entitled to cast a majority of all of the votes entitled to be cast on the matter. Our Board of Directors, with the approval of a majority of the entire board, and without any action by our stockholders, may also amend our charter to increase or decrease the aggregate number of shares of stock or the number of shares of stock of any class or series we are authorized to issue.

Our Board of Directors has the exclusive power to adopt, alter or repeal any provision of our bylaws and to make new bylaws.

Extraordinary Transactions

Under the MGCL, a Maryland corporation generally cannot dissolve, merge, sell all or substantially all of its assets, engage in a statutory share exchange or engage in similar transactions outside the ordinary course of business unless approved by the affirmative vote of stockholders entitled to cast at least two-thirds of the votes entitled to be cast on the

matter unless a lesser percentage (but not less than a majority of all of the votes entitled to be cast on the matter) is set forth in the corporation's charter. As permitted by the MGCL, our charter provides that any of these actions may be approved by the affirmative vote of stockholders entitled to cast a majority of all of the votes entitled to be cast on the matter. Many of our operating assets will be held by our subsidiaries, and these subsidiaries may be able to merge or sell all or substantially all of their assets without the approval of our stockholders.

Appraisal Rights

Our charter provides that our stockholders generally will not be entitled to exercise statutory appraisal rights.

Dissolution

Our dissolution must be declared advisable by a majority of our entire Board of Directors and approved by the affirmative vote of stockholders entitled to cast a majority of all of the votes entitled to be cast on the matter.

Advance Notice of Director Nominations and New Business

Our bylaws provide that, with respect to an annual meeting of stockholders, nominations of individuals for election to our Board of Directors and the proposal of other business to be considered by our stockholders at an annual meeting of stockholders may be made only (1) pursuant to our notice of the meeting, (2) by or at the direction of our Board of Directors or (3) by a stockholder who was a stockholder of record both at the time of giving of notice and at the time of the meeting, who is entitled to vote at the meeting on the election of the individual so nominated or such other business and who has complied with the advance notice procedures set forth in our bylaws, including a requirement to provide certain information about the stockholder and its affiliates and the nominee or business proposal, as applicable.

With respect to special meetings of stockholders, only the business specified in our notice of meeting may be brought before the meeting. Nominations of individuals for election to our Board of Directors may be made at a special meeting of stockholders at which directors are to be elected only (1) by or at the direction of our Board of Directors or (2) provided that the special meeting has been properly called in accordance with our bylaws for the purpose of electing directors, by a stockholder who is a stockholder of record both at the time of giving of notice and at the time of the meeting, who is entitled to vote at the meeting on the election of each individual so nominated and who has complied with the advance notice provisions set forth in our bylaws, including a requirement to provide certain information about the stockholder and its affiliates and the nominee.

Anti-Takeover Effect of Certain Provisions of Maryland Law and Our Charter and Bylaws

Our charter and bylaws and Maryland law contain provisions that may delay, defer or prevent a change in control or other transaction that might involve a premium price for our common stock or otherwise be in the best interests of our stockholders, including:

- supermajority vote and cause requirements for removal of directors;
- requirement that stockholders holding at least a majority of our outstanding common stock must act together to make a written request before our stockholders can require us to call a special meeting of stockholders;
- provisions that vacancies on our Board of Directors may be filled only by the remaining directors for the full term of the directorship in which the vacancy occurred;
- the power of our Board of Directors, without stockholder approval, to increase or decrease the aggregate number of authorized shares of stock or the number of shares of any class or series of stock;
- the power of our Board of Directors to cause us to issue additional shares of stock of any class or series and to fix the terms of one or more classes or series of stock without stockholder approval;

- the restrictions on ownership and transfer of our stock; and
- advance notice requirements for director nominations and stockholder proposals.

Likewise, if the resolution opting out of the business combination provisions of the MGCL was repealed, or the business combination is not approved by our board of directors, or the provision in the bylaws opting out of the control share acquisition provisions of the MGCL were rescinded, these provisions of the MGCL could have similar anti-takeover effects.

Limitation of Liability and Indemnification of Directors and Officers

Maryland 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 (1) actual receipt of an improper benefit or profit in money, property or services or (2) active and deliberate dishonesty that is established by a final judgment and is material to the cause of action. Our charter contains a provision that eliminates such liability to the maximum extent permitted by Maryland law.

Our charter and bylaws provide for indemnification of our officers and directors against liabilities to the maximum extent permitted by the MGCL, as amended from time to time.

The MGCL requires a corporation (unless its charter provides otherwise, which our charter does not) to indemnify a director or officer who has been successful, on the merits or otherwise, in the defense of any proceeding to which he or she is made, or threatened to be made, a party by reason of his or her service in that capacity. The MGCL 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:

- the act or omission of the director or officer was material to the matter giving rise to the proceeding and (1) was committed in bad faith or (2) was the result of active and deliberate dishonesty;
- the director or officer actually received an improper personal benefit in money, property or services; or
- 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 MGCL, 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 if it determines that the director or officer is fairly and reasonably entitled to indemnification, and then only for expenses. In addition, the MGCL permits a Maryland corporation to advance reasonable expenses to a director or officer upon its receipt of:

- a written affirmation by the director or officer of his or her good faith belief that he or she has met the standard of conduct necessary for indemnification by the corporation; and
- a written undertaking by the director or officer or on the director’s or officer’s behalf to repay the amount paid or reimbursed by the corporation if it is ultimately determined that the director or officer did not meet the standard of conduct.

Our charter authorizes us, and our bylaws obligate us, to the maximum extent permitted by Maryland law in effect from time to time, to indemnify and, without requiring a preliminary determination of the ultimate entitlement to indemnification, pay or reimburse reasonable expenses in advance of final disposition of such a proceeding to:

- any present or former director or officer of our company who is made, or threatened to be made, a party to the proceeding by reason of his or her service in that capacity; or

- any individual who, while a director or officer of our company and at our request, serves or has served as a director, officer, partner, trustee, member or manager of another corporation, real estate investment trust, limited liability company, partnership, joint venture, trust, employee benefit plan or other enterprise and who is made, or threatened to be made, a party to the proceeding by reason of his or her service in that capacity.

Our charter and bylaws also permit us to indemnify and advance expenses to any individual who served our predecessor in any of the capacities described above and to any employee or agent of our company or our predecessor.

Upon completion of this offering, we intend to enter into indemnification agreements with each of our directors and executive officers that provide for indemnification to the maximum extent permitted by Maryland law.

REIT Qualification

Our charter provides that our board of directors may revoke or otherwise terminate our REIT election, without approval of our stockholders, if it determines that it is no longer in our best interests to attempt to qualify, or to continue to qualify, as a REIT.

SHARES ELIGIBLE FOR FUTURE SALE

General

Upon completion of this offering, we will have 14,750,000 outstanding shares of our common stock (16,937,500 shares if the underwriters' overallotment option is exercised in full). In addition, upon completion of this offering, 13,039,997 shares of our common stock will be reserved for future issuance upon redemption of common units and 416,666 shares of our common stock will be available for future issuance under the 2013 Equity Incentive Plan.

Of these shares, the 14,583,333 shares sold in this offering (16,770,833 shares if the underwriters' overallotment option is exercised in full) will be freely transferable without restriction or further registration under the Securities Act, subject to the limitations on ownership set forth in our charter, except for any shares purchased in this offering by our "affiliates," as that term is defined by Rule 144 under the Securities Act. The remaining shares of common stock issued to our officers, directors and affiliates pursuant to the 2013 Equity Incentive Plan and the shares of our common stock issuable to officers, directors and affiliates upon redemption of common units will be "restricted shares" as defined in Rule 144.

Prior to this offering, there has been no public market for our common stock. Trading of our common stock on the NYSE is expected to commence immediately following the completion of this offering. No assurance can be given as to (1) the likelihood that an active market for our shares of common stock will develop, (2) the liquidity of any such market, (3) the ability of the stockholders to sell the shares or (4) the prices that stockholders may obtain for any of the shares. No prediction can be made as to the effect, if any, that future sales of shares, or the availability of shares for future sale, will have on the market price prevailing from time to time. Sales of substantial amounts of our common stock (including shares issued upon the redemption of common units), or the perception that such sales could occur, may adversely affect prevailing market prices of our common stock. See "Risk Factors—Risks Related to this Offering."

For a description of certain restrictions on transfers of our shares of common stock held by certain of our stockholders, see "Description of Capital Stock—Restrictions on Ownership and Transfer."

Rule 144

After giving effect to this offering, 15,832 shares of our outstanding shares of common stock will be "restricted" securities under the meaning of Rule 144 under the Securities Act, and may not be sold in the absence of registration under the Securities Act unless an exemption from registration is available, including the exemption provided by Rule 144.

In general, under Rule 144 as currently in effect, beginning 90 days after the date of this prospectus, a person who is not deemed to have been an affiliate of ours at any time during the three months preceding a sale and who has beneficially owned shares considered to be restricted securities under Rule 144 for at least six months would be entitled to sell those shares, subject only to the availability of current public information about us. A non-affiliated person who has beneficially owned shares considered to be restricted securities under Rule 144 for at least one year would be entitled to sell those shares without regard to the provisions of Rule 144.

An affiliate of ours who has beneficially owned shares of our common stock 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:

- 1.0% of the shares of our common stock then outstanding, which will equal approximately 145,833 shares immediately after this offering (167,708 shares if the underwriters exercise their overallotment option in full); or
- the average weekly trading volume of our common stock on the NYSE during the four calendar weeks preceding the date on which notice of the sale is filed with the SEC.

Sales under Rule 144 by our affiliates or persons selling shares on behalf of our affiliates are also subject to manner of sale provisions, notice requirements and the availability of current public information about us.

Redemption/Exchange Rights

In connection with the formation transactions, our operating partnership will issue an aggregate of 13,039,997 common units to prior investors in the entities that own the properties in our portfolio. Beginning on or after the first anniversary of the completion of the formation transactions, limited partners of our operating partnership and certain qualifying assignees of the limited partners will have the right to require our operating partnership to redeem part or all of their common units for cash, or, at our election, for shares of our common stock, subject to the restrictions on ownership and transfer of our stock set forth in our charter and described under the section titled "Description of Capital Stock—Restrictions on Ownership and Transfer." See "Description of the Partnership Agreement of Armada Hoffler, L.P."

Registration Rights

Pursuant to the terms of the partnership agreement of our operating partnership, we will agree to file, following the date on which we become eligible to file a registration statement on Form S-3 under the Securities Act of 1933, as amended, one or more registration statements registering the issuance and resale of the common stock issuable upon redemption of the common units issued in connection with the formation transactions, including those issued to our officers, directors and their affiliates. We will agree to pay all of the expenses relating to such registration statements.

Equity Incentive Plan

We intend to adopt our 2013 Equity Incentive Plan immediately prior to the completion of this offering. The plan will provide for the grant of various types of incentive awards to directors, officers, employees and consultants of our company and our subsidiaries and affiliates, including our operating partnership. An aggregate of 583,333 shares of our common stock are authorized for issuance under the 2013 Equity Incentive Plan, of which 166,667 shares (based on the midpoint of the price range set forth on the cover of this prospectus) will be granted to our directors and certain non-executive employees upon completion of this offering and will be subject to the lock-up agreements discussed below. After giving effect to grants of restricted common stock concurrently with the completion of this offering, we expect that an aggregate of 416,666 shares of our common stock will be available for future issuance under our 2013 Equity Incentive Plan.

We intend to file with the SEC a Registration Statement on Form S-8 covering the shares of common stock issuable under our 2013 Equity Incentive Plan. Shares of our common stock covered by this registration statement, including any shares of our common stock issuable upon the exercise of options or shares of restricted common stock, will be eligible for transfer or resale without restriction under the Securities Act unless held by affiliates.

Lock-up Agreements

In addition to the limits placed on the sale of our common stock by operation of Rule 144 and other provisions of the Securities Act, our directors, executive officers, director nominees and their affiliates have agreed with the underwriters of this offering, subject to certain exceptions, not to sell or otherwise transfer or encumber, or enter into any transaction that transfers, in whole or in part, directly or indirectly, any shares of common stock or securities convertible into, exchangeable for or exercisable for shares of common stock (including common units) owned by them at the completion of this offering or thereafter acquired by them for a period of 180 days (subject to extension in certain circumstances) after the date of this prospectus, without the prior written consent of Robert W. Baird & Co. Incorporated.

However, in addition to certain other exceptions, each of our directors, director nominees, executive officers and their respective affiliates may transfer or dispose of his or her shares during the lock-up period in the case of gifts or for estate planning purposes, provided that each transferee agrees to a similar lock-up agreement for the remainder of the lock-up period (including any extension period), the transfer does not involve a disposition for value, no report is required to be filed by the transferor under the Exchange Act as a result of the transfer and the transferor does not voluntarily effect any public filing or report regarding such transfer. See "Underwriting—No Sales of Similar Securities."

MATERIAL U.S. FEDERAL INCOME TAX CONSIDERATIONS

This section summarizes the material U.S. federal income tax considerations that you, as a prospective investor, may consider relevant in connection with the purchase, ownership and disposition of our common stock. Hunton & Williams LLP has acted as our counsel, has reviewed this summary, and is of the opinion that the discussion contained herein is accurate in all material respects. Because this section is a summary, it does not address all aspects of taxation that may be relevant to particular stockholders in light of their personal investment or tax circumstances, or to certain types of stockholders that are subject to special treatment under the U.S. federal income tax laws, such as:

- insurance companies;
- tax-exempt organizations (except to the limited extent discussed in "—Taxation of Tax-Exempt Stockholders" below);
- financial institutions or broker-dealers;
- non-U.S. individuals and foreign corporations (except to the limited extent discussed in "—Taxation of Non-U.S. Stockholders" below);
- U.S. expatriates;
- persons who mark-to-market our common stock;
- subchapter S corporations;
- U.S. stockholders (as defined below) whose functional currency is not the U.S. dollar;
- regulated investment companies and REITs;
- trusts and estates;
- persons who receive our common stock through the exercise of employee stock options or otherwise as compensation;
- persons holding our common stock as part of a "straddle," "hedge," "conversion transaction," "synthetic security" or other integrated investment;
- persons subject to the alternative minimum tax provisions of the Code; and
- persons holding our common stock through a partnership or similar pass-through entity.

This summary assumes that stockholders hold our shares as capital assets for U.S. federal income tax purposes, which generally means property held for investment.

The statements in this section are not intended to be, and should not be construed as, tax advice. The statements in this section are based on the Code, final, temporary and proposed Treasury regulations, the legislative history of the Code, current administrative interpretations and practices of the IRS, and court decisions. The reference to IRS interpretations and practices includes the IRS practices and policies endorsed in private letter rulings, which are not binding on the IRS except with respect to the taxpayer that receives the ruling. In each case, these sources are relied upon as they exist on the date of this discussion. Future legislation, Treasury regulations, administrative interpretations and court decisions could change the current law or adversely affect existing interpretations of current law on which the information in this section is based. Any

such change could apply retroactively. We have not received any rulings from the IRS concerning our qualification as a REIT. Accordingly, even if there is no change in the applicable law, no assurance can be provided that the statements made in the following discussion, which do not bind the IRS or the courts, will not be challenged by the IRS or will be sustained by a court if so challenged.

WE URGE YOU TO CONSULT YOUR OWN TAX ADVISOR REGARDING THE SPECIFIC TAX CONSEQUENCES TO YOU OF THE PURCHASE, OWNERSHIP AND DISPOSITION OF OUR COMMON STOCK AND OF OUR ELECTION TO BE TAXED AS A REIT. SPECIFICALLY, YOU ARE URGED TO CONSULT YOUR OWN TAX ADVISOR REGARDING THE FEDERAL, STATE, LOCAL, FOREIGN, AND OTHER TAX CONSEQUENCES OF SUCH PURCHASE, OWNERSHIP, DISPOSITION AND ELECTION, AND REGARDING POTENTIAL CHANGES IN APPLICABLE TAX LAWS.

Taxation of our Company

We were organized on October 12, 2012 as a Maryland corporation. We have elected to be taxed as a pass-through entity under subchapter S of the Code, but intend to revoke our S election prior to the completion of this offering. We intend to elect to be taxed as a REIT for U.S. federal income tax purposes commencing with our short taxable year ending December 31, 2013. We believe that, commencing with such short taxable year, we will be organized and will operate in such a manner as to qualify for taxation as a REIT under the U.S. federal income tax laws, and we intend to continue to operate in such a manner, but no assurances can be given that we will operate in a manner so as to qualify or remain qualified as a REIT. This section discusses the laws governing the U.S. federal income tax treatment of a REIT and its stockholders. These laws are highly technical and complex.

In connection with this offering, Hunton & Williams LLP will render an opinion that, commencing with our short taxable year ending December 31, 2013, we will be organized in conformity with the requirements for qualification and taxation as a REIT under the U.S. federal income tax laws, and our proposed method of operations will enable us to satisfy the requirements for qualification and taxation as a REIT under the U.S. federal income tax laws for our taxable year ending December 31, 2013 and subsequent taxable years. Investors should be aware that Hunton & Williams LLP's opinion is based upon customary assumptions, will be conditioned upon certain representations made by us as to factual matters, including representations regarding the nature of our assets and the conduct of our business, is not binding upon the IRS, or any court and speaks as of the date issued. In addition, Hunton & Williams LLP's opinion will be based on existing U.S. federal income tax law governing qualification as a REIT, which is subject to change either prospectively or retroactively. Moreover, our qualification and taxation as a REIT will depend upon our ability to meet on a continuing basis, through actual results, certain qualification tests set forth in the U.S. federal income tax laws. Those qualification tests involve the percentage of income that we earn from specified sources, the percentage of our assets that falls within specified categories, the diversity of our capital stock ownership, and the percentage of our earnings that we distribute. Hunton & Williams LLP will not review our compliance with those tests on a continuing basis. Accordingly, no assurance can be given that our actual results of operations for any particular taxable year will satisfy such requirements. Hunton & Williams LLP's opinion does not foreclose the possibility that we may have to use one or more of the REIT savings provisions described below, which could require us to pay an excise or penalty tax (which could be material) in order for us to maintain our REIT qualification. For a discussion of the tax consequences of our failure to qualify as a REIT, see "— Failure to Qualify."

If we qualify as a REIT, we generally will not be subject to U.S. federal income tax on the taxable income that we distribute to our stockholders. The benefit of that tax treatment is that it avoids the "double taxation," or taxation at both the corporate and stockholder levels, that generally results from owning stock in a corporation. However, we will be subject to U.S. federal tax in the following circumstances:

- We will pay U.S. federal income tax on any taxable income, including undistributed net capital gain, that we do not distribute to stockholders during, or within a specified time period after, the calendar year in which the income is earned.
- We may be subject to the "alternative minimum tax" on any items of tax preference including any deductions of net operating losses.

- We will pay income tax at the highest corporate rate on:
  - net income from the sale or other disposition of property acquired through foreclosure ("foreclosure property") that we hold primarily for sale to customers in the ordinary course of business, and
  - other non-qualifying income from foreclosure property.
- We will pay a 100% tax on net income from sales or other dispositions of property, other than foreclosure property, that we hold primarily for sale to customers in the ordinary course of business.
- If we fail to satisfy one or both of the 75% gross income test or the 95% gross income test, as described below under "—Gross Income Tests," and nonetheless continue to qualify as a REIT because we meet other requirements, we will pay a 100% tax on:
  - the gross income attributable to the greater of the amount by which we fail the 75% gross income test or the 95% gross income test, in either case, multiplied by
  - a fraction intended to reflect our profitability.
- If we fail to distribute during a calendar year at least the sum of (1) 85% of our REIT ordinary income for the year, (2) 95% of our REIT capital gain net income for the year, and (3) any undistributed taxable income required to be distributed from earlier periods, we will pay a 4% nondeductible excise tax on the excess of the required distribution over the amount we actually distributed.
- We may elect to retain and pay income tax on our net long-term capital gain. In that case, a stockholder would be taxed on its proportionate share of our undistributed long-term capital gain (to the extent that we made a timely designation of such gain to the stockholders) and would receive a credit or refund for its proportionate share of the tax we paid.
- We will be subject to a 100% excise tax on transactions with our TRS, or any taxable REIT subsidiaries we form in the future, that are not conducted on an arm's-length basis.
- If we fail to satisfy any of the asset tests, other than a *de minimis* failure of the 5% asset test, the 10% vote test or 10% value test, as described below under "—Asset Tests," as long as the failure was due to reasonable cause and not to willful neglect, we file a description of each asset that caused such failure with the IRS, and we dispose of the assets causing the failure or otherwise comply with the asset tests within six months after the last day of the quarter in which we identify such failure, we will pay a tax equal to the greater of $50,000 or the highest federal income tax rate then applicable to U.S. corporations on the net income from the nonqualifying assets during the period in which we failed to satisfy the asset tests.
- If we fail to satisfy one or more requirements for REIT qualification, other than the gross income tests and the asset tests, and such failure is due to reasonable cause and not to willful neglect, we will be required to pay a penalty of $50,000 for each such failure.
- If we acquire any asset from an entity treated as a C corporation, or a corporation that generally is subject to full corporate-level tax, in a merger or other transaction in which we acquire a basis in the asset that is determined by reference either to such entity's basis in the asset or to another asset, we will pay tax at the highest regular corporate rate applicable if we recognize gain on the sale or disposition of the asset during the 10-year period after we acquire the asset provided no election is made for the transaction to be taxable on a current basis. The amount of gain on which we will pay tax is the lesser of:
  - the amount of gain that we recognize at the time of the sale or disposition, and

- ¡ the amount of gain that we would have recognized if we had sold the asset at the time we acquired it.

- ¡ We may be required to pay monetary penalties to the IRS in certain circumstances, including if we fail to meet record-keeping requirements intended to monitor our compliance with rules relating to the composition of a REIT's stockholders, as described below in "—Recordkeeping Requirements."

- ¡ The earnings of our lower-tier entities that are treated as C corporations, including our TRS and any taxable REIT subsidiaries we form in the future, will be subject to U.S. federal corporate income tax.

In addition, notwithstanding our qualification as a REIT, we may also have to pay certain state and local income taxes because not all states and localities treat REITs in the same manner that they are treated for U.S. federal income tax purposes. Moreover, as further described below, our TRS and any other taxable REIT subsidiaries we form in the future will be subject to federal, state and local corporate income tax on their taxable income.

Requirements for Qualification

A REIT is a corporation, trust, or association that meets each of the following requirements:

1. It is managed by one or more trustees or directors.
2. Its beneficial ownership is evidenced by transferable shares, or by transferable certificates of beneficial interest.
3. It would be taxable as a domestic corporation, but for the REIT provisions of the U.S. federal income tax laws.
4. It is neither a financial institution nor an insurance company subject to special provisions of the U.S. federal income tax laws.
5. At least 100 persons are beneficial owners of its shares or ownership certificates.
6. Not more than 50% in value of its outstanding shares or ownership certificates is owned, directly or indirectly, by five or fewer individuals, which the Code defines to include certain entities, during the last half of any taxable year.
7. It elects to be a REIT, or has made such election for a previous taxable year, and satisfies all relevant filing and other administrative requirements established by the IRS that must be met to elect and maintain REIT status.
8. It meets certain other qualification tests, described below, regarding the nature of its income and assets and the amount of its distributions to stockholders.
9. It uses a calendar year for U.S. federal income tax purposes and complies with the recordkeeping requirements of the U.S. federal income tax laws.

We must meet requirements 1 through 4, 8 and 9 during our entire taxable year and must meet requirement 5 during at least 335 days of a taxable year of 12 months, or during a proportionate part of a taxable year of less than 12 months. Requirements 5 and 6 will apply to us beginning with our 2014 taxable year. If we comply with all the requirements for ascertaining the ownership of our outstanding shares in a taxable year and have no reason to know that we violated requirement 6, we will be deemed to have satisfied requirement 6 for that taxable year. For purposes of determining stock ownership under requirement 6, an "individual" generally includes a supplemental unemployment compensation benefits plan,

a private foundation, or a portion of a trust permanently set aside or used exclusively for charitable purposes. An "individual," however, generally does not include a trust that is a qualified employee pension or profit sharing trust under the U.S. federal income tax laws, and beneficiaries of such a trust will be treated as holding our shares in proportion to their actuarial interests in the trust for purposes of requirement 6.

Our charter provides restrictions regarding the transfer and ownership of shares of our capital stock. See "Description of Capital Stock—Restrictions on Ownership and Transfer." We believe that we will issue sufficient stock with sufficient diversity of ownership to allow us to satisfy requirements 5 and 6 above. If we do not issue common stock in this offering to a sufficient number of stockholders to satisfy requirement 5 above, we may subsequently issue preferred stock with a nominal liquidation preference to ensure that we have 100 shareholders prior to January 30, 2014. The restrictions in our charter are intended (among other things) to assist us in continuing to satisfy requirements 5 and 6 above. These restrictions, however, may not ensure that we will, in all cases, be able to satisfy such share ownership requirements. If we fail to satisfy these share ownership requirements, our qualification as a REIT may terminate.

Qualified REIT Subsidiaries. A corporation that is a "qualified REIT subsidiary" is not treated as a corporation separate from its parent REIT. All assets, liabilities, and items of income, deduction, and credit of a "qualified REIT subsidiary" are treated as assets, liabilities, and items of income, deduction, and credit of the REIT. A "qualified REIT subsidiary" is a corporation, other than a taxable REIT subsidiary, all of the stock of which is owned by the REIT. Thus, in applying the requirements described herein, any "qualified REIT subsidiary" that we own will be ignored, and all assets, liabilities, and items of income, deduction, and credit of such subsidiary will be treated as our assets, liabilities, and items of income, deduction, and credit.

Other Disregarded Entities and Partnerships. An unincorporated domestic entity, such as a partnership or limited liability company that has a single owner, generally is not treated as an entity separate from its owner for U.S. federal income tax purposes. An unincorporated domestic entity with two or more owners is generally treated as a partnership for U.S. federal income tax purposes. In the case of a REIT that is a partner in a partnership that has other partners, the REIT is treated as owning its proportionate share of the assets of the partnership and as earning its allocable share of the gross income of the partnership for purposes of the applicable REIT qualification tests. Our proportionate share for purposes of the 10% value test (see "—Asset Tests") will be based on our proportionate interest in the equity interests and certain debt securities issued by the partnership. For all of the other asset and income tests, our proportionate share will be based on our proportionate interest in the capital interests in the partnership. Our proportionate share of the assets, liabilities, and items of income of any partnership, joint venture, or limited liability company that is treated as a partnership for U.S. federal income tax purposes in which we acquire an equity interest, directly or indirectly, will be treated as our assets and gross income for purposes of applying the various REIT qualification requirements.

We have control of our operating partnership and intend to control any subsidiary partnerships and limited liability companies, and we intend to operate them in a manner consistent with the requirements for our qualification as a REIT. We may from time to time be a limited partner or non-managing member in some of our partnerships and limited liability companies. If a partnership or limited liability company in which we own an interest takes or expects to take actions that could jeopardize our status as a REIT or require us to pay tax, we may be forced to dispose of our interest in such entity. In addition, it is possible that a partnership or limited liability company could take an action which could cause us to fail a gross income or asset test, and that we would not become aware of such action in time to dispose of our interest in the partnership or limited liability company or take other corrective action on a timely basis. In that case, we could fail to qualify as a REIT unless we were entitled to relief, as described below.

Taxable REIT Subsidiaries. A REIT may own up to 100% of the shares of one or more taxable REIT subsidiaries. A taxable REIT subsidiary is a fully taxable corporation that may earn income that would not be qualifying income if earned directly by the parent REIT. The subsidiary and the REIT must jointly elect to treat the subsidiary as a taxable REIT subsidiary. A corporation of which a taxable REIT subsidiary directly or indirectly owns more than 35% of the voting power or value of the securities will automatically be treated as a taxable REIT subsidiary. We will not be treated as holding the assets of a taxable REIT subsidiary or as receiving any income that the taxable REIT subsidiary earns. Rather, the stock issued by a taxable REIT subsidiary to us will be an asset in our hands, and we will treat the distributions paid to us from such taxable

REIT subsidiary, if any, as income. This treatment may affect our compliance with the gross income and asset tests. Because we will not include the assets and income of taxable REIT subsidiaries in determining our compliance with the REIT requirements, we may use such entities to undertake activities indirectly, such as earning fee income, that the REIT rules might otherwise preclude us from doing directly or through pass-through subsidiaries. Overall, no more than 25% of the value of a REIT's assets may consist of stock or securities of one or more taxable REIT subsidiaries.

A taxable REIT subsidiary pays income tax at regular corporate rates on any income that it earns. In addition, the taxable REIT subsidiary rules limit the deductibility of interest paid or accrued by a taxable REIT subsidiary to its parent REIT to assure that the TRS is subject to an appropriate level of corporate taxation. Further, the rules impose a 100% excise tax on transactions between a taxable REIT subsidiary and its parent REIT or the REIT's tenants that are not conducted on an arm's-length basis.

A TRS may not directly or indirectly operate or manage any health care facilities or lodging facilities or provide rights to any brand name under which any health care facility or lodging facility is operated. A TRS is not considered to operate or manage a "qualified health care property" or "qualified lodging facility" solely because the TRS directly or indirectly possesses a license, permit, or similar instrument enabling it to do so.

Rent that we receive from a taxable REIT subsidiary will qualify as "rents from real property" as long as (1) at least 90% of the leased space in the property is leased to persons other than TRSs and related party tenants, and (2) the amount paid by the TRS to rent space at the property is substantially comparable to rents paid by other tenants of the property for comparable space, as described in further detail below under "—Gross Income Tests—Rents from Real Property." If we lease space to a TRS in the future, we will seek to comply with these requirements.

We will elect to treat AHP Holding, Inc. as a TRS. We anticipate that our TRS will provide, through its wholly-owned subsidiaries, construction, development and asset management to third parties. As explained below in "—Gross Income Tests—Fee Income," fee income earned directly by a REIT is generally not qualifying income for purposes of the 75% and 95% gross income tests. Our TRS may also provide services with respect to our properties to the extent we determine that having our TRS provide those services will assist us in complying with the gross income tests applicable to REITs. See "—Gross Income Tests—Rents From Real Property." We may form one or more additional TRSs in the future.

Gross Income Tests

We must satisfy two gross income tests annually to maintain our qualification as a REIT. First, at least 75% of our gross income for each taxable year must consist of defined types of income that we derive, directly or indirectly, from investments relating to real property or mortgages on real property or qualified temporary investment income. Qualifying income for purposes of that 75% gross income test generally includes:

- rents from real property;
- interest on debt secured by mortgages on real property, or on interests in real property;
- dividends or other distributions on, and gain from the sale of, shares in other REITs;
- gain from the sale of real estate assets;
- income and gain derived from foreclosure property; and
- income derived from the temporary investment of new capital that is attributable to the issuance of our stock or a public offering of our debt with a maturity date of at least five years and that we receive during the one-year period beginning on the date on which we received such new capital.

Second, in general, at least 95% of our gross income for each taxable year must consist of income that is qualifying income for purposes of the 75% gross income test, other types of interest and dividends, gain from the sale or disposition of shares or securities, or any combination of these. Cancellation of indebtedness income and gross income from our sale of

property that we hold primarily for sale to customers in the ordinary course of business is excluded from both the numerator and the denominator in both gross income tests. In addition, income and gain from "hedging transactions" that we enter into to hedge indebtedness incurred or to be incurred to acquire or carry real estate assets and that are clearly and timely identified as such will be excluded from both the numerator and the denominator for purposes of the 75% and 95% gross income tests. In addition, certain foreign currency gains will be excluded from gross income for purposes of one or both of the gross income tests. See "—Foreign Currency Gain." The following paragraphs discuss the specific application of the gross income tests to us.

Rents from Real Property. Rent that we receive from our real property will qualify as "rents from real property," which is qualifying income for purposes of the 75% and 95% gross income tests, subject the following conditions:

- First, the rent must not be based, in whole or in part, on the income or profits of any person, but may be based on a fixed percentage or percentages of receipts or sales.
- Second, neither we nor a direct or indirect owner of 10% or more of our stock may own, actually or constructively, 10% or more of a tenant from whom we receive rent, other than a taxable REIT subsidiary.
- Third, if the rent attributable to personal property leased in connection with a lease of real property is 15% or less of the total rent received under the lease, then the rent attributable to personal property will qualify as rents from real property. However, if the 15% threshold is exceeded, the rent attributable to personal property will not qualify as rents from real property.
- Fourth, we generally must not operate or manage our real property or furnish or render services to our tenants, other than through an "independent contractor" who is adequately compensated and from whom we do not derive revenue. However, we need not provide services through an "independent contractor," but instead may provide services directly to our tenants, if the services are "usually or customarily rendered" in connection with the rental of space for occupancy only and are not considered to be provided for the tenants' convenience. In addition, we may provide a minimal amount of "noncustomary" services to the tenants of a property, other than through an independent contractor, as long as our income from the services (valued at not less than 150% of our direct cost of performing such services) does not exceed 1% of our income from the related property. Furthermore, we may own up to 100% of the stock of a taxable REIT subsidiary which may provide customary and noncustomary services to our tenants without tainting our rental income from the related properties.

If a portion of the rent that we receive from a property does not qualify as "rents from real property" because the rent attributable to personal property exceeds 15% of the total rent for a taxable year, the portion of the rent that is attributable to personal property will not be qualifying income for purposes of either the 75% or 95% gross income test. Thus, if such rent attributable to personal property, plus any other income that is nonqualifying income for purposes of the 95% gross income test, during a taxable year exceeds 5% of our gross income during the year, we would lose our REIT qualification. If, however, the rent from a particular property does not qualify as "rents from real property" because either (1) the rent is considered based on the income or profits of the related tenant, (2) the tenant either is a related party tenant or fails to qualify for the exceptions to the related party tenant rule for qualifying taxable REIT subsidiaries or (3) we furnish noncustomary services to the tenants of the property in excess of the one percent threshold, or manage or operate the property, other than through a qualifying independent contractor or a taxable REIT subsidiary, none of the rent from that property would qualify as "rents from real property."

We do not anticipate leasing significant amounts of personal property pursuant to our leases. Moreover, we do not intend to perform any services other than customary ones for our tenants, unless such services are provided through independent contractors from whom we do not receive or derive income or a TRS. Accordingly, we anticipate that our leases will generally produce rent that qualifies as "rents from real property" for purposes of the 75% and 95% gross income tests.

In addition to the rent, the tenants may be required to pay certain additional charges. To the extent that such additional charges represent reimbursements of amounts that we are obligated to pay to third parties such charges generally

will qualify as “rents from real property.” To the extent such additional charges represent penalties for nonpayment or late payment of such amounts, such charges should qualify as “rents from real property.” However, to the extent that late charges do not qualify as “rents from real property,” they instead will be treated as interest that qualifies for the 95% gross income test.

Interest. The term “interest” generally does not include any amount received or accrued, directly or indirectly, if the determination of such amount depends in whole or in part on the income or profits of any person. However, interest generally includes the following:

- an amount that is based on a fixed percentage or percentages of receipts or sales; and
- an amount that is based on the income or profits of a debtor, as long as the debtor derives substantially all of its income from the real property securing the debt from leasing substantially all of its interest in the property, and only to the extent that the amounts received by the debtor would be qualifying “rents from real property” if received directly by a REIT.

If a loan contains a provision that entitles a REIT to a percentage of the borrower’s gain upon the sale of the real property securing the loan or a percentage of the appreciation in the property’s value as of a specific date, income attributable to that loan provision will be treated as gain from the sale of the property securing the loan, which generally is qualifying income for purposes of both gross income tests.

Dividends. Our share of any dividends received from any corporation (including any taxable REIT subsidiary, but excluding any REIT) in which we own an equity interest will qualify for purposes of the 95% gross income test but not for purposes of the 75% gross income test. Our share of any dividends received from any other REIT in which we own an equity interest, if any, will be qualifying income for purposes of both gross income tests.

Prohibited Transactions. A REIT will incur a 100% tax on the net income (including foreign currency gain) derived from any sale or other disposition of property, other than foreclosure property, that the REIT holds primarily for sale to customers in the ordinary course of a trade or business. We believe that none of our properties will be held primarily for sale to customers and that a sale of any of our properties will not be in the ordinary course of our business. Whether a REIT holds a property “primarily for sale to customers in the ordinary course of a trade or business” depends, however, on the facts and circumstances in effect from time to time, including those related to a particular property. A safe harbor to the characterization of the sale of property by a REIT as a prohibited transaction and the 100% prohibited transaction tax is available if the following requirements are met:

- the REIT has held the property for not less than two years;
- the aggregate expenditures made by the REIT, or any partner of the REIT, during the two-year period preceding the date of the sale that are includable in the basis of the property do not exceed 30% of the selling price of the property;
- either (1) during the year in question, the REIT did not make more than seven sales of property other than foreclosure property or sales to which Section 1033 of the Code applies, (2) the aggregate adjusted bases of all such properties sold by the REIT during the year did not exceed 10% of the aggregate bases of all of the assets of the REIT at the beginning of the year or (3) the aggregate fair market value of all such properties sold by the REIT during the year did not exceed 10% of the aggregate fair market value of all of the assets of the REIT at the beginning of the year;
- in the case of property not acquired through foreclosure or lease termination, the REIT has held the property for at least two years for the production of rental income; and
- if the REIT has made more than seven sales of non-foreclosure property during the taxable year, substantially all of the marketing and development expenditures with respect to the property were made through an independent contractor from whom the REIT derives no income.

We will attempt to comply with the terms of the safe-harbor provisions in the U.S. federal income tax laws prescribing when a property sale will not be characterized as a prohibited transaction. We cannot assure you, however, that we can comply with the safe-harbor provisions or that we will avoid owning property that may be characterized as property that we hold "primarily for sale to customers in the ordinary course of a trade or business." The 100% tax will not apply to gains from the sale of property that is held through a taxable REIT subsidiary or other taxable corporation, although such income will be taxed to the corporation at regular corporate income tax rates.

Fee Income. Fee income generally will not be qualifying income for purposes of either the 75% or 95% gross income tests. Any fees earned by our TRS, such as fees for providing asset management, development and construction management services to third parties, will not be included for purposes of the gross income tests.

Foreclosure Property. We will be subject to tax at the maximum corporate rate on any income from foreclosure property, which includes certain foreign currency gains and related deductions, other than income that otherwise would be qualifying income for purposes of the 75% gross income test, less expenses directly connected with the production of that income. However, gross income from foreclosure property will qualify under the 75% and 95% gross income tests. Foreclosure property is any real property, including interests in real property, and any personal property incident to such real property:

- that is acquired by a REIT as the result of the REIT having bid on such property at foreclosure, or having otherwise reduced such property to ownership or possession by agreement or process of law, after there was a default or default was imminent on a lease of such property or on indebtedness that such property secured;
- for which the related loan was acquired by the REIT at a time when the default was not imminent or anticipated; and
- for which the REIT makes a proper election to treat the property as foreclosure property.

A REIT will not be considered to have foreclosed on a property where the REIT takes control of the property as a mortgagee-in-possession and cannot receive any profit or sustain any loss except as a creditor of the mortgagor. Property generally ceases to be foreclosure property at the end of the third taxable year (or, with respect to qualified health care property, the second taxable year) following the taxable year in which the REIT acquired the property, or longer if an extension is granted by the Secretary of the Treasury. However, this grace period terminates and foreclosure property ceases to be foreclosure property on the first day:

- on which a lease is entered into for the property that, by its terms, will give rise to income that does not qualify for purposes of the 75% gross income test, or any amount is received or accrued, directly or indirectly, pursuant to a lease entered into on or after such day that will give rise to income that does not qualify for purposes of the 75% gross income test;
- on which any construction takes place on the property, other than completion of a building or any other improvement, where more than 10% of the construction was completed before default became imminent; or
- which is more than 90 days after the day on which the REIT acquired the property and the property is used in a trade or business which is conducted by the REIT, other than through an independent contractor from whom the REIT itself does not derive or receive any income.

Hedging Transactions. From time to time, we or our operating partnership may enter into hedging transactions with respect to one or more of our assets or liabilities. Our hedging activities may include entering into interest rate swaps, caps, and floors, options to purchase such items, and futures and forward contracts. Income and gain from "hedging transactions" will be excluded from gross income for purposes of both the 75% and 95% gross income tests provided we satisfy the

indemnification requirements discussed below. A "hedging transaction" means either (1) any transaction entered into in the normal course of our or our operating partnership's trade or business primarily to manage the risk of interest rate, price changes, or currency fluctuations with respect to borrowings made or to be made, or ordinary obligations incurred or to be incurred, to acquire or carry real estate assets and (2) any transaction entered into primarily to manage the risk of currency fluctuations with respect to any item of income or gain that would be qualifying income under the 75% or 95% gross income test (or any property which generates such income or gain). We are required to clearly identify any such hedging transaction before the close of the day on which it was acquired, originated, or entered into and to satisfy other identification requirements. We intend to structure any hedging transactions in a manner that does not jeopardize our qualification as a REIT.

Foreign Currency Gain. Certain foreign currency gains will be excluded from gross income for purposes of one or both of the gross income tests. "Real estate foreign exchange gain" will be excluded from gross income for purposes of the 75% and 95% gross income tests. Real estate foreign exchange gain generally includes foreign currency gain attributable to any item of income or gain that is qualifying income for purposes of the 75% gross income test, foreign currency gain attributable to the acquisition or ownership of (or becoming or being the obligor under) obligations secured by mortgages on real property or an interest in real property and certain foreign currency gain attributable to certain "qualified business units" of a REIT. "Passive foreign exchange gain" will be excluded from gross income for purposes of the 95% gross income test. Passive foreign exchange gain generally includes real estate foreign exchange gain as described above, and also includes foreign currency gain attributable to any item of income or gain that is qualifying income for purposes of the 95% gross income test and foreign currency gain attributable to the acquisition or ownership of (or becoming or being the obligor under) obligations. These exclusions for real estate foreign exchange gain and passive foreign exchange gain do not apply to any certain foreign currency gain derived from dealing, or engaging in substantial and regular trading, in securities. Such gain is treated as nonqualifying income for purposes of both the 75% and 95% gross income tests.

Failure to Satisfy Gross Income Tests. If we fail to satisfy one or both of the gross income tests for any taxable year, we nevertheless may qualify as a REIT for that year if we qualify for relief under certain provisions of the U.S. federal income tax laws. Those relief provisions are available if:

- our failure to meet those tests is due to reasonable cause and not to willful neglect; and
- following such failure for any taxable year, we file a schedule of the sources of our income in accordance with regulations prescribed by the Secretary of the U.S. Treasury.

We cannot predict, however, whether in all circumstances we would qualify for the relief provisions. In addition, as discussed above in "— Taxation of Our Company," even if the relief provisions apply, we would incur a 100% tax on the gross income attributable to the greater of the amount by which we fail the 75% gross income test or the 95% gross income test multiplied, in either case, by a fraction intended to reflect our profitability.

Asset Tests

To qualify as a REIT, we also must satisfy the following asset tests at the end of each quarter of each taxable year. First, at least 75% of the value of our total assets must consist of:

- cash or cash items, including certain receivables and money market funds and, in certain circumstances, foreign currencies;
- government securities;
- interests in real property, including leaseholds and options to acquire real property and leaseholds;
- interests in mortgage loans secured by real property;
- stock in other REITs; and

- investments in stock or debt instruments during the one-year period following our receipt of new capital that we raise through equity offerings or public offerings of debt with at least a five-year term.

Second, of our investments not included in the 75% asset class, the value of our interest in any one issuer's securities may not exceed 5% of the value of our total assets, or the 5% asset test.

Third, of our investments not included in the 75% asset class, we may not own more than 10% of the voting power of any one issuer's outstanding securities or 10% of the value of any one issuer's outstanding securities, or the 10% vote test or 10% value test, respectively.

Fourth, no more than 25% of the value of our total assets may consist of the securities of one or more TRSs.

Fifth, no more than 25% of the value of our total assets may consist of the securities of TRSs and other non-TRS taxable subsidiaries and other assets that are not qualifying assets for purposes of the 75% asset test, or the 25% securities test.

For purposes of the 5% asset test, the 10% vote test and the 10% value test, the term "securities" does not include shares in another REIT, equity or debt securities of a qualified REIT subsidiary or a TRS, mortgage loans that constitute real estate assets, or equity interests in a partnership. The term "securities," however, generally includes debt securities issued by a partnership or another REIT, except that for purposes of the 10% value test, the term "securities" does not include:

- "Straight debt" securities, which is defined as a written unconditional promise to pay on demand or on a specified date a sum certain in money if (1) the debt is not convertible, directly or indirectly, into equity, and (2) the interest rate and interest payment dates are not contingent on profits, the borrower's discretion, or similar factors. "Straight debt" securities do not include any securities issued by a partnership or a corporation in which we or any controlled TRS (i.e., a TRS in which we own directly or indirectly more than 50% of the voting power or value of the stock) hold non-"straight debt" securities that have an aggregate value of more than 1% of the issuer's outstanding securities. However, "straight debt" securities include debt subject to the following contingencies:
  - a contingency relating to the time of payment of interest or principal, as long as either (1) there is no change to the effective yield of the debt obligation, other than a change to the annual yield that does not exceed the greater of 0.25% or 5% of the annual yield, or (2) neither the aggregate issue price nor the aggregate face amount of the issuer's debt obligations held by us exceeds $1 million and no more than 12 months of unaccrued interest on the debt obligations can be required to be prepaid; and
  - a contingency relating to the time or amount of payment upon a default or prepayment of a debt obligation, as long as the contingency is consistent with customary commercial practice.
- Any loan to an individual or an estate;
- Any "section 467 rental agreement," other than an agreement with a related party tenant;
- Any obligation to pay "rents from real property";
- Certain securities issued by governmental entities;
- Any security issued by a REIT;
- Any debt instrument issued by an entity treated as a partnership for U.S. federal income tax purposes in which we are a partner to the extent of our proportionate interest in the equity and debt securities of the partnership; and

- Any debt instrument issued by an entity treated as a partnership for U.S. federal income tax purposes not described in the preceding bullet points if at least 75% of the partnership's gross income, excluding income from prohibited transactions, is qualifying income for purposes of the 75% gross income test described above in "—Gross Income Tests."

For purposes of the 10% value test, our proportionate share of the assets of a partnership is our proportionate interest in any securities issued by the partnership, without regard to the securities described in the last two bullet points above.

We will monitor the status of our assets for purposes of the various asset tests and will manage our portfolio in order to comply at all times with such tests. However, there is no assurance that we will not inadvertently fail to comply with such tests. If we fail to satisfy the asset tests at the end of a calendar quarter, we will not lose our REIT qualification if:

- we satisfied the asset tests at the end of the preceding calendar quarter; and
- the discrepancy between the value of our assets and the asset test requirements arose from changes in the market values of our assets and was not wholly or partly caused by the acquisition of one or more non-qualifying assets.

If we did not satisfy the condition described in the second item, above, we still could avoid disqualification by eliminating any discrepancy within 30 days after the close of the calendar quarter in which it arose.

If we violate the 5% asset test, the 10% vote test or the 10% value test described above, we will not lose our REIT qualification if (1) the failure is *de minimis* (up to the lesser of 1% of our assets or $10 million) and (2) we dispose of assets causing the failure or otherwise comply with the asset tests within six months after the last day of the quarter in which we identify such failure. In the event of a failure of any of the asset tests (other than *de minimis* failures described in the preceding sentence), as long as the failure was due to reasonable cause and not to willful neglect, we will not lose our REIT qualification if we (1) dispose of assets causing the failure or otherwise comply with the asset tests within six months after the last day of the quarter in which we identify the failure, (2) we file a description of each asset causing the failure with the IRS and (3) pay a tax equal to the greater of $50,000 or 35% of the net income from the assets causing the failure during the period in which we failed to satisfy the asset tests.

We believe that the assets that we will hold will satisfy the foregoing asset test requirements. However, we will not obtain independent appraisals to support our conclusions as to the value of our assets. Moreover, the values of some assets may not be susceptible to a precise determination. As a result, there can be no assurance that the IRS will not contend that our ownership of assets violates one or more of the asset tests applicable to REITs.

Distribution Requirements

Each year, we must distribute dividends, other than capital gain dividends and deemed distributions of retained capital gain, to our stockholders in an aggregate amount at least equal to:

- the sum of:
  - 90% of our "REIT taxable income," computed without regard to the dividends paid deduction and our net capital gain or loss, and
  - 90% of our after-tax net income, if any, from foreclosure property, minus
- the sum of certain items of non-cash income.

We must pay such distributions in the taxable year to which they relate, or in the following taxable year if either (1) we declare the distribution before we timely file our U.S. federal income tax return for the year and pay the distribution on or before the first regular dividend payment date after such declaration or (2) we declare the distribution in October,

November or December of the taxable year, payable to stockholders of record on a specified day in any such month, and we actually pay the dividend before the end of January of the following year. The distributions under clause (1) are taxable to the stockholders in the year in which paid, and the distributions in clause (2) are treated as paid on December 31st of the prior taxable year. In both instances, these distributions relate to our prior taxable year for purposes of the 90% distribution requirement.

We will pay U.S. federal income tax on taxable income, including net capital gain, that we do not distribute to stockholders. Furthermore, if we fail to distribute during a calendar year, or by the end of January following the calendar year in the case of distributions with declaration and record dates falling in the last three months of the calendar year, at least the sum of:

- 85% of our REIT ordinary income for such year,
- 95% of our REIT capital gain net income for such year, and
- any undistributed taxable income from prior periods.

We will incur a 4% nondeductible excise tax on the excess of such required distribution over the amounts we actually distribute.

We may elect to retain and pay income tax on the net long-term capital gain we receive in a taxable year. If we so elect, we will be treated as having distributed any such retained amount for purposes of the 4% nondeductible excise tax described above. We intend to make timely distributions sufficient to satisfy the annual distribution requirements and to avoid corporate income tax and the 4% nondeductible excise tax.

It is possible that, from time to time, we may experience timing differences between the actual receipt of income and actual payment of deductible expenses and the inclusion of that income and deduction of such expenses in arriving at our REIT taxable income. For example, we may not deduct recognized capital losses from our “REIT taxable income.” Further, it is possible that, from time to time, we may be allocated a share of net capital gain attributable to the sale of depreciated property that exceeds our allocable share of cash attributable to that sale. As a result of the foregoing, we may have less cash than is necessary to distribute taxable income sufficient to avoid corporate income tax and the excise tax imposed on certain undistributed income or even to meet the 90% distribution requirement. In such a situation, we may need to borrow funds or, if possible, pay taxable dividends of our capital stock or debt securities.

We may satisfy the 90% distribution test with taxable distributions of our stock or debt securities. The IRS has issued private letter rulings to other REITs treating certain distributions that are paid partly in cash and partly in stock as dividends that would satisfy the REIT annual distribution requirement and qualify for the dividends paid deduction for U.S. federal income tax purposes. Those rulings may be relied upon only by taxpayers whom they were issued, but we could request a similar ruling from the IRS. In addition, the IRS previously issued a revenue procedure authorizing publicly traded REITs to make elective cash/stock dividends, but that revenue procedure does not apply to our 2013 and future taxable years. Accordingly, it is unclear whether and to what extent we will be able to make taxable dividends payable in cash and stock. We have no current intention to make a taxable dividend payable in our stock.

Under certain circumstances, we may be able to correct a failure to meet the distribution requirement for a year by paying “deficiency dividends” to our stockholders in a later year. We may include such deficiency dividends in our deduction for dividends paid for the earlier year. Although we may be able to avoid income tax on amounts distributed as deficiency dividends, we will be required to pay interest to the IRS based upon the amount of any deduction we take for deficiency dividends.

Recordkeeping Requirements

We must maintain certain records in order to qualify as a REIT. In addition, to avoid a monetary penalty, we must request on an annual basis information from our stockholders designed to disclose the actual ownership of our outstanding stock. We intend to comply with these requirements.

Failure to Qualify

If we fail to satisfy one or more requirements for REIT qualification, other than the gross income tests and the asset tests, we could avoid disqualification if our failure is due to reasonable cause and not to willful neglect and we pay a penalty of $50,000 for each such failure. In addition, there are relief provisions for a failure of the gross income tests and asset tests, as described in "—Gross Income Tests" and "—Asset Tests."

If we fail to qualify as a REIT in any taxable year, and no relief provision applies, we would be subject to U.S. federal income tax and any applicable alternative minimum tax on our taxable income at regular corporate rates. In calculating our taxable income in a year in which we fail to qualify as a REIT, we would not be able to deduct amounts paid out to stockholders. In fact, we would not be required to distribute any amounts to stockholders in that year. In such event, to the extent of our current and accumulated earnings and profits, distributions to stockholders generally would be taxable as ordinary income. Subject to certain limitations of the U.S. federal income tax laws, corporate stockholders may be eligible for the dividends received deduction and stockholders taxed at individual rates may be eligible for the reduced federal income tax rate of up to 20% on such dividends. Unless we qualified for relief under specific statutory provisions, we also would be disqualified from taxation as a REIT for the four taxable years following the year during which we ceased to qualify as a REIT. We cannot predict whether in all circumstances we would qualify for such statutory relief.

Taxation of Taxable U.S. Stockholders

As used herein, the term "U.S. stockholder" means a holder of our common stock that for U.S. federal income tax purposes is:

- a citizen or resident of the United States;
- a corporation (including an entity treated as a corporation for U.S. federal income tax purposes) created or organized in or under the laws of the United States, any of its states or the District of Columbia;
- an estate whose income is subject to U.S. federal income taxation regardless of its source; or
- any trust if (1) a court is able to exercise primary supervision over the administration of such trust and one or more U.S. persons have the authority to control all substantial decisions of the trust or (2) it has a valid election in place to be treated as a U.S. person.

If a partnership, entity or arrangement treated as a partnership for U.S. federal income tax purposes holds our common stock, the U.S. federal income tax treatment of a partner in the partnership will generally depend on the status of the partner and the activities of the partnership. If you are a partner in a partnership holding our common stock, you should consult your tax advisor regarding the consequences of the ownership and disposition of our common stock by the partnership.

As long as we qualify as a REIT, a taxable U.S. stockholder must generally take into account as ordinary income distributions made out of our current or accumulated earnings and profits that we do not designate as capital gain dividends or retained long-term capital gain. A U.S. stockholder will not qualify for the dividends received deduction generally available to corporations.

A U.S. stockholder will not qualify for the dividends received deduction generally available to corporations. In addition, dividends paid to a U.S. stockholder generally will not qualify for the 20% tax rate for "qualified dividend income." The maximum tax rate for qualified dividend income received by U.S. stockholders taxed at individual rates is 20%. The maximum tax rate on qualified dividend income is lower than the maximum tax rate on ordinary income, which is currently 39.6%. Qualified dividend income generally includes dividends paid by domestic C corporations and certain qualified foreign corporations to U.S. stockholders that are taxed at individual rates. Because we are not generally subject to federal income tax on the portion of our REIT taxable income distributed to our stockholders (See—"Taxation of Our Company" above), our dividends generally will not be eligible for the 20% rate on qualified dividend income. As a result, our ordinary REIT dividends

will be taxed at the higher tax rate applicable to ordinary income. However, the 20% tax rate for qualified dividend income will apply to our ordinary REIT dividends (1) attributable to dividends received by us from non REIT corporations, such as our TRS, and (2) to the extent attributable to income upon which we have paid corporate income tax (e.g., to the extent that we distribute less than 100% of our taxable income). In general, to qualify for the reduced tax rate on qualified dividend income, a stockholder must hold our common stock for more than 60 days during the 121-day period beginning on the date that is 60 days before the date on which our common stock becomes ex-dividend. Individuals, trusts and estates whose income exceeds certain thresholds are also subject to a 3.8% Medicare tax on dividends received from us.

A U.S. stockholder generally will take into account as long-term capital gain any distributions that we designate as capital gain dividends without regard to the period for which the U.S. stockholder has held our common stock. We generally will designate our capital gain dividends as either 20% or 25% rate distributions. See "—Capital Gains and Losses." A corporate U.S. stockholder, however, may be required to treat up to 20% of certain capital gain dividends as ordinary income.

We may elect to retain and pay income tax on the net long-term capital gain that we receive in a taxable year. In that case, to the extent that we designate such amount in a timely notice to such stockholder, a U.S. stockholder would be taxed on its proportionate share of our undistributed long-term capital gain. The U.S. stockholder would receive a credit for its proportionate share of the tax we paid. The U.S. stockholder would increase the basis in its stock by the amount of its proportionate share of our undistributed long-term capital gain, minus its share of the tax we paid.

A U.S. stockholder will not incur tax on a distribution in excess of our current and accumulated earnings and profits if the distribution does not exceed the adjusted basis of the U.S. stockholder's common stock. Instead, the distribution will reduce the adjusted basis of such stock. A U.S. stockholder will recognize a distribution in excess of both our current and accumulated earnings and profits and the U.S. stockholder's adjusted basis in his or her stock as long-term capital gain, or short-term capital gain if the shares of stock have been held for one year or less, assuming the shares of stock are a capital asset in the hands of the U.S. stockholder. In addition, if we declare a distribution in October, November, or December of any year that is payable to a U.S. stockholder of record on a specified date in any such month, such distribution will be treated as both paid by us and received by the U.S. stockholder on December 31 of such year, provided that we actually pay the distribution during January of the following calendar year.

U.S. stockholders may not include in their individual income tax returns any of our net operating losses or capital losses. Instead, these losses are generally carried over by us for potential offset against our future income. Taxable distributions from us and gain from the disposition of our common stock will not be treated as passive activity income and, therefore, stockholders generally will not be able to apply any "passive activity losses," such as losses from certain types of limited partnerships in which the U.S. stockholder is a limited partner, against such income. In addition, taxable distributions from us and gain from the disposition of our common stock generally will be treated as investment income for purposes of the investment interest limitations. We will notify U.S. stockholders after the close of our taxable year as to the portions of the distributions attributable to that year that constitute ordinary income, return of capital and capital gain.

Taxation of U.S. Stockholders on the Disposition of Common Stock

A U.S. stockholder who is not a dealer in securities must generally treat any gain or loss realized upon a taxable disposition of our common stock as long-term capital gain or loss if the U.S. stockholder has held our common stock for more than one year and otherwise as short-term capital gain or loss. In general, a U.S. stockholder will realize gain or loss in an amount equal to the difference between the sum of the fair market value of any property and the amount of cash received in such disposition and the U.S. stockholder's adjusted tax basis. A stockholder's adjusted tax basis generally will equal the U.S. stockholder's acquisition cost, increased by the excess of net capital gains deemed distributed to the U.S. stockholder (discussed above) less tax deemed paid on such gains and reduced by any returns of capital. However, a U.S. stockholder must treat any loss upon a sale or exchange of common stock held by such stockholder for six months or less as a long-term capital loss to the extent of capital gain dividends and any other actual or deemed distributions from us that such U.S. stockholder treats as long-term capital gain. All or a portion of any loss that a U.S. stockholder realizes upon a taxable disposition of shares of our common stock may be disallowed if the U.S. stockholder purchases other shares of our common stock within 30 days before or after the disposition.

Capital Gains and Losses

A taxpayer generally must hold a capital asset for more than one year for gain or loss derived from its sale or exchange to be treated as long-term capital gain or loss. The highest marginal individual income tax rate currently is 39.6%. The maximum tax rate on long-term capital gain applicable to taxpayers taxed at individual rates is 20% for sales and exchanges of assets held for more than one year. The maximum tax rate on long-term capital gain from the sale or exchange of "Section 1250 property," or depreciable real property, is 25%, which applies to the lesser of the total amount of the gain or the accumulated depreciation on the Section 1250 property. Individuals, trusts and estates whose income exceeds certain thresholds are also subject to a 3.8% Medicare tax on gain from the sale of our common stock.

With respect to distributions that we designate as capital gain dividends and any retained capital gain that we are deemed to distribute, we generally may designate whether such a distribution is taxable to U.S. stockholders taxed at individual rates currently at a 20% or 25% rate. Thus, the tax rate differential between capital gain and ordinary income for those taxpayers may be significant. In addition, the characterization of income as capital gain or ordinary income may affect the deductibility of capital losses. A non-corporate taxpayer may deduct capital losses not offset by capital gains against its ordinary income only up to a maximum annual amount of $3,000. A non-corporate taxpayer may carry forward unused capital losses indefinitely. A corporate taxpayer must pay tax on its net capital gain at ordinary corporate rates. A corporate taxpayer may deduct capital losses only to the extent of capital gains, with unused losses being carried back three years and forward five years.

Taxation of Tax-Exempt Stockholders

Tax-exempt entities, including qualified employee pension and profit sharing trusts and individual retirement accounts, generally are exempt from U.S. federal income taxation. However, they are subject to taxation on their unrelated business taxable income, or UBTI. Although many investments in real estate generate UBTI, the IRS has issued a ruling that dividend distributions from a REIT to an exempt employee pension trust do not constitute UBTI so long as the exempt employee pension trust does not otherwise use the shares of the REIT in an unrelated trade or business of the pension trust. Based on that ruling, amounts that we distribute to tax-exempt stockholders generally should not constitute UBTI. However, if a tax-exempt stockholder were to finance (or be deemed to finance) its acquisition of common stock with debt, a portion of the income that it receives from us would constitute UBTI pursuant to the "debt-financed property" rules. Moreover, social clubs, voluntary employee benefit associations, supplemental unemployment benefit trusts and qualified group legal services plans that are exempt from taxation under special provisions of the U.S. federal income tax laws are subject to different UBTI rules, which generally will require them to characterize distributions that they receive from us as UBTI. Finally, in certain circumstances, a qualified employee pension or profit sharing trust that owns more than 10% of our capital stock must treat a percentage of the dividends that it receives from us as UBTI. Such percentage is equal to the gross income we derive from an unrelated trade or business, determined as if we were a pension trust, divided by our total gross income for the year in which we pay the dividends. That rule applies to a pension trust holding more than 10% of our capital stock only if:

- the percentage of our dividends that the tax-exempt trust must treat as UBTI is at least 5%;
- we qualify as a REIT by reason of the modification of the rule requiring that no more than 50% of our capital stock be owned by five or fewer individuals that allows the beneficiaries of the pension trust to be treated as holding our capital stock in proportion to their actuarial interests in the pension trust; and
- either:
  - one pension trust owns more than 25% of the value of our capital stock; or
  - a group of pension trusts individually holding more than 10% of the value of our capital stock collectively owns more than 50% of the value of our capital stock.

Taxation of Non-U.S. Stockholders

The term "non-U.S. stockholder" means a holder of our common stock that is not a U.S. stockholder, a partnership (or entity treated as a partnership for U.S. federal income tax purposes) or a tax-exempt stockholder. The rules governing

U.S. federal income taxation of nonresident alien individuals, foreign corporations, foreign partnerships, and other foreign stockholders are complex. This section is only a summary of such rules. **We urge non-U.S. stockholders to consult their own tax advisors to determine the impact of federal, state, and local income tax laws on the purchase, ownership and disposition of our common stock, including any reporting requirements**.

Distributions

A non-U.S. stockholder that receives a distribution that is not attributable to gain from our sale or exchange of a "United States real property interest," or USRPI, as defined below, and that we do not designate as a capital gain dividend or retained capital gain will recognize ordinary income to the extent that we pay such distribution out of our current or accumulated earnings and profits. A withholding tax equal to 30% of the gross amount of the distribution ordinarily will apply to such distribution unless an applicable tax treaty reduces or eliminates the tax. However, if a distribution is treated as effectively connected with the non-U.S. stockholder's conduct of a U.S. trade or business, the non-U.S. stockholder generally will be subject to U.S. federal income tax on the distribution at graduated rates, in the same manner as U.S. stockholders are taxed with respect to such distribution, and a non-U.S. stockholder that is a corporation also may be subject to the 30% branch profits tax with respect to that distribution. We plan to withhold U.S. income tax at the rate of 30% on the gross amount of any such distribution paid to a non-U.S. stockholder unless either:

- a lower treaty rate applies and the non-U.S. stockholder provides us with an IRS Form W-8BEN evidencing eligibility for that reduced rate with us;
- the non-U.S. stockholder provides us with an IRS Form W-8ECI claiming that the distribution is effectively connected income; or
- the distribution is treated as attributable to a sale of a USRPI under FIRPTA (discussed below).

A non-U.S. stockholder will not incur tax on a distribution in excess of our current and accumulated earnings and profits if the excess portion of such distribution does not exceed the adjusted basis of its common stock. Instead, the excess portion of such distribution will reduce the adjusted basis of such stock. A non-U.S. stockholder will be subject to tax on a distribution that exceeds both our current and accumulated earnings and profits and the adjusted basis of its common stock, if the non-U.S. stockholder otherwise would be subject to tax on gain from the sale or disposition of its common stock, as described below. We must withhold 10% of any distribution that exceeds our current and accumulated earnings and profits. Consequently, although we intend to withhold at a rate of 30% on the entire amount of any distribution, to the extent that we do not do so, we will withhold at a rate of 10% on any portion of a distribution not subject to withholding at a rate of 30%. Because we generally cannot determine at the time we make a distribution whether the distribution will exceed our current and accumulated earnings and profits, we normally will withhold tax on the entire amount of any distribution at the same rate as we would withhold on a dividend. However, a non-U.S. stockholder may claim a refund of amounts that we withhold if we later determine that a distribution in fact exceeded our current and accumulated earnings and profits.

For any year in which we qualify as a REIT, a non-U.S. stockholder may incur tax on distributions that are attributable to gain from our sale or exchange of a USRPI under the Foreign Investment in Real Property Act of 1980, or FIRPTA. A USRPI includes certain interests in real property and stock in corporations at least 50% of whose assets consist of interests in real property. Under FIRPTA, a non-U.S. stockholder is taxed on distributions attributable to gain from sales of USRPIs as if such gain were effectively connected with a U.S. business of the non-U.S. stockholder. A non-U.S. stockholder thus would be taxed on such a distribution at the normal capital gains rates applicable to U.S. stockholders, subject to applicable alternative minimum tax and a special alternative minimum tax in the case of a nonresident alien individual. A non-U.S. corporate stockholder not entitled to treaty relief or exemption also may be subject to the 30% branch profits tax on such a distribution.

However, if our common stock is regularly traded on an established securities market in the United States, capital gain distributions on our common stock that are attributable to our sale of a USRPI will be treated as ordinary dividends rather than as gain from the sale of a USRPI, as long as the non-U.S. stockholder did not own more than 5% of our common stock at any time during the one-year period preceding the distribution. As a result, non-U.S. stockholders generally will be subject

to withholding tax on such capital gain distributions in the same manner as they are subject to withholding tax on ordinary dividends. We anticipate that our common stock will be regularly traded on an established securities market in the United States immediately following this offering. If our common stock is not regularly traded on an established securities market in the United States, capital gain distributions that are attributable to our sale of USRPIs will be subject to tax under FIRPTA, as described in the preceding paragraph. In such case, we must withhold 35% of any distribution that we could designate as a capital gain dividend. A non-U.S. stockholder may receive a credit against its tax liability for the amount we withhold. Moreover, if a non-U.S. stockholder disposes of our common stock during the 30-day period preceding a dividend payment, and such non-U.S. stockholder (or a person related to such non-U.S. stockholder) acquires or enters into a contract or option to acquire our common stock within 61 days of the first day of the 30-day period described above, and any portion of such dividend payment would, but for the disposition, be treated as a USRPI capital gain to such non-U.S. stockholder, then such non-U.S. stockholder will be treated as having USRPI capital gain in an amount that, but for the disposition, would have been treated as USRPI capital gain.

For payments received after December 31, 2013, a U.S. withholding tax at a 30% rate will be imposed on dividends paid to certain non-U.S. stockholders if certain disclosure requirements related to U.S. accounts or ownership are not satisfied. If payment of withholding taxes is required, non-U.S. stockholders that are otherwise eligible for an exemption from, or reduction of, U.S. withholding taxes with respect to such dividends will be required to seek a refund from the IRS to obtain the benefit of such exemption or reduction. We will not pay any additional amounts in respect of any amounts withheld.

Dispositions

Non-U.S. stockholders could incur tax under FIRPTA with respect to gain realized upon a disposition of our common stock if we are a United States real property holding corporation during a specified testing period. If at least 50% of a REIT's assets are USRPI, then the REIT will be a United States real property holding corporation. We anticipate that we will be a United States real property holding corporation based on our investment strategy. However, even if we are a United States real property holding corporation, a non-U.S. stockholder generally would not incur tax under FIRPTA on gain from the sale of our common stock if we are a "domestically controlled qualified investment entity."

A "domestically controlled qualified investment entity" includes a REIT in which, at all times during a specified testing period, less than 50% in value of its shares are held directly or indirectly by non-U.S. stockholders. We cannot assure you that this test will be met.

If our common stock is regularly traded on an established securities market, an additional exception to the tax under FIRPTA will be available with respect to our common stock, even if we do not qualify as a domestically controlled qualified investment entity at the time the non-U.S. stockholder sells our common stock. Under that exception, the gain from such a sale by such a non-U.S. stockholder will not be subject to tax under FIRPTA if (1) our common stock is treated as being regularly traded under applicable Treasury Regulations on an established securities market and (2) the non-U.S. stockholder owned, actually or constructively, 5% or less of our common stock at all times during a specified testing period. As noted above, we anticipate that our common stock will be regularly traded on an established securities market immediately following this offering.

If the gain on the sale of our common stock were taxed under FIRPTA, a non-U.S. stockholder would be taxed on that gain in the same manner as U.S. stockholders, subject to applicable alternative minimum tax and a special alternative minimum tax in the case of nonresident alien individuals. In addition, distributions that are subject to tax under FIRPTA also may be subject to a 30% branch profits tax when made to a non-U.S. stockholder treated as a corporation (under U.S. federal income tax principles) that is not otherwise entitled to treaty exemption. Finally, if we are not a domestically controlled qualified investment entity at the time our stock is sold and the non-U.S. stockholder does not qualify for the exemptions described in the preceding paragraph, under FIRPTA the purchaser of our common stock also may be required to withhold 10% of the purchase price and remit this amount to the IRS on behalf of the selling non-U.S. stockholder.

With respect to individual non-U.S. stockholders, even if not subject to FIRPTA, capital gains recognized from the sale of our common stock will be taxable to such non-U.S. stockholder if he or she is a non-resident alien individual who is present in the United States for 183 days or more during the taxable year and some other conditions apply, in which case the non-resident alien individual may be subject to a U.S. federal income tax on his or her U.S. source capital gain.

For payments received after December 31, 2016, a U.S. withholding tax at a 30% rate will be imposed on proceeds from the sale of our common stock received by certain non-U.S. stockholders if certain disclosure requirements related to U.S. accounts or ownership are not satisfied. If payment of withholding taxes is required, non-U.S. stockholders that are otherwise eligible for an exemption from, or reduction of, U.S. withholding taxes with respect of such proceeds will be required to seek a refund from the IRS to obtain the benefit of such exemption or reduction. We will not pay any additional amounts in respect of any amounts withheld.

Information Reporting Requirements and Withholding

We will report to our stockholders and to the IRS the amount of distributions we pay during each calendar year, and the amount of tax we withhold, if any. Under the backup withholding rules, a stockholder may be subject to backup withholding at a rate of 28% with respect to distributions unless the stockholder:

- ¡ is a corporation or qualifies for certain other exempt categories and, when required, demonstrates this fact; or
- ¡ provides a taxpayer identification number, certifies as to no loss of exemption from backup withholding, and otherwise complies with the applicable requirements of the backup withholding rules.

A stockholder who does not provide us with its correct taxpayer identification number also may be subject to penalties imposed by the IRS. Any amount paid as backup withholding will be creditable against the stockholder's income tax liability. In addition, we may be required to withhold a portion of capital gain distributions to any stockholders who fail to certify their non-foreign status to us.

Backup withholding will generally not apply to payments of dividends made by us or our paying agents, in their capacities as such, to a non-U.S. stockholder provided that the non-U.S. stockholder furnishes to us or our paying agent the required certification as to its non-U.S. status, such as providing a valid IRS Form W-8BEN or W-8ECI, or certain other requirements are met. Notwithstanding the foregoing, backup withholding may apply if either we or our paying agent has actual knowledge, or reason to know, that the holder is a U.S. person that is not an exempt recipient. Payments of the proceeds from a disposition or a redemption effected outside the U.S. by a non-U.S. stockholder made by or through a foreign office of a broker generally will not be subject to information reporting or backup withholding. However, information reporting (but not backup withholding) generally will apply to such a payment if the broker has certain connections with the U.S. unless the broker has documentary evidence in its records that the beneficial owner is a non-U.S. stockholder and specified conditions are met or an exemption is otherwise established. Payment of the proceeds from a disposition by a non-U.S. stockholder of common stock made by or through the U.S. office of a broker is generally subject to information reporting and backup withholding unless the non-U.S. stockholder certifies under penalties of perjury that it is not a U.S. person and satisfies certain other requirements, or otherwise establishes an exemption from information reporting and backup withholding.

Backup withholding is not an additional tax. Any amounts withheld under the backup withholding rules may be refunded or credited against the stockholder's U.S. federal income tax liability if certain required information is furnished to the IRS. Stockholders should consult their own tax advisors regarding application of backup withholding to them and the availability of, and procedure for obtaining an exemption from, backup withholding.

For payments received after December 31, 2013, a U.S. withholding tax at a 30% rate will be imposed on dividends paid to U.S. stockholders who own our capital stock through foreign accounts or foreign intermediaries if certain disclosure requirements related to U.S. accounts or ownership are not satisfied. In addition, if those disclosure requirements are not satisfied, a U.S. withholding tax at a 30% rate will be imposed, for payments received after December 31, 2016, on proceeds from the sale of our common stock by U.S. stockholders who own our common stock through foreign accounts or foreign intermediaries. In addition, we may be required to withhold a portion of capital gain distributions to any U.S. stockholders who fail to certify their non-foreign status to us. We will not pay any additional amounts in respect of amounts withheld.

Other Tax Consequences

Tax Aspects of Our Investments in Our Operating Partnership and Subsidiary Partnerships

The following discussion summarizes certain U.S. federal income tax considerations applicable to our direct or indirect investments in our operating partnership and any subsidiary partnerships or limited liability companies that we form or acquire (each individually a "Partnership" and, collectively, the "Partnerships"). The discussion does not cover state or local tax laws or any federal tax laws other than income tax laws.

Classification as Partnerships. We will include in our income our distributive share of each Partnership's income and deduct our distributive share of each Partnership's losses only if such Partnership is classified for U.S. federal income tax purposes as a partnership (or an entity that is disregarded for U.S. federal income tax purposes if the entity is treated as having only one owner for U.S. federal income tax purposes) rather than as a corporation or an association taxable as a corporation. An unincorporated entity with at least two owners or members will be classified as a partnership, rather than as a corporation, for U.S. federal income tax purposes if it:

- is treated as a partnership under the Treasury Regulations relating to entity classification (the "check-the-box regulations"); and
- is not a "publicly-traded partnership."

Under the check-the-box regulations, an unincorporated entity with at least two owners or members may elect to be classified either as an association taxable as a corporation or as a partnership. If such an entity does not make an election, it generally will be treated as a partnership (or an entity that is disregarded for U.S. federal income tax purposes if the entity is treated as having only one owner or member for U.S. federal income tax purposes) for U.S. federal income tax purposes. Our operating partnership intends to be classified as a partnership for U.S. federal income tax purposes and will not elect to be treated as an association taxable as a corporation under the check-the-box regulations.

A publicly-traded partnership is a partnership whose interests are traded on an established securities market or are readily tradable on a secondary market or the substantial equivalent thereof. A publicly-traded partnership will not, however, be treated as a corporation for any taxable year if, for each taxable year beginning after December 31, 1987 in which it was classified as a publicly-traded partnership, 90% or more of the partnership's gross income for such year consists of certain passive-type income, including real property rents, gains from the sale or other disposition of real property, interest, and dividends, or (the "90% passive income exception"). Treasury Regulations provide limited safe harbors from the definition of a publicly-traded partnership. Pursuant to one of those safe harbors (the "private placement exclusion"), interests in a partnership will not be treated as readily tradable on a secondary market or the substantial equivalent thereof if (1) all interests in the partnership were issued in a transaction or transactions that were not required to be registered under the Securities Act of 1933, as amended, and (2) the partnership does not have more than 100 partners at any time during the partnership's taxable year. In determining the number of partners in a partnership, a person owning an interest in a partnership, grantor trust, or S corporation that owns an interest in the partnership is treated as a partner in such partnership only if (1) substantially all of the value of the owner's interest in the entity is attributable to the entity's direct or indirect interest in the partnership and (2) a principal purpose of the use of the entity is to permit the partnership to satisfy the 100-partner limitation. We expect that our operating partnership and any other partnership in which we own an interest will qualify for the private placement exception.

We have not requested, and do not intend to request, a ruling from the IRS that our operating partnership will be classified as a partnership for U.S. federal income tax purposes. If for any reason our operating partnership were taxable as a corporation, rather than as a partnership, for U.S. federal income tax purposes, we likely would not be able to qualify as a REIT unless we qualified for certain relief provisions. See "—Gross Income Tests" and "—Asset Tests." In addition, any change in a Partnership's status for tax purposes might be treated as a taxable event, in which case we might incur tax liability without any related cash distribution. See "—Distribution Requirements." Further, items of income and deduction of such Partnership would not pass through to its partners, and its partners would be treated as stockholders for tax purposes. Consequently, such Partnership would be required to pay income tax at corporate rates on its net income, and distributions to its partners would constitute dividends that would not be deductible in computing such Partnership's taxable income.

Income Taxation of the Partnerships and their Partners

Partners, Not the Partnerships, Subject to Tax. A partnership is not a taxable entity for U.S. federal income tax purposes. Rather, we are required to take into account our allocable share of each Partnership's income, gains, losses, deductions, and credits for any taxable year of such Partnership ending within or with our taxable year, without regard to whether we have received or will receive any distribution from such Partnership.

Partnership Allocations. Although a partnership agreement generally will determine the allocation of income and losses among partners, such allocations will be disregarded for tax purposes if they do not comply with the provisions of the U.S. federal income tax laws governing partnership allocations. If an allocation is not recognized for U.S. federal income tax purposes, the item subject to the allocation will be reallocated in accordance with the partners' interests in the partnership, which will be determined by taking into account all of the facts and circumstances relating to the economic arrangement of the partners with respect to such item. Each Partnership's allocations of taxable income, gain, and loss are intended to comply with the requirements of the U.S. federal income tax laws governing partnership allocations.

Tax Allocations With Respect to Partnership Properties. Income, gain, loss, and deduction attributable to appreciated or depreciated property that is contributed to a partnership in exchange for an interest in the partnership must be allocated in a manner such that the contributing partner is charged with, or benefits from, respectively, the unrealized gain or unrealized loss associated with the property at the time of the contribution (the "704(c) Allocations"). The amount of the unrealized gain or unrealized loss ("built-in gain" or "built-in loss") is generally equal to the difference between the fair market value of the contributed property at the time of contribution and the adjusted tax basis of such property at the time of contribution (a "book-tax difference"). Any property purchased for cash initially will have an adjusted tax basis equal to its fair market value, resulting in no book-tax difference. A book-tax difference generally is decreased on an annual basis as a result of depreciation deductions to the contributing partner for book purposes but not for tax purposes. The 704(c) Allocations are solely for federal income tax purposes and do not affect the book capital accounts or other economic or legal arrangements among the partners. In connection with our formation transactions, appreciated property will be acquired by our operating partnership or one of its subsidiaries in exchange for common units. Our operating partnership will have a carryover, rather than a fair market value, adjusted tax basis in such contributed assets equal to the adjusted tax basis of the contributors in such assets, resulting in a book-tax difference. As a result of that book-tax difference, we will have a lower adjusted tax basis with respect to that portion of our operating partnership's assets than we would have with respect to assets having a tax basis equal to fair market value at the time of acquisition. This will result in lower depreciation deductions with respect to the portion of our operating partnership's assets attributable to such contributions, which could cause us to be allocated tax gain in excess of book gain in the event of a property disposition.

The U.S. Treasury Department has issued regulations requiring partnerships to use a "reasonable method" for allocating items with respect to which there is a book-tax difference and outlining several reasonable allocation methods. Under certain available methods, the carryover basis of contributed properties in the hands of our operating partnership (1) could cause us to be allocated lower amounts of depreciation deductions for tax purposes than would be allocated to us if all contributed properties were to have a tax basis equal to their fair market value at the time of the contribution and (2) in the event of a sale of such properties, could cause us to be allocated taxable gain in excess of the economic or book gain allocated to us as a result of such sale, with a corresponding benefit to the contributing partners. An allocation described in (2) above might cause us to recognize taxable income in excess of cash proceeds in the event of a sale or other disposition of property, which may adversely affect our ability to comply with the REIT distribution requirements and may result in a greater portion of our distributions being taxed as dividends. We have not yet decided what method our operating partnership will use to account for book-tax differences.

Sale of a Partnership's Property

Generally, any gain realized by a Partnership on the sale of property held by the Partnership for more than one year will be long-term capital gain, except for any portion of such gain that is treated as depreciation or cost recovery recapture. Under Section 704(c) of the Code, any gain or loss recognized by a Partnership on the disposition of contributed properties will be allocated first to the partners of the Partnership who contributed such properties to the extent of their built-in gain or built-in loss on those properties for U.S. federal income tax purposes. The partners' built-in gain or built-in loss on such

contributed properties will equal the difference between the partners' proportionate share of the book value of those properties and the partners' tax basis allocable to those properties at the time of the contribution as reduced for any decrease in the "book-tax difference." See "—Income Taxation of the Partnerships and their Partners—Tax Allocations With Respect to Partnership Properties." Any remaining gain or loss recognized by the Partnership on the disposition of the contributed properties, and any gain or loss recognized by the Partnership on the disposition of the other properties, will be allocated among the partners in accordance with their respective percentage interests in the Partnership.

Our share of any gain realized by a Partnership on the sale of any property held by the Partnership as inventory or other property held primarily for sale to customers in the ordinary course of the Partnership's trade or business will be treated as income from a prohibited transaction that is subject to a 100% penalty tax. Such prohibited transaction income also may have an adverse effect upon our ability to satisfy the income tests for REIT status. See "—Gross Income Tests." We do not presently intend to acquire or hold or to allow any Partnership to acquire or hold any property that represents inventory or other property held primarily for sale to customers in the ordinary course of our or such Partnership's trade or business.

Legislative or Other Actions Affecting REITs

The present federal income tax treatment of REITs may be modified, possibly with retroactive effect, by legislative, judicial or administrative action at any time. The REIT rules are constantly under review by persons involved in the legislative process and by the IRS and the U.S. Treasury Department which may result in statutory changes as well as revisions to regulations and interpretations. Additionally, several of the tax considerations described herein are currently under review and are subject to change. Prospective stockholders are urged to consult with their own tax advisors regarding the effect of potential changes to the federal tax laws on an investment in our common stock.

State and Local Taxes

We and you may be subject to taxation by various states and localities, including those in which we or a stockholder transacts business, owns property or resides. The state and local tax treatment may differ from the U.S. federal income tax treatment described above. Consequently, you should consult your own tax advisors regarding the effect of state and local tax laws upon an investment in our common stock.

ERISA CONSIDERATIONS

A fiduciary of a pension, profit sharing, retirement or other employee benefit plan, or plan, subject to the Employee Retirement Income Security Act of 1974, as amended, or ERISA, should consider the fiduciary standards under ERISA in the context of the plan's particular circumstances before authorizing an investment of a portion of that plan's assets in the shares of common stock. Accordingly, the fiduciary should consider (i) whether the investment satisfies the diversification requirements of Section 404(a)(1)(C) of ERISA, (ii) whether the investment is in accordance with the documents and instruments governing the plan as required by Section 404(a)(1)(D) of ERISA and (iii) whether the investment is prudent under ERISA. In addition to the imposition of general fiduciary standards of investment prudence and diversification, ERISA, and the corresponding provisions of the Code that also apply to individual retirement accounts and other plans subject to Section 4975 of the Code, prohibit a wide range of transactions involving the assets of the plan and persons who have certain specified relationships to the plan ("parties in interest" within the meaning of ERISA or "disqualified persons" within the meaning of the Code). Thus, a plan fiduciary considering an investment in shares of our common stock also should consider whether the acquisition or the continued holding of the shares might constitute or give rise to a direct or indirect prohibited transaction that is not subject to an exemption issued by the Department of Labor, or the DOL. Similar restrictions apply to many governmental and foreign plans which are not subject to ERISA. Thus, those considering investing in the shares on behalf of these plans should consider whether the acquisition or the continued holding of the shares might violate any similar restrictions.

The DOL has issued final regulations, or the DOL Regulations, as to what constitutes assets of an employee benefit plan under ERISA. Under the DOL Regulations, if a plan acquires an equity interest in an entity, which interest is neither a "publicly offered security" nor a security issued by an investment company registered under the 1940 Act, the plan's assets would include, for purposes of the fiduciary responsibility provision of ERISA, both the equity interest and an undivided interest in each of the entity's underlying assets unless certain specified exceptions apply. The DOL Regulations define a publicly offered security as a security that is "widely held," "freely transferable" and either part of a class of securities registered under the Exchange Act, or sold pursuant to an effective registration statement under the Securities Act (provided the securities are registered under the Exchange Act within 120 days after the end of the fiscal year of the issuer during which the public offering occurred). The shares are being sold in an offering registered under the Securities Act and will be registered under the Exchange Act.

The DOL Regulations provide that a security is "widely held" only if it is part of a class of securities that is owned by 100 or more investors independent of the issuer and of one another. A security will not fail to be "widely held" because the number of independent investors falls below 100 subsequent to the IPO as a result of events beyond the issuer's control. We expect our shares of common stock to be "widely held" upon completion of this offering.

The DOL Regulations provide that whether a security is "freely transferable" is a factual question to be determined on the basis of all relevant facts and circumstances. The DOL Regulations further provide that when a security is part of an offering in which the minimum investment is $10,000 or less, as is the case with this offering, certain restrictions ordinarily will not, alone or in combination, affect the finding that the securities are "freely transferable." We believe that the restrictions imposed under our charter on the transfer of our shares are limited to the restrictions on transfer generally permitted under the DOL Regulations and are not likely to result in the failure of the shares of common stock to be "freely transferable." The DOL Regulations only establish a presumption in favor of the finding of free transferability, and, therefore, no assurance can be given that the DOL will not reach a contrary conclusion.

Assuming that the shares of common stock will be "widely held" and "freely transferable," we believe that our shares of common stock will be publicly offered securities for purposes of the DOL Regulations and that our assets will not be deemed to be "plan assets" of any plan that invests in our shares of common stock.

Each holder of our shares of common stock will be deemed to have represented and agreed that its purchase and holding of those shares of common stock (or any interest therein) will not constitute or result in a non-exempt prohibited transaction under ERISA or Section 4975 of the Code.

UNDERWRITING

Under the terms and subject to the conditions in an underwriting agreement dated the date of this prospectus, the underwriters named below, for whom Robert W. Baird & Co. Incorporated, Raymond James & Associates, Inc. and Stifel, Nicolaus & Company, Incorporated are acting as representatives, have severally agreed to purchase, and we have agreed to sell them, severally, the number of shares of our common stock indicated below:

	Number of Shares
Robert W. Baird & Co. Incorporated	
Raymond James & Associates, Inc.	
Stifel, Nicolaus & Company, Incorporated	
Oppenheimer & Co. Inc.	
BB&T Capital Markets, a division of BB&T Securities, LLC	
Janney Montgomery Scott LLC	
Wunderlich Securities, Inc.	
Total	14,583,333

The underwriters are committed to take and pay for all of the shares being offered, if any are taken, other than the shares covered by the option described below unless and until this option is exercised.

If the underwriters sell more shares than the total number set forth in the table above, the underwriters have an option to buy up to an additional 2,187,500 shares us to cover such sales. They may exercise that option for 30 days. If any shares are purchased pursuant to this option, the underwriters will severally purchase shares in approximately the same proportion as set forth in the table above.

The following tables show the per share and total underwriting discounts and commissions to be paid to the underwriters by us. Such amounts are shown assuming both no exercise and full exercise of the underwriters' option to purchase additional shares from us.

	Per share		Total	
	Without Overallotment	With Overallotment	Without Overallotment	With Overallotment
Underwriting discounts and commissions paid by us	$	$	$	$

In addition, we estimate that the total expenses of this offering payable by us, including registration, filing and listing fees, printing fees and legal and accounting expenses, but excluding the underwriting discounts and commissions, will be approximately $7.5 million. We used the proceeds from loans secured by our Parkway Marketplace and Broad Creek shopping center properties to pay approximately $4.5 million of the expenses of this offering and our formation transactions. We expect to repay these loans with a portion of the net proceeds of this offering. See "Use of Proceeds."

Shares sold by the underwriters to the public will initially be offered at the initial public offering price set forth on the cover of this prospectus. Any shares sold by the underwriters to securities dealers may be sold at a discount of up to $ per share from the initial public offering price. Any such securities dealers may resell any shares purchased from the underwriters to certain other brokers or dealers at a discount of up to $ per share from the initial public offering price. If all the shares are not sold at the initial public offering price, the representatives may change the offering price and the other selling terms.

The underwriters have informed us that they do not intend sales to discretionary accounts to exceed 5% of the total number of shares of common stock offered by them.

We, our officers and our directors have agreed with the underwriters not to dispose of or hedge any of their shares of common stock or securities convertible into or exchangeable for shares of common stock during the period from the date of this prospectus continuing through the date 180 days after the date of this prospectus, except with the prior written consent of the representatives, in the case of our company, and Robert W. Baird & Co. Incorporated, in the case of our officers and directors, or in other limited circumstances. See “Shares Eligible for Future Sale” for a discussion of certain transfer restrictions.

Prior to the offering, there has been no public market for the shares. The initial public offering price will be negotiated between us and the representatives. Among the factors to be considered in determining the initial public offering price of the shares, in addition to prevailing market conditions, will be our historical performance, estimates of our business potential and earnings prospects, an assessment of our management and the consideration of the above factors in relation to market valuation of companies in related businesses.

Our common stock has been approved for listing, subject to official notice of issuance, on the NYSE under the symbol “AHH.”

We have agreed or will agree to indemnify the underwriters against certain liabilities under the Securities Act or contribute to payments that the underwriters may be required to make in that respect.

In connection with this offering, the underwriters may engage in stabilizing transactions, overallotment transactions, syndicate covering transactions, and penalty bids in accordance with Regulation M under the Exchange Act. Stabilizing transactions permit bids to purchase the underlying security so long as the stabilizing bids do not exceed a specified maximum.

Overallotment involves sales by the underwriters of shares in excess of the number of shares the underwriters are obligated to purchase, which creates a syndicate short position. The short position may be either a covered short position or a naked short position. In a covered short position, the number of shares over-allotted by the underwriters is not greater than the number of shares that they may purchase in the overallotment option. In a naked short position, the number of shares involved is greater than the number of shares in the overallotment option. The underwriters may close out any covered short position by exercising their overallotment option or by purchasing shares in the open market (or both).

Syndicate-covering transactions involve purchases of the common stock in the open market after the distribution has been completed in order to cover syndicate short positions. In determining the source of shares to close out the short position, the underwriters will consider, among other things, the price of shares available for purchase in the open market as compared to the price at which they may purchase shares through the overallotment option. If the underwriters sell more shares than could be covered by the overallotment option (a naked short position), the position can only be closed out by buying shares in the open market. A naked short position is more likely to be created if the underwriters are concerned that there could be downward pressure on the price of the shares in the open market after pricing that could adversely affect investors that purchase in the offering.

Penalty bids permit the representatives to reclaim a selling concession from a syndicate member when the common stock originally sold by the syndicate member is purchased in a stabilizing or syndicate covering transaction to cover syndicate short positions. Stabilization and syndicate covering transactions may cause the price of the shares to be higher than it would be in the absence of these transactions. The imposition of a penalty bid might also have an effect on the price of the shares if it discourages presale of the shares.

These stabilizing transactions, syndicate covering transactions and penalty bids may have the effect of raising or maintaining the market price of our common stock or preventing or retarding a decline in the market price of the common stock. As a result, the price of our common stock may be higher than the price that might otherwise exist in the open market.

These transactions may be effected on the NYSE or otherwise and, if commenced, may be discontinued at any time.

Certain of the underwriters and their affiliates have engaged in commercial dealings with us, including serving as lenders to us, and may in the future engage in investment banking and other commercial dealings in the ordinary course of business with us or our affiliates. They have received, or may in the future receive, customary fees and commissions for these transactions.

An affiliate of BB&T Capital Markets, an underwriter in this offering, is a lender under loans for our Two Columbus and Virginia Natural Gas properties, which will be repaid with a portion of the net proceeds of this offering. As such, affiliates of BB&T will receive a portion of the net proceeds of this offering that are used to repay the applicable indebtedness.

Concurrently with, or shortly after, the completion of this offering and our formation transactions, we expect to enter into a $100 million senior secured revolving credit facility with several lenders, including affiliates of certain of the underwriters. In their capacity as lenders, these affiliates of the underwriters will receive certain financing fees in connection with the credit facility in addition to the underwriting discount payable to the underwriters in connection with this offering.

The underwriters and their respective affiliates are full service financial institutions engaged in various activities, which may include securities trading, commercial and investment banking, financial advisory, investment management, investment research, principal investment, hedging, financing and brokerage activities. In the ordinary course of their business activities, the underwriters and their affiliates may make or hold a broad array of investments and actively trade debt and equity securities (or related derivative securities) and financial instruments (including bank loans) for their own account and for the accounts of their customers. Such investments and securities activities may involve securities and/or instruments of ours or our affiliates. The underwriters and their affiliates may also make investment recommendations and/or publish or express independent research views in respect of such securities or financial instruments and may hold, or recommend to clients that they acquire, long and/or short positions in such securities and instruments.

In relation to each member state of the European Economic Area that has implemented the Prospectus Directive (each, a “relevant member state”) and the shares offered by this prospectus, with effect from and including the date on which the Prospectus Directive is implemented in that relevant member state (the “relevant implementation date”) an offer of securities to the public may not be made in that relevant member state prior to the publication of a prospectus in relation to the securities that has been approved by the competent authority in that relevant member state or, where appropriate, approved in another relevant member state and notified to the competent authority in that relevant member state, all in accordance with the Prospectus Directive, except that, with effect from and including the relevant implementation date, an offer of securities may be offered to the public in that relevant member state at any time:

- to any legal entity that is authorized or regulated to operate in the financial markets or, if not so authorized or regulated, whose corporate purpose is solely to invest in securities;

- to any legal entity that has two or more of (1) an average of at least 250 employees during the last financial year; (2) a total balance sheet of more than €43,000,000 and (3) an annual net turnover of more than €50,000,000 as shown in its last annual or consolidated accounts; or

- in any other circumstances that do not require the publication of a prospectus pursuant to Article 3 of the Prospectus Directive.

Each purchaser of securities described in this prospectus located within a relevant member state will be deemed to have represented, acknowledged and agreed that it is a "qualified investor" within the meaning of Article 2(1)(e) of the Prospectus Directive.

For purposes of this prospectus, the expression an "offer of securities to the public" in any relevant member state means the communication in any form and by any means of sufficient information on the terms of the offer and the securities to be offered so as to enable an investor to decide to purchase or subscribe the securities, as the expression may be varied in that member state by any measure implementing the Prospectus Directive in that member state, and the expression "Prospectus Directive" means Directive 2003/71/EC and includes any relevant implementing measure in each relevant member state.

The sellers of the securities have not authorized and do not authorize the making of any offer of securities through any financial intermediary on their behalf, other than offers made by the underwriters with a view to the final placement of the securities as contemplated in this prospectus. Accordingly, no purchaser of the securities, other than the underwriters, is authorized to make any further offer of the securities on behalf of the sellers or the underwriters.

This prospectus is only being distributed to, and is only directed at, persons in the United Kingdom that are (i) investment professionals falling within Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (the "Order") or (ii) high net worth entities, and other persons to whom it may lawfully be communicated, falling within Article 49(2)(a) to (d) of the Order (all such persons together being referred to as "relevant persons").

This prospectus and its contents are confidential and should not be distributed, published or reproduced (in whole or in part) or disclosed by recipients to any other persons in the United Kingdom. Any person in the United Kingdom that is not a relevant person should not act or rely on this document or any of its contents.

LEGAL MATTERS

Certain legal matters will be passed upon for us by Hunton & Williams LLP and for the underwriters by Bass Berry & Sims PLC. Venable LLP will pass upon the validity of the shares of common stock sold in this offering and certain other matters of Maryland law.

EXPERTS

Unless otherwise indicated, the statistical and economic market data included in this prospectus, including information relating to the economic conditions within our markets contained in "Prospectus Summary," "Industry and Market Opportunity" and "Business and Properties" is derived from market information prepared for us by Rosen Consulting Group, or RCG, a nationally recognized real estate consulting firm, and is included in this prospectus in reliance on RCG's authority as an expert in such matters. We paid RCG a fee of $45,000 for its services.

The (1) balance sheet of Armada Hoffler Properties, Inc. as of December 31 and October 12, 2012; (2) combined financial statements of Armada Hoffler Properties, Inc. Predecessor at December 31, 2012 and 2011 and for each of the three years in the period ended December 31, 2012; (3) statements of revenues and certain operating expenses of Bermuda Shopping Center, L.L.C. for each of the three years in the period ended December 31, 2012; (4) statements of revenues and certain operating expenses of BSE/AH Blacksburg Apartments, L.L.C. for each of the three years in the period ended December 31, 2012, all appearing in this Prospectus and Registration Statement have been audited by Ernst & Young LLP, independent registered public accounting firm, as set forth in their reports thereon appearing elsewhere herein, and are included in reliance upon such reports given on the authority of such firm as experts in accounting and auditing.

WHERE YOU CAN FIND MORE INFORMATION

We maintain a web site at *www.armadahoffler.com*. Information contained on, or accessible through our website is not incorporated by reference into and does not constitute a part of this prospectus or any other report or documents we file with or furnish to the SEC.

We have filed with the SEC a Registration Statement on Form S-11, including exhibits, schedules and amendments thereto, of which this prospectus is a part, under the Securities Act with respect to the shares of our common stock to be sold in this offering. This prospectus does not contain all of the information set forth in the registration statement and exhibits and schedules to the registration statement. For further information with respect to our company and the shares of our common stock to be sold in this offering, reference is made to the registration statement, including the exhibits and schedules thereto. Statements contained in this prospectus as to the contents of any contract or other document referred to in this prospectus are not necessarily complete and, where that contract or other document has been filed as an exhibit to the registration statement, each statement in this prospectus is qualified in all respects by the exhibit to which the reference relates. Copies of the registration statement, including the exhibits and schedules to the registration statement, may be examined without charge at the public reference room of the SEC, 100 F Street, N.E., Washington, D.C. 20549. Information about the operation of the public reference room may be obtained by calling the SEC at 1-800-SEC-0300. Copies of all or a portion of the registration statement can be obtained from the public reference room of the SEC upon payment of prescribed fees. Our SEC filings, including our registration statement, are also available to you, free of charge, on the SEC's website, www.sec.gov.

AS A RESULT OF THIS OFFERING, WE WILL BECOME SUBJECT TO THE INFORMATION AND PERIODIC REPORTING REQUIREMENTS OF THE EXCHANGE ACT, AND WILL FILE PERIODIC REPORTS AND OTHER INFORMATION WITH THE SEC. THESE PERIODIC REPORTS AND OTHER INFORMATION WILL BE AVAILABLE FOR INSPECTION AND COPYING AT THE SEC'S PUBLIC REFERENCE FACILITIES AND THE WEB SITE OF THE SEC REFERRED TO ABOVE.

INDEX TO FINANCIAL STATEMENTS

Armada Hoffler Properties, Inc. and Subsidiaries
Pro Forma Consolidated Financial Statements
(Unaudited)

Armada Hoffler Properties, Inc. (together with its combined entities, the "Company," "we," "our" or "us") is a Maryland corporation that was formed on October 12, 2012 to acquire the entities owning various controlling and non-controlling interests in real estate, real estate development and construction entities under the common control of Daniel A. Hoffler, the Company's Executive Chairman. The Company has had no corporate or business activity since its formation other than the issuance of 1,000 shares of common stock, par value $0.01 per share ("Common Stock"), for $1,000 in cash in connection with the Company's initial capitalization and the Company's initial public offering of its Common Stock (the "Offering"). Armada Hoffler, L.P. (our "Operating Partnership") was formed as a Maryland limited partnership on October 12, 2012. Upon completion of the Offering and the related formation transactions described below, we expect our operations to be carried on through our Operating Partnership. At such time, we, as the sole general partner of our Operating Partnership, will own 53.1% of, and will have control of, our Operating Partnership. Accordingly, we will consolidate the assets, liabilities and results of operations of our Operating Partnership.

The accompanying pro forma condensed combined financial statements include the operations and assets of our Predecessor, which is not a legal entity but rather a combination of real estate and construction entities under common control by Mr. Hoffler. Our "Predecessor" includes (i) entities owned or controlled by Mr. Hoffler or his affiliates, which in turn own controlling interests in certain businesses and 22 properties: seven office properties, fourteen retail properties, one multifamily property, the general commercial construction businesses of Armada Hoffler Construction Company and Armada Hoffler Construction Company of Virginia and the property development and asset management businesses of Armada Hoffler Holding Company, Inc. (collectively, the "Controlled Entities") and (ii) non-controlling interests in entities owning two properties: one retail ("Bermuda Crossroads") and one multifamily property ("Smith's Landing") (together, the "Non-controlled Entities"). The Predecessor accounts for its investment in the Non-controlled Entities under the equity method of accounting.

The contribution or acquisition of interests in the Controlled Entities will be considered a transaction between entities under common control since Mr. Hoffler owns the controlling interest in each of the entities comprising the Predecessor. As a result, the acquisition of interests in each of the Controlled Entities will be accounted for at our Predecessor's historical cost. The contribution or acquisition of interests in the Non-controlled Entities will be accounted for under the acquisition method of accounting and recognized at the estimated fair value of acquired assets and assumed liabilities at the date of such acquisition or contribution.

The unaudited pro forma combined consolidated financial statements have been derived from our Predecessor's historical combined consolidated financial statements included elsewhere in this prospectus. The unaudited pro forma combined consolidated balance sheet as of December 31, 2012 is presented to reflect adjustments to the Predecessor's historical combined consolidated balance sheet as of December 31, 2012 as if the Offering and the related formation transactions were completed on December 31, 2012. The unaudited pro forma combined consolidated statement of operations for the year ended December 31, 2012 is presented as if the Offering and the related formation transactions were completed on January 1, 2012.

The following unaudited pro forma financial statements should be read in conjunction with (i) the Predecessor's historical audited combined financial statements at December 31, 2012 and 2011 and (ii) the "Risk Factors," and "Cautionary Note Regarding Forward-Looking Statements" sections in this prospectus. We have based the unaudited pro forma adjustments on available information and assumptions that we believe are reasonable. The following unaudited pro forma consolidated financial statements are presented for informational purposes only and are not necessarily indicative of what our actual financial position would have been as of December 31, 2012 assuming the Offering and the related formation transactions had all been completed on December 31, 2012, what actual results of operations would have been for the year ended December 31, 2012 assuming the Offering and the related formation transactions were completed on January 1, 2012, or of future results of operations or financial condition and should not be viewed as indicative of future results of operations or financial condition.

Armada Hoffler Properties, Inc. and Subsidiaries
Pro Forma Consolidated Balance Sheet
December 31, 2012
(Unaudited and in Thousands)

	Armada Hoffler Properties A	Predecessor B	Acquisitions Smith's Landing C	Acquisitions Bermuda Crossroads D	Other Pro Forma Adjustments	Pro Forma Before Offering	Proceeds From Offering H	Use of Proceeds I	Other Adjustments	Company Pro Forma
Assets										
Real estate investments:										
Income producing property	$ —	$ 350,814	$ 34,765	$ 16,085	$ (386)**E**	$ 401,278	$ —	$ —	$ —	$ 401,278
Held for development	—	3,926	—	—	—	3,926	—	—	—	3,926
Construction in progress	—	—	—	—	—	—	—	—	—	—
Accumulated depreciation	—	(92,454)			—	(92,454)	—	—	—	(92,454)
Net real estate investments	—	262,286	34,765	16,085	(386)	312,750				312,750
Cash and cash equivalents	1	9,400	—	—	(9,400)**F**	1	159,750	(158,032)	—	1,719
Restricted cash	—	3,725	—	—	—	3,725	—	(700)	—	3,025
Accounts receivable, net	—	17,423	—	—	—	17,423	—	—	—	17,423
Construction receivables, including retentions	—	10,490	—	—	—	10,490	—	—	—	10,490
Construction contract costs and estimated earnings in excess of billings	—	1,206	—	—	—	1,206	—	—	—	1,206
Due from affiliates	—	5,719	—	—	—	5,719	—	—	—	5,719
Other assets	—	21,564	2,760	2,890	—	27,214	(3,294)	(587)	1,000**J**	24,333
Total Assets	**$ 1**	**$ 331,813**	**$ 37,525**	**$ 18,975**	**$ (9,786)**	**$ 378,528**	**$ 156,456**	**$(159,319)**	**$ 1,000**	**$ 376,665**
Liabilities										
Indebtedness:										
Secured debt	$ —	$ 334,438	$ 25,045	$ 11,119	$ (1,739)**E**	$ 368,863	$ —	$(110,897)	$ 19,278**J**	$ 277,244
Participating note	—	643	—	—	—	643	—	(643)	—	—
Accounts payable and accrued liabilities	—	2,478	—	—	—	2,478	—	—	—	2,478
Construction payables, including retentions	—	17,369	—	—	—	17,369	—	—	—	17,369
Billings in excess of construction contract costs and estimated earnings	—	4,236	—	—	—	4,236	—	—	—	4,236
Due to affiliates	—	3,597	—	—		3,597	—	—	—	3,597
Other liabilities	—	10,393	—	1,750	$ (747)**G**	11,396	—	(210)	—	11,186
Total Liabilities	—	373,154	25,045	12,869	(2,486)	408,582	—	(111,750)	19,278	316,110
Equity										
Predecessor equity	1	(41,341)	12,480	6,106	(7,300)	(30,054)	156,456	(47,569)	(174,758)	(95,925)
Non-controlling interest in operating partnership	—	—	—	—	—	—	—	—	156,480**K**	156,480
Total Equity	1	(41,341)	12,480	6,106	(7,300)	(30,054)	156,456	(47,569)	(18,278)	60,555
Total Liabilities and Equity	**$ 1**	**$ 331,813**	**$ 37,525**	**$ 18,975**	**$ (9,786)**	**$ 378,528**	**$ 156,456**	**$(159,319)**	**$ 1,000**	**$ 376,665**

Armada Hoffler Properties, Inc. and Subsidiaries
Pro Forma Consolidated Income Statement
For the Year Ended December 31, 2012
(Unaudited and in Thousands, except per share data)

	Armada Hoffler Properties AA	Predecessor BB	Acquisitions: Smith's Landing CC	Acquisitions: Bermuda Crossroads DD	Pro Forma Adjustments CC, DD	Pro Forma Before Offering	Other Pro Forma Adjustments	Company Pro Forma	
Revenues									
Rental revenues	$ —	$ 54,436	$ 3,852	$ 1,674	$ 113	$ 60,075	$ —	$ 60,075	
General contracting and real estate services revenues	—	54,046	—	—	—	54,046	—	54,046	
Total revenues	**—**	**108,482**	**3,852**	**1,674**	**113**	**114,121**	**—**	**114,121**	
Expenses									
Rental expenses	—	12,682	1,229	230	51	14,192	—	14,192	
Real estate taxes	—	4,865	222	169	—	5,256	—	5,256	
General contracting and real estate services expenses	—	50,103	—	—	—	50,103	—	50,103	
Depreciation and amortization	—	12,909	853	337	1,161	15,260	—	15,260	
General and administrative	—	3,232	—	—	—	3,232	965 **FF**	4,197	
Total expenses	**—**	**83,791**	**2,304**	**736**	**1,212**	**88,043**	**965**	**89,008**	
Operating income	—	24,691	1,548	938	(1,099)	26,078	(965)	25,113	
Interest expense	—	(16,561)	(447)	(677)	295	(17,390)	4,315 **GG**	(13,075)	
Other income (expense)	—	777	—	—	(261)**EE**	516	(378)**HH**	138	
Income before income taxes	—	8,907	1,101	261	(1,065)	9,204	2,972	12,176	
Provision for income taxes	—	—	—	—	—	—	259 **II**	259	
Income from continuing operations	**$ —**	**$ 8,907**	**$ 1,101**	**$ 261**	**$ (1,065)**	**$ 9,204**	**$ 2,713**	**$ 11,917**	
Net Income attributable to non-controlling interests—operating partnership								5,592	**JJ**
Net Income available to common stockholders								$ 6,325	
Pro Forma Per Share:									
Net Income attributable to common stockholders:									
Basic								$ 0.43	**KK**
Diluted								$ 0.43	**KK**
Pro Forma Weighted Average Common Shares:									
Basic								14,750	
Diluted								14,750	
Pro Forma Weighted Average Operating Partnership Units held by non-controlling interests:									
Basic								13,040	
Diluted								13,040	

Armada Hoffler Properties, Inc. and Subsidiaries
Notes to Unaudited Pro Forma Consolidated Financial Statements

1. Adjustments to the Pro Forma Consolidated Balance Sheet

(A) Represents the balance sheet of Armada Hoffler Properties, Inc. and subsidiaries as of December 31, 2012.

(B) Reflects a historical combined balance sheet of our Predecessor, which is not a single legal entity, but rather a combination of real estate and construction entities.

(C) Reflects the acquisition by us of the ownership interests in BSE/AH Blacksburg Apartments, L.L.C. ("Smith's Landing"), including our Predecessor's noncontrolling interest, in exchange for cash, equity and the assumption of debt. Mr. Hoffler has a 40% non-controlling ownership interest in Smith's Landing; therefore such ownership interest has been presented in the Predecessor financial statements as an equity method investment. The acquisition of the interests in Smith's Landing will be accounted for as a purchase at fair value under the acquisition method of accounting in accordance with ASC Section 805-10, *Business Combinations*. As a result, we will recognize an estimated gain upon acquisition of approximately $5.7 million representing the difference between the fair value and carrying value of the Predecessor's interest in Smith's Landing. After our acquisition of the ownership interests in Smith's Landing that were not controlled by Mr. Hoffler, we will own 100% of Smith's Landing. This gain of $5.7 million referred to above is not recognized in the unaudited pro forma consolidated income statement since the gain is directly attributable to the Formation Transactions but is not expected to have an ongoing impact.

The acquisition method of accounting was used to allocate the fair value of the tangible and identified intangible assets acquired and liabilities assumed. The pro forma adjustments are based on our preliminary estimates and are subject to change based on the final determination of the fair value of assets and liabilities acquired. The amounts allocated to income producing property include buildings and improvements that are depreciated over the estimated useful life of 39 years. The amounts allocated to above- and below-market leases and to intangible lease assets of $2.8 million are amortized over the weighted average lives of the remaining lease terms. As a result of acquisition method accounting, the fair value adjustment to the indebtedness of Smith's Landing was not significant.

(D) Reflects the acquisition by us of the ownership interests in Bermuda Shopping Center, L.L.C. ("Bermuda Crossroads"), including our Predecessor's noncontrolling interest, in exchange for cash, equity and the assumption of debt. Mr. Hoffler has a 50% non-controlling ownership interest in Bermuda Crossroads; therefore such ownership interest has been presented in the Predecessor financial statements as an equity method investment. The acquisition of the interests in Bermuda Crossroads will be accounted for as a purchase at fair value under the acquisition method of accounting in accordance with ASC Section 805-10, *Business Combinations*. As a result, we will recognize an estimated gain upon acquisition of approximately $3.0 million representing the difference between the fair value and carrying value of the Predecessor's interest in Bermuda Crossroads. After our acquisition of the ownership interests in Bermuda Crossroads that were not controlled by Mr. Hoffler, we will own 100% of Bermuda Crossroads. This gain of $3.0 million referred to above is not recognized in the unaudited pro forma consolidated income statement since the gain is directly attributable to the Formation Transactions but is not expected to have an ongoing impact.

The acquisition method of accounting was used to allocate the fair value of the tangible and identified intangible assets acquired and liabilities assumed. The pro forma adjustments are based on our preliminary estimates and are subject to change based on the final determination of the fair value of assets and liabilities acquired. The amounts allocated to income producing property include land of $5.5 million as well as buildings and improvements that are depreciated over the estimated useful life of 39 years. The amounts allocated to above-market leases and to intangible lease assets of $2.9 million are amortized over the weighted average lives of the remaining lease terms. The amount allocated to below-market leases of $1.8 million is amortized over the weighted average lives of the remaining lease terms. As a result of acquisition method accounting, the carrying value of the indebtedness of Bermuda Crossroads was adjusted to its fair value, resulting in a $0.2 million premium.

(E) Represents the distribution of $0.4 million of the Predecessor's land and $1.7 million of related indebtedness of Courthouse 7-Eleven to affiliated entities in connection with the Formation Transactions.

Armada Hoffler Properties, Inc. and Subsidiaries
Notes to Unaudited Pro Forma Consolidated Financial Statements

(F) As part of the Formation Transactions, prior investors will receive cash distributions as partial consideration for their interests in our Predecessor's equity.

(G) Represents the elimination of the distributions in excess of earnings balance for Smith's Landing, which is eliminated in consolidation for pro forma purposes.

(H) Reflects gross proceeds from the Offering of $175.0 million, which will be reduced by $15.3 million to reflect underwriters' discounts and commissions and other costs of the Offering and the Formation Transactions payable by us, resulting in net proceeds to us of $159.8 million. These costs will be charged against the gross offering proceeds upon completion of the Offering. As of December 31, 2012, $3.3 million of costs had been incurred by our Predecessor. Subsequent to December 31, 2012 and as of the date of this prospectus, our Predecessor has incurred an additional $1.2 million of costs. A summary is as follows (in thousands):

Gross proceeds	$175,000
Less:	
Underwriter's discount	$ (12,250)
Transaction costs	(7,450)
Transaction costs incurred by our Predecessor	4,450
Net proceeds	$159,750

(I) In connection with the Offering, we anticipate repaying $112.0 million of debt including approximately $1.1 million of defeasance costs. We also will incur approximately $1.4 million of loan transfer and consent fees and expense approximately $0.6 million of debt issuance costs in connection with the extinguishment of this debt. The loss on debt extinguishments of $3.1 million related to these repayments is not recognized in the unaudited pro forma consolidated income statement since the loss is directly attributable to the Formation Transactions but is not expected to have an ongoing impact.

A summary is as follows (in thousands):

Debt repayment	$110,897
Participating note repayment	643
Debt prepayment penalties	1,096
Debt assumption fees	1,440
Cash paid to prior investors	43,956
Total use of proceeds	$158,032

Concurrently with the repayment of the secured mortgage debt, restricted cash held in escrow for insurance and taxes will be released to us as unrestricted cash in the amount of approximately $0.7 million related to Armada Hoffler Tower. This amount will be distributed to our prior investors.

In connection with the repayment of the indebtedness of Sentara Williamsburg, the related interest rate swap liability of $0.2 million will be settled.

(J) In connection with the Offering, we expect to enter into an agreement for a $100 million secured credit facility. This pro forma adjustment represents the borrowing of $19.3 million under the secured credit facility to fund a portion of the consideration payable in connection with the completion of the Formation Transactions. In connection with this credit facility, we expect to incur $1.0 million in financing fees, which will be amortized over the life of the credit facility as an adjustment to interest expense.

(K) Represents the reclassification of Predecessor equity to Non-controlling Interests in the Operating Partnership. Common Units are classified as non-controlling interests in permanent equity in the unaudited pro forma consolidated balance sheet because holders of Common Units have the right, pursuant to the Agreement of Limited Partnership of the Operating Partnership, to cause the Operating Partnership to redeem such Common Units for cash, or solely at the Company's election and within its control, for shares of Common Stock, on a one-for-one basis. The Common Units are initially recognized at fair value based on the price of shares of our Common Stock on the date of the completion of the Offering.

2. Adjustments to the Pro Forma Consolidated Income Statement

(AA) Represents the historical consolidated statements of operations of Armada Hoffler Properties, Inc. and its subsidiaries for the year ended December 31, 2012.

(BB) Reflects the Predecessor's historical combined statements of income for the year ended December 31, 2012. As discussed in the introduction to the unaudited pro forma consolidated financial statements, our Predecessor's interests in the Controlled Entities will be acquired by our Operating Partnership in exchange for cash, Common Units and the assumption of related debt, and will be recorded at the Predecessor's historical cost basis. As a result, expenses such as depreciation and amortization to be recognized by our Operating Partnership related to the acquired interests are based on the Predecessor's historical cost basis of the related assets and liabilities.

(CC) Reflects results of operations from the acquisition of 100% of the interests in Smith's Landing, which will occur in connection with the formation transactions as discussed in note (C) to the unaudited pro forma consolidated balance sheet. The acquisition method of accounting was used to allocate the fair value of the tangible and identified intangible assets acquired and liabilities assumed. Adjustments to rental expense represent the impact of the amortization of the net amount of below-market ground rents. Adjustments to depreciation and amortization represent the additional depreciation expense and amortization of intangibles as a result of these purchase accounting adjustments.

The pro forma adjustments shown below are based on our preliminary estimates and are subject to change based on the final determination of the fair value of assets and liabilities acquired. The pro forma adjustments to the historical statement of operations of Smith's Landing are as follows:

(1) Pro forma rental expense includes below market ground lease amortization for the year ended December 31, 2012.

(2) Pro forma depreciation and amortization includes a $0.8 million adjustment to the historical depreciation and amortization recognized by Smith's Landing.

Armada Hoffler Properties, Inc. and Subsidiaries
Notes to Unaudited Pro Forma Consolidated Financial Statements

(DD) Reflects results of operations from the acquisition of 100% of the interests in Bermuda Crossroads, which will occur in connection with the formation transactions as discussed in note (D) to the unaudited pro forma consolidated balance sheet. The acquisition method of accounting was used to allocate the fair value of the tangible and identified intangible assets acquired and liabilities assumed. Adjustments to revenues represent the impact of the amortization of the net amount of above- and below-market rents and the net impact of straight-line rents. Adjustments to depreciation and amortization represent the additional depreciation expense and amortization of intangibles as a result of these purchase accounting adjustments.

As a result of acquisition method accounting, the carrying value of debt for Bermuda Crossroads was adjusted to its fair value, resulting in a $0.6 million premium. The premium is amortized to interest expense over the life of the underlying debt instrument. The amounts allocated to above- and below-market leases and to intangible lease assets are amortized over the weighted average lives of the related leases ranging from 2 to 16 years.

The pro forma adjustments shown below are based on our preliminary estimates and are subject to change based on the final determination of the fair value of assets and liabilities acquired. The pro forma adjustments to the historical statement of operations of Bermuda Crossroads are as follows:

(1) Pro forma rental revenues include $0.1 million of net below market lease amortization for the year ended December 31, 2012.

(2) Pro forma depreciation and amortization includes a $0.3 million adjustment to the historical depreciation and amortization recognized by Bermuda Crossroads.

(3) Pro forma interest expense includes $0.3 million of amortization related to the fair value adjustment related to the assumed debt for the year ended December 31, 2012.

(EE) Due to the acquisition of controlling interests in the entities that own Smith's Landing and Bermuda Crossroads, $0.3 million equity in net income from equity method investments is eliminated in the unaudited pro forma consolidated income statement for the year ended December 31, 2012. Additionally, as a result of our acquisition of controlling interests in Smith's Landing and Bermuda Crossroads, we will recognize a gain for financial reporting purposes of approximately $8.7 million ($5.7 million for Smith's Landing and $3.0 million for Bermuda Crossroads), which represents the difference between the implied fair value for the properties and our carrying value of our equity method investment. This gain is eliminated for purposes of these unaudited pro forma consolidated financial statements as it is directly attributable to the Formation Transactions but is not expected to have continuing impact.

(FF) We expect to incur additional general and administrative expenses as a result of becoming a public company, including but not limited to incremental salaries and equity incentives, board of directors fees and expenses, director's and officer's insurance, Sarbanes-Oxley Act of 2002 compliance costs, and incremental legal, audit and tax fees. We have included amounts corresponding to services and expenses under contract as an adjustment in the unaudited pro forma consolidated income statement as additional general and administrative expenses, without duplication, to the general and administrative expenses appearing in the Predecessor's combined income statement.

The unaudited pro forma consolidated financial statements may not be indicative of the Company's future results of operations as additional general and administrative costs will be incurred to operate as a public company. Management estimates these costs will be approximately $1.0 million to $2.0 million on an annual basis exclusive of stock compensation costs. These costs

are expected to consist of compensation adjustments, professional services fees and other general and administrative costs. Management also expects to recognize $0.7 million of non-cash stock-based compensation expense for awards granted to our directors and certain employees upon completion of the Offering. Our non-cash stock-based compensation awards are subject to time-based vesting in equal installments over three years from the date of grant. These costs have been excluded from the unaudited pro forma consolidated income statement as they represent a forward-looking estimate.

(GG) We anticipate repaying approximately $110.9 million of debt with the proceeds of the Offering, resulting in interest savings of approximately $5.3 million for the year ended December 31, 2012. Pro forma interest expense includes $0.8 million of interest, including the amortization of the related debt issuance costs, on the $19.3 million borrowed under the $100 million secured credit facility. The pro forma adjustment also includes estimated unused fees of $0.2 million for the year ended December 31, 2012.

(HH) Reflects the settlement of the interest rate swap related to the indebtedness of Sentara Williamsburg.

(II) Reflects income taxes on our general contracting and real estate services business that will be conducted through a taxable REIT subsidiary of our Operating Partnership based on an estimated effective tax rate of 40%

(JJ) Reflects the allocation of income to non-controlling interests in the Operating Partnership. The effect of the conversion of Operating Partnership Units to Common Shares is not dilutive because net income attributable to non-controlling interests is allocated based upon the weighted average Operating Partnership Units outstanding compared to total Common Shares plus Operating Partnership Units outstanding during the period.

(KK) Pro forma earnings (loss) per share—basic and diluted are calculated by dividing pro forma consolidated net income (loss) allocable to the Company’s stockholders by the number of shares of Common Stock issued in the Offering, using the two class method.

Report of Independent Registered Public Accounting Firm

To the Shareholder
Armada Hoffler Properties, Inc.

We have audited the accompanying balance sheets of Armada Hoffler Properties, Inc. as of December 31, 2012 and October 12, 2012 (initial capitalization). These balance sheets are the responsibility of the Company's management. Our responsibility is to express an opinion on these balance sheets based on our audits.

We conducted our audits in 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 balance sheets are free of material misstatement. We were not engaged to perform an audit of the Company's internal control over financial reporting. Our audits 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, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the balance sheets referred to above present fairly, in all material respects, the financial position of Armada Hoffler Properties, Inc. at December 31, 2012 and October 12, 2012 (initial capitalization), in conformity with U.S. generally accepted accounting principles.

/s/ Ernst & Young LLP

Richmond, Virginia
March 25, 2013

Armada Hoffler Properties, Inc.
Balance Sheets

	Period Ended December 31, 2012	October 12, 2012 (initial capitalization)
Assets		
Cash	$ 1,000	$ 1,000
Total Assets	$ 1,000	$ 1,000
Liabilities and Stockholders' Equity		
Common stock, $0.01 par value, 1,000 shares authorized, issued and outstanding	$ 10	$ 10
Additional Paid in Capital	990	990
Total Liabilities and Stockholder's Equity	$ 1,000	$ 1,000

See accompanying notes.

Armada Hoffler Properties, Inc.
Notes to Balance Sheet

1. Organization

Armada Hoffler Properties, Inc. ("AHP") was organized in the state of Maryland on October 12, 2012. AHP is authorized to issue up to 1,000 shares of common stock, par value $0.01 per share. AHP will file a Registration Statement on Form S-11 with the Securities and Exchange Commission with respect to a proposed underwritten public offering (the "Offering") of shares of its common stock.

AHP made an election to be taxed as an S-Corporation under the Internal Revenue Code of 1986, as amended (the "Code"). AHP intends to qualify as a real estate investment trust ("REIT") under the Code. AHP will generally not be subject to federal income tax to the extent that it distributes at least 90% of its taxable income for each tax year to its stockholders. REITs are subject to a number of organizational and operational requirements.

If AHP fails to qualify as a REIT in any taxable year, AHP will be subject to federal income tax (including any applicable alternative minimum tax) on its taxable income at regular corporate tax rates. Even if AHP qualifies for taxation as a REIT, AHP may be subject to certain state and local taxes on its income and property and to federal income and excise taxes on its undistributed income.

AHP will be a fully integrated, self-administered and self-managed real estate investment trust formed primarily to own, operate, acquire and develop properties. The Company has had no operations since its formation.

2. Formation of AHP and Offering Transaction

Upon completion of the Offering, AHP will contribute the net proceeds to Armada Hoffler, L.P. (the "Operating Partnership") and become the sole general partner. The Operating Partnership was formed as a Virginia limited partnership on October 12, 2012 in connection with its initial capitalization. AHP's operations are planned to commence upon completion of the Offering and related formation transactions. Upon completion of the Offering and the related formation transactions, AHP expects its operations to be carried on through its Operating Partnership and wholly owned subsidiaries of the Operating Partnership. At such time, AHP, as the general partner of the Operating Partnership, will control the Operating Partnership and consolidate the assets, liabilities and results of operations of the Operating Partnership. In connection with the formation transactions, certain management and development agreements will be contributed to the Operating Partnership by affiliated entities in exchange for units of interest in the Operating Partnership.

3. Summary of Significant Accounting Policies

Basis of Presentation
The balance sheet has been prepared by management in accordance with accounting principles generally accepted in the United States.

Start Up Costs
Start up costs incurred will be expensed. Costs related to the Offering and related formation transactions have been incurred by our predecessor. Upon successful completion of the Offering, such costs will be reimbursed from the proceeds of the Offering.

Investments in Real Estate
Investments in real estate will include land, buildings and tenant improvements and will be stated at cost. Construction in progress will also be stated at cost. Direct and certain indirect costs clearly associated with the development, construction, leasing or expansion of real estate assets will be capitalized as a cost of the property. Armada Hoffler

Armada Hoffler Properties, Inc.
Notes to Balance Sheet

Properties, Inc. will capitalize direct and indirect project costs associated with the initial construction of a property until the property is substantially complete and ready for its intended use. Capitalized project costs include real estate taxes, insurance, utilities, rent associated with ground operating leases and interest on borrowing obligations. The Company does not capitalize any costs attributable to unsuccessful projects.

Depreciation on buildings will generally be provided on a straight-line basis over 39 years. Tenant improvements will be depreciated over the shorter of their estimated useful lives or the term of the related lease. Repairs and maintenance costs will be expensed as incurred.

Report of Independent Registered Public Accounting Firm

The Owners
Armada Hoffler Properties, Inc. Predecessor

We have audited the accompanying combined balance sheets of the entities described in Note 1 as of December 31, 2012 and 2011, and the related combined statements of income, equity, and cash flows for each of the three years in the period ended December 31, 2012. Our audits also included the financial statement schedule of real estate owned and accumulated depreciation. These financial statements and schedule are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements and schedule based on our audits.

We conducted our audits in 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 audits 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 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 financial statements referred to above present fairly, in all material respects, the combined financial position of the entities described in Note 1 as of December 31, 2012 and 2011, and the combined results of their operations and their cash flows for each of the three years in the period ended December 31, 2012, in conformity with U.S. generally accepted accounting principles. Also, in our opinion, the related financial statement schedule referred to above, when considered in relation to the basic combined financial statements taken as a whole, presents fairly in all material respects the information set forth therein.

/s/ Ernst & Young LLP

Richmond, Virginia
March 25, 2013

ARMADA HOFFLER PROPERTIES, INC. PREDECESSOR
Combined Balance Sheets
(In Thousands)

	DECEMBER 31,	
	2012	2011
ASSETS		
Real estate investments:		
Income producing property	$350,814	$345,412
Held for development	3,926	1,836
Construction in progress	—	2,685
	354,740	349,933
Accumulated depreciation	(92,454)	(80,923)
Net real estate investments	262,286	269,010
Real estate investments held for sale	—	473
Cash and cash equivalents	9,400	13,449
Restricted cash	3,725	4,335
Accounts receivable, net	17,423	15,230
Construction receivables, including retentions	10,490	13,008
Construction contract costs and estimated earnings in excess of billings	1,206	858
Due from affiliates	5,719	4,663
Other assets	21,564	19,108
Total Assets	$331,813	$340,134
LIABILITIES AND EQUITY		
Indebtedness:		
Secured debt	$334,438	$338,919
Participating note	643	643
Accounts payable and accrued liabilities	2,478	3,194
Construction payables, including retentions	17,369	20,375
Billings in excess of construction contract costs and estimated earnings	4,236	3,450
Due to affiliates	3,597	1,090
Other liabilities	10,393	9,862
Total Liabilities	$373,154	$377,533
Equity	(41,341)	(37,399)
Total Liabilities and Equity	$331,813	$340,134

See Notes to Combined Financial Statements.

ARMADA HOFFLER PROPERTIES, INC. PREDECESSOR
Combined Statements of Income
(In Thousands)

	YEARS ENDED DECEMBER 31,		
	2012	2011	2010
Revenues			
Rental revenues	$ 54,436	$ 52,578	$ 47,847
General contracting and real estate services revenues	54,046	77,602	87,279
Total revenues	108,482	130,180	135,126
Expenses			
Rental expenses	12,682	12,568	11,734
Real estate taxes	4,865	4,781	4,463
General contracting and real estate services expenses	50,103	72,138	82,127
Depreciation and amortization	12,909	12,994	12,158
General and administrative expenses	3,232	3,728	2,523
Total expenses	83,791	106,209	113,005
Operating income	24,691	23,971	22,121
Interest expense	(16,561)	(18,134)	(18,208)
Loss on extinguishment of debt	—	(3,448)	—
Other income	777	258	168
Income from continuing operations	8,907	2,647	4,081
Discontinued operations:			
Loss from discontinued operations	(35)	(318)	(338)
Gain (loss) on sale of real estate	25	(63)	1
Loss from discontinued operations	(10)	(381)	(337)
Net income	$ 8,897	$ 2,266	$ 3,744

See Notes to Combined Financial Statements.

ARMADA HOFFLER PROPERTIES, INC. PREDECESSOR
Combined Statements of Equity
(In Thousands)

	Equity
Balance as of January 1, 2010	$(11,452)
Net income	3,744
Contributions	7,893
Distributions	(23,730)
Balance as of December 31, 2010	$(23,545)
Net income	2,266
Contributions	11,117
Distributions	(27,237)
Balance as of December 31, 2011	$(37,399)
Net income	8,897
Contributions	1,655
Distributions	(14,494)
Balance as of December 31, 2012	$(41,341)

See Notes to Combined Financial Statements.

ARMADA HOFFLER PROPERTIES, INC. PREDECESSOR
Combined Statements of Cash Flows
(In Thousands)

	YEAR ENDED DECEMBER 31,		
	2012	2011	2010
OPERATING ACTIVITIES			
Net income	$ 8,897	$ 2,266	$ 3,744
Loss from discontinued operations	10	381	337
Income from continuing operations	8,907	2,647	4,081
Adjustments to reconcile net income to net cash provided by operating activities:			
Depreciation of buildings and tenant improvements	11,601	11,708	10,978
Amortization of deferred leasing costs	1,308	1,286	1,180
Accrued straight-line rental revenue	(2,158)	(2,370)	(3,183)
Amortization of lease incentives	755	663	547
Accrued straight-line ground rent expense	333	312	309
Bad debt expense	305	140	358
Amortization of debt issuance costs	615	896	766
Non-cash loss on extinguishment of debt	—	1,083	—
Change in the fair value of derivatives	(408)	(436)	23
Income from real estate joint ventures	(261)	(309)	(88)
Loss on disposal of real estate assets	—	569	—
Changes in operating assets and liabilities:			
Property assets	(991)	8,196	(3,966)
Property liabilities	2,404	(1,168)	(2,124)
Construction assets	2,170	7,694	(1,130)
Construction liabilities	(2,220)	(7,575)	(1,323)
Net cash provided by continuing operations	22,360	23,336	6,428
Net cash used for discontinued operations	(34)	(153)	(338)
Net cash provided by operating activities	22,326	23,183	6,090
INVESTING ACTIVITIES			
Development of real estate investments	(2,665)	(3,576)	(8,422)
Second generation tenant and building improvements	(2,307)	(3,801)	(4,061)
Government development grants	400	750	—
Decrease (increase) in restricted cash	184	1,517	(377)
Return of capital from real estate joint ventures	405	580	227
Deferred leasing costs	(741)	(1,973)	(2,124)
Leasing incentives	(475)	(1,956)	(429)
Net cash used for continuing operations	(5,199)	(8,459)	(15,186)
Net cash provided by discontinued operations	497	2,461	471
Net cash used for investing activities	(4,702)	(5,998)	(14,715)
FINANCING ACTIVITIES			
Debt issuances	30,612	69,049	37,630
Debt repayments	(35,093)	(63,698)	(14,918)
Debt issuance costs	(931)	(943)	(446)
Offering costs	(3,125)	—	—
Contributions	1,655	11,058	7,684
Distributions	(14,791)	(26,412)	(23,730)
Net cash (used for) provided by continuing operations	(21,673)	(10,946)	6,220
Net cash used for discontinued operations	—	(1,225)	(654)
Net cash (used for) provided by financing activities	(21,673)	(12,171)	5,566
Net (decrease) increase in cash and cash equivalents	(4,049)	5,014	(3,059)
Cash and cash equivalents, beginning of period	13,449	8,435	11,494
Cash and cash equivalents, end of period	$ 9,400	$ 13,449	$ 8,435
Supplemental cash flow information:			
Cash paid for interest	$ 16,161	$ 17,366	$ 17,802
Non-cash contributions	$ —	$ 59	$ 209
(Decrease) increase in distributions payable	$ (297)	$ 825	$ —

See Notes to Combined Financial Statements.

ARMADA HOFFLER PROPERTIES, INC. PREDECESSOR
Notes To Combined Financial Statements

1. Business and Organization

Armada Hoffler Properties, Inc. Predecessor (the "Predecessor" or "Armada Hoffler") is not a single legal entity, but rather a combination of real estate and construction entities. The Predecessor is engaged in the development, construction, ownership and management of office, retail and multifamily properties in markets throughout the Mid-Atlantic United States. The entities comprising the Predecessor include (i) the property development and asset management businesses of Armada Hoffler Holding Company, Inc. ("AH Holding"), (ii) the general commercial construction businesses of Armada Hoffler Construction Company and Armada Hoffler Construction Company of Virginia (collectively, "AH Construction"), (iii) controlling interests in entities that own 22 properties (seven office, 14 retail and one multifamily), (iv) controlling interests in entities undertaking the development of six properties (two office, two retail and two multifamily, collectively the "Development Pipeline") and (v) non-controlling interests in entities that own one retail and one multifamily property (collectively, the "Non-controlled Entities"). AH Holding, AH Construction, the controlling interests in the 22 real estate properties and the controlling interests in the Development Pipeline are referred to as the Controlled Entities. The Controlled Entities are under common ownership by their individual partners, members and stockholders and under common control by Daniel A. Hoffler. Mr. Hoffler has the ability to control each of the Controlled Entities as the primary beneficiary, the majority vote holder or through his interest as a general partner or managing member. The financial position and results of operations of the Controlled Entities have been combined in the Predecessor financial statements. The Predecessor accounts for its investments in the Non-controlled Entities under the equity method of accounting.

Controlled Entities (Combined by the Predecessor)

Office Properties	Location
Armada Hoffler Tower	Virginia Beach, VA
Richmond Tower	Richmond, VA
One Columbus	Virginia Beach, VA
Two Columbus	Virginia Beach, VA
Oyster Point	Newport News, VA
Virginia Natural Gas	Virginia Beach, VA
Sentara Williamsburg	Williamsburg, VA

General Contracting and Real Estate Services	
AH Holding	AH Construction

Retail Properties	Location
249 Central Park Retail	Virginia Beach, VA
South Retail	Virginia Beach, VA
Studio 56 Retail	Virginia Beach, VA
Commerce Street Retail	Virginia Beach, VA
Fountain Plaza Retail	Virginia Beach, VA
Dick's at Town Center	Virginia Beach, VA
Broad Creek Shopping Center	Norfolk, VA
North Point Center	Durham, NC
Hanbury Village	Chesapeake, VA
Gainsborough Square	Chesapeake, VA
Parkway Marketplace	Virginia Beach, VA
Harrisonburg Regal	Harrisonburg, VA
Courthouse 7-Eleven	Virginia Beach, VA
Tyre Neck Harris Teeter	Portsmouth, VA

Development Pipeline	Location
Main Street Office Tower	Virginia Beach, VA
Main Street Apartments	Virginia Beach, VA
Jackson Street Apartments	Durham, NC
Sandbridge Commons	Virginia Beach,VA
Brooks Crossing	Newport News, VA
Greentree Shopping Center	Chesapeake, VA

Multifamily Property	Location
The Cosmopolitan	Virginia Beach, VA

Non-controlled Entities (Accounted for under the equity method by the Predecessor)

Retail Property	Location
Bermuda Crossroads	Chester, VA

Multifamily Property	Location
Smith's Landing	Blacksburg, VA

Armada Hoffler Properties, Inc. (the "Company") is the sole general partner of Armada Hoffler, L.P. (the "Operating Partnership"). The operations of the Company will be carried on primarily through the Operating Partnership. Both the Company and the Operating Partnership were formed in October 2012 and will commence operations upon completion of the underwritten initial public offering of shares of the Company's common stock (the "IPO") and certain related formation transactions (the "Formation Transactions"). Pursuant to the Formation Transactions, the Company will (i) acquire 100% of the interests in the Controlled Entities and the Non-controlled Entities, (ii) succeed to the ongoing construction and development businesses of AH Holding and AH Construction, (iii) assume asset management of certain of the properties acquired from the Predecessor, (iv) succeed to the third party asset management business of AH Holding, (v) succeed to the development projects in Armada Hoffler's Development Pipeline, (vi) receive options to acquire eight parcels of developable land from Armada Hoffler and (vii) enter into a purchase agreement to acquire the Apprentice School Apartments, a 197-unit multifamily property in Newport News, VA currently under construction. The Company's acquisition of the Apprentice School Apartments is contingent upon satisfaction of certain conditions and transferability restrictions, including completion of construction by AH Construction. The Company intends to elect to be taxed and to operate in a manner that will allow it to qualify as a real estate investment trust for federal income tax purposes commencing with the taxable year ending December 31, 2013.

2. Summary of Significant Accounting Policies

Principles of Combination

The accompanying combined financial statements were prepared in accordance with accounting principles generally accepted in the United States ("GAAP"). The financial position and results of operations of the entities comprising the Predecessor have been combined because they are under the common control of Mr. Hoffler and under the common management by Armada Hoffler. All significant intercompany transactions and balances have been eliminated in combination.

Use of Estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities as of the balance sheet date as well as the reported amounts of revenues and expenses during the period. Such estimates are based on management's best judgment, after considering past, current and expected events and economic conditions. Actual results could differ from management's estimates.

Revenue Recognition

Rental Revenues

Armada Hoffler leases its properties under operating leases and recognizes base rents when earned on a straight-line basis over the lease term. Armada Hoffler begins recognizing rental revenue when the tenant has the right to take possession of or controls the physical use of the property under lease. Armada Hoffler recognizes contingent rental revenue (e.g., percentage rents based on tenant sales) when changes in the factors on which the contingent lease payments are based actually occur. Armada Hoffler recognizes lease incentives as reductions to rental revenue on a straight-line basis over the

lease term. Armada Hoffler recognizes cost reimbursement revenue for real estate taxes, operating expenses and common area maintenance costs on an accrual basis during the periods in which the expenses are incurred. Armada Hoffler recognizes lease termination fees either upon termination or evenly over any remaining lease term.

General Contracting and Real Estate Services Revenues
Armada Hoffler recognizes general contracting revenue on construction contracts using the percentage-of-completion method. Using this method, Armada Hoffler recognizes revenue and an estimated profit as construction contract costs are incurred based on the proportion of incurred costs to total estimated costs of completing the contract. Construction contract costs include all direct material, labor and subcontract costs as well as any indirect costs related to contract performance. Provisions for estimated losses on uncompleted contracts are recognized immediately in the period in which such losses are determined. Changes in job performance, job conditions and estimated profitability, including those arising from contract penalty provisions and final contract settlements, may result in revisions to costs and income and are recognized in the period in which they are determined. Profit incentives are included in revenues when their realization is probable and when they can be reasonably estimated.

Armada Hoffler recognizes revenue from property development and management services when realized and earned, generally as such real estate services are provided.

Real Estate Investments
Income producing property primarily includes land, buildings and tenant improvements and is stated at cost. Real estate investments held for development include land and capitalized development costs. Armada Hoffler reclassifies real estate investments held for development to construction in progress upon commencement of construction. Construction in progress is stated at cost. Direct and certain indirect costs clearly associated with the development, construction, leasing or expansion of real estate assets are capitalized as a cost of the property. Armada Hoffler capitalizes direct and indirect project costs associated with the initial construction of a property until the property is substantially complete and ready for its intended use. Capitalized project costs include real estate taxes, insurance, utilities, ground rent and interest on borrowing obligations. Interest capitalized during the years ended December 31, 2012 and 2011 was not significant. Interest capitalized during the year ended December 31, 2010 was $0.4 million. Indirect project costs include construction administration, legal fees and other office costs clearly related to real estate projects. Indirect costs capitalized during the years ended December 31, 2012, 2011 and 2010 were $0.4 million, $1.3 million and $1.1 million, respectively. Costs attributable to unsuccessful projects are expensed.

Armada Hoffler recognizes real estate development grants from state and local governments as reductions to the carrying amounts of the related real estate investments when any attached conditions are satisfied and when there is reasonable assurance that the grant will be received.

Depreciation on buildings is generally provided on a straight-line basis over 39 years. Tenant improvements are depreciated over the shorter of their estimated useful lives or the term of the related lease. Repairs and maintenance costs are expensed as incurred.

Impairment of Long Lived Assets
Armada Hoffler evaluates its real estate assets for impairment on a property by property basis whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. If such an evaluation is necessary, Armada Hoffler compares the carrying amount of any such real estate asset with the undiscounted expected future cash flows that are directly associated with, and that are expected to arise as a direct result of, its use and eventual disposition. If the carrying amount of a real estate asset exceeds the associated estimate of undiscounted expected future cash flows, an impairment loss is recognized to reduce the real estate asset's carrying value to its fair value.

Real estate assets classified as held for sale are reported at the lower of their carrying value or their fair value, less estimated costs to sell. Once a property is designated as held for sale, it is no longer depreciated. A property is classified as held for sale when (i) senior management commits to a plan to sell the property, (ii) the sale is expected to be completed within one year under terms usual and customary for such sales and (iii) actions required to complete the plan indicate that it is unlikely that significant changes to the plan will be made or that the plan will be withdrawn.

Cash and Cash Equivalents

Cash and cash equivalents include demand deposits, investments in money market funds and investments with an original maturity of three months or less.

Restricted Cash

Restricted cash represents amounts held by lenders for real estate taxes, insurance and reserves for capital improvements. Armada Hoffler presents changes in cash restricted for real estate taxes and insurance as operating activities in the combined statements of cash flows. Armada Hoffler presents changes in cash restricted for capital improvements as investing activities in the combined statements of cash flows.

Accounts Receivable, net

Accounts receivable include amounts from tenants for base rents, contingent rents and cost reimbursements as well as accrued straight-line rental revenue.

Armada Hoffler's evaluation of the collectability of accounts receivable and the adequacy of the allowance for doubtful accounts is based primarily upon evaluations of individual receivables, current economic conditions, historical experience and other relevant factors. Armada Hoffler establishes reserves for tenant receivables outstanding over 90 days. For all such tenants, Armada Hoffler also reserves any related accrued straight-line rental revenue. Additional reserves are recorded for more current amounts, as applicable, when Armada Hoffler has determined collectability to be doubtful. Armada Hoffler presents bad debt expense within rental expenses in the combined statements of operations. The extended collection period for accrued straight-line rental revenue along with Armada Hoffler's evaluation of tenant credit risk may result in the nonrecognition of all or a portion of straight-line rental revenue until the collection of such revenue is reasonably assured.

Construction Contract Billing

Construction contract costs and estimated earnings in excess of billings represent reimbursable costs and amounts earned under contracts in progress as of the balance sheet date. Such amounts become billable according to contract terms, which usually consider the passage of time, achievement of certain milestones or completion of the project.

Billings in excess of construction contract costs represent billings or collections on contracts made in advance of revenue recognized.

Construction receivables and payables include retentions—amounts that are generally withheld until the completion of the contract or the satisfaction of certain restrictive conditions such as fulfillment guarantees.

Deferred Leasing Costs

Commissions paid by Armada Hoffler to third parties to originate a lease are deferred and amortized as depreciation and amortization expense on a straight-line basis over the term of the related lease. Deferred leasing costs are presented within other assets in the combined balance sheets.

ARMADA HOFFLER PROPERTIES, INC. PREDECESSOR
Notes To Combined Financial Statements

Lease Incentives
Incentives paid by Armada Hoffler to tenants are deferred and amortized as reductions to rental revenues on a straight-line basis over the term of the related lease. Lease incentives are presented within other assets in the combined balance sheets.

Debt Issuance Costs
Financing costs are deferred and amortized as interest expense using the effective interest method over the term of the related debt. Debt issuance costs are presented within other assets in the combined balance sheets.

Derivative Financial Instruments
Armada Hoffler recognizes derivative financial instruments in the combined balance sheets at fair value. Presentation of gains (losses) resulting from changes in the fair value of derivatives depend on their designation and qualification for hedge accounting. Armada Hoffler has not designated any of its derivative instruments as hedges for accounting purposes. As a result, changes in the fair value of derivatives are recognized currently within other income (expense) in the combined statements of operations.

Income Taxes
The Predecessor is comprised primarily of limited partnerships and limited liability companies. AH Holding and the entities comprising AH Construction are organized as S-corporations. Under applicable federal and state income tax rules, the allocated share of net income or loss from the limited partnerships, limited liability companies and S-corporations flows through to the respective partners, members and shareholders.

Segment Information
Segment information is prepared on the same basis that management of Armada Hoffler reviews information for operational decision-making purposes. Management evaluates the performance of each of Armada Hoffler's properties individually and aggregates such properties into segments based on their economic characteristics and classes of tenants. Armada Hoffler operates in four business segments (i) office real estate, (ii) retail real estate, (iii) multifamily residential real estate and (iv) general contracting and real estate services.

Reclassifications
Certain prior period amounts have been reclassified in the combined statements of cash flows to conform to the current year presentation. Development of real estate investments and second generation tenant and building improvements are now presented separately within investing activities.

Recently Adopted Accounting Pronouncements
In May 2011, the Financial Accounting Standards Board (the "FASB") issued guidance that clarified the application of certain existing fair value measurement guidance and expanded the disclosures for fair value measurements that are estimated using significant unobservable (Level 3) inputs. The guidance was effective for Armada Hoffler on January 1, 2012. The new guidance did not have a significant impact on Armada Hoffler's financial position, results of operations or cash flows.

Pursuant to the Jumpstart Our Business Startups Act (the "JOBS Act"), the Company will qualify as an emerging growth company but can elect to opt out of the extended transition period for any new or revised accounting standards that may be issued by the FASB or the Securities and Exchange Commission (the "SEC"). The Company has elected to opt out of such extended transition period. This election is irrevocable.

ARMADA HOFFLER PROPERTIES, INC. PREDECESSOR
Notes To Combined Financial Statements

3. REAL ESTATE INVESTMENTS

Armada Hoffler's real estate investments comprised the following as of December 31, 2012 and 2011 (in thousands):

	December 31,	
	2012	2011
Land	$ 24,511	$ 24,511
Land improvements	11,543	7,948
Buildings and improvements	316,596	314,789
Development costs	2,090	—
Construction in progress	—	2,685
	354,740	349,933
Accumulated depreciation	(92,454)	(80,923)
Net real estate investments	$262,286	$269,010

As of December 31, 2012 and 2011, land includes $1.8 million related to the Main Street development properties.

4. RENTAL REVENUES

Armada Hoffler's rental revenues for the three years ended December 31, 2012 comprised the following (in thousands):

	Year ended December 31,		
	2012	2011	2010
Base rents	$48,113	$46,916	$42,296
Percentage rents	333	397	309
Other	5,990	5,265	5,242
Rental revenues	$54,436	$52,578	$47,847

Base rents include $2.2 million, $2.4 million and $3.2 million of straight-line revenue recognition for the years ended December 31, 2012, 2011 and 2010, respectively. Minimum rents also include $(0.8) million, $(0.7) million and $(0.5) million of lease incentive amortization for the years ended December 31, 2012, 2011 and 2010, respectively.

Percentage rents are based on tenants' sales.

Other rental revenue includes cost reimbursements for real estate taxes, property insurance and common area maintenance as well as termination fees.

ARMADA HOFFLER PROPERTIES, INC. PREDECESSOR
Notes To Combined Financial Statements

5. OPERATING LEASES

Armada Hoffler's commercial tenant leases generally range from five to 20 years; certain leases with anchor tenants may be longer. Armada Hoffler's commercial tenant leases provide for minimum rental income during each of the next five years and thereafter as follows (in thousands):

2013	$ 40,805
2014	38,971
2015	35,341
2016	33,088
2017	30,341
Thereafter	174,951
Total	$353,497

Lease terms on multifamily apartment units generally range from seven to 15 months, with a majority having 12-month lease terms. Apartment leases are not included in the preceding table as the remaining terms as of December 31, 2012 are generally less than one year.

6. ACCOUNTS RECEIVABLE

Accounts receivable comprised the following as of December 31, 2012 and 2011 (in thousands):

	December 31,	
	2012	2011
Accrued straight-line rental revenue	$16,579	$14,547
Tenant accounts receivable	997	851
Allowance for doubtful accounts	(153)	(168)
Accounts receivable	$17,423	$15,230

7. CONSTRUCTION CONTRACT BILLING

Armada Hoffler's net position on uncompleted construction contracts comprised the following as of December 31, 2012 and 2011 (in thousands):

	December 31,	
	2012	2011
Costs incurred on uncompleted contracts	$ 542,994	$ 545,933
Estimated earnings	22,526	24,467
Billings	(568,550)	(572,992)
Net position	$ (3,030)	$ (2,592)

	December 31,	
	2012	2011
Construction contract costs and estimated earnings in excess of billings	$ 1,206	$ 858
Billings in excess of construction contract costs and estimated earnings	(4,236)	(3,450)
Net position	$ (3,030)	$ (2,592)

As of December 31, 2012 and 2011, construction receivables included retentions of $3.0 million and $3.1 million, respectively.

8. DISCONTINUED OPERATIONS

Armada Hoffler presents held for sale properties as discontinued operations only when Armada Hoffler will not have any significant continuing involvement in the properties' operations after their disposition and when the properties' operations and cash flows (i) can be clearly distinguished and (ii) will be eliminated from Armada Hoffler's ongoing operations upon disposition.

Armada Hoffler presented the held for sale Studio 56 Retail residential condominium units as discontinued operations during the three years ended December 31, 2012. Net sale proceeds during the years ended December 31, 2012, 2011 and 2010 were $0.5 million, $2.5 million and $0.5 million, respectively. Armada Hoffler sold the last Studio 56 Retail residential condominium unit during the year ended December 31, 2012. Armada Hoffler currently has no plans to develop and sell residential condominium units.

Debt related to assets held for sale of $1.2 million as of December 31, 2010 was repaid during 2011.

ARMADA HOFFLER PROPERTIES, INC. PREDECESSOR
Notes To Combined Financial Statements

9. INDEBTEDNESS

Armada Hoffler's indebtedness comprised the following as of December 31, 2012 and 2011 (dollars in thousands):

	Principal Balance December 31,		Stated Interest Rate	Stated Maturity Date
			December 31,	
Secured Debt	**2012**	**2011**	**2012**	**2012**
Armada Hoffler Tower	$ 39,240	$ 40,040	6.320%	October 1, 2013
Richmond Tower	47,023	48,018	LIBOR + 2.75%	December 19, 2014
One Columbus	14,095	14,361	5.310%	December 11, 2014
Two Columbus[1]	18,854	19,537	LIBOR + 2.50%	July 5, 2015
Oyster Point	6,648	6,819	5.411%	December 1, 2015
Virginia Natural Gas[2]	5,524	5,661	LIBOR + 2.50%	April 5, 2017
Sentara Williamsburg[3]	10,997	11,185	LIBOR + 1.65%	June 3, 2013
249 Central Park Retail[4]	16,086	16,317	5.987%	September 8, 2016
South Retail	7,097	7,200	5.985%	September 8, 2016
Studio 56 Retail	2,760	2,321	3.750%	May 7, 2015
Commerce Street Retail	6,800	6,720	LIBOR + 3.00%	August 18, 2014
Fountain Plaza Retail[4]	8,043	8,163	5.987%	September 8, 2016
Dick's at Town Center	8,413	10,231	LIBOR + 2.75%	October 31, 2017
Broad Creek Shopping Center				
Note 1	4,553	4,600	LIBOR + 3.00%	November 29, 2014
Note 2[5]	8,360	8,293	LIBOR + 2.75%	December 7, 2016
Note 3[5]	3,500	3,444	LIBOR + 2.75%	December 7, 2016
North Point Center				
Note 1	10,478	10,627	6.450%	February 5, 2019
Note 2	2,910	2,983	7.250%	September 15, 2025
Note 3[6]	9,356	10,107	LIBOR + 2.85%	May 31, 2015
Note 4	1,053	1,075	5.590%	December 1, 2014
Note 5[7]	724	742	LIBOR + 2.00%	February 1, 2017
Hanbury Village				
Note 1	21,666	21,700	6.670%	October 11, 2017
Note 2	4,332	4,376	LIBOR + 2.75%	February 28, 2015
Gainsborough Square	9,771	9,890	LIBOR + 3.00%	December 28, 2013
Parkway Marketplace	5,747	3,966	4.250%	October 1, 2018
Harrisonburg Regal	4,015	4,177	6.060%	June 8, 2017
Courthouse 7-Eleven				
Note 1	1,505	1,472	LIBOR + 3.00%	August 19, 2016
Note 2	1,739	1,739	LIBOR + 3.00%	August 19, 2013
Tyre Neck Harris Teeter	2,650	1,983	LIBOR + 2.75%	June 10, 2014
The Cosmopolitan	48,291	48,839	3.750%	July 1, 2051
Main Street Land[2]	2,208	2,333	LIBOR + 2.50%	January 5, 2013
	$334,438	$338,919		
Participating Note				
Oyster Point Participation Loan[8]	$ 643	$ 643		
Indebtedness	$335,081	$339,562		

(1) Monthly payments are fixed at $101,626.

(2) Interest rate has a floor of 4.00%.

(3) Armada Hoffler entered into a pay fixed swap at a rate of 5.66%.

(4) Cross collateralized.

(5) Cross collateralized.

(6) Armada Hoffler entered into a LIBOR interest rate cap at a rate of 1.09%.

(7) Armada Hoffler entered into an interest rate swap lock at a rate of 3.57%.

(8) Entered into on January 4, 1996 with no stated maturity in the amount of $1.6 million. Interest accrues at a rate of the greater of 10% or fifty percent of the cash flow of the operating real estate.

Armada Hoffler's indebtedness comprised the following fixed-rate, variable-rate and participating notes as of December 31, 2012 and 2011 (in thousands):

	December 31,	
	2012	2011
Fixed-rate secured debt	$188,129	$204,667
Variable-rate secured debt	146,309	134,252
Participating note	643	643
Indebtedness	$335,081	$339,562

Certain loans require Armada Hoffler to comply with various financial and other covenants, including the maintenance of minimum debt coverage ratios. As of December 31, 2012 and 2011, Armada Hoffler was in compliance with all loan covenants except for a financial covenant default on the Two Columbus loan, which the lender has waived until December 31, 2013.

Scheduled principal repayments and term-loan maturities during each of the next five years and thereafter are as follows (in thousands):

Year	Scheduled Principal Payments	Term-Loan Maturities	Total Payments
2013	$ 6,266	$ 63,128	$ 69,394
2014	5,451	72,495	77,946
2015	3,244	38,781	42,025
2016	2,478	41,956	44,434
2017	6,469	32,194	38,663
Thereafter	46,551	15,425	61,976
Total	$ 70,459	$ 263,979	$ 334,438

As of December 31, 2012 and 2011, Armada Hoffler had a $3.0 million revolving working capital line of credit secured by accounts receivable on certain construction contracts. Interest is due monthly at prime and the line expires on May 31, 2013. There was no outstanding balance on the working capital line of credit as of December 31, 2012 or 2011.

On June 10, 2011, Armada Hoffler closed on a $2.7 million construction loan to fund the Tyre Neck Harris Teeter project. The construction loan bears interest at LIBOR plus 2.75% and matures on June 10, 2014.

On June 28, 2011, Armada Hoffler refinanced the existing loan on The Cosmopolitan with a new $49.0 million loan that bears interest at 3.75% and matures on July 1, 2051. Armada Hoffler accounted for this refinancing as a debt extinguishment and recognized a $3.4 million loss consisting of a $2.3 million prepayment penalty and the write-off of $1.1 million of unamortized debt issuance costs.

On August 18, 2011, Armada Hoffler modified the Commerce Street Retail loan to increase the loan commitment to $6.8 million. The modified loan bears interest at LIBOR plus 3.00% and matures on August 18, 2014.

On November 29, 2011, Armada Hoffler refinanced the existing Broad Creek Shopping Center Note 1 with a new $4.6 million loan that bears interest at LIBOR plus 3.00% and matures on November 29, 2014.

On November 29, 2011, Armada Hoffler modified the Hanbury Village Note 2 to increase the loan amount to $4.4 million, lower the interest rate to LIBOR plus 2.75% and extend the term to February 28, 2015.

On February 13, 2012, Armada Hoffler modified the North Point Center Note 5 to lower the interest rate to LIBOR plus 2.00% and extend the term to February 1, 2017. In conjunction with this note, Armada Hoffler entered into an interest rate swap lock at a rate of 3.57%.

On May 7, 2012, Armada Hoffler refinanced the existing Studio 56 Retail loan with a new $2.9 million loan that bears interest at 3.75% and matures on May 7, 2015.

On May 31, 2012, Armada Hoffler refinanced the existing North Point Note 3 with a new $9.5 million loan that bears interest at LIBOR plus 2.85% and matures on May 31, 2015. In conjunction with this note, Armada Hoffler entered into a LIBOR interest rate cap of 1.09%.

On September 27, 2012, Armada Hoffler refinanced the existing Parkway Marketplace loan with a new $5.8 million loan that bears interest at 4.25% and matures on October 1, 2018.

On October 31, 2012, Armada Hoffler modified the Dick's at Town Center loan to extend the term to October 31, 2017.

On December 7, 2012, Armada Hoffler refinanced the existing Broad Creek Note 2 with a new $11.1 million loan that bears interest at LIBOR plus 2.75% and matures on December 7, 2016. As of December 31, 2012 only $8.4 million was outstanding under the new Broad Creek Note 2.

On December 7, 2012, Armada Hoffler refinanced the existing Broad Creek Note 3 with a new $3.5 million loan that bears interest at LIBOR plus 2.75% and matures on December 7, 2016.

Subsequent to December 31, 2012:

On January 3, 2013, Armada Hoffler modified the Main Street Land loan to extend the term to April 3, 2013.

On January 16, 2013, Armada Hoffler modified the Virginia Natural Gas loan to lower the interest rate floor to 3.00%.

On February 19, 2013, Armada Hoffler modified the Gainsborough Square loan to extend the term to January 28, 2014.

10. DERIVATIVE FINANCIAL INSTRUMENTS

Armada Hoffler may enter into interest rate derivatives to manage exposure to interest rate risks. Armada Hoffler does not use derivative financial instruments for trading or speculative purposes and has not designated any of its derivatives as hedges for accounting purposes.

ARMADA HOFFLER PROPERTIES, INC. PREDECESSOR
Notes To Combined Financial Statements

Armada Hoffler's derivatives comprised the following as of December 31, 2012 and 2011 (in thousands):

	December 31,					
	2012			2011		
	Notional Amount	Fair Value		Notional Amount	Fair Value	
		Gain	Loss		Gain	Loss
Pay fixed interest rate swaps	$ 11,721	$—	$(239)	$ 23,361	$—	$(684)
Interest rate cap	9,356	9	—	—	—	—
Total	$ 21,077	$ 9	$(239)	$ 23,361	$—	$(684)

	Gain (Loss) Year Ended December 31,		
	2012	2011	2010
Pay fixed interest rate swaps	$445	$436	$ (23)
Interest rate cap	(37)	—	—
Other income (expense)	$408	$436	$ (23)

11. EMPLOYEE BENEFIT PLANS

Armada Hoffler has a deferred compensation plan for certain key employees pursuant to which Armada Hoffler has purchased whole life insurance policies. Armada Hoffler has agreed to fund these policies for all such covered employees who must fulfill an employment obligation based on years of service in order to become vested in the plan. As of December 31, 2012 and 2011, Armada Hoffler's deferred compensation liability was $1.2 million and $1.0 million, respectively. The cash surrender value of life insurance policies was $1.2 million and $1.0 million as of December 31, 2012 and 2011, respectively.

Armada Hoffler has a defined contribution 401(k) plan covering almost all employees. Under the 401(k) plan, participants may make voluntary contributions up to the maximum allowed by law. Armada Hoffler may make discretionary matching contributions based on a percentage of the employees' contributions. Discretionary matching contributions were not significant for any of the three years ended December 31, 2012.

12. FAIR VALUE OF FINANCIAL INSTRUMENTS

Fair value measurements are based on assumptions that market participants would use in pricing an asset or a liability. The hierarchy for inputs used in measuring fair value is as follows:

Level 1 Inputs—quoted prices in active markets for identical assets or liabilities

Level 2 Inputs—observable inputs other than quoted prices in active markets for identical assets and liabilities

Level 3 Inputs—unobservable inputs

Except as disclosed below, the carrying amounts of Armada Hoffler's financial instruments approximate their fair value. Financial assets and liabilities whose fair values are measured on a recurring basis using Level 2 inputs, consist of interest rate swaps, an interest rate cap, the cash surrender value of life insurance and deferred compensation. Armada Hoffler measures the fair values of these assets and liabilities based on prices provided by independent market participants that are based on observable inputs using market-based valuation techniques.

In certain cases, the inputs used to measure fair value may fall into different levels of the fair value hierarchy. For disclosure purposes, fair value measurements are categorized based on the lowest level input that is significant to the fair value measurement.

The fair value of Armada Hoffler's secured debt is sensitive to fluctuations in interest rates. Discounted cash flow analysis based on Level 2 inputs is generally used to estimate the fair value of Armada Hoffler's secured debt.

Considerable judgment is used to estimate the fair value of financial instruments. The estimates of fair value presented herein are not necessarily indicative of the amounts that could be realized upon disposition of the financial instruments.

The carrying amounts and fair values of our financial instruments, all of which are based on Level 2 inputs, as of December 31, 2012 and 2011, were as follows (in thousands):

	December 31,			
	2012		2011	
	Carrying Value	Fair Value	Carrying Value	Fair Value
Secured debt	$334,438	$339,623	$338,919	$349,050
Participating note	643	643	643	643
Interest rate swap liabilities	239	239	684	684
Interest rate cap asset	9	9	—	—
Cash surrender value of life insurance	1,196	1,196	1,017	1,017
Deferred compensation liability	1,249	1,249	1,066	1,066

13. OTHER ASSETS

Other assets comprised the following as of December 31, 2012 and 2011 (in thousands):

	December 31,	
	2012	2011
Deferred leasing costs, net	$ 8,004	$ 8,562
Lease incentives, net	5,763	6,043
Debt issuance costs, net	1,951	1,635
Offering costs	3,294	—
Cash surrender value of life insurance	1,196	1,017
Prepaid assets and other receivables	1,356	1,851
Other assets	$21,564	$19,108

Offering costs represent specific incremental costs directly attributable to the IPO. If the IPO is aborted, these and any future deferred IPO costs will be expensed by Armada Hoffler.

14. INVESTMENTS IN REAL ESTATE JOINT VENTURES

As of December 31, 2012 and 2011, Armada Hoffler held indirect non-controlling investments in real estate joint ventures that own the following properties:

Property	Type	Location	Ownership %
Bermuda Crossroads	Retail	Chester, VA	50.0%
Smith's Landing	Multifamily	Blacksburg, VA	40.0%

Armada Hoffler's indirect ownership interests in both Bermuda Crossroads and Smith's Landing do not provide control over these entities; however, they do provide significant influence. As a result, Armada Hoffler accounts for these investments under the equity method of accounting.

As of December 31, 2012 and 2011, the carrying amount of Armada Hoffler's investment in Bermuda Crossroads was not significant. Income from Bermuda Crossroads for the year ended December 31, 2012 was not significant. Income from Bermuda Crossroads for both the years ended December 31, 2011 and 2010 was $0.2 million. Income from Bermuda Crossroads represents distributions received in excess of the carrying amount of Armada Hoffler's investment.

Liabilities for cumulative distributions in excess of cumulative investments in and earnings from equity method investees are only recognized to the extent that Armada Hoffler has guaranteed obligations of the investee. Armada Hoffler has guaranteed certain obligations of Smith's Landing and, as a result, the carrying amount of Armada Hoffler's investment in Smith's Landing was $(0.7) million and $(0.6) million as of December 31, 2012 and 2011, respectively. These amounts are presented within other liabilities in the combined balance sheets. Equity in the earnings (losses) of Smith's Landing for the years ended December 31, 2012, 2011 and 2010 were $0.2 million, $0.1 million and $(0.1) million, respectively.

15. OTHER LIABILITIES

Other liabilities comprised the following as of December 31, 2012 and 2011 (in thousands):

	December 31,	
	2012	2011
Deferred ground rent payable	$ 6,111	$5,773
Deferred compensation	1,249	1,066
Interest rate swap liability	239	684
Other installment notes	496	575
Security deposits	469	468
Prepaid rent and other	1,829	1,296
Other liabilities	$10,393	$9,862

16. RELATED PARTY TRANSACTIONS

Armada Hoffler provides general contracting and real estate services to certain affiliated entities that are not included in these combined financial statements.

Revenue from construction contracts with affiliated entities of Armada Hoffler was $17.4 million, $0 million and $7.9 million for the years ended December 31, 2012, 2011 and 2010, respectively. Fees from such contracts were $1.2 million, $0 million and $0.4 million for the years ended December 31, 2012, 2011 and 2010, respectively.

Real estate services fees from affiliated entities of Armada Hoffler were not significant for any of the three years ended December 31, 2012. In addition, affiliated entities also reimburse Armada Hoffler for monthly maintenance and facilities management services provided to the properties. Cost reimbursements earned by Armada Hoffler from affiliated entities were not significant for any of the three years ended December 31, 2012.

Certain owners of Armada Hoffler, including Mr. Hoffler, have guaranteed approximately $154.8 million and $134.3 million of Armada Hoffler's indebtedness as of December 31, 2012 and 2011, respectively.

Capital contributions from the owners of Armada Hoffler, including Mr. Hoffler, are presented as contributions in the combined statements of equity. Distributions to the owners of Armada Hoffler are presented as distributions in the combined statements of equity. Distributions payable to the owners of Armada Hoffler of $0.5 million and $0.8 million are presented within due to affiliates in the combined balance sheets as of December 31, 2012 and 2011, respectively.

An affiliated entity of Armada Hoffler supplies letters of credit on behalf of AH Construction.

17. COMMITMENTS AND CONTINGENCIES

Legal Proceedings
From time to time Armada Hoffler is involved in various disputes, lawsuits, warranty claims, environmental and other matters arising in the ordinary course of business. Management makes assumptions and estimates concerning the likelihood and amount of any potential loss relating to these matters.

Armada Hoffler currently is a party to various legal proceedings none of which management expects will have a material adverse effect on Armada Hoffler's financial position, results of operations or liquidity. Armada Hoffler accrues a liability for litigation if an unfavorable outcome is determined by management to be probable and the amount of loss can be reasonably estimated. If an unfavorable outcome is determined by management to be probable and a range of loss can be reasonably estimated, Armada Hoffler accrues the best estimate within the range; however, if no amount within the range is a better estimate than any other, the minimum amount within the range is accrued. Legal fees related to litigation are expensed as incurred. Armada Hoffler does not believe that the ultimate outcome of these matters, either individually or in the aggregate, could have a material adverse effect on its financial position or results of operations; however, litigation is subject to inherent uncertainties.

Under Armada Hoffler's leases, tenants are typically obligated to indemnify Armada Hoffler from and against all liabilities, costs and expenses imposed upon or asserted against it as owner of the properties due to certain matters relating to the operation of the properties by the tenant.

Commitments
AH Construction has obtained a bonding line of credit and is contingently liable under performance and payment bonds, bonds for cancellation of mechanics liens and defect bonds. Such bonds aggregated approximately $34.0 million and $17.0 million as of December 31, 2012 and 2011, respectively.

Armada Hoffler has three ground leases on two properties with initial terms that range from twenty to fifty years and options to extend up to an additional 40 years in certain cases. Armada Hoffler also leases automobiles and equipment.

Future minimum rental payments during each of the next five years and thereafter are as follows (in thousands):

2013	$ 1,394
2014	1,413
2015	1,344
2016	1,299
2017	1,318
Thereafter	50,068
Total	$56,836

Ground rent expense for the years ended December 31, 2012, 2011 and 2010 was $1.5 million, $1.3 million and $1.3 million, respectively.

Concentrations of Credit Risk
The majority of Armada Hoffler's income producing properties are located in Hampton Roads, VA, which exposes Armada Hoffler to greater economic risks than if it owned a more geographically diverse real estate portfolio. During the years ended December 31, 2012, 2011 and 2010, rental revenues from Hampton Roads properties represented approximately 75%, 76% and 81% of Armada Hoffler's rental revenues, respectively.

A single tenant represents more than 10% of rental revenues for each of the three years ended December 31, 2012. Williams Mullen, a prominent Mid-Atlantic law firm, leases office space at both Richmond Tower and Armada Hoffler Tower. Base rents from Williams Mullen represented approximately 17%, 17% and 12% of Armada Hoffler's rental revenues during the years ended December 31, 2012, 2011 and 2010, respectively.

As of December 31, 2012 and 2011, Armada Hoffler Tower, Richmond Tower and The Cosmopolitan each individually represented more than 10% of Armada Hoffler's total assets.

Construction contracts with two customers represented approximately 37%, 83% and 81% of Armada Hoffler's general contracting and real estate services revenues for the years ended December 31, 2012, 2011 and 2010, respectively. These same two customers also collectively accounted for approximately 18% and 65% of construction receivables as of December 31, 2012 and 2011, respectively.

18. SEGMENTS

Segment information is prepared on the same basis that Armada Hoffler's management reviews information for operational decision making purposes. Management evaluates the performance of each of Armada Hoffler's properties individually and aggregates such properties into segments based on their economic characteristics and classes of tenants. Armada Hoffler operates in four business segments (i) office real estate, (ii) retail real estate, (iii) multifamily residential real estate and (iv) general contracting and real estate services. Armada Hoffler's office properties provide office space for various types of businesses and professions. Armada Hoffler's retail properties are a diverse mix of (i) retail shopping centers typically anchored by large, nationally recognized tenants, (ii) retail centers located in the Virginia Beach Town Center and (iii) single-tenant properties. Armada Hoffler's multifamily residential property provides rental housing for families in Virginia Beach, VA. Armada Hoffler's general contracting and real estate services business develops and builds properties for its own account and also provides construction and development services to related parties and third-party clients.

Net operating income (segment revenues minus segment expenses) is the measure used by Armada Hoffler's chief operating decision-maker to assess segment performance. Net operating income is not a measure of operating income or cash flows from operating activities as measured by GAAP and is not indicative of cash available to fund cash needs. As a result, net operating income should not be considered an alternative to cash flows as a measure of liquidity. Not all companies calculate net operating income in the same manner. Armada Hoffler considers net operating income to be an appropriate supplemental measure to net income because it assists both investors and management in understanding the core operations of Armada Hoffler's real estate and construction businesses.

ARMADA HOFFLER PROPERTIES, INC. PREDECESSOR
Notes To Combined Financial Statements

Net operating income of Armada Hoffler's reportable segments for the three years ended December 31, 2012 was as follows (in thousands):

	Years Ended December 31,		
	2012	2011	2010
Office real estate			
Rental revenues	$ 25,815	$ 24,680	$ 20,501
Property expenses	(7,668)	(8,001)	(6,826)
Segment net operating income	18,147	16,679	13,675
Retail real estate			
Rental revenues	21,164	20,105	20,335
Property expenses	(6,629)	(5,779)	(6,012)
Segment net operating income	14,535	14,326	14,323
Multifamily residential real estate			
Rental revenues	7,457	7,793	7,011
Property expenses	(3,176)	(3,498)	(3,283)
Segment net operating income	4,281	4,295	3,728
General contracting and real estate services			
Segment revenues	54,046	77,602	87,279
Segment expenses	(50,103)	(72,138)	(82,127)
Segment net operating income	3,943	5,464	5,152
Other	(74)	(71)	(76)
Net operating income	$ 40,832	$ 40,693	$ 36,802

The following table reconciles net operating income to net income for the three years ended December 31, 2012 (in thousands):

	Years Ended December 31,		
	2012	2011	2010
Net operating income	$ 40,832	$ 40,693	$ 36,802
Depreciation and amortization	(12,909)	(12,994)	(12,158)
General and administrative expenses	(3,232)	(3,728)	(2,523)
Interest expense	(16,561)	(18,134)	(18,208)
Loss on extinguishment of debt	—	(3,448)	—
Other income	777	258	168
Loss from discontinued operations	(10)	(381)	(337)
Net income	$ 8,897	$ 2,266	$ 3,744

General and administrative expenses represent costs not directly associated with the operation and management of Armada Hoffler's real estate properties. General and administrative expenses include office personnel salaries and benefits, bank fees, accounting fees and other office expenses.

Rental revenues of Armada Hoffler's reportable segments for the three years ended December 31, 2012 comprised the following (in thousands):

	Years Ended December 31,		
	2012	2011	2010
Minimum rents			
Office	$24,101	$23,324	$19,014
Retail	17,753	16,930	17,065
Multifamily	6,259	6,662	6,217
Percentage rents			
Office	109	107	108
Retail	121	129	110
Multifamily	103	161	91
Other			
Office	1,605	1,249	1,379
Retail	3,290	3,046	3,160
Multifamily	1,095	970	703
Rental revenues	$54,436	$52,578	$47,847

Property expenses of Armada Hoffler's reportable segments for the three years ended December 31, 2012 comprised the following (in thousands):

	Years Ended December 31,		
	2012	2011	2010
Rental expenses			
Office	$ 5,499	$ 5,849	$ 5,051
Retail	4,791	3,940	4,157
Multifamily	2,383	2,771	2,513
Other	9	8	13
Total	$12,682	$12,568	$11,734
Real estate taxes			
Office	$ 2,169	$ 2,152	$ 1,775
Retail	1,838	1,839	1,855
Multifamily	793	727	770
Other	65	63	63
Total	$ 4,865	$ 4,781	$ 4,463
Property expenses	$17,547	$17,349	$16,197

Rental expenses represent costs directly associated with the operation and management of Armada Hoffler's real estate properties. Rental expenses include asset management fees, property management fees, repairs and maintenance, insurance and utilities.

19. SUBSEQUENT EVENTS

In January 2013 Armada Hoffler began construction on the Main Street Office Tower and Main Street Apartments. Armada Hoffler expects to complete construction in July 2014.

As disclosed in Note 9, Armada Hoffler modified three existing loan agreements subsequent to December 31, 2012.

ARMADA HOFFLER PROPERTIES, INC. PREDECESSOR
SCHEDULE III—Combined Real Estate Owned And Accumulated Depreciation
December 31, 2012

(In thousands)

	Encumbrances as of December 31, 2012	Initial Cost		Land Improvements	Cost Capitalized Subsequent to Acquisition	Gross Carrying Amount as of December 31, 2012				Accumulated Depreciation as of December 31, 2012	Year Built	Life on which depreciation in latest income statement is computed
		Land	Building and Improvements			Land	Building and Improvements	Held for Development	Total[1]			
Office												
Armada Hoffler Tower	$ 39,240	$ 1,976	$ —	$ —	$ 51,715	$ 1,976	$ 51,715	$ —	$ 53,691	$ 20,190	2002	39 years
Richmond Tower	47,023	3,038	—	—	45,159	3,038	45,159	—	48,197	3,922	2010	39 years
One Columbus	14,095	960	10,269	—	5,955	960	16,224	—	17,184	7,321	1984[2]	39 years
Two Columbus	18,854	53	—	—	17,504	53	17,504	—	17,557	2,632	2009	39 years
Oyster Point	6,648	57	—	614	10,473	671	10,473	—	11,144	8,090	1989	39 years
Virginia Natural Gas	5,524	590	—	—	4,579	590	4,579	—	5,169	405	2010	39 years
Sentara Williamsburg	10,997	1,371	—		10,324	1,371	10,324	—	11,695	2,228	2008	39 years
Total Office	$ 142,381	$ 8,045	$ 10,269	$ 614	$ 145,709	$ 8,659	$ 155,978	$ —	$ 164,637	$ 44,788		
Retail												
249 Central Park Retail	16,086	713	—	—	12,806	713	12,806	—	13,519	5,280	2004	39 years
South Retail	7,097	190	—	—	6,448	190	6,448	—	6,638	2,690	2002	39 years
Studio 56 Retail	2,760	76	—	—	2,295	76	2,295	—	2,371	365	2007	39 years
Commerce Street Retail	6,800	118	—	—	3,136	118	3,136	—	3,254	480	2008	39 years
Fountain Plaza Retail	8,043	425	—	—	6,883	425	6,883	—	7,308	2,026	2004	39 years
Dick's at Town Center	8,413	67	—	—	8,942	67	8,942	—	9,009	2,202	2002	39 years
Broad Creek Shopping Center	16,413	—	—	4,005	11,516	4,005	11,516	—	15,521	6,255	1997-2001	39 years
North Point Center	24,521	1,937	—	3,272	20,616	5,209	20,616	—	25,825	8,561	1998	39 years
Hanbury Village	25,998	3,793	—	—	17,995	3,793	17,995	—	21,788	3,544	2009	39 years
Gainsborough Square	9,771	2,229	—	13	6,671	2,242	6,671	—	8,913	2,296	1999	39 years
Parkway Marketplace	5,747	1,150	—	336	3,140	1,486	3,140	—	4,626	1,297	1998	39 years
Harrisonburg Regal	4,015	1,554	—	—	4,149	1,554	4,149	—	5,703	1,447	1999	39 years
Courthouse 7-Eleven	3,244	1,393	—	—	1,043	1,393	1,043	—	2,436	29	2011	39 years
Tyre Neck Harris Teeter	2,650	—	—	3,303	—	3,303	—	—	3,303	111	2011	39 years
Total Retail	$ 141,558	$ 13,645	$ —	$ 10,929	$ 105,640	$ 24,574	$ 105,640	$ —	$ 130,214	$ 36,583		
Mutifamily												
The Cosmopolitan	$ 48,291	$ 985	$ —	$ —	$ 54,978	$ 985	$ 54,978	$ —	$ 55,963	$ 11,083	2006	39 years
Total Multifamily	$ 48,291	$ 985	$ —	$ —	$ 54,978	$ 985	$ 54,978	$ —	$ 55,963	$ 11,083		
Income producing property	$ 332,230	$ 22,675	$ 10,269	$ 11,543	$ 306,327	$ 34,218	$ 316,596	$ —	$ 350,814	$ 92,454		

ARMADA HOFFLER PROPERTIES, INC. PREDECESSOR
SCHEDULE III—Combined Real Estate Owned And Accumulated Depreciation
December 31, 2012 (continued)

(In thousands)

	Encumbrances as of December 31, 2012	Initial Cost		Land Improvements	Cost Capitalized Subsequent to Acquisition	Gross Carrying Amount as of December 31, 2012				Accumulated Depreciation as of December 31, 2012	Year Built	Life on which depreciation in latest income statement is computed
		Land	Building and Improvements			Land	Building and Improvements	Held for Development	Total[1]			
Held for development												
Main Street Land	$ 2,208	$ 1,836	$ —	$ —	$ —	$ 1,836	$ —	$ —	$ 1,836	$ —	N/A	
Main Street Office Tower	—	—	—	—	750	—	—	750	750	—	N/A	
Main Street Apartments	—	—	—	—	277	—	—	277	277	—	N/A	
Jackson Street Apartments	—	—	—	—	218	—	—	218	218	—	N/A	
Sandbridge Commons	—	—	—	—	266	—	—	266	266	—	N/A	
Brooks Crossing	—	—	—	—	476	—	—	476	476	—	N/A	
Greentree Shopping Center	—	—	—	—	103	—	—	103	103	—	N/A	
Total Held for Development	$ 2,208	$ 1,836	$ —	$ —	$ 2,090	$ 1,836	$ —	$ 2,090	$ 3,926	$ —		
Total	$ 334,438	$24,511	$ 10,269	$ 11,543	$ 308,417	$36,054	$ 316,596	$ 2,090	$354,740	$ 92,454		

(1) As of December 31, 2012, total land, buildings and improvements were carried at $223.7 million for federal income tax purposes.
(2) One Columbus was acquired in 2000.

	Real Estate Investments December 31,		Accumulated Depreciation December 31,	
	2012	2011	2012	2011
Balance at beginning of the year	$349,933	$343,627	$80,923	$69,532
Construction costs and tenant improvements	4,972	7,377		
Depreciation expense			11,601	11,708
Disposals	(70)	(871)	(70)	(317)
Government development grants	(95)	(200)		
Balance at end of the year	$354,740	$349,933	$92,454	$80,923

Report of Independent Auditors

To the Stockholder
Armada Hoffler Properties, Inc.

We have audited the accompanying Statements of Revenues and Certain Operating Expenses ("Statements") of Bermuda Shopping Center, L.L.C. (the "Company") for each of the three years in the period ended December 31, 2012, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of the Statements in conformity with U.S. generally accepted accounting principles; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of the Statements that are free of material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on the Statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the Statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the Statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the Statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the Statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the Statements referred to above present fairly, in all material respects, the revenues and certain operating expenses described in Note 2 of Bermuda Shopping Center, L.L.C. for each of the three years in the period ended December 31, 2012, in conformity with U.S. generally accepted accounting principles.

Basis of Accounting

As described in Note 2 to the financial statements, the Statements have been prepared for the purpose of complying with the rules and regulations of the Securities and Exchange Commission for inclusion in the registration statement on Form S-11 of Armada Hoffler Properties, Inc., and are not intended to be a complete presentation of the Company's revenue and expenses. Our opinion is not modified with respect to this matter.

/s/ Ernst & Young LLP

Richmond, Virginia
March 25, 2013

Bermuda Shopping Center, L.L.C.
Statements of Revenues and Certain Operating Expenses

	Year Ended December 31, 2012	Year Ended December 31, 2011	Year Ended December 31, 2010
Revenues			
Rental revenues	$ 1,438,896	$ 1,512,964	$ 1,543,493
Other property revenues	235,310	258,604	298,589
Total revenues	1,674,206	1,771,568	1,842,082
Certain operating expenses			
Rental operating	64,794	69,889	106,712
Utilities	41,757	35,311	33,857
Repairs and maintenance	27,811	36,336	24,489
Insurance	24,465	23,156	22,763
Real estate taxes	168,647	151,625	151,988
Management fees	71,433	73,496	73,473
Total Expenses	398,907	389,813	413,282
Revenues in excess of certain expenses	$ 1,275,299	$ 1,381,755	$ 1,428,800

See accompanying notes.

Bermuda Shopping Center, L.L.C.
Notes to Statements of Revenues and Certain Operating Expenses
December 31, 2012

1. Organization and Description of Business

Bermuda Shopping Center, L.L.C. (the “Company”), a Virginia limited liability company, operates a retail rental property located in Chester, Virginia.

2. Summary of Significant Accounting Policies

Basis of Presentation
The accompanying statements of revenues and certain operating expenses have been prepared on the accrual basis of accounting for the purpose of complying with Rule 3-14 of Regulation S-X promulgated under the Securities Act of 1933, as amended. Accordingly, the statements are not representative of the actual results of operations for the years ended December 31, 2012, 2011, and 2010 due to the exclusion of the following expenses, which may not be comparable to the proposed future operations of the Company:

- ¡ Depreciation and amortization
- ¡ Interest expense
- ¡ Interest income

Revenue Recognition
The Company leases its properties under operating leases and recognizes base rents when earned on a straight-line basis over the lease term. The Company begins recognizing rental revenue when the tenant has the right to take possession of or controls the physical use of the property under lease. The Company recognizes contingent rental revenue (e.g., percentage rents based on tenant sales) when the changes in the factors on which the continent lease payments are based actually occur. The Company recognizes lease incentives as reductions in rental revenue on a straight-line basis over the lease term. Reimbursement revenue for real estate taxes, operating expenses and common area maintenance costs is recognized on an accrual basis over the periods in which the expenses were incurred. Lease termination fees are recognized upon termination or evenly over any remaining lease term.

3. Minimum Future Lease Rentals

At December 31, 2012, the following future minimum rentals on the non-cancelable tenant leases are as follows:

2013	$1,228,983
2014	1,092,319
2015	1,033,511
2016	974,705
2017	906,993
Thereafter	2,875,142
Total	$8,111,653

4. Certain Operating Expenses

Certain operating expenses include only those costs expected to be comparable to the proposed future operations of the Company. Repairs and maintenance expense are charged to operations as incurred. Costs such as depreciation, amortization and interest expense are excluded from the statements of revenues and certain operating expenses.

Bermuda Shopping Center, L.L.C.
Notes to Statements of Revenues and Certain Operating Expenses
December 31, 2012

5. Related Party Transactions

The Company is managed by the property management business of Compson Management, which is also a part owner of the property. In accordance with the Operating Agreement of the property, Compson Management receives a management fee of three percent (3%) of the rents collected and an asset management fee of $500 per month. These fees are expensed by the property as incurred. Compson Management is also entitled to be reimbursed by the property for maintenance and facilities management services as they are incurred.

The Compson Management fees incurred are as follows (In thousands):

	Year Ended December 31, 2012	Year Ended December 31, 2011	Year Ended December 31, 2010
Property management fees	$ 41	$ 44	$ 44
Asset management fees	6	6	6
Maintenance reimbursements	24	23	23
Total	$ 71	$ 73	$ 73

6. Concentration of Credit Risk

For the year ended December 31, 2012, two tenants accounted for approximately 45% of total rental revenue, respectively. No other individual tenant represented more than 10% of total revenue for the same corresponding periods.

7. Commitments and Contingencies

The Company is not subject to any material litigation nor to management's knowledge is any material litigation currently threatened against the Company other than routine litigation, claims and administrative proceedings arising in the ordinary course of business. Management believes that such routine litigation, claims and administrative proceedings will not have a material adverse impact on the Company's financial position or results of operations.

8. Subsequent Events

The Company evaluated subsequent events for potential recognition and disclosure in the financial statements through March 25, 2013, the date the statements are issued.

Report of Independent Auditors

To the Stockholder
Armada Hoffler Properties, Inc.

We have audited the accompanying Statements of Revenues and Certain Operating Expenses ("Statements") of BSE/AH Blacksburg Apartments, L.L.C. (the "Company") for each of the three years in the period ended December 31, 2012, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of the Statements in conformity with U.S. generally accepted accounting principles; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of the Statements that are free of material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on the Statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the Statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the Statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the Statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the Statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the Statements referred to above present fairly, in all material respects, the revenues and certain operating expenses described in Note 2 of BSE/AH Blacksburg Apartments, L.L.C. for each of the three years in the period ended December 31, 2012, in conformity with U.S. generally accepted accounting principles.

Basis of Accounting

As described in Note 2 to the financial statements, the Statements have been prepared for the purpose of complying with the rules and regulations of the Securities and Exchange Commission for inclusion in the registration statement on Form S-11 of Armada Hoffler Properties, Inc., and are not intended to be a complete presentation of the Company's revenue and expenses. Our opinion is not modified with respect to this matter.

/s/ Ernst & Young LLP

Richmond, Virginia
March 25, 2013

BSE/AH Blacksburg Apartments, L.L.C.
Statements of Revenues and Certain Operating Expenses

	Year Ended December 31, 2012	Year Ended December 31, 2011	Year Ended December 31, 2010
Revenues			
Rental revenues	$ 3,427,027	$ 3,249,273	$ 2,955,891
Other property revenues	425,355	429,758	348,250
Total revenues	3,852,382	3,679,031	3,304,141
Certain operating expenses			
Rental operating	698,335	758,933	800,861
Utilities	148,932	133,818	157,852
Repairs and maintenance	28,053	31,465	33,764
Insurance	71,577	68,379	67,301
Real estate taxes	221,685	197,410	183,492
Management fees	144,027	137,213	123,431
Land rent expense	138,934	138,934	138,934
Total Expenses	1,451,543	1,466,152	1,505,635
Revenues in excess of certain expenses	$ 2,400,839	$ 2,212,879	$ 1,798,506

See accompanying notes.

BSE/AH Blacksburg Apartments, L.L.C.
Notes to Statements of Revenues and Certain Operating Expenses
December 31, 2012

1. Organization and Description of Business

BSE/AH Blacksburg Apartments, L.L.C. (the “Company” or “Smith’s Landing”), a Virginia limited liability company, formed on December 22, 2006, operates a 288 unit multifamily residential rental property located in Blacksburg, Virginia.

2. Summary of Significant Accounting Policies

Basis of Presentation
The accompanying statements of revenues and certain operating expenses have been prepared on the accrual basis of accounting for the purpose of complying with Rule 3-14 of Regulation S-X promulgated under the Securities Act of 1933, as amended. Accordingly, the statements are not representative of the actual results of operations for the years ended December 31, 2012, 2011, and 2010 due to the exclusion of the following expenses, which may not be comparable to the proposed future operations of the Company:

- ¡ Depreciation and amortization
- ¡ Interest expense
- ¡ Interest income

Revenue Recognition
The Company’s rental revenue is obtained from tenants through rental payments as provided for under non-cancelable apartment rental contracts. Rental revenues attributable to leases is recorded when due from residents and is recognized monthly as it is earned, which approximates the straight-line basis. Leases entered into between a resident and the Company for the rental of an apartment unit is generally year-to-year, renewable upon consent of both parties on an annual or monthly basis. The Company also recognizes other revenue earned from utility services provided to tenants and also charges various fees for administrative services provided. Revenue earned from these services is recognized as other property revenues.

Repairs and Maintenance
Significant improvements, renovations or betterments that extend the economic useful life of the assets are capitalized. Expenditures for repairs and maintenance are expensed as incurred.

3. Ground Lease Rent Expense

In April 2007, the Company leased certain property for the development of the aforementioned 288 unit property that is currently in operation. The property was constructed in two phases and the term of the lease is based upon a period of 40 years upon completion of phase two of the project which occurred in January 2009. The Company pays rent based upon a fixed amount per unit with annual increases of 2%. The Company must also pay additional contingent rent amounts based upon a predetermined formula of excess cash from operations. In accordance with U.S. generally accepted accounting principles, the Company recognizes rent on a straight-line basis over the lease term. At December 31, 2012, the following future minimum rentals on the non-cancelable ground leases are as follows:

2013	$ 103,383
2014	105,450
2015	107,559
2016	109,711
2017	111,905
Thereafter	4,941,802
Total	$5,479,810

BSE/AH Blacksburg Apartments, L.L.C.
Notes to Statements of Revenues and Certain Operating Expenses
December 31, 2012

4. Related Party Transactions

The Company is managed by the property management business Drucker and Falk Management, In accordance with the Operating Agreement of the property Drucker and Falk Management receives a management fee of 3.75% of the rents collected. These fees are expensed by the property as incurred. Drucker and Falk Management is also entitled to be reimbursed by the property for maintenance and facilities management services as they are incurred. Management fees incurred for the years ended December 31, 2012, 2011 and 2010 were $144,027, $137,213 and $123,431, respectively.

5. Commitments and Contingencies

The Company is not subject to any material litigation nor to management's knowledge is any material litigation currently threatened against the Company other than routine litigation, claims and administrative proceedings arising in the ordinary course of business. Management believes that such routine litigation, claims and administrative proceedings will not have a material adverse impact on the Company's financial position or results of operations.

6. Subsequent Events

The Company evaluated subsequent events for potential recognition and disclosure in the financial statements through March 25, 2013, the date the statements are issued.

Until , 2013 (25 days after the date of this prospectus), all dealers that effect transactions in shares of our common stock, whether or not participating in this offering, may be required to deliver a prospectus. This is in addition to the dealers' obligation to deliver a prospectus when acting as underwriters and with respect to their unsold allotments or subscriptions.

Shares

Armada Hoffler Properties, Inc.

Common Stock

PROSPECTUS

Baird	**Raymond James**	**Stifel**
	Oppenheimer & Co.	
BB&T Capital Markets	**Janney Montgomery Scott**	**Wunderlich Securities**

, 2013

PART II

INFORMATION NOT REQUIRED IN PROSPECTUS

Item 31. Other Expenses of Issuance and Distribution.

The following table itemizes the expenses incurred by us in connection with the issuance and registration of the securities being registered hereunder. All amounts shown are estimates except for the Securities and Exchange Commission, or SEC, registration fee and the Financial Industry Regulatory Authority, Inc., or FINRA, filing fee.

SEC Registration Fee	$27,451
NYSE Listing Fee	*
FINRA Filing Fee	30,688
Printing and Engraving Expenses	*
Legal Fees and Expenses (other than Blue Sky)	*
Accounting Fees and Expenses	*
Transfer Agent and Registrar Fees	*
Other Expenses	*
Total	$ *

* To be furnished by amendment.

Item 32. Sales to Special Parties.

On October 12, 2012, we issued 1,000 shares of our common stock to Louis S. Haddad, our President and Chief Executive Officer, in connection with the initial capitalization of our company for an aggregate purchase price of $1,000. The issuance of such shares was effected in reliance upon an exemption from registration provided by Section 4(a)(2) of the Securities Act and Regulation D thereunder.

Item 33. Recent Sales of Unregistered Securities.

On October 12, 2012, we issued 1,000 shares of our common stock to Louis S. Haddad, our President and Chief Executive Officer, in connection with the initial capitalization of our company for an aggregate purchase price of $1,000. The issuance of such shares was effected in reliance upon an exemption from registration provided by Section 4(a)(2) of the Securities Act and Regulation D thereunder.

In connection with the formation transactions, an aggregate of 13,039,977 common units with an aggregate value of $156,479,724 million, based on the midpoint of the price range set forth on the front cover of the prospectus that forms a part of this registration statement, will be issued to certain persons owning interests in the entities that own the properties and other assets comprising our portfolio as consideration in the formation transactions. All such persons had a substantive, pre-existing relationship with us and made irrevocable elections to receive such securities in the formation transactions prior to the filing of this registration statement with the SEC. Prior to the filing of this registration statement, each such person consented to the contribution of their interests in the ownership entities, or sell certain assets, to our operating partnership or its subsidiaries. All of such persons are “accredited investors” as defined under Regulation D of the Securities Act. The issuance of such units will be effected in reliance upon exemptions from registration provided by Section 4(a)(2) of the Securities Act and Regulation D of the Securities Act.

Item 34. Indemnification of Directors and Officers.

Maryland 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 that is established by a final judgment and is material to the cause of action. Our charter contains a provision which eliminates our directors’ and officers’ liability to the maximum extent permitted by Maryland law.

Maryland law requires a Maryland corporation (unless its charter provides otherwise, which our charter does not) to indemnify a director or officer who has been successful in the defense of any proceeding to which he or she is made or threatened to be made a party by reason of his or her service in that capacity. Maryland law permits a Maryland 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 Maryland 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, Maryland law permits a Maryland 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 or her good faith belief that he or she has met the standard of conduct necessary for indemnification by the corporation and (b) a written undertaking by him or her or on his or her behalf to repay the amount paid or reimbursed by the corporation if it is ultimately determined that the standard of conduct was not met.

Our charter authorizes us, to the maximum extent permitted by Maryland law, to obligate ourselves and our bylaws obligate us, to indemnify any present or former director or officer or any individual who, while a director or officer of our company and at our request, serves or has served as a director, officer, partner, trustee, member or manager of another corporation, real estate investment trust, limited liability company, partnership, joint venture, trust, employee benefit plan or other enterprise and who is made or threatened to be made a party to the proceeding by reason of his or her service in that capacity from and against any claim or liability to which that individual may become subject or which that individual may incur by reason of his or her service in any of the foregoing capacities and to pay or reimburse his or her reasonable expenses in advance of final disposition of a proceeding. Our charter and bylaws also permit us to indemnify and advance expenses to any individual who served a predecessor of our company in any of the capacities described above and any employees or agents of our company or a predecessor of our company.

We intend to enter into indemnification agreements with each of our executive officers and directors whereby we indemnify such executive officers and directors to the fullest extent permitted by Maryland law against all expenses and liabilities, subject to limited exceptions. These indemnification agreements also provide that upon an application for indemnity by an executive officer or director to a court of appropriate jurisdiction, such court may order us to indemnify such executive officer or director.

Furthermore, our officers and directors are indemnified against specified liabilities by the underwriters, and the underwriters are indemnified against certain liabilities by us, under the underwriting agreement relating to this offering. See "Underwriting." In addition, our directors and officers are indemnified for specified liabilities and expenses pursuant to the partnership agreement of Armada Hoffler, L.P., the partnership of which we serve as sole general partner.

Insofar as the foregoing provisions permit indemnification of directors, officer or persons controlling us for liability arising under the Securities Act, we have been informed that in the opinion of the SEC this indemnification is against public policy as expressed in the Securities Act and is therefore unenforceable.

Item 35. Treatment of Proceeds from Stock Being Registered.

None.

Item 36. Financial Statements and Exhibits.

(A) *Financial Statements.* See page F-1 for an Index to Financial Statements and the related notes thereto included in this registration statement.

(B) Exhibits. The attached Exhibit Index is incorporated herein by reference.

Item 37. Undertakings.

(a) The undersigned registrant hereby further undertakes to provide to the underwriters at the closing specified in the underwriting agreement, certificates in such denominations and registered in such names as required by the underwriters to permit prompt delivery to each purchaser.

(b) Insofar as indemnification for liabilities arising under the Securities Act of 1933, as amended, 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 of 1933, as amended, 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 of 1933, as amended, and will be governed by the final adjudication of such issue.

(c) The undersigned registrant hereby further undertakes that:

(1) For purposes of determining any liability under the Securities Act of 1933, as amended, the information omitted from the form of prospectus filed as part of this registration statement in reliance upon Rule 430A and contained in a form of prospectus filed by the registrant pursuant to Rule 424(b)(1) or (4), or Rule 497(h) under the Securities Act of 1933, as amended, shall be deemed to be part of this registration statement as of the time it was declared effective.

(2) For the purpose of determining any liability under the Securities Act of 1933, as amended, each post-effective amendment that contains a form of prospectus shall 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.

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 amendment to the registration statement to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of Virginia Beach, Commonwealth of Virginia, on this th day of April, 2013.

ARMADA HOFFLER PROPERTIES, INC.

By: /s/ Louis S. Haddad
Louis S. Haddad
Chief Executive Officer and President

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

Signature	Title	Date
/s/ Louis S. Haddad Louis S. Haddad	Director, Chief Executive Officer and President (Principal Executive Officer)	April , 2013
/s/ Michael P. O'Hara Michael P. O'Hara	Chief Financial Officer (Principal Financial and Accounting Officer)	April , 2013

EXHIBIT INDEX

Exhibit	Exhibit Description
1.1	Form of Underwriting Agreement
3.1	Form of Articles of Amendment and Restatement of Armada Hoffler Properties, Inc.
3.2	Form of Amended and Restated Bylaws of Armada Hoffler Properties, Inc.
4.1*	Form of Certificate of Common Stock of Armada Hoffler Properties, Inc.
5.1*	Opinion of Venable LLP regarding the validity of the securities being registered
8.1*	Opinion of Hunton & Williams LLP with respect to tax matters
10.1	Form of Amended and Restated Agreement of Limited Partnership of Armada Hoffler, L.P.
10.2†	Armada Hoffler Properties, Inc. 2013 Equity Incentive Plan
10.3†*	Form of Restricted Stock Award Agreement (Time Vesting)
10.4**	Form of Indemnification Agreement between Armada Hoffler Properties, Inc. and its directors and officers
10.5*	Form of Tax Protection Agreement by and among Armada Hoffler Properties, Inc., Armada Hoffler, L.P., and each partner set forth in Schedule 2.1(a) thereto
10.6*	Form of Representation, Warranty and Indemnity Agreement among Armada Hoffler Properties, Inc., Armada Hoffler, L.P. and Daniel A. Hoffler.
10.7†	Armada Hoffler, L.P. Executive Severance Benefit Plan
10.8	Contribution Agreement by and among Armada Hoffler, L.P., Armada Hoffler Properties, Inc., and Daniel A. Hoffler, dated as of February 11, 2013
10.9	Contribution Agreement by and among Armada Hoffler, L.P., Armada Hoffler Properties, Inc., and A. Russell Kirk, dated as of February 12, 2013
10.10	Contribution Agreement by and among Armada Hoffler, L.P., Armada Hoffler Properties, Inc., and Louis S. Haddad, dated as of February 11, 2013
10.11	Contribution Agreement by and among Armada Hoffler, L.P., Armada Hoffler Properties, Inc., and Anthony P. Nero, dated as of February 12, 2013
10.12	Contribution Agreement by and among Armada Hoffler, L.P., Armada Hoffler Properties, Inc., and Eric E. Apperson, dated as of February 11, 2013
10.13	Contribution Agreement by and among Armada Hoffler, L.P., Armada Hoffler Properties, Inc., and Michael P. O'Hara, dated as of February 11, 2013
10.14	Contribution Agreement by and among Armada Hoffler, L.P., Armada Hoffler Properties, Inc., and John C. Davis, dated as of February 11, 2013
10.15	Contribution Agreement by and among Armada Hoffler, L.P., Armada Hoffler Properties, Inc., and Alan R. Hunt, dated as of February 11, 2013
10.16	Contribution Agreement by and among Armada Hoffler, L.P., Armada Hoffler Properties, Inc., and Shelly R. Hampton, dated as of February 11, 2013
10.17	Contribution Agreement by and among Armada Hoffler, L.P., Armada Hoffler Properties, Inc., and William Christopher Harvey, dated as of February 11, 2013
10.18**	Contribution Agreement by and among Armada Hoffler, L.P., Armada Hoffler Properties, Inc., and Eric L. Smith, dated as of February 12, 2013
10.19**	Contribution Agreement by and among Armada Hoffler, L.P., Armada Hoffler Properties, Inc., and John E. Babb, dated as of January 31, 2013
10.20	Contribution Agreement by and among Armada Hoffler, L.P., Armada Hoffler Properties, Inc., and Rickard E. Burnell, dated as of February 12, 2013
10.21**	Contribution Agreement by and among Armada Hoffler, L.P., Armada Hoffler Properties, Inc., and A/H TWA Associates, L.L.C., dated as of February 11, 2013
10.22**	Contribution Agreement by and among Armada Hoffler, L.P., Armada Hoffler Properties, Inc., and RMJ Kirk Fortune Bay, L.L.C., dated as of February 11, 2013
10.23**	Contribution Agreement by and among Armada Hoffler, L.P., Armada Hoffler Properties, Inc., and Kirk Gainsborough, L.L.C., dated as of February 11, 2013
10.24	Contribution Agreement by and among Armada Hoffler, L.P., Armada Hoffler Properties, Inc., and Chris A. Sanders, dated as of January 25, 2013

Exhibit	Exhibit Description
10.25**	Contribution Agreement by and among Armada Hoffler, L.P., Armada Hoffler Properties, Inc., and Allen O. Keene, dated as of January 21, 2013
10.26**	Contribution Agreement by and among Armada Hoffler, L.P., Armada Hoffler Properties, Inc., and Bruce G. Ford, dated as of January 31, 2013
10.27	Contribution Agreement by and among Armada Hoffler, L.P., Armada Hoffler Properties, Inc., and DIAN, LLC, dated as of January 28, 2013
10.28	Contribution Agreement by and among Armada Hoffler, L.P., Armada Hoffler Properties, Inc., and Compson of Richmond, L.C., Thomas Comparato and Lindsey Smith Comparato, dated as of January 31, 2013
10.29**	Contribution Agreement by and among Armada Hoffler, L.P., Armada Hoffler Properties, Inc., and Bruce Smith Enterprises, LLC and Bruce B. Smith, dated as of January 31, 2013
10.30**	Contribution Agreement by and among Armada Hoffler, L.P., Armada Hoffler Properties, Inc., and Steyn, LLC, dated as of January 31, 2013
10.31**	Contribution Agreement by and among Armada Hoffler, L.P., Armada Hoffler Properties, Inc., and D&F Beach, L.L.C., dated as of February 1, 2013
10.32**	Contribution Agreement by and among Armada Hoffler, L.P., Armada Hoffler Properties, Inc., and DF Smith's Landing, LLC, dated as of January 31, 2013
10.33**	Contribution Agreement by and among Armada Hoffler, L.P., Armada Hoffler Properties, Inc., and Spratley Family Holdings, L.L.C., dated as of January 22, 2013
10.34	Contribution Agreement by and among Armada Hoffler, L.P., Armada Hoffler Properties, Inc., and Columbus One, LLC, DP Columbus Two, LLC, City Center Associates, LLC, TC Block 7 Partners LLC, TC Block 12 Partners LLC, TC Block 3 Partners LLC, TC Block 6 Partners LLC, TC Block 8 Partners LLC, TC Block 11 Partners LLC and TC Apartment Partners, LLC, dated as of February 1, 2013
10.35*	Asset Purchase Agreement by and among AHP Construction, LLC and Armada/Hoffler Construction Company and Armada/Hoffler Construction Company of Virginia, dated as of March , 2013
10.36*	Asset Purchase Agreement by and among AHP Asset Services, LLC and Armada Hoffler Holding Company, Inc., dated as of , 2013
10.37*	Contribution Agreement for the Apprentice School Apartment property by and among Armada Hoffler, L.P., Washington Avenue Associates, L.L.C. and Washington Avenue Apartments, L.L.C., and dated as of , 2013
10.38*	Land Option Agreement by and between and Armada Hoffler, L.P. and Courthouse Marketplace Parcel 7, L.L.C., dated as of , 2013
10.39*	Land Option Agreement by and between and Armada Hoffler, L.P. and Courthouse Marketplace Outparcels, L.L.C., dated as of , 2013
10.40*	Land Option Agreement by and between and Armada Hoffler, L.P. and Hanbury Village, LLC, dated as of , 2013
10.41*	Land Option Agreement by and between and Armada Hoffler, L.P. and Lake View AH-VNG, LLC, dated as of , 2013
10.42*	Land Option Agreement by and between and Armada Hoffler, L.P. and Oyster Point Hotel Associates, L.L.C., dated as of , 2013
10.43	Contribution Agreement by and among Armada Hoffler, L.P., Armada Hoffler Properties, Inc. and Oyster Point Investors, L.P., dated as of February 11, 2013
21.1	List of Subsidiaries of the Registrant
23.1	Consent of Ernst & Young LLP, Independent Registered Public Accounting Firm
23.2	Consent of Ernst & Young LLP, Independent Auditors
23.3*	Consent of Venable LLP (included in Exhibit 5.1)
23.4*	Consent of Hunton & Williams LLP (included in Exhibit 8.1)
23.5**	Consent of Rosen Consulting Group
24.1**	Power of Attorney (included on the Signature Page)
99.1**	Consent of George F. Allen
99.2**	Consent of James A. Carroll
99.3**	Consent of James C. Cherry
99.4**	Consent of John W. Snow
99.5**	Consent of Daniel A. Hoffler
99.6**	Consent of A. Russell kirk

* To be filed by amendment.
** Previously filed.
† Compensatory plan or arrangement.

[—] Shares

ARMADA HOFFLER PROPERTIES, INC.

Common Stock, par value $0.01 per share

UNDERWRITING AGREEMENT

[—], 2013

[—], 2013

ROBERT W. BAIRD & CO. INCORPORATED
RAYMOND JAMES & ASSOCIATES, INC.
STIFEL, NICOLAUS & COMPANY, INCORPORATED
As Representatives of the Several Underwriters
Identified in Schedule I Annexed Hereto
c/o Robert W. Baird & Co. Incorporated
777 East Wisconsin Avenue
Milwaukee, Wisconsin 53202

Ladies and Gentlemen:

Armada Hoffler Properties, Inc., a Maryland corporation (the "**Company**"), and Armada Hoffler, L.P., a Virginia limited partnership (the "**Operating Partnership**" and, together with the Company, the "**Transaction Entities**"), propose that the Company will issue and sell to Robert W. Baird & Co. Incorporated ("**Baird**"), Raymond James & Associates, Inc. ("**Raymond James**"), Stifel, Nicolaus & Company, Incorporated ("**Stifel Nicolaus**" and, together with Baird and Raymond James, the "**Representatives**") and the several Underwriters named in Schedule I hereto (the "**Underwriters**") [—] shares of the common stock, par value $0.01 per share, of the Company (the "**Firm Shares**").

The Transaction Entities also propose that the Company will issue and sell to the several Underwriters up to an additional [—] shares of common stock, par value $0.01 per share, of the Company (the "**Additional Shares**"), if and to the extent that the Representatives shall have determined to exercise, on behalf of the Underwriters, the right to purchase such shares of common stock granted to the Underwriters in Section 2 hereof. The Firm Shares and the Additional Shares are hereinafter collectively referred to as the "**Shares**." The shares of common stock, par value $0.01 per share, of the Company to be outstanding after giving effect to the sales contemplated hereby are hereinafter referred to as the "**Common Stock**."

Substantially concurrently with or immediately prior to the Closing Date (as defined in Section 4), the Company will have completed the Formation Transactions (defined below) described in the Registration Statement (defined below), the Time of Sale Prospectus (defined below) and the Prospectus (defined below) under the captions "Prospectus Summary — Structure and Formation of Our Company" and "Structure and Formation of Our Company." As part of these transactions, (i) the Underwriters will purchase the Shares and offer them in a public offering as contemplated hereunder (the "**Offering**"); (ii) the Company will contribute the net proceeds of the Offering to the Operating Partnership in exchange for common units of limited partnership interest in the Operating Partnership (the "**OP Units**"); (iii) pursuant to certain contribution agreements filed (or a form of which is filed) as

an exhibit to the Registration Statement (the "**Contribution Agreements**"), the Operating Partnership will acquire, directly or indirectly, (a) interests in 22 office, retail and multifamily properties (the "**Controlled Properties**"), which are owned by certain entities and their consolidated subsidiaries owned and/or controlled by Daniel A. Hoffler and/or his affiliates (collectively, the "**Predecessor**"), (b) interests in one office property and one multifamily property (the "**Acquired Properties**" and, together with the Controlled Properties, the "**Initial Properties**," which properties are identified on Schedule III hereto (which Schedule also identifies the percentage of the ownership interests in the Initial Properties that the Transaction Entities will directly or indirectly own upon completion of the Formation Transactions)), in both of which the Predecessor owns an equity interest, and (c) interests in the various development projects disclosed under the caption "Business and Properties — Our Identified Development Pipeline" in the Registration Statement, the Time of Sale Prospectus and the Prospectus (the "**Development Properties**," which properties are identified on Schedule IV hereto; (iv) pursuant to a purchase agreement, dated as of [—], 2013 and filed (or a form of which is filed) as an exhibit to the Registration Statement (the "**Purchase Agreement**"), the Operating Partnership will agree to acquire a 197-unit multifamily property located in Newport News, Virginia, upon the satisfaction of certain conditions, including completion of the project's construction; (v) pursuant to an option agreement, dated as of [—], 2013 and filed (or a form of which is filed) as an exhibit to the Registration Statement (the "**Option Agreement**"), the Operating Partnership will acquire options to purchase seven parcels of developable land (the "**Option Properties**") owned and/or controlled by the Predecessor, as disclosed under the caption "Business and Properties — Option Properties" in the Registration Statement, the Time of Sale Prospectus and the Prospectus; (vi) pursuant to an asset purchase agreement, dated as of [—], 2013 and filed (or a form of which is filed) as an exhibit to the Registration Statement (the "**Construction Contribution Agreement**"), Armada Hoffler Construction Company and Armada Hoffler Construction Company of Virginia will transfer to AHP Holding, Inc., a Virginia corporation that is wholly owned by the Operating Partnership (the "**Construction Company**"), certain assets of their construction business (the "**Construction Business**"), as described under the caption "Business and Properties — Our Third-Party Construction Business" in the Registration Statement, the Time of Sale Prospectus and the Prospectus, including construction contracts in progress; (vii) pursuant to an agreement, dated as of [—], 2013 and filed (or a form of which is filed) as an exhibit to the Registration Statement (the "**Asset Management Contribution Agreement**" and, together with the Contribution Agreements, the Purchase Agreement, the Option Agreement and the Construction Contribution Agreement, the "**Acquisition Agreements**"), the owners of the asset management business of Armada Hoffler Holding Co. and its affiliates (the "**Asset Management Business**"), as described under the caption "Business and Properties — Asset and Property Management" in the Registration Statement, the Time of Sale Prospectus and the Prospectus, will transfer certain assets to the Operating Partnership; (viii) pursuant to a representation, warranty and indemnity agreement, dated as of [—], 2013 and filed (or a form of which is filed) as an exhibit to the Registration Statement (the

"**Representation, Warranty and Indemnity Agreement**" and together with this Agreement, the Acquisition Agreements and the Operating Partnership Agreement (as defined in Section 2), the "**Formation Transaction Agreements**"); (ix) the Transaction Entities will repay approximately $[—] million of debt and other obligations related to the acquired properties, including applicable prepayment costs, exit fees and defeasance costs of $[—] million; and (ix) the Company will adopt a cash and equity-based incentive award plan and other incentive plans for its directors, officers, employees and consultants (the foregoing transactions, as more particularly described in the Registration Statement, the Time of Sale Prospectus and the Prospectus, are referred to herein as the "**Formation Transactions**").

The Company has prepared and filed, in accordance with the Securities Act of 1933, as amended (the "**Securities Act**"), and the rules and regulations thereunder, with the Securities and Exchange Commission (the "**Commission**") a registration statement on Form S-11 (registration no. 333-187513), including a form of prospectus, relating to the Shares. The registration statement, as of any time, including the exhibits and documents filed as part thereof and information contained in the prospectus filed as part of the registration statement pursuant to Rule 424 or otherwise deemed to be part of the registration statement pursuant to Rule 430A or 430C under the Securities Act, is hereinafter referred to as the "**Registration Statement**" as of such time. The "Registration Statement" without reference to a time means the Registration Statement as of the time it is declared effective by the Commission. If the Company files an abbreviated registration statement to register additional shares of Common Stock pursuant to Rule 462(b) under the Securities Act (the "**Rule 462 Registration Statement**"), then any reference herein to the term "**Registration Statement**" shall be deemed to include such Rule 462 Registration Statement. The Company has also filed with, or transmitted for filing to, or shall promptly after the date of this Agreement file with or transmit for filing to, the Commission pursuant to Rule 424(b) under the Act a final prospectus (in the form first used to confirm sales of the Shares (or in the form first made available to the Underwriters by the Company to meet requests of purchasers pursuant to Rule 173 under the Securities Act), the "**Prospectus**") that meets the requirements of Section 10(a) of the Securities Act. The term "**Preliminary Prospectus**," as of any time, means any preliminary form of prospectus included in the Registration Statement immediately prior to such time or filed with the Commission pursuant to Rule 424(a) under the Securities Act at such time, that omits certain information as permitted by Rule 430A(a). The "Preliminary Prospectus" without reference to a time means the Preliminary Prospectus included in the Registration Statement or deemed a part of the Registration Statement pursuant to Rule 430A under the Securities Act immediately prior to the Time of Sale (as defined below).

For purposes of this Agreement, "**free writing prospectus**" has the meaning set forth in Rule 405 under the Securities Act; "**Time of Sale Prospectus**" means the Preliminary Prospectus, together with the free writing prospectuses, if any, each identified in Schedule II hereto (each, a "**Permitted Free Writing Prospectus**"), and other information conveyed to purchasers of the Shares at or

prior to the Time of Sale as set forth in Schedule II hereto; "**Time of Sale**" means : p.m. (Eastern Time) on the date of this Agreement; "**road show**" has the meaning set forth in Rule 433(h)(4) under the Securities Act, and "**bona fide electronic road show**" has the meaning set forth in Rule 433(h)(5) under the Securities Act. As used herein, "**Section 5(d) Communication**" means any oral or written communication that is made in reliance on Section 5(d) of the Securities Act by the Company or any person authorized to act on behalf of the Company to one or more potential investors that are qualified institutional buyers ("**QIBs**") and/or institutions that are accredited investors ("**IAIs**"), as such terms are respectively defined in Rule 144A and Rule 501(a) under the Securities Act, to determine whether such investors might have an interest in the offering of the Shares; "**Written Section 5(d) Communication**" means any written communication (within the meaning of Rule 405 under the Securities Act) by the Company or any person authorized to act on behalf of the Company to one or more potential investors that are qualified institutional buyers ("**QIBs**") and/or institutions that are accredited investors ("**IAIs**"), as such terms are respectively defined in Rule 144A and Rule 501(a) under the Securities Act, to determine whether such investors might have an interest in the offering of the Shares; and "**Permitted Section 5(d) Communication**" means any Section 5(d) Communication specifically authorized and approved by the Company to be made by the Representatives.

The Company has also prepared and filed, in accordance with Section 12 of the Exchange Act, a registration statement on Form 8-A (file no.) to register the Common Stock under Section 12(b) or (g) of the Exchange Act, as applicable.

For purposes of this Agreement, the terms "**Subsidiary**" or "**Subsidiaries**" shall mean each of the entities listed on Exhibit 21 to the Registration Statement, which comprise all of the subsidiaries of the Company and the Operating Partnership upon completion of the Formation Transactions.

1. *Representations and Warranties of the Transaction Entities*. Each of the Transaction Entities, jointly and severally, represents and warrants to and agrees with each of the Underwriters that:

(a) The Registration Statement and any post-effective amendment has become effective under the Securities Act; no stop order suspending the effectiveness of the Registration Statement or any post-effective amendment or preventing or suspending the use of the Preliminary Prospectus or the Prospectus is in effect; to the Company's knowledge no proceedings for such purpose have been instituted or are pending before or threatened by the Commission; and the Company has complied with any request made by the Commission for additional or supplemental information.

(b) The Preliminary Prospectus, as amended or supplemented, filed as part of the Registration Statement or pursuant to Rule 424 under the Securities Act, when so filed, complied in all material respects with the Securities Act and the rules

and regulations thereunder (including, without limitation, Rules 424, 430A or 430C under the Securities Act). The Preliminary Prospectus, the Prospectus and any amendment or supplement thereto (including any prospectus wrapper) prepared in connection with the Offering, at their respective issue dates, at the Closing Date and at each Option Closing Date, if any, complied and will comply in all material respects with any applicable laws or regulations of foreign jurisdictions in which such Preliminary Prospectus, the Prospectus or such amendment or supplement, as the case may be, are distributed in connection with such offering.

(c) (i) The Registration Statement did not contain and, as amended or supplemented, if applicable, will not contain any untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary in order to make the statements therein not misleading; (ii) the Registration Statement complies and, as amended or supplemented, if applicable, will comply in all material respects with the Securities Act and the rules and regulations thereunder; (iii) at no time during the period that begins on the date of the Preliminary Prospectus and the date on which the Preliminary Prospectus was filed with the Commission and ends immediately prior to the execution of this Agreement did the Preliminary Prospectus contain any untrue statement of a material fact or omit to state a material fact necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading; (iv) the Preliminary Prospectus furnished to the Underwriters for delivery to prospective investors complied in all material respects with the Securities Act (including without limitation the requirements of Section 10 of the Securities Act); (v) the Time of Sale Prospectus does not, and at the Time of Sale, at the Closing Date and, if applicable, each Option Closing Date, the Time of Sale Prospectus, as then amended or supplemented, if applicable, will not, contain any untrue statement of a material fact or omit to state a material fact necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading; (vi) each Permitted Free Writing Prospectus does not conflict with the information contained in the Registration Statement, the Time of Sale Prospectus or the Prospectus and was accompanied or preceded by the then-most recent Preliminary Prospectus, to the extent required by Rule 433 under the Securities Act; (vii) each road show, when considered together with the Time of Sale Prospectus, does not contain any untrue statement of a material fact or omit to state a material fact necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading; (viii) the Prospectus (including any Prospectus wrapper), as of the date it is filed with the Commission pursuant to Rule 424(b), at the Closing Date and at each Option Closing Date, if any, will comply in all material respects with the Securities Act (including without limitation the requirements of Section 10(a) of the Securities Act) and will not contain any untrue statement of a material fact or omit to state a material fact necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading; provided, however, that the representations and warranties set forth in this Section 1(c) do not apply to statements or omissions in the Registration Statement, the Time of Sale Prospectus, any Preliminary Prospectus, any Permitted Free Writing Prospectus, any road show

or the Prospectus (including any Prospectus wrapper) or any amendments or supplements thereto based upon information relating to any Underwriter furnished to the Company in writing by such Underwriter through the Representatives expressly for use therein, it being agreed that the only information furnished by the Underwriters to the Company expressly for use therein are the name of each Underwriter and the number of Shares each Underwriter has agreed to purchase as set forth in the table following the first paragraph and the sixth, seventh, thirteenth, fourteenth, fifteenth and sixteenth paragraphs of the "Underwriting" section of the Time of Sale Prospectus and the Prospectus (collectively, the "**Underwriter Information**").

(d) Prior to the execution of this Agreement, the Company has not, directly or indirectly, offered or sold any Shares by means of any "prospectus" (within the meaning of the Securities Act) or used any "prospectus" (within the meaning of the Securities Act) in connection with the offer or sale of the Shares, in each case other than the Preliminary Prospectus and the Permitted Free Writing Prospectuses; the Company has not, directly or indirectly, prepared, used or referred to any free writing prospectuses, without the prior written consent of the Representatives, other than the Permitted Free Writing Prospectuses and road shows furnished or presented to the Representatives before first use. Each Permitted Free Writing Prospectus has been prepared, used or referred to in compliance with Rules 164 and 433 under the Securities Act; assuming that such Permitted Free Writing Prospectus is so sent or given after the Registration Statement was filed with the Commission (and after such Permitted Free Writing Prospectus was, if required pursuant to Rule 433(d) under the Securities Act, filed with the Commission), the sending or giving, by any Underwriter, of any Permitted Free Writing Prospectus will satisfy the provisions of Rule 164 and Rule 433 (without reliance on subsections (b), (c) and (d) of Rule 164); the conditions set forth in Rule 433(b)(2) under the Securities Act are satisfied, and the Registration Statement relating to the offering of the Shares contemplated hereby includes a prospectus that, other than by reason of Rule 433 or Rule 431 under the Securities Act, satisfies the requirements of Section 10 of the Securities Act, including a price range where required by rule; neither the Company nor the Underwriters are disqualified, by reason of subsection (f) or (g) of Rule 164 under the Securities Act, from using, in connection with the offer and sale of the Shares, free writing prospectuses pursuant to Rules 164 and 433 under the Securities Act; each Permitted Free Writing Prospectus that the Company has filed, or is required to file, pursuant to Rule 433(d) under the Securities Act or that was prepared by or behalf of or used or referred to by the Company complies or will comply in all material respects with the requirements of the Securities Act; in the case of any bona fide electronic road shows by the Company, the Company has complied with the requirements of Rule 433(d)(8)(ii) under the Securities Act; and, to the knowledge of the Transaction Entities, no free writing prospectus prepared by or on behalf of or used by any Underwriter contains any "issuer information" within the meaning of Rule 433(h)(2) under the Securities Act.

(e) The Company was not an "ineligible issuer" (as defined in Rule 405 under the Securities Act) as of the eligibility determination date for purposes of Rules 164 and 433 under the Securities Act with respect to the offering of the Shares contemplated by the Registration Statement.

(f) The Shares are approved for listing on the New York Stock Exchange ("**NYSE**"), subject only to official notice of issuance. To the knowledge of the Transaction Entities, there are no affiliations or associations between (i) any member of the Financial Industry Regulatory Authority ("**FINRA**") and (ii) the Company or any of the Company's officers, directors or 5% or greater security holders or any beneficial owner of the Company's unregistered equity securities that were acquired at any time on or after the 180th day immediately preceding the date the Registration Statement was initially filed with the Commission, except as has been disclosed in the Registration Statement (excluding the exhibits thereto), the Time of Sale Prospectus and the Prospectus.

(g) The Company has been duly incorporated, is validly existing under the laws of the State of Maryland and is in good standing with the State Department of Assessments and Taxation of Maryland, has the corporate power and authority to own and lease, as the case may be, its properties and to operate its properties and conduct its business as described in the Registration Statement, the Time of Sale Prospectus and the Prospectus and is duly qualified to transact business and is in good standing in each jurisdiction in which the conduct of its business or its ownership or leasing of property requires such qualification, except to the extent that the failure to be so qualified or be in good standing would not (i) have a material adverse effect on the assets, business, condition (financial or otherwise), earnings, properties, management, results of operations or prospects of the Transaction Entities and the Subsidiaries, taken as a whole, or (ii) prevent or materially interfere with consummation of the transactions contemplated hereby or the Formation Transactions (the occurrence of any such effect, prevention, interference or result described in the foregoing clauses (i) or (ii) being herein referred to as a "**material adverse effect**").

(h) The Operating Partnership has been duly organized, is validly existing as a limited partnership in good standing under the laws of the Commonwealth of Virginia, has the full limited partnership power and authority to own or lease, as the case may be, its properties and to operate its properties and conduct its business as described in the Registration Statement, the Time of Sale Prospectus and the Prospectus and is duly qualified to transact business and is in good standing in each jurisdiction in which the conduct of its business or its ownership or leasing of property requires such qualification, except to the extent that the failure to be so qualified or be in good standing would not, individually or in the aggregate, have a material adverse effect. The Company, immediately following the Formation Transactions, will be the sole general partner of the Operating Partnership. At the Closing Time, the Amended and Restated Agreement of Limited Partnership of the Operating Partnership (the "**Operating Partnership Agreement**"), in the form

filed as an exhibit to the Registration Statement, will be in full force and effect, and the aggregate percentage interests of the Company and the limited partners in the Operating Partnership will be as set forth in the Registration Statement and the Prospectus, assuming no exercise of the Underwriter's overallotment option to purchase the Additional Shares. Additionally, to the extent any portion of such overallotment option is exercised subsequent to the Closing Date, the Company will contribute the net proceeds from the sale of the Additional Shares to the Operating Partnership in exchange for a number of OP Units equal to the number of Additional Shares issued. The Company will own all of its outstanding OP Units free and clear of any security interest, mortgage, pledge, lien, encumbrance, claim or equity, except as described in the Registration Statement, the Time of Sale Prospectus and the Prospectus.

(i) Each Subsidiary has been duly organized, is validly existing as a corporation, limited partnership or limited liability company in good standing under the laws of the jurisdiction of its organization, has the corporate power and authority to own or lease, as the case may be, its property and to operate its property and conduct its business as described in the Registration Statement, the Time of Sale Prospectus and the Prospectus and is duly qualified to transact business and is in good standing in each jurisdiction in which the conduct of its business or its ownership or leasing of property requires such qualification, except to the extent that the failure to be so qualified or be in good standing would not have a material adverse effect; except as otherwise disclosed in the Time of Sale Prospectus and the Prospectus, all of the issued shares of capital stock, units of limited partnership interest and units of membership interest of each Subsidiary have been duly and validly authorized and issued, are fully paid and non-assessable, are owned or will be owned directly or indirectly by the Operating Partnership, free and clear of all security interests, liens, mortgages, encumbrances, pledges, equities, claims, restrictions or other defects of any kind (collectively, "**Liens**"), have been issued in compliance with applicable securities laws and were not issued in violation of any preemptive or similar rights. On the Closing Date, immediately after the consummation of the Formation Transactions, the Operating Partnership will be the only subsidiary of the Company that meets the definition of a "significant subsidiary" (as such term is defined in Rule 1-02 of Regulation S-X). The only subsidiaries of the Company are the subsidiaries listed on Exhibit 21 to the Registration Statement.

(j) The Company has the corporate power and authority to execute and deliver this Agreement and the Formation Transaction Agreements to which it is a party and to perform its obligations hereunder and thereunder, and all corporate action required to be taken for the due and proper authorization, execution and delivery by it of this Agreement and such Formation Transaction Agreements and consummation by it of the transactions contemplated hereby and thereby have been duly and validly taken.

(k) The Operating Partnership has the limited partnership power and authority to execute and deliver this Agreement and the Formation Transaction Agreements to which it is a party and to perform its obligations hereunder and thereunder, and all limited partnership action required to be taken for the due and proper authorization, execution and delivery by it of this Agreement and such Formation Transaction Agreements and consummation by it of the transactions contemplated hereby and thereby have been duly and validly taken.

(l) Each Subsidiary other than the Operating Partnership has the corporate, limited partnership or limited liability company, as applicable, power and authority to execute and deliver the Formation Transaction Agreements to which each is a party and to perform its obligations thereunder, and all corporate, limited partnership or limited liability company action required to be taken by or on behalf of each Subsidiary for the due and proper authorization, execution and delivery by each said Subsidiary of such Formation Transaction Agreements to which each is a party, and the consummation by it of the transactions contemplated thereby, have been duly and validly taken.

(m) This Agreement has been duly authorized, executed and delivered by each of the Transaction Entities.

(n) The Formation Transaction Agreements to which each of the Transaction Entities and their respective Subsidiaries is a party have been duly authorized by each of the Transaction Entities and each such Subsidiary, as applicable, and have been, or at the Closing Date will be, duly executed and delivered by each of the Transaction Entities. The Formation Transaction Agreements to which each of the Transaction Entities and their respective Subsidiaries is a party are, or at the Closing Date will be, valid and binding agreements of the Transaction Entities and each such Subsidiary, as applicable, enforceable against the Transaction Entities and each such Subsidiary, as applicable, in accordance with their respective terms, except to the extent that such enforceability may be limited by applicable bankruptcy, insolvency, reorganization, or other similar laws related to creditors' rights and general principles of equity and except as rights to indemnification and contribution thereunder may be limited by applicable laws or policies underlying such law. Each Formation Transaction Agreement conforms in all material respects to all statements relating thereto contained in the Registration Statement, the Time of Sale Prospectus and the Prospectus.

(o) The statements in the Registration Statement, the Time of Sale Prospectus and the Prospectus under the captions "Certain Provisions of Maryland Law and of Our Charter and Bylaws," "Description of the Partnership Agreement of Armada Hoffler, L.P.," "Description of Capital Stock," and "Material U.S. Federal Income Tax Considerations," insofar as such statements summarize legal or tax matters, agreements, documents or legal or governmental proceedings discussed therein, are accurate, complete and fair summaries of such legal and tax matters, agreements, documents or legal or governmental proceedings in all material respects.

(p) The authorized, issued and outstanding capitalization of the Company is as set forth in the Registration Statement, the Time of Sale Prospectus and the Prospectus in the column entitled "Historical" under the caption "Capitalization" (except for subsequent issuances, if any, pursuant to this Agreement, pursuant to reservations, agreements or employee benefits or equity incentive plans referred to in the Registration Statement, the Time of Sale Prospectus and the Prospectus or pursuant to the exercise of convertible or exchangeable securities or options referred to in the Registration Statement, the Time of Sale Prospectus and the Prospectus). The authorized capital stock of the Company conforms and will conform as to legal matters to the description thereof contained in the Registration Statement, the Time of Sale Prospectus and the Prospectus, and such description conforms in all material respects to the rights set forth in the instruments defining the same.

(q) Except as disclosed in the Registration Statement, the Time of Sale Prospectus and the Prospectus, (i) no shares of Common Stock of the Company are reserved for any purpose, (ii) there are no outstanding securities convertible into or exchangeable for any shares of Common Stock of the Company (including OP Units), (iii) there are no outstanding options, rights (preemptive or otherwise) or warrants to purchase or subscribe for shares of Common Stock or any other securities of the Company, and (iv) the Company has not granted to any person or entity a stock option or other equity-based award of or to purchase shares of Common Stock or any other securities of the Company pursuant to an equity-based compensation plan or otherwise.

(r) Except as disclosed in the Registration Statement, the Time of Sale Prospectus and the Prospectus, (i) no OP Units are reserved for any purpose, (ii) there are no outstanding securities convertible into or exchangeable for any OP Units, and (iii) there are no outstanding options, rights (preemptive or otherwise) or warrants to purchase or subscribe for OP Units or any other securities of the Operating Partnership.

(s) The Shares to be sold by the Company have been duly authorized and, when issued and delivered against payment therefore in accordance with the terms of this Agreement, will be validly issued, fully paid and non-assessable, and the issuance of such Shares will not be subject to or in violation of any preemptive or similar rights of any securityholder of the Company. Upon payment of the purchase price and issuance and delivery of the Shares to be issued and sold by the Company in accordance herewith, the Underwriters will receive good, valid and marketable title to such Shares, free and clear of all Liens. The certificates, if any, to be used to evidence the Shares will be in substantially the form filed as an exhibit to the Registration Statement and will, on the Closing Date and each Option Closing Date, be in proper form and will comply in all material respects with all applicable legal requirements, the requirements of the Articles of Amendment and Restatement (the "**Charter**") and Bylaws of the Company and the requirements of the NYSE.

(t) The OP Units to be issued by the Operating Partnership in connection with the Formation Transactions have been duly authorized by the Operating Partnership and its general partner, and, when issued in accordance with

the provisions of the applicable Formation Transaction Agreements, will be validly issued and fully paid, and the issuance of such OP Units will not be subject to or in violation of any preemptive or similar rights of any partner of the Operating Partnership. The issuance and sale by the Operating Partnership of the OP Units in connection with the Formation Transactions are exempt from the registration requirements of the Securities Act and applicable state securities, real estate syndication and blue sky laws. The terms of the OP Units conform in all material respects to all statements relating thereto contained in the Registration Statement, the Time of Sale Prospectus and the Prospectus and such description conforms in all material respects to the rights set forth in the instruments defining the same.

(u) Neither the execution and delivery by each of the Transaction Entities of, nor the performance by each of the Transaction Entities of its respective obligations under, this Agreement or the Formation Transaction Agreements will conflict with, contravene, result in a breach or violation of, or imposition of, any Lien upon any property or other assets of the Transaction Entities or any Subsidiary pursuant to, or constitute a default (or give rise to any right of termination, acceleration, cancellation, repurchase or redemption) or Repayment Event (as hereinafter defined) under: (i) any statute, law, rule, regulation, judgment, order or decree of any governmental body, regulatory or administrative agency or court having jurisdiction over the Transaction Entities or any of the Subsidiaries or any of their respective properties or other assets; (ii) the Charter or Bylaws of the Company, the Certificate of Limited Partnership and the Operating Partnership Agreement or similar organizational documents of any Subsidiary; or (iii) any contract, agreement (including any contracts or agreements related to the Construction Business and the Asset Management Business), obligation, covenant or instrument or any term condition or provision thereof to which the Transaction Entities or any Subsidiary or any of their respective properties or other assets is subject or bound, except in the case of clauses (i) and (iii), for such conflicts, breaches, violations, lien impositions or defaults that would not, individually or in the aggregate, have a material adverse effect. As used herein, "**Repayment Event**" means any event or condition which gives the holder of any note, debenture or other evidence of indebtedness (or any person acting on such holder's behalf) the right to require the repurchase, redemption or repayment of all or a portion of such indebtedness by the Transaction Entities or any of the Subsidiaries.

(v) No approval, authorization, consent or order of or filing with any federal, state, local or foreign governmental or regulatory commission, board, body, authority or agency, or of or with any self-regulatory organization or other non-governmental regulatory authority (including, without limitation, the NYSE), or approval of the Company's stockholders, is required to be made or obtained by the Transaction Entities or any of the Subsidiaries in connection with the issuance and sale of the Shares or the consummation of the transactions contemplated hereby or by the Formation Transaction Agreements or otherwise in connection with the consummation of the Formation Transactions, other than (i) registration of the Shares under the Securities Act, which has been effected (or, with respect to any

Rule 462 Registration Statement, will be effected in accordance Rule 462(b) under the Securities Act), (ii) any necessary qualification under the securities or blue sky laws of the various jurisdictions in which the Shares are being offered by the Underwriters, (iii) such approvals as have been obtained in connection with the approval of the Shares for listing on the NYSE, or (iv) under the FINRA Conduct Rules.

(w) There are no actions, suits, claims, inquiries, investigations or proceedings pending or, to the knowledge of the Transaction Entities, threatened or contemplated to which the Transaction Entities or any of the Subsidiaries or any of their respective directors, managers, partners, officers or members is or would be a party or of which any of their respective properties or other assets is or would be subject at law or in equity, before or by any federal, state, local or foreign governmental or regulatory commission, board, body, authority or agency, or before or by any self-regulatory organization or other non-governmental regulatory authority (including, without limitation, the NYSE) (i) other than any such action, suit, claim, investigation or proceeding described in the Registration Statement, the Time of Sale Prospectus and the Prospectus which, if resolved adversely to the Transaction Entities or any of the Subsidiaries, would not, individually or in the aggregate, have a material adverse effect or (ii) that are required to be described in the Registration Statement, the Time of Sale Prospectus and the Prospectus and are not so described or which would, singly or in the aggregate, result in a material adverse effect. There are no statutes, regulations, contracts or other documents that are required to be described in the Registration Statement or the Prospectus or to be filed as exhibits to the Registration Statement that are not described or filed as required.

(x) Neither the Transaction Entities nor any of the Subsidiaries are, and after giving effect to the offering and sale of the Shares and the application of the net proceeds thereof as described in the Registration Statement, the Time of Sale Prospectus and the Prospectus will be, required to register as an “investment company” as such term is defined in the Investment Company Act of 1940, as amended.

(y) No securities or loans issued by either of the Transaction Entities or their respective Subsidiaries are rated by any “nationally recognized statistical rating organization,” as such term is defined for purposes of Rule 436(g)(2) under the Securities Act.

(z) Ernst & Young LLP is an independent registered public accounting firm with respect to the Transaction Entities as required by the Securities Act, related regulations and the Public Company Accounting Oversight Board.

(aa) The financial statements of the Armada Hoffler Properties, Inc. Predecessor (the “**Predecessor**”) included in the Registration Statement, the Time of Sale Prospectus and the Prospectus, together with the related notes and schedules, present fairly in all material respects the consolidated financial position of the

Predecessor as of the dates indicated and the consolidated results of operations, cash flows and changes in stockholders' equity of the Predecessor for the periods specified and have been prepared in compliance with the requirements of the Securities Act and the Exchange Act and in conformity with U.S. generally accepted accounting principles ("**GAAP**") applied on a consistent basis during the periods involved. The balance sheet of the Company included in the Registration Statement, the Time of Sale Prospectus and the Prospectus, together with the related schedules and notes, presents fairly in all material respects the financial position of the Company at the dates indicated; said balance sheet has been prepared in compliance with the requirements of the Securities Act and the Exchange Act and in conformity with GAAP. The selected financial and operating data and the summary pro forma and operating data included in the Registration Statement, the Time of Sale Prospectus and the Prospectus present fairly in all material respects the information shown therein and have been compiled on a basis consistent with that of the audited, or unaudited, as applicable, financial statements of the Predecessor included therein. All pro forma financial statements or data included in the Registration Statement, the Time of Sale Prospectus and the Prospectus comply with the Commission's rules and guidelines with respect to pro forma financial statements and have been properly compiled on the bases described therein, and the assumptions used in the preparation of such pro forma financial statements and data are reasonable, the pro forma adjustments used therein are appropriate to give effect to the transactions or circumstances described therein and the pro forma adjustments have been properly applied to the historical amounts in the compilation of those statements and data. The other financial and statistical data contained in the Registration Statement, the Time of Sale Prospectus and the Prospectus are accurately and fairly presented and prepared in all material respects on a basis consistent with the financial statements and books and records of the Transaction Entities and the Subsidiaries. The statements of certain revenues and expenses of the Acquired Properties included in the Registration Statement, the Time of Sale Prospectus and the Prospectus present fairly in all material respects the information set forth therein and have been prepared, in all material respects, in accordance with the applicable financial statement requirements of Rule 3-14 under the Exchange Act with respect to real estate operations acquired or to be acquired. There are no financial statements (historical or pro forma) or related schedules that are required to be included in the Registration Statement, the Time of Sale Prospectus or the Prospectus that are not included as required. Neither the Transaction Entities nor any of the Subsidiaries have any material liabilities or obligations, direct or contingent (including any off-balance sheet obligations), not described in the Registration Statement, Time of Sale Prospectus and the Prospectus. All disclosures contained in the Time of Sale Prospectus and the Prospectus regarding "non-GAAP financial measures" (as such term is defined by the rules and regulations of the Commission) comply with Regulation G under the Exchange Act and Item 10 of Regulation S-K under the Securities Act and the Exchange Act, to the extent applicable.

(bb) All statistical or market-related data included in the Registration Statement, the Time of Sale Prospectus, the Prospectus and the Permitted Free Writing Prospectuses are based on or derived from sources that the Company reasonably believes to be reliable and accurate, and the Company has obtained the written consent to the use of such data from such sources to the extent required. Each "forward-looking statement" (within the meaning of Section 27A of the Securities Act or Section 21E of the Exchange Act) contained in the Registration Statement, the Time of Sale Prospectus, the Prospectus and the Permitted Free Writing Prospectuses has been made or reaffirmed with a reasonable basis and in good faith.

(cc) Each of the Transaction entities and their respective Subsidiaries possesses such permits, licenses, approvals, consents and other authorizations issued by the appropriate federal, state, local or foreign regulatory agencies or bodies necessary to conduct their business as described in the Registration Statement, the Time of Sale Prospectus and the Prospectus (collectively, "**Governmental Licenses**"), except where the failure so to possess would not, individually or in the aggregate, result in a material adverse effect. Each of the Transaction Entities and the Subsidiaries is in compliance with the terms and conditions of all such Governmental Licenses, except where the failure so to comply would not, individually or in the aggregate, result in a material adverse effect. All of the Governmental Licenses are valid and in full force and effect, except where the invalidity of such Governmental Licenses or the failure of such Governmental Licenses to be in full force and effect would not, individually or in the aggregate, result in a material adverse effect. Neither of the Transaction Entities nor the Subsidiaries have received any notice and each has no knowledge of any proceedings relating to the revocation or modification of any such Governmental Licenses which, individually or in the aggregate, if the subject of an unfavorable decision, ruling or finding, would result in a material adverse effect.

(dd) Each of the Transaction Entities and their respective Subsidiaries and their respective Initial Properties or other assets (i) have been and are in compliance with any and all Environmental Laws (as hereinafter defined); (ii) have received all permits, licenses or other approvals required of them under applicable Environmental Laws (collectively, "**Environmental Permits**"); and (iii) are in compliance with all terms and conditions of any and all Environmental Permits, except in the case of clauses (i), (ii) and (iii) as would not have a material adverse effect either individually or in the aggregate. Except as otherwise described in the Registration Statement, the Time of Sale Prospectus and the Prospectus, there has been no release, spilling, leaking, pumping, pouring, emitting, emptying, discharging, injecting, escaping, leaching, dumping, seeping or disposing (including without limitation the abandonment or discarding of barrels, containers, and other closed receptacles containing any hazardous substance or pollutant or contaminant) (collectively "**Release**") of any Hazardous Materials (as hereinafter defined) at, on, to, beneath or from the Initial Properties, the Development Properties or other assets owned by the Transaction Entities or the Subsidiaries that would have a material adverse effect either individually or in the aggregate. Except as otherwise described in the Registration Statement, the Time of Sale Prospectus and the

Prospectus, there are no tanks or other vessels used to store Hazardous Materials at, on or beneath any of the Initial Properties, the Development Properties or other assets owned by the Transaction Entities or the Subsidiaries that would have a material adverse effect either individually or in the aggregate.

(ee) Except as (x) otherwise described in the Registration Statement, the Time of Sale Prospectus and the Prospectus or (y) would not have a material adverse effect either individually or in the aggregate, neither of the Transaction Entities nor the Subsidiaries, nor any of their Initial Properties, the Development Properties or other assets: (i) have any liability under, and there are no costs or liabilities associated with, any Environmental Law (including, without limitation, any capital or operating expenditures required for clean-up, closure of any Initial Properties or compliance with Environmental Laws or any permit, license or approval, any related constraints on operating activities and any potential liabilities to third parties); (ii) have at any time Released at, to, or from any location, or otherwise handled, stored or dealt with, Hazardous Materials or any other material or substance as would cause the Transaction Entities or the Subsidiaries to incur any liability or would require disclosure or notification pursuant to any Environmental Law; (iii) intend to use the Initial Properties, the Development Properties or other assets owned by the Transaction Entities or the Subsidiaries or any subsequently acquired properties and other assets, other than in compliance with applicable Environmental Laws; (iv) have received notice of, and each is otherwise unaware of, any Release of Hazardous Materials at, to, or from any location from which such Hazardous Materials could affect the Initial Properties, the Development Properties or other assets owned by either of the Transaction Entities or the Subsidiaries; (v) have received any notice of, or have any knowledge of any occurrence or circumstance, and there is no occurrence or circumstance, that would give rise to any claim by any federal, state, local, municipal or other administrative, regulatory, governmental or quasigovernmental authority (a "**Governmental Authority**") or any third party under or pursuant to any applicable Environmental Law or common law with respect to the Initial Properties, the Development Properties or other assets described in the Registration Statement, the Time of Sale Prospectus and Prospectus, or arising out of the conduct of the Transaction Entities or the Subsidiaries. None of the Initial Properties, the Development Properties or any other assets currently owned by the Transaction Entities or any of the Subsidiaries is included or proposed for inclusion, on the National Priorities List issued pursuant to the Comprehensive Environmental Response, Compensation and Liability Act of 1980, as amended, 42 U.S.C. §§ 9601-9675 ("**CERCLA**")) by the United States Environmental Protection Agency (the "**EPA**") or on any similar list or inventory issued pursuant to any other applicable Environmental Law or issued by any Governmental Authority, and to the knowledge of the Transaction Entities and the Subsidiaries there is no basis for including the Initial Properties, the Development Properties or any other assets currently owned by either of the Transaction Entities or the Subsidiaries on any such list. To the knowledge of the Transaction Entities and the Subsidiaries, there have been, and are, no (i) polychlorinated biphenyls ("**PCBs**") or PCB-containing equipment, (ii) asbestos or asbestos containing materials, (iii) lead-based paints, (iv)

dry-cleaning facilities, or (v) wet lands, in each case in, on, under or adjacent to any Initial Property or other assets owned by either of the Transaction Entities or the Subsidiaries the existence of which has had or reasonably could have a material adverse effect.

(ff) As used herein, "**Hazardous Material**" shall include any chemical, substance, material or waste that is flammable, ignitable, explosive, corrosive, reactive, radioactive, hazardous, or toxic or that can be described with words of similar meanings, and shall include without limitation PCBs, asbestos, oil, petroleum and petroleum products, mold and any other chemical, substance, material or waste regulated by any Environmental Law. As used herein an "**Environmental Law**" shall include any federal, state or local law, ordinance, statute, rule or regulation relating to the protection of human health and safety, the environment or hazardous or toxic substances or wastes, pollutants or contaminants including, without limitation, CERCLA, the Hazardous Materials Transportation Act, as amended, 49 U.S.C. §§ 5101-5128, the Solid Waste Disposal Act, as amended, 42 U.S.C. §§ 6901-6992k, the Emergency Planning and Community Right-to-Know Act of 1986, 42 U.S.C. §§ 11001-11050, the Toxic Substances Control Act, 15 U.S.C. §§ 2601-2692, the Federal Insecticide, Fungicide and Rodenticide Act, 7 U.S.C. §§ 136-136y, the Clean Air Act, 42 U.S.C. §§ 7401-7671q, the Clean Water Act (Federal Water Pollution Control Act), 33 U.S.C. §§ 1251-1387, the Safe Drinking Water Act, 42 U.S.C. §§ 300f-300j-26, and the Occupational Safety and Health Act, 29 U.S.C. §§ 651-678, as any of the above statutes may be amended from time to time, any regulations promulgated pursuant to any of the foregoing and any other analogous or similar laws or regulations from any Governmental Authority having or claiming jurisdiction over the Transaction Entities or the Subsidiaries, or the Initial Properties and other assets described in the Registration Statement, the Time of Sale Prospectus and the Prospectus.

(gg) Except as disclosed in the Registration Statement, the Time of Sale Prospectus and the Prospectus, there are no contracts, agreements or understandings between the Company or the Operating Partnership, as the case may be, and any person granting such person the right to require the Company or the Operating Partnership to file a registration statement under the Securities Act with respect to any securities of the Company or the Operating Partnership, as the case may be, or to require the Company to include such securities with the Shares registered pursuant to the Registration Statement.

(hh) There are no contracts or documents which are required to be described in the Registration Statement or the Prospectus or to be filed as exhibits thereto which have not been so described and filed as required.

(ii) Upon completion of the Formation Transactions, (i) each of the Transaction Entities and the Subsidiaries will have fee simple title or a valid leasehold interest to all of the Initial Properties and other assets described in the Registration Statement, Time of Sale Prospectus and Prospectus as owned or leased by the Transaction Entities or the Subsidiaries, in each case, free and clear of all Liens,

except as disclosed in the Registration Statement, the Time of Sale Prospectus and the Prospectus or such as would not, singly or in the aggregate, have a material adverse effect, materially affect the value of such Initial Properties or materially interfere with the use made and proposed to be made of such Initial Properties by the Transaction Entities or any of the Subsidiaries; (ii) all Liens on or affecting the Properties that are required to be disclosed in the Registration Statement, the Time of Sale Prospectus and the Prospectus are disclosed therein and neither the Transaction Entities nor any of the Subsidiaries are in default under any such Lien except for such defaults that would not have a material adverse effect; (iii) to the knowledge of the Transaction Entities, all of the leases (including ground leases) and subleases material to the business of the Transaction Entities and the Subsidiaries, taken as a whole, relating to the Initial Properties described in the Registration Statement, the Time of Sale Prospectus and the Prospectus, are in full force and effect (with such exceptions as do not materially interfere with the use made or proposed to be made of any Initial Property by the Transaction Entities), and neither of the Transaction Entities has received any notice and each is otherwise unaware of any material claim of any sort that has been asserted by anyone adverse to the rights of the Transaction Entities or any Subsidiary under any of such leases or subleases, or affecting or questioning the rights of the Transaction Entities or any such Subsidiary to the continued possession of the leases or subleased premises under any such lease or sublease; (iv) neither the Transaction Entities nor the Subsidiaries are in violation of any municipal, state or federal law, rule or regulation concerning the Initial Properties or any part thereof which violation would have a material adverse effect; (v) each of the Initial Properties complies with all applicable zoning laws, laws, ordinances, regulations, development agreements, reciprocal easement agreements, ground or airspace leases and deed restrictions or other covenants, except where the failure to comply would not have a material adverse effect; (vi) neither of the Transaction Entities has received from any Governmental Authority any notice of any condemnation proceedings of or zoning change materially affecting the Initial Properties or any part thereof, and neither of the Transaction Entities knows and each is otherwise unaware of any such condemnation proceedings or zoning change which is threatened and which if consummated would have a material adverse effect or would otherwise materially affect the use or value of any of the Initial Properties or the Development Properties; (vii) except as otherwise described in the Registration Statement, Time of Sale Prospectus and Prospectus or as has not been waived by the holder, no tenant under any of the leases at the Initial Properties has a right of first refusal to purchase the premises demised under such lease; and (viii) neither of the Transaction Entities nor any of their respective Subsidiaries or, to the knowledge of either of the Transaction Entities, any lessee of any of the Initial Properties is in default under any of the leases governing the Initial Properties and none of the Transaction Entities or any of their respective subsidiaries knows of any event which, whether with or without the passage of time or the giving of notice, or both, would constitute a default under any of such leases, except such defaults that would not, singly or in the aggregate, result in a material adverse effect.

(jj) Except as set forth in the Registration Statement, the Time of Sale Prospectus and the Prospectus, (i) the mortgages and deeds of trust encumbering the Properties to be owned or leased by the Transaction Entities or any Subsidiary upon completion of the Formation Transactions are not convertible into equity interests in the respective Property nor will the Transaction Entities, the Subsidiaries, or any person affiliated therewith, hold a participating interest therein, and (ii) such mortgages and deeds of trust are not crossdefaulted or cross-collateralized to any Property not owned, directly or indirectly, by the Transaction Entities or any Subsidiary.

(kk) Upon completion of the Formation Transactions, each of the Transaction Entities and the Subsidiaries will own or possess all inventions, patent applications, patents, patent rights, licenses, trademarks (both registered and unregistered), trade names, service names, copyrights, trade secrets, know-how and other proprietary information described in the Registration Statement, the Time of Sale Prospectus and the Prospectus as being owned or licensed by it or which is necessary for the conduct of, or material to, its businesses (collectively, the "**Intellectual Property**"), and neither of the Transaction Entities has received any notice and each is otherwise unaware of any claim to the contrary or any challenge by any other person to the rights of the Transaction Entities and the Subsidiaries with respect to the Intellectual Property or of any facts or circumstances which would render any Intellectual Property invalid or inadequate to protect the interests of the Transaction Entities and the Subsidiaries therein. Neither the Transaction Entities nor the Subsidiaries have infringed or are infringing upon the intellectual property of a third party, and neither the Operating Partnership nor the Subsidiaries have received any notice and each is otherwise unaware of a claim by a third party to the contrary.

(ll) No material labor dispute with the employees of the Transaction Entities or any of their respective Subsidiaries exists, except as described in the Registration Statement, the Time of Sale Prospectus and the Prospectus, or, to the knowledge of the Transaction Entities, is imminent. Neither of the Transaction Entities has received any notice and each is otherwise unaware of any existing, threatened or imminent labor disturbance by the employees of any of its contractors or subcontractors that could have a material adverse effect on the Transaction Entities or their respective Subsidiaries, taken as a whole. Neither of the Transaction Entities nor their respective Subsidiaries is in violation of any provision of the Employee Retirement Income Security Act of 1974, as amended, or the rules and regulations promulgated thereunder, except for such violations as would not have a material adverse effect.

(mm) The Operating Partnership or a Subsidiary has title insurance on the fee interests and/or leasehold interests in each of the Initial Properties to be owned or leased upon completion of the Formation Transactions, covering such risks and in such amounts as are commercially reasonable for the assets to be owned or leased by them and that are reasonably believed to be consistent with the types and amounts of

insurance typically maintained by owners and operators of similar properties, and to the knowledge of the Operating Partnership and the Subsidiaries, such title insurance is in full force and effect.

(nn) The Transaction Entities and the Subsidiaries are insured by insurers of recognized financial responsibility against such losses and risks and in such amounts as are adequate and customary in the businesses in which they are engaged; neither of the Transaction Entities nor any of the Subsidiaries have been refused any insurance coverage sought or applied for; and neither of the Transaction Entities nor any of the Subsidiaries have any reason to believe that it will not be able to renew its existing insurance coverage as and when such coverage expires or to obtain similar coverage from similar insurers as may be necessary to continue its business at a cost that would not have a material adverse effect.

(oo) Except as otherwise would not have a material adverse effect, the buildings, structures and equipment owned by the Transaction Entities and the Subsidiaries are in good operating condition and repair and have been reasonably maintained consistent with standards generally followed in the industry (giving due account to the age and length of use, ordinary wear and tear excepted), are adequate and suitable for their present uses and, in the case of buildings and other structures, are structurally sound; to the knowledge of the Transaction Entities, water, stormwater, sanitary sewer, electricity and telephone service are all available at the property lines of each Initial Property over duly dedicated streets or perpetual easements of record benefiting the applicable Initial Property. To the knowledge of the Transaction Entities, each of the Initial Properties has legal access to public roads and all other roads necessary for the use of each of the Initial Properties.

(pp) Each of the Transaction Entities and the Subsidiaries possess all certificates, authorizations and permits issued by the appropriate federal, state or foreign regulatory authorities necessary to conduct their respective businesses (including such certificates, authorizations and permits related to the Construction Business), and neither the Transaction Entities nor any of the Subsidiaries have received any notice of proceedings relating to the revocation or modification of any such certificate, authorization or permit which, singly or in the aggregate, if the subject of an unfavorable decision, ruling or finding, would have a material adverse effect.

(qq) Except as would not have a material adverse effect, upon completion of the Formation Transactions, neither the Operating Partnership nor the Subsidiaries will be prohibited, directly or indirectly, under any agreement or other instrument to which they are a party or are subject, from paying any distributions to the Company, from making any other distribution on the OP Units, from repaying to the Company any loans or advances made to the Operating Partnership or any Subsidiary by the Company or from transferring any of the properties or other assets of the Operating Partnership or the Subsidiaries to the Company, the Operating Partnership or any other Subsidiary of the Company, except as described in the Registration Statement, the Time of Sale Prospectus and the Prospectus.

(rr) There are no transfer taxes or other similar fees or charges under federal law or the laws of any state, or any political subdivision thereof, required to be paid in connection with the execution and delivery of this Agreement or the issuance or sale by the Company of the Shares that would have a material adverse effect.

(ss) Each of the Transaction Entities and the Subsidiaries has timely filed all federal, state and local tax returns that are required to be filed or has timely requested extensions thereof ("**Returns**"), except for any failures to file that, individually or collectively, would not result in a material adverse effect, and has paid all taxes required to be paid by it and any other assessment, fine or penalty levied against it, to the extent that any of the foregoing is due and payable, except for any such assessments, fines or penalties that are currently being contested in good faith or that, individually or collectively, would not result in a material adverse effect. No audits or other administrative proceedings or court proceedings are presently pending against any of the Transaction Entities or the Subsidiaries with regard to any Returns, and no taxing authority has notified any of the Transaction Entities or the Subsidiaries that it intends to investigate its tax affairs, except for any such audits or investigations that, individually or collectively, would not result in the assessment of material taxes.

(tt) Throughout the period from its formation through the date hereof, the Operating Partnership and each Subsidiary that has been formed as a partnership or a limited liability company for state law purposes has been properly classified either as a partnership or as a disregarded entity for federal income tax purposes and has not been subject to taxation as an association or a "publicly traded partnership" (within the meaning of Section 7704(b) of the Code) taxable as a corporation for federal income tax purposes. The Company does not know of any event that would cause or is likely to cause the Operating Partnership or any Subsidiary formed as a partnership or limited liability company for state law purposes to cease being classified as either a disregarded entity or a partnership for federal income tax purposes, and the Company does not know of any event that would cause or is likely to cause the Operating Partnership or any Subsidiary to be treated as a corporation, an association taxable as a corporation or a publicly traded partnership for federal income tax purposes.

(uu) Commencing with the Company's short taxable year ending December 31, 2013, the Company will be organized and will operate in a manner so as to qualify as a real estate investment trust (a "**REIT**") under Sections 856 through 860 of the Code and the Company will elect to be taxed as a REIT under the Code effective for its short taxable year ending December 31, 2013. The proposed method of operation of the Company as described in the Registration Statement, the Time of Sale Prospectus and the Prospectus will enable the Company to meet the requirements for qualification and taxation as a REIT under the Code for its taxable year ending December 31, 2013 and thereafter.

(vv) Each of the Transaction Entities and the Subsidiaries is in compliance, in all material respects, with all presently applicable provisions of the Employee Retirement Income Security Act of 1974, as amended, including the regulations and published interpretations thereunder ("**ERISA**"); no "reportable event" (as defined in ERISA) has occurred with respect to any "pension plan" (as defined in ERISA) for which the Company or the Operating Partnership would have any liability. Neither the Transaction Entities nor any of the Subsidiaries have incurred or expect to incur liability under (i) Title IV of ERISA with respect to termination of, or withdrawal from, any "pension plan" or (ii) Sections 412 or 4971 of the Code, including the regulations and published interpretations thereunder. Each "pension plan" for which the Transaction Entities or any of the Subsidiaries would have any liability and that is intended to be qualified under Section 401(a) of the Code is so qualified in all material respects, and nothing has occurred, whether by action or by failure to act, which would cause the loss of such qualification, except where the failure to be so qualified would not have a material adverse effect.

(ww) Except as disclosed in the Registration Statement, the Time of Sale Prospectus and the Prospectus, there are no contracts, agreements or understandings that would give rise to a valid claim against either of the Transaction Entities or any Underwriter for a brokerage commission, finder's fee or other like payment in connection with the transactions contemplated by this Agreement.

(xx) The Company has taken all necessary actions to ensure that, upon and at all times after the effectiveness of the Registration Statement, so long as the Company has a class of securities registered under Section 12 of the Exchange Act, the Company and any of the officers and directors of the Company, in their capacities as such, will be in compliance in all material respects with the provisions of the Sarbanes-Oxley Act of 2002 and the rules and regulations promulgated thereunder or implementing the provisions thereof (the "**Sarbanes-Oxley Act**") that are then in effect and which the Company is required to comply with.

(yy) The Company (i) has taken all necessary actions to ensure that, within the time period required, the Transaction Entities and the Subsidiaries will maintain effective internal control over financial reporting (as defined under Rules 13a-15 and 15d-15 of the rules and regulations of the Commission under the Exchange Act) and (ii) currently maintains a system of internal accounting controls sufficient to provide reasonable assurances that (A) transactions are executed in accordance with management's general or specific authorization; (B) transactions are recorded as necessary to permit preparation of financial statements in conformity with GAAP and to maintain accountability for assets; (C) access to assets is permitted only in accordance with management's general or specific authorization; and (D) the recorded accountability for assets is compared with the existing assets at reasonable intervals and appropriate actions is taken with respect to any differences. Except as described in the Registration Statement and the Time of Sale Prospectus, since the Company's incorporation, there has been (i) no significant deficiency or material weakness in the design or operation of the Company's internal control over financial

reporting (whether or not remediated) which is reasonably likely to adversely affect the Company's ability to record, process, summarize and report financial information and (ii) since the date of the latest audited financial statements included in the Registration Statement, the Time of Sale Prospectus and the Prospectus, there has been no change in the Company's internal control over financial reporting that has materially affected, or is reasonably likely to materially affect, the Company's internal control over financial reporting.

(zz) The Company has established and maintains a system of "disclosure controls and procedures" (as such term is defined in Rules 13a-15 and 15d-15 of the rules and regulations of the Commission under the Exchange Act); such disclosure controls and procedures are effective to perform the functions for which they were established and are designed to ensure that information required to be disclosed by the Company in the reports that it files or submits under the Exchange Act is recorded, processed, summarized and reported, within the time periods specified in the Commission's rules and forms, and is accumulated and communicated to the Company's management, including its principal executive officer and principal financial officer, to allow timely decisions regarding disclosure.

(aaa) Neither of the Transaction Entities nor the Subsidiaries has sent or received any communication regarding termination of, or intent not to renew, any of the contracts or agreements referred to or described in the Registration Statement, the Time of Sale Prospectus or the Prospectus, or referred to or described in, or filed as an exhibit to, the Registration Statement, and no such termination or non-renewal has been threatened by either of the Transaction Entities or the Subsidiaries or, to the knowledge of the Transaction Entities, any other party to any such contract or agreement.

(bbb) There are no business relationships or related-party transactions involving the Transaction Entities, any of the Subsidiaries or any other person required to be described in the Registration Statement, the Time of Sale Prospectus and the Prospectus which have not been described as required.

(ccc) The Company is not and, to the knowledge of the Transaction Entities, no director, officer, agent, employee or affiliate of either of the Transaction Entities or any of the Subsidiaries, is aware of or has taken any action, directly or indirectly, that would result in a material violation by such persons of the Foreign Corrupt Practices Act of 1977, as amended, and the rules and regulations thereunder (the "**FCPA**"), including, without limitation, making use of the mails or any means or instrumentality of interstate commerce corruptly in furtherance of an offer, payment, promise to pay or authorization of the payment of any money, or other property, gift, promise to give, or authorization of the giving of anything of value to any "foreign official" (as such term is defined in the FCPA) or any foreign political party or official thereof or any candidate for foreign political office, in contravention of the FCPA, and the Transaction Entities and the Subsidiaries and, to the knowledge of the Transaction Entities, their affiliates have conducted their businesses in compliance with the FCPA in all material respects. The Transaction Entities and the Subsidiaries have instituted and maintain policies and procedures designed to ensure continued compliance with the FCPA.

(ddd) The operations of the Transaction Entities and the Subsidiaries are, and have been conducted at all times, in compliance with applicable financial recordkeeping and reporting requirements of the Currency and Foreign Transactions Reporting Act of 1970, as amended, the money laundering statutes of all applicable jurisdictions, the rules and regulations thereunder and any related or similar applicable rules, regulations or guidelines, issued, administered or enforced by any governmental agency (collectively, the "**Money Laundering Laws**") and no action, suit or proceeding by or before any court or governmental agency, authority or body or any arbitrator involving the Transaction Entities or any of the Subsidiaries with respect to the Money Laundering Laws is pending or, to the knowledge of the Transaction Entities, threatened. None of the Transaction Entities, the Subsidiaries or, to the knowledge of the Transaction Entities, any director, officer, agent, employee, affiliate or person acting on behalf of the Transaction Entities or the Subsidiaries is currently subject to any U.S. sanctions administered by the Office of Foreign Assets Control of the U.S. Treasury Department ("**OFAC**"); and the Company will not directly or indirectly use the proceeds of this offering, or lend, contribute or otherwise make available such proceeds to the Operating Partnership, any Subsidiary, joint venture partner or other person or entity, for the purpose of financing the activities of any person currently subject to any U.S. sanctions administered by OFAC.

(eee) Except as described in the Registration Statement, the Time of Sale Prospectus and the Prospectus, the Company has not sold, issued or distributed any shares of Common Stock during the six-month period preceding the date hereof, including any sales pursuant to Rule 144A under, or Regulation D or S of, the Securities Act, other than shares issued pursuant to employee benefit plans, qualified stock option plans or other employee compensation plans or pursuant to outstanding options, rights or warrants.

(fff) Neither of the Transaction Entities nor the Subsidiaries nor any of their respective directors, officers, affiliates or controlling persons has taken, directly or indirectly, any action designed, or which has constituted or might reasonably be expected to cause or result in the stabilization or manipulation of the price of any security of the Company to facilitate the sale or resale of the Shares.

(ggg) From the time of initial confidential submission of the Registration Statement through the date hereof, the Company has been and is an "emerging growth company," as defined in Section 2(a) of the Securities Act (an "**Emerging Growth Company**").

(hhh) The Company (a) has not engaged in any Testing-the-Waters Communications and (b) has not authorized anyone to engage in Testing-the-Waters Communications. "Testing-the-Waters Communications" means any oral or written communication with potential investors undertaken in reliance on Section 5(d) of the

Securities Act. The Company has filed publicly on the Commission's EDGAR database at least 21 calendar days prior to any "road show" (as defined in Rule 433 under the Act), any confidentially submitted registration statement and registration statement amendments relating to the offer and sale of the Shares.

(iii) The Transaction Entities intend to apply the net proceeds from the sale of the Shares substantially in accordance with the description set forth in the Registration Statement, the Time of Sale Prospectus and the Prospectus under the heading "Use of Proceeds." The Company has no present plan or intention to materially alter its investment policies as described in the Registration Statement, the Time of Sale Prospectus and the Prospectus.

2. *Agreements to Sell and Purchase*. The Company hereby agrees to issue and sell [—] Shares to the several Underwriters at a price of $[—] per share (the "**Purchase Price**"), and each Underwriter, upon the basis of the representations and warranties herein contained, but subject to the conditions herein set forth, agrees, severally and not jointly, to purchase from the Company at the Purchase Price the number of Firm Shares (subject to such adjustments to eliminate fractional shares as the Representatives may determine) set forth opposite the name of such Underwriter set forth in Schedule I hereto.

Moreover, the Company hereby agrees to issue and sell up to [—] Additional Shares to the Underwriters at the Purchase Price, and the Underwriters, upon the basis of the representations and warranties contained herein, but subject to the terms and conditions herein set forth, shall have the right (but not the obligation) to purchase, severally and not jointly, up to the Additional Shares at the Purchase Price. The Representatives may exercise this right on behalf of the Underwriters in whole or from time to time in part by giving written notice not later than 30 days after the date of this Agreement. Any exercise notice shall specify the number of Additional Shares to be purchased by the Underwriters and the date on which such shares are to be purchased. Each purchase date must be at least one business day after the written notice is given and may not be earlier than the closing date for the Firm Shares or later than ten business days after the date of such notice. Additional Shares may be purchased by the Underwriters solely for the purpose of covering overallotments made in connection with the offering of the Firm Shares. On each day, if any, that Additional Shares are to be purchased (each, an "**Option Closing Date**"), each Underwriter agrees, severally and not jointly, to purchase the number of Additional Shares (subject to such adjustments to eliminate fractional shares as the Representatives may determine) that bears the same proportion to the total number of Additional Shares to be purchased on such Option Closing Date as the number of Firm Shares set forth in Schedule I hereto opposite the name of such Underwriter bears to the total number of Firm Shares.

3. *Terms of Public Offering*. The Company is advised by the Representatives that the Underwriters propose to make a public offering of their respective portions of the Shares as soon after this Agreement has become effective

as in the Representatives' judgment is advisable. The Company is further advised by the Representatives that the Shares are to be offered to the public initially at $[—] per share (the "**Public Offering Price**") and to certain dealers selected by the Representatives at a price that represents a concession not in excess of $[—] per share under the Public Offering Price, and that any Underwriter may allow, and such dealers may reallow a concession, not in excess of $[—] per share, to any Underwriter or to certain other dealers.

4. *Payment and Delivery*. Payment for the Firm Shares to be sold by the Company shall be made to the Company in Federal or other funds immediately available in Washington, DC against delivery of such Firm Shares for the respective accounts of the several Underwriters at 10:00 a.m., Eastern Time, on [—], 2013, or at such other time on the same or such other date, not later than [—], 2013, as shall be designated in writing by the Representatives. The time and date of such payment are hereinafter referred to as the "**Closing Date**."

Payment for any Additional Shares shall be made to the Company in Federal or other funds immediately available in Washington, DC against delivery of such Additional Shares for the respective accounts of the several Underwriters at 10:00 a.m., Eastern Time, on the date specified in the corresponding notice described in Section 2 or at such other time on the same or on such other date, in any event not later than [—], 2013, as shall be designated in writing by the Representatives.

The Firm Shares and Additional Shares shall be registered in such names and in such denominations as the Representatives shall request in writing not later than one full business day prior to the Closing Date or the applicable Option Closing Date, as the case may be. The Firm Shares and Additional Shares shall be delivered to the Representatives on the Closing Date or an Option Closing Date, as the case may be, for the respective accounts of the several Underwriters, with any transfer taxes payable in connection with the transfer of the Shares to the Underwriters duly paid, against payment of the Purchase Price therefor.

5. *Conditions to the Underwriters' Obligations***.** The several obligations of the Underwriters are subject to the condition that all representations and warranties on the part of the Transaction Entities contained in this Agreement or in certificates of any officer of the Company or the general partner of the Operating Partnership delivered pursuant to the provisions hereof are, on the date hereof, on the Closing Date and on each Option Closing Date, if any, true and correct, the condition that each of the Transaction Entities has performed their respective covenants and obligations required to be performed prior to the Closing Date and each Option Closing Date, if any, and the following further conditions:

(a) Subsequent to the execution and delivery of this Agreement and prior to the Closing Date and each Option Closing Date, if any:

(i) none of the securities of the Transaction Entities or any Subsidiary shall have been rated by any "nationally recognized statistical rating organization," as such term is defined for purposes of Rule 436(g)(2) under the Securities Act;

(ii) there shall not have occurred any adverse change, or any development involving a prospective change, in the assets, business, condition (financial or otherwise), management, operations, earnings or prospects of the Transaction Entities and the Subsidiaries, taken as a whole, from that set forth in the Time of Sale Prospectus that makes it, in the Representatives' judgment, impracticable or inadvisable to offer or sell the Shares on the terms and in the manner contemplated in the Time of Sale Prospectus (a "**Material Adverse Change**");

(iii) except as described in the Registration Statement, the Time of Sale Prospectus and the Prospectus, neither of the Transaction Entities nor the Subsidiaries has incurred any liabilities or obligations, direct or contingent (including off-balance sheet obligations), or entered into any transactions that are material to the Transaction Entities or their respective Subsidiaries, taken as a whole;

(iv) except as described in the Registration Statement, the Time of Sale Prospectus and the Prospectus, neither of the Transaction Entities has purchased any class of the Company's outstanding capital stock or OP Units of the Operating Partnership, nor declared, paid or otherwise made any dividend or distribution of any kind on any class of its capital stock (in the case of the Company), OP Units (in the case of the Operating Partnership), or other form of ownership interests, as applicable; and

(v) there has not been any material change in the capital stock, short-term debt or long-term debt of the Transaction Entities or the Subsidiaries, except in each case as described in each of the Registration Statement, the Time of Sale Prospectus and the Prospectus.

(b) The Underwriters shall have received on the Closing Date and each Option Closing Date, if any, a certificate, dated the Closing Date or such Option Closing Date, as the case may be, and signed by the President and Chief Executive Officer of the Company and the Chief Financial Officer of the Company, to the effect that there has been no Material Adverse Change and that the representations and warranties of the Transaction Entities contained in this Agreement are true and correct as of the Closing Date or such Option Closing Date, as the case may be, as through expressly made on the Closing Date or the Option Closing Date, as the case may be, that each of the Transaction Entities has complied with all of the agreements and satisfied all of the conditions on its part to be performed or satisfied hereunder on or before the Closing Date or such Option Closing Date, as the case may be, and as to such other matters as the Representatives may reasonably request, and that no proceedings or examination to suspend the effectiveness of the Registration Statement have been instituted or, to the knowledge of such officers, threatened.

(c) The Underwriters shall have received on the Closing Date and each Option Closing Date, if any, an opinion of Hunton & Williams LLP, outside counsel for the Transaction Entities, dated the Closing Date or such Option Closing Date, as the case may be, in form and substance reasonably satisfactory to counsel for the Underwriters to the effect set forth in Exhibit A-1 hereto, and the negative assurance letter of Hunton & Williams LLP dated the Closing Date or such Option Closing Date, as the case may be, in form and substance reasonably satisfactory to counsel for the Underwriters to the effect set forth in Exhibit A-2 hereto. In rendering such opinion, Hunton & Williams LLP, may rely as to matters of fact (but not as to legal conclusions), to the extent they deem proper, on certificates of responsible officers of the Company, the Operating Partnership and the Subsidiaries and of public officials. The opinion of Hunton & Williams LLP shall be rendered to the Underwriters at the request of the Company and shall so state therein.

(d) The Underwriters shall have received on the Closing Date or the Option Closing Date, if any, an opinion of Hunton & Williams LLP, tax counsel for the Transaction Entities, dated the Closing Date or such Option Closing Date, as the case may be, in form and substance reasonably satisfactory to counsel for the Underwriters to the effect set forth in Exhibit B hereto.

(e) The Underwriters shall have received on the Closing Date and each Option Closing Date, if any, the favorable opinion of Venable LLP, Maryland counsel for the Company dated the Closing Date or such Option Closing Date, as the case may be, substantially in the form of Exhibit C attached hereto.

(f) The Underwriters shall have received on the Closing Date and each Option Closing Date, if any, the favorable opinion of Faggert & Frieden, P.C., Virginia counsel for the Company dated the Closing Date or such Option Closing Date, as the case may be, substantially in the form of Exhibit D attached hereto.

(g) The Underwriters shall have received on the Closing Date and each Option Closing Date, if any, an opinion of Bass, Berry & Sims PLC, counsel for the Underwriters, dated the Closing Date or such Option Closing Date, as the case may be, in form and substance satisfactory to the Underwriters. In rendering such opinion, Bass, Berry & Sims PLC, may (i) rely as to matters of fact (but not as to legal conclusions), to the extent they deem proper, on certificates of responsible officers of the Company, the Operating Partnership and the Subsidiaries and of public officials and (ii) rely as to matters involving the application of the laws of the state of Maryland upon the opinion of Venable LLP.

(h) The Underwriters shall have received, on each of the date hereof, the Closing Date and each Option Closing Date, if any, a letter dated the date hereof, the Closing Date or the Option Closing Date, as the case may be, in form and substance satisfactory to the Underwriters, from Ernst & Young LLP, independent public

accountants, containing statements and information of the type ordinarily included in accountants' "comfort letters" to underwriters with respect to the financial statements and certain financial information contained in the Registration Statement, the Time of Sale Prospectus and the Prospectus; provided that the letter delivered by Ernst & Young LLP on the Closing Date, which shall reaffirm the statements made in the letter delivered by Ernst & Young LLP on the date hereof, shall use a "cut-off date" not earlier than the date hereof.

(i) The Registration Statement, including any Rule 462 Registration Statement, shall have become effective. No stop order suspending the effectiveness of the Registration Statement or preventing or suspending the use of any Preliminary Prospectus, the Time of Sale Prospectus or the Prospectus shall have been issued, and no proceedings for such purpose shall have been instituted or threatened by the Commission; no notice of objection of the Commission to the use of the Registration Statement shall have been received; and all requests for additional information on the part of the Commission shall have been complied with to the satisfaction of counsel to the Underwriters. The Prospectus containing the information that was omitted from the Registration Statement at the time it became effective but that is deemed to be part of such Registration Statement at the time it became effective pursuant to Rule 430A(b) shall have been filed with the Commission in the manner and within the time frame required by Rule 424(b) without reliance on Rule 424(b)(8) or a post-effective amendment providing such information shall have been filed with, and declared effective by, the Commission in accordance with the requirements of Rule 430A.

(j) The "lock-up" agreements, each substantially in the form of Exhibit E hereto, between Baird and certain officers and directors of the Company, each of whom is listed on Schedule V hereto, relating to sales and certain other dispositions of shares of Common Stock or certain other securities, delivered to Baird on or before the date hereof, shall be in full force and effect on the Closing Date.

(k) The Shares shall have been approved for listing on the NYSE subject to official notice of issuance.

(l) FINRA shall not have raised any objection with respect to the fairness or reasonableness of the underwriting, or other arrangements of the transactions, contemplated hereby.

(m) No action shall have been taken and no statute, rule, regulation or order shall have been enacted, adopted or issued by any federal, state or foreign governmental or regulatory authority that would, as of the Closing Date and each Option Closing Date, if any, prevent the issuance or sale of the Shares. No injunction or order of any federal, state or foreign court shall have been issued that would, as of the Closing Date and each Option Closing Date, if any, prevent the issuance or sale of the Shares.

(n) Substantially concurrently with or immediately prior to the Closing Date, the Formation Transactions shall have been consummated in accordance with the respective terms of the Formation Transaction Agreements and as disclosed in the Registration Statement and the Time of Sale Prospectus.

The several obligations of the Underwriters to purchase Additional Shares hereunder are subject to the delivery to the Representatives on the applicable Option Closing Date of such documents as the Representatives may reasonably request, including certificates of officers of the Transaction Entities, legal opinions and an accountants' comfort letter, and other matters related to the issuance of such Additional Shares.

6. *Covenants of the Transaction Entities*. Each of the Transaction Entities, jointly and severally, covenant with each Underwriter as follows:

(a) To furnish to the Representatives, without charge, [—] signed copies of the Registration Statement (including exhibits thereto) and for delivery to each other Underwriter a conformed copy of the Registration Statement (without exhibits thereto) and to furnish to the Representatives in Milwaukee, Wisconsin, without charge, prior to 10:00 a.m. Eastern Time on the business day next succeeding the date of this Agreement and during the period mentioned in Section 6(f) or 6(g) below, as many copies of the Time of Sale Prospectus, the Prospectus and any supplements and amendments thereto or to the Registration Statement as the Representatives may request. The copies of the Registration Statement and each amendment thereto furnished to the Underwriters will be substantially identical to the electronically transmitted copies thereof filed with the Commission pursuant to EDGAR, except to the extent permitted by Regulation S-T.

(b) Before amending or supplementing the Registration Statement, the Time of Sale Prospectus or the Prospectus, to furnish to the Representatives a copy of each such proposed amendment or supplement and not to file any such proposed amendment or supplement to which the Representatives object, and to file with the Commission within the applicable period specified in Rule 424(b) under the Securities Act any prospectus required to be filed pursuant to such Rule. To furnish to the Representatives a copy of each proposed free writing prospectus to be prepared by or on behalf of, used by, or referred to by the Company and not to use or refer to any proposed free writing prospectus to which the Representatives reasonably object.

(c) Not to take any action that would result in an Underwriter or the Company being required to file with the Commission pursuant to Rule 433(d) under the Securities Act a free writing prospectus prepared by or on behalf of the Underwriter that the Underwriter otherwise would not have been required to file thereunder.

(d) To advise the Representatives promptly (i) of any request by the Commission for amendments or supplements to the Registration Statement, any Preliminary Prospectus or Prospectus or for additional information with respect thereto, (ii) when any post-effective amendment to the Registration Statement shall become effective, or any amendment or supplement to the Prospectus shall have been filed, (iii) of the receipt of any comments from the Commission, (iv) if the Company becomes the subject of a proceeding under Section 8A of the Securities Act in connection with the offering of the Shares, or (v) of notice of institution of proceedings for, or the entry of a stop order, suspending the effectiveness of the Registration Statement or preventing or suspending the use of any Preliminary Prospectus, the Time of Sale Prospectus or the Prospectus; and if the Commission should enter such a stop order, to use its best efforts to obtain the lifting or removal of such order as soon as possible.

(e) If the Time of Sale Prospectus is being used to solicit offers to buy the Shares at a time when the Prospectus is not yet available to prospective purchasers and any event shall occur or condition exist as a result of which it is necessary to amend or supplement the Time of Sale Prospectus in order to make the statements therein, in the light of the circumstances, not misleading, or if any event shall occur or condition exist as a result of which the Time of Sale Prospectus conflicts with the information contained in the Registration Statement then on file, or if, in the opinion of counsel for the Underwriters, it is necessary to amend or supplement the Time of Sale Prospectus to comply with applicable law, forthwith to prepare, file with the Commission and furnish, at its own expense, to the Underwriters and to any dealer upon request, either amendments or supplements to the Time of Sale Prospectus so that the statements in the Time of Sale Prospectus as so amended or supplemented will not, in the light of the circumstances when delivered to a prospective purchaser, be misleading or so that the Time of Sale Prospectus, as amended or supplemented, will no longer conflict with the Registration Statement, or so that the Time of Sale Prospectus, as amended or supplemented, will comply with applicable law.

(f) If, during such period after the first date of the public offering of the Shares as in the opinion of counsel for the Underwriters the Prospectus (or in lieu thereof the notice referred to in Rule 173(a) under the Securities Act) is required by law to be delivered in connection with sales by an Underwriter or dealer, any event shall occur or condition exist as a result of which it is necessary to amend or supplement the Prospectus in order to make the statements therein, in the light of the circumstances when the Prospectus (or in lieu thereof the notice referred to in Rule 173(a) under the Securities Act) is delivered to a purchaser, not misleading, or if, in the opinion of counsel for the Underwriters, it is necessary to amend or supplement the Prospectus to comply with applicable law, forthwith to prepare, file with the Commission and furnish, at its own expense, to the Underwriters and to the dealers (whose names and addresses the Representatives will furnish to the Company) to which Shares may have been sold by the Representatives on behalf of the Underwriters and to any other dealers upon request, either amendments or supplements to the Prospectus so that the statements in the Prospectus as so amended or supplemented will not, in the light of the circumstances when the

Prospectus (or in lieu thereof the notice referred to in Rule 173(a) under the Securities Act) is delivered to a purchaser, be misleading or so that the Prospectus, as amended or supplemented, will comply with applicable law.

(g) If, at or after the time this Agreement is executed and delivered, it is necessary or appropriate for a post-effective amendment to the Registration Statement, or a Rule 462 Registration Statement, to be filed with the Commission and become effective before the Shares may be sold, the Company will use its best efforts to cause such post-effective amendment or such Registration Statement to be filed and become effective, and will pay any applicable fees in accordance with the Securities Act, as soon as possible; and the Company will advise the Representatives promptly and, if requested by the Representatives, will confirm such advice in writing, (i) when such post-effective amendment or such Registration Statement has become effective, and (ii) if Rule 430A or 430C under the Securities Act is used, when the Prospectus is filed with the Commission pursuant to Rule 424(b) under the Securities Act (which the Company agrees to file in a timely manner in accordance with such Rules).

(h) To file promptly all reports and any definitive proxy or information statements required to be filed by the Company with the Commission pursuant to Section 13(a), 13(c), 14 or 15(d) of the Exchange Act subsequent to the date of the Prospectus and for so long as the delivery of a prospectus (or, in lieu thereof, the notice referred to in Rule 173(a) under the Securities Act) is required in connection with the offering or sale of the Shares.

(i) Promptly to furnish such information or to take such action as the Representatives may reasonably request and otherwise to qualify the Shares for offer and sale under the securities or “blue sky” laws of such jurisdictions as the Representatives shall reasonably request, and to comply with such laws so as to permit the continuance of sales and dealings therein in such jurisdictions for as long as may be necessary to complete the distribution of the Shares; provided, however, that the Company shall not be required to qualify as a foreign corporation or to file a consent to service of process in any jurisdiction (excluding service of process with respect to the offer and sale of the Shares); and to promptly advise the Representatives of the receipt by the Company of any notification with respect to the suspension of the qualification of the Shares for offer or sale in any jurisdiction or the initiation or threatening of any proceeding for such purpose.

(j) To make generally available to the Company’s security holders and to the Representatives as soon as practicable an earnings statement covering a period of at least twelve months beginning after the effective date of the Registration Statement (as defined in Rule 158(c) under the Securities Act), which shall satisfy the provisions of Section 11(a) of the Securities Act and Rule 158 thereunder.

(k) To use its best efforts to effect and maintain the listing of the Shares on the NYSE.

(l) During the period beginning on the date of the Underwriting Agreement and continuing to and including 180 days after the date of the Prospectus, and without the prior written consent of the Representatives with the authorization to release the lock-up letter on behalf of the Underwriters, not to (i) to issue, offer, pledge, sell, contract to sell, sell any option or contract to purchase, purchase any option or contract to sell, grant any option, right or warrant to purchase, lend, or otherwise transfer or dispose of, directly or indirectly, any shares of Common Stock or any securities convertible into or exercisable or exchangeable for Common Stock (including OP Units), (ii) enter into any swap or other arrangement that transfers to another, in whole or in part, any of the economic consequences of ownership of the Common Stock, whether such transaction described in clause (i) or (ii) above is to be settled by delivery of the Common Stock or such other securities, in cash or otherwise, (iii) file any registration statement with the Commission relating to the offering of any shares of Common Stock or any securities convertible into or exercisable or exchangeable for Common Stock (including OP Units), or (iv) publicly announce an intention to effect any transaction specified in clause (i), (ii) or (iii) above. Notwithstanding the foregoing, the Company may file a registration statement on Form S-8 registering shares of common stock that may be issued pursuant to the Company's 2013 Equity Incentive Plan at any time following the date of the Underwriting Agreement without obtaining the consent of the Representatives. The restrictions contained in this subsection shall not apply to (i) the Shares to be sold hereunder, (ii) the grant of options to purchase shares of Common Stock or the issuance of other awards pursuant to the Company's equity incentive plans under the terms of such plans in effect on the date hereof, provided any options are granted at fair market value and in amounts and with exercise terms consistent with the Company's past practice, (iii) the issuance by the Company of shares of Common Stock upon the exercise of an option or warrant or the conversion of a security outstanding on the date of the Underwriting Agreement of which the Representatives have been advised in writing, (iv) the issuance of OP Units in connection with the Formation Transactions or the acquisition of additional properties. Notwithstanding the foregoing, if (1) during the last 17 days of the 180-day restricted period the Company issues an earnings release or material news or a material event relating to the Company occurs; or (2) prior to the expiration of the 180-day restricted period, the Company announces that it will release earnings results during the 16-day period beginning on the last day of the 180-day period, the restrictions imposed by this agreement shall continue to apply until the expiration of the 18-day period beginning on the issuance of the earnings release or the occurrence of the material news or material event. The Company shall promptly notify the Representatives of any earnings release, news or event that may give rise to an extension of the initial 180-day restricted period.

(m) To prepare, if the Representatives so request, a final term sheet relating to the offering of the Shares, containing only information that describes the final terms of the Shares or the offering in a form consented to by the Representatives, and to file such final term sheet within the period required by Rule 433(d)(5)(ii) under the Securities Act following the date the final terms have been established for the offering of the Shares.

(n) To comply with Rule 433(d) under the Securities Act (without reliance on Rule 164(b) under the Act) and with Rule 433(g) under the Securities Act.

(o) Not to take, directly or indirectly, any action designed, or which will constitute, or has constituted, or might reasonably be expected to cause or result in the stabilization or manipulation of the price of any security of the Company to facilitate the sale or resale of the Shares.

(p) Not, at any time at or after the execution of this Agreement, to offer or sell any Shares by means of any "prospectus" (within the meaning of the Securities Act) or use any "prospectus" (within the meaning of the Securities Act) in connection with the offer or sale of the Shares, except in each case other than the Prospectus.

(q) To maintain a transfer agent and, if necessary under the jurisdiction of incorporation of the Company, a registrar for the Common Stock.

(r) To apply the net proceeds to the Company from the sale of the Shares in the manner set forth under the caption "Use of Proceeds" in the Registration Statement, the Time of Sale Prospectus and the Prospectus.

(s) The Company will promptly notify the Representatives if the Company ceases to be an Emerging Growth Company at any time prior to the later of (a) the time when a prospectus relating to the Shares is not required by the Securities Act to be delivered (whether physically or through compliance with Rule 172 under the Securities Act or any similar rule) and (b) the expiration of the lock-up period described in Section 6(m) above.

(t) The Company will use its best efforts to qualify and elect to be taxed as a REIT under the Code for its taxable year ending December 31, 2013 and thereafter and will use its best efforts to continue to qualify for taxation as a REIT under the Code unless the board of directors of the Company determines that it is no longer in the best interests of the Company to qualify as a REIT.

(u) Each of the Transaction Entities will comply in all material respects with all applicable provisions of the Sarbanes-Oxley Act that are then in effect.

7. *Expenses*. Whether or not the transactions contemplated in this Agreement are consummated or this Agreement is terminated, each of the Transaction Entities, jointly and severally, agrees to pay or cause to be paid all expenses incident to the performance of its obligations under this Agreement, including: (i) the fees, disbursements and expenses of the Company's and the Operating Partnership's counsel and the Company's and the Operating Partnership's accountants in connection with the registration and delivery of the Shares under the

Securities Act and all other fees or expenses in connection with the preparation and filing of the Registration Statement, any Preliminary Prospectus, the Time of Sale Prospectus, the Prospectus, any free writing prospectus prepared by or on behalf of, used by, or referred to by the Company and amendments and supplements to any of the foregoing, including all printing costs associated therewith, and the mailing and delivering of copies thereof to the Underwriters and dealers, in the quantities hereinabove specified, (ii) all costs and expenses related to the transfer and delivery of the Shares to the Underwriters, including any transfer or other taxes payable thereon, (iii) the cost of printing or producing any securities or blue sky memorandum in connection with the offer and sale of the Shares under the securities laws of the jurisdictions in which the Shares may be offered or sold and all expenses in connection with the qualification of the Shares for offer and sale under such securities laws as provided in Section 6(j) hereof, including filing fees and the reasonable fees and disbursements of counsel for the Underwriters in connection with such qualification and in connection with the Blue Sky or Legal Investment memorandum not to exceed $10,000, (iv) all filing fees and the reasonable fees and disbursements of counsel to the Underwriters, which shall not exceed $10,000, incurred in connection with the review and qualification of the offering of the Shares by FINRA, (v) all fees and expenses in connection with the preparation and filing of the registration statement on Form 8-A relating to the Common Stock and all costs and expenses incident to listing the Shares on the NYSE, (vi) the cost of printing certificates representing the Shares, (vii) the costs and charges of any transfer agent, registrar or depositary, (viii) the costs and expenses of the Company relating to investor presentations on any “road show” undertaken in connection with the marketing of the offering of the Shares, including, without limitation, expenses associated with the preparation or dissemination of any road show, expenses associated with the production of road show slides and graphics, fees and expenses of any consultants engaged in connection with the road show presentations with the prior approval of the Company, travel and lodging expenses of the representatives and officers of the Company and any such consultants, and the cost of any aircraft chartered in connection with the road show, (ix) the document production charges and expenses associated with printing this Agreement, (x) all expenses in connection with any offer and sale of the Shares outside of the United States, including filing fees and the reasonable fees and disbursements of counsel for the Underwriters, which shall not exceed $10,000, in connection with offers and sales outside of the United States, and (xi) all other costs and expenses incident to the performance of the obligations of each of the Transaction Entities hereunder for which provision is not otherwise made in this Section.

The Underwriters will pay all of their costs and expenses, including fees and disbursements of their counsel, stock transfer taxes payable on resale of any of the Shares by them and any advertising expenses connected with any offers they may make. Notwithstanding the above, if the sale of the Shares provided for herein is not consummated because any condition to the obligations of the Underwriters set forth in Section 5 is not satisfied, because of any termination of this Agreement by the Underwriters pursuant to Section 9 hereof or because of any refusal, inability or

failure on the part of the Company or the Operating Partnership to perform any obligation or covenant hereunder or comply with any provision hereof other than by reason of a default by any of the Underwriters, the Transaction Entities will reimburse the Underwriters or such Underwriters as have so terminated this Agreement with respect to themselves, severally, through the Representatives on demand for all out-of-pocket expenses (including reasonable fees and disbursements of counsel) reasonably incurred by such Underwriters in connection with this Agreement or the offering contemplated hereby.

The provisions of this Section shall not supersede or otherwise affect any agreement that the Sellers may otherwise have for the allocation of such expenses among themselves.

8. *Indemnity and Contribution*. (a) Each of the Transaction Entities, jointly and severally, agrees to indemnify and hold harmless each Underwriter, each person, if any, who controls any Underwriter within the meaning of either Section 15 of the Securities Act or Section 20 of the Exchange Act, and each affiliate of any Underwriter within the meaning of Rule 405 under the Securities Act from and against any and all losses, claims, damages and liabilities (including, without limitation, any legal or other expenses reasonably incurred in connection with defending or investigating any such action or claim) caused by, arising out of or based upon (i) any untrue statement or alleged untrue statement of a material fact contained in the Registration Statement or any amendment thereof, or any omission or alleged omission to state therein a material fact required to be stated therein or necessary in order to make the statements therein not misleading, or (ii) any untrue statement or alleged untrue statement of a material fact contained in any Preliminary Prospectus, the Time of Sale Prospectus, any issuer free writing prospectus as defined in Rule 433(h) under the Securities Act, any issuer information that the Company has filed, or is required to file, pursuant to Rule 433(d) of the Securities Act, any road show not constituting a free writing prospectus, or the Prospectus or any amendment or supplement thereto, or any omission or alleged omission to state therein a material fact required to be stated therein or necessary in order to make the statements therein, in light of the circumstances in which there were made, not misleading; provided, however, that the Transaction Entities shall not be liable under this Section 8(a) to the extent that such losses, claims, damages or liabilities are caused by, arise out of or are based upon any such untrue statement or omission or alleged untrue statement or omission made therein in reliance upon and in conformity with the Underwriter Information. The foregoing indemnity agreement is in addition to any liability which the Company or the Operating Partnership may otherwise have to any Underwriter or to its selling agents or each person, if any, who controls any Underwriter.

(b) Each Underwriter agrees, severally and not jointly, to indemnify and hold harmless the Transaction Entities, their respective directors, their respective officers who sign the Registration Statement and each person, if any, who controls the Company or the Operating Partnership within the meaning of either Section 15

of the Securities Act or Section 20 of the Exchange Act from and against any and all losses, claims, damages and liabilities (including, without limitation, any legal or other expenses reasonably incurred in connection with defending or investigating any such action or claim) caused by, arising from or based upon (i) any untrue statement or alleged untrue statement of a material fact contained in the Registration Statement or any amendment thereof or any omission or alleged omission to state therein a material fact required to be stated therein or necessary in order to make the statements therein not misleading, or (ii) any untrue statement or alleged untrue statement of a material fact contained in any Preliminary Prospectus, the Time of Sale Prospectus, any issuer free writing prospectus as defined in Rule 433(h) under the Securities Act, any issuer information that the Company has filed, or is required to file, pursuant to Rule 433(d) of the Securities Act, any road show not constituting a free writing prospectus, or the Prospectus or any amendment or supplement thereto, or any omission or alleged omission to state therein a material fact required to be stated therein or necessary in order to make the statements therein, in light of the circumstances in which there were made, not misleading, in each case to the extent, but only to the extent, that such untrue statement or omission or alleged untrue statement or omission was made therein in reliance upon and in conformity with information relating to such Underwriter furnished to the Company in writing by such Underwriter through the Representatives expressly for use therein, it being agreed that the only information furnished by the Underwriters to the Company expressly for use therein is the Underwriter Information.

(c) In case any proceeding (including any governmental investigation) shall be instituted involving any person in respect of which indemnity may be sought pursuant to Section 8(a) or 8(b) such person (the "**indemnified party**") shall promptly notify the person against whom such indemnity may be sought (the "**indemnifying party**") in writing and the indemnifying party, upon request of the indemnified party, shall retain counsel reasonably satisfactory to the indemnified party to represent the indemnified party and any others the indemnifying party may designate in such proceeding and shall pay the fees and disbursements of such counsel related to such proceeding. In any such proceeding, any indemnified party shall have the right to retain its own counsel, but the fees and expenses of such counsel shall be at the expense of such indemnified party unless (i) the indemnifying party and the indemnified party shall have mutually agreed to the retention of such counsel or (ii) the named parties to any such proceeding (including any impleaded parties) include both the indemnifying party and the indemnified party and representation of both parties by the same counsel would be inappropriate due to actual or potential differing interests between them. It is understood that the indemnifying party shall not, in respect of the legal expenses of any indemnified party in connection with any proceeding or related proceedings in the same jurisdiction, be liable for (i) the fees and expenses of more than one separate firm (in addition to any local counsel) for all Underwriters and all persons, if any, who control any Underwriter within the meaning of either Section 15 of the Securities Act or Section 20 of the Exchange Act or who are affiliates of any Underwriter within the meaning of Rule 405 under the Securities Act, and (ii) the fees and expenses of

more than one separate firm (in addition to any local counsel) for the Company, the Operating Partnership, their respective directors, their respective officers who sign the Registration Statement and each person, if any, who controls the Company or the Operating Partnership within the meaning of either such Section, and that all such fees and expenses shall be reimbursed as they are incurred. In the case of any such separate firm for the Underwriters and such control persons and affiliates of any Underwriters, such firm shall be designated in writing by the Representatives. In the case of any such separate firm for the Company, the Operating Partnership and such directors, officers and control persons of the Company or the Operating Partnership, such firm shall be designated in writing by the Company. The indemnifying party shall not be liable for any settlement of any proceeding effected without its written consent, but if settled with such consent or if there be a final judgment for the plaintiff, the indemnifying party agrees to indemnify the indemnified party from and against any loss or liability by reason of such settlement or judgment. Notwithstanding the foregoing sentence, if at any time an indemnified party shall have requested an indemnifying party to reimburse the indemnified party for fees and expenses of counsel as contemplated by the second and third sentences of this paragraph, the indemnifying party agrees that it shall be liable for any settlement of any proceeding effected without its written consent if (i) such settlement is entered into more than 30 days after receipt by such indemnifying party of the aforesaid request and (ii) such indemnifying party shall not have reimbursed the indemnified party in accordance with such request prior to the date of such settlement. No indemnifying party shall, without the prior written consent of the indemnified party, effect any settlement of any pending or threatened proceeding in respect of which any indemnified party is or could have been a party and indemnity could have been sought hereunder by such indemnified party, unless such settlement includes an unconditional release of such indemnified party from all liability on claims that are the subject matter of such proceeding.

(d) To the extent the indemnification provided for in Section 8(a) or Section 8(b) is unavailable to an indemnified party or insufficient in respect of any losses, claims, damages or liabilities referred to therein, then each indemnifying party under such paragraph, in lieu of indemnifying such indemnified party thereunder, shall contribute to the amount paid or payable by such indemnified party as a result of such losses, claims, damages or liabilities (i) in such proportion as is appropriate to reflect the relative benefits received by the indemnifying party or parties on the one hand and the indemnified party or parties on the other hand from the offering of the Shares or (ii) if the allocation provided by clause (i) above is not permitted by applicable law, in such proportion as is appropriate to reflect not only the relative benefits referred to in clause (i) above but also the relative fault of the indemnifying party or parties on the one hand and of the indemnified party or parties on the other hand in connection with the statements or omissions that resulted in such losses, claims, damages or liabilities, as well as any other relevant equitable considerations. The relative benefits received by the Transaction Entities on the one hand and the Underwriters on the other hand in connection with the offering of the Shares shall be deemed to be in the same respective proportions as the net proceeds from the

offering of the Shares (before deducting expenses) received by the Company and the total underwriting discounts and commissions received by the Underwriters, in each case as set forth in the table on the cover of the Prospectus, bear to the aggregate Public Offering Price of the Shares. The relative fault of the Transaction Entities on the one hand and the Underwriters on the other hand shall be determined by reference to, among other things, whether the untrue or alleged untrue statement of a material fact or the omission or alleged omission to state a material fact relates to information supplied by the Company or by the Underwriters and the parties' relative intent, knowledge, access to information and opportunity to correct or prevent such statement or omission. The Underwriters' respective obligations to contribute pursuant to this Section 8 are several in proportion to the respective number of Shares they have purchased hereunder, and not joint.

(e) The Transaction Entities and the Underwriters agree that it would not be just or equitable if contribution pursuant to this Section 8 were determined by *pro rata* allocation (even if the Underwriters were treated as one entity for such purpose) or by any other method of allocation that does not take account of the equitable considerations referred to in Section 8(d). The amount paid or payable by an indemnified party as a result of the losses, claims, damages and liabilities referred to in Section 8(d) shall be deemed to include, subject to the limitations set forth above, any legal or other expenses reasonably incurred by such indemnified party in connection with investigating or defending any such action or claim. Notwithstanding the provisions of this Section 8, no Underwriter shall be required to contribute any amount in excess of the amount by which the total price at which the Shares underwritten by it and distributed to the public were offered to the public exceeds the amount of any damages that such Underwriter has otherwise been required to pay by reason of such untrue or alleged untrue statement or omission or alleged omission. No person guilty of fraudulent misrepresentation (within the meaning of Section 11(f) of the Securities Act) shall be entitled to contribution from any person who was not guilty of such fraudulent misrepresentation. The remedies provided for in this Section 8 are not exclusive and shall not limit any rights or remedies which may otherwise be available to any indemnified party at law or in equity.

(f) The indemnity and contribution provisions contained in this Section 8 and the representations, warranties and other statements of each of the Transaction Entities contained in this Agreement shall remain operative and in full force and effect regardless of (i) any termination of this Agreement, (ii) any investigation made by or on behalf of any Underwriter, any person controlling any Underwriter or any affiliate of any Underwriter or by or on behalf of the Transaction Entities, their respective officers, their respective directors or any person controlling the Company or the Operating Partnership and (iii) acceptance of and payment for any of the Shares.

9. *Termination*. The Underwriters may terminate this Agreement by notice given by the Representatives to the Company, if after the execution and delivery of this Agreement and prior to the Closing Date (a) trading generally shall have been suspended or materially limited or minimum prices shall have been established on, or by, as the case may be, any of the New York Stock Exchange, the American Stock Exchange, or the NASDAQ Global Market, (b) trading of any securities of the Company shall have been suspended or materially limited on any exchange or in any over-the-counter market, (c) a material disruption in securities settlement, payment or clearance services in the United States shall have occurred, (d) any moratorium or material limitation on commercial banking activities shall have been declared by Federal or New York state authorities, (e) there shall have occurred any outbreak or escalation of hostilities, act of terrorism involving the United States or declaration by the United States of a national emergency or war, or (f) any other calamity or crisis or any change in financial, political or economic conditions in the United States or elsewhere, if the effect of any such event specified in clause (e) or (f), makes it, in the Representatives' judgment, impracticable or inadvisable to proceed with the offer, sale or delivery of the Shares on the terms and in the manner contemplated in the Time of Sale Prospectus or the Prospectus (exclusive of any supplement thereto).

10. *Effectiveness; Defaulting Underwriters*. This Agreement shall become effective upon the execution and delivery hereof by the parties hereto.

If, on the Closing Date or an Option Closing Date, as the case may be, any one or more of the Underwriters shall fail or refuse to purchase Shares that it has or they have agreed to purchase hereunder on such date, and the aggregate number of Shares which such defaulting Underwriter or Underwriters agreed but failed or refused to purchase is not more than one-tenth of the aggregate number of the Shares to be purchased on such date, the other Underwriters shall be obligated severally in the proportions that the number of Firm Shares set forth opposite their respective names in Schedule I bears to the aggregate number of Firm Shares set forth opposite the names of all such non-defaulting Underwriters, or in such other proportions as the Representatives may specify, to purchase the Shares which such defaulting Underwriter or Underwriters agreed but failed or refused to purchase on such date; *provided* that in no event shall the number of Shares that any Underwriter has agreed to purchase pursuant to this Agreement be increased pursuant to this Section 10 by an amount in excess of one-ninth of such number of Shares without the written consent of such Underwriter. If, on the Closing Date, any Underwriter or Underwriters shall fail or refuse to purchase Firm Shares and the aggregate number of Firm Shares with respect to which such default occurs is more than one-tenth of the aggregate number of Firm Shares to be purchased on such date, and arrangements satisfactory to the Representatives and the Company for the purchase of such Firm Shares are not made within 36 hours after such default, this Agreement shall terminate without liability on the part of any non-defaulting Underwriter, the Company or the Operating Partnership, except that the Company will continue to be liable for the payment of expenses to the extent set forth in Section 7. In any such case either the Representatives or the Company shall have the right to postpone the Closing Date, but in no event for longer than seven days, in order that the required

changes, if any, in the Registration Statement, in the Time of Sale Prospectus, in the Prospectus or in any other documents or arrangements may be effected. If, on an Option Closing Date, any Underwriter or Underwriters shall fail or refuse to purchase Additional Shares and the aggregate number of Additional Shares with respect to which such default occurs is more than one-tenth of the aggregate number of Additional Shares to be purchased on such Option Closing Date, the non-defaulting Underwriters shall have the option to (i) terminate their obligation hereunder to purchase the Additional Shares to be sold on such Option Closing Date or (ii) purchase not less than the number of Additional Shares that such non-defaulting Underwriters would have been obligated to purchase in the absence of such default. Any action taken under this paragraph shall not relieve any defaulting Underwriter from liability in respect of any default of such Underwriter under this Agreement.

11. *Representations and Indemnities to Survive*. The respective agreements, representations, warranties, indemnities and other statements of the Transaction Entities and the Underwriters set forth or made pursuant to this Agreement will remain in full force and effect, regardless of any investigation made by or on behalf of any Underwriter or the Company or the Operating Partnership or any of the officers, directors, employees, agents or controlling persons referred to in Section 8 hereof, and will survive delivery of and payment for the Shares. The provisions of Sections 7 and 8 hereof shall survive the termination or cancellation of this Agreement.

12. *Entire Agreement*. (a) This Agreement represents the entire agreement between the Transaction Entities, on the one hand, and the Underwriters, on the other, with respect to the preparation of any Preliminary Prospectus, the Time of Sale Prospectus, the Prospectus, the conduct of the offering, and the purchase and sale of the Shares.

(b) The Transaction Entities acknowledge that in connection with the offering of the Shares: (i) the Underwriters have acted at arm's length, are not agents of, and owe no fiduciary duties to, the Transaction Entities or any other person; (ii) the Underwriters owe the Transaction Entities only those duties and obligations set forth in this Agreement and prior written agreements (to the extent not superseded by this Agreement), if any; and (iii) the Underwriters may have interests that differ from those of the Transaction Entities. The Transaction Entities waive to the full extent permitted by applicable law any claims they may have against the Underwriters arising from an alleged breach of fiduciary duty in connection with the offering of the Shares.

13. *Counterparts*. This Agreement may be signed in any number of counterparts, each of which shall be an original, with the same effect as if the signatures thereto and hereto were upon the same instrument.

14. *Applicable Law*. This Agreement shall be governed by and construed in accordance with the internal laws of the State of New York without reference to its conflict of law provisions (other than Section 5-1401 of the General Obligations law).

15. *Headings*. The headings of the sections of this Agreement have been inserted for convenience of reference only and shall not be deemed a part of this Agreement.

16. *Notices.* All communications hereunder shall be in writing and effective only upon receipt and if to the Underwriters shall be delivered, mailed or sent to the Representatives at:

Robert W. Baird & Co. Incorporated
1717 K Street NW, Suite 910
Washington, D.C. 20007
Facsimile: (202) 303-1850
Attention: Jeffrey F. Rogatz

with a copy to:
Legal Department
Robert W. Baird & Co. Incorporated
777 East Wisconsin Avenue
Milwaukee, Wisconsin 53202
Fax: (414) 298-7800

Raymond James & Associates, Inc.
880 Carillon Parkway
St. Petersburg, Florida 33716
Facsimile: (727) 567-8274
Attention: ECM General Counsel

Stifel, Nicolaus & Company, Incorporated
501 N. Broadway, 9th Floor
St. Louis, Missouri 63102
Facsimile: (314) 342-2104
Attention: Chad M. Gorsuch

in each case, with a copy to:
Bass, Berry & Sims PLC
100 Peabody Place, Suite 900
Memphis, Tennessee 38103
Facsimile: (888) 543-4644
Attention: John A. Good, Esq.

and if to the Company shall be delivered, mailed or sent to:

Armada Hoffler Properties, Inc.
222 Central Park Avenue, Suite 2100
Virginia Beach, Virginia 23462
Facsimile: (757) 424-2513
Attention: Louis S. Haddad

with a copy to the Company's counsel at:
Hunton & Williams LLP
Riverfront Plaza, East Tower
951 East Byrd Street
Richmond, Virginia 23219
Facsimile: (804) 343-4580
Attention: David C. Wright, Esq.

Very truly yours,

ARMADA HOFFLER PROPERTIES, INC.

By: _____
Name:
Title:

ARMADA HOFFLER, L.P.

By: Armada Hoffler Properties, Inc., its general partner

By: _____
Name:
Title:

Accepted as of the date hereof

ROBERT W. BAIRD & CO. INCORPORATED
RAYMOND JAMES & ASSOCIATES, INC.
STIFEL, NICOLAUS & COMPANY, INCORPORATED

Acting severally on behalf of themselves and
the several Underwriters named in
Schedule I hereto

By: Robert W. Baird & Co. Incorporated

By: _____
Name:
Title:

By: Raymond James & Associates, Inc.

By: _____
Name:
Title:

By: Stifel, Nicolaus & Company, Incorporated

By: _____
Name:
Title:

SCHEDULE I

Underwriter	Number of Firm Shares To Be Purchased	Number of Additional Shares To Be Purchased
Robert W. Baird & Co. Incorporated		
Raymond James & Associates, Inc.		
Stifel, Nicolaus & Company, Incorporated		
Oppenheimer & Co. Inc.		
BB&T Capital Markets, a divisions of BB&T Securities, LLC		
Janney Montgomery Scott LLC		
Wunderlich Securities, Inc.		
Total:		

SCHEDULE II

Time of Sale Prospectus

1. Preliminary Prospectus dated [—], 2013
2. [identify all free writing prospectuses filed by the Company under Rule 433(d) of the Securities Act]
3. [Bona fide electronic road show]
4. [orally communicated pricing information to be included below on this Schedule II if a final term sheet is not used, including the following:] [to be discussed]

[Number of Shares to be Sold: [—]
Offering size: $[—]
Estimated net proceeds to the Company (after underwriting discounts and commissions and offering expenses): $[—]
Price per share: $[—]
Underwriting discount and commissions per share: $[—]
Trade date: [—], 2013
Closing date: [—], 2013]

SCHEDULE III

Initial Properties	Location	Percentage Owned by Transaction Entities Following Formation Transactions
Office Properties		
Armada Hoffler Tower	Virginia Beach, VA	[—]%
One Columbus	Virginia Beach, VA	[—]%
Two Columbus	Virginia Beach, VA	[—]%
Virginia Natural Gas	Virginia Beach, VA	[—]%
Richmond Tower	Richmond, VA	[—]%
Oyster Point	Newport News, VA	[—]%
Sentara Williamsburg	Williamsburg, VA	[—]%
Retail Properties		
Bermuda Crossroads	Chester, VA	[—]%
Broad Creek Shopping Center	Norfolk, VA	[—]%
Courthouse 7-Eleven	Virginia Beach, VA	[—]%
Gainsborough Square	Chesapeake, VA	[—]%
Hanbury Village	Chesapeake, VA	[—]%
North Point Center	Durham, NC	[—]%
Parkway Marketplace	Virginia Beach, VA	[—]%
Harrisonburg Regal	Harrisonburg, VA	[—]%
Dick’s at Town Center	Virginia Beach, VA	[—]%
249 Central Park Retail	Virginia Beach, VA	[—]%
Studio 56 Retail	Virginia Beach, VA	[—]%
Commerce Street Retail	Virginia Beach, VA	[—]%
Fountain Plaza Retail	Virginia Beach, VA	[—]%
South Retail	Virginia Beach, VA	[—]%
Tyre Neck Harris Teeter	Portsmouth, VA	[—]%
Multifamily		
Smith’s Landing	Blacksburg, VA	[—]%
The Cosmopolitan	Virginia Beach, VA	[—]%

Development Properties	Location
Office Properties	
Main Street Office	Virginia Beach, VA
Brooks Crossing	Newport News, VA
Retail Properties	
Sandbridge Commons	Virginia Beach, VA
Greentree Shopping Center	Chesapeake, VA
Multifamily	
Main Street Apartments	Virginia Beach, VA
Jackson Street Apartments	Durham, NC

SCHEDULE V

LIST OF INDIVIDUALS SUBJECT TO LOCK-UP

Daniel A. Hoffler
A. Russell Kirk
John W. Snow
George F. Allen
James A. Carroll
James C. Cherry
Louis S. Haddad
Anthony P. Nero
Eric E. Apperson
Shelly R. Hampton
Michael P. O'Hara
John C. Davis
Alan R. Hunt
W. Christopher Harvey
Eric L. Smith

EXHIBIT A

FORM OF OPINION OF COMPANY'S COUNSEL
TO BE DELIVERED PURSUANT TO SECTION 5(c)

**FORM OF TAX OPINION OF COMPANY'S COUNSEL
TO BE DELIVERED PURSUANT TO SECTION 5(d)**

FORM OF MARYLAND OPINION OF COMPANY'S COUNSEL
TO BE DELIVERED PURSUANT TO SECTION 5(e)

FORM OF VIRGINIA OPINION OF COMPANY'S COUNSEL
TO BE DELIVERED PURSUANT TO SECTION 5(f)

EXHIBIT E

[FORM OF LOCK-UP LETTER TO BE SIGNED BY OFFICERS AND DIRECTORS]

[—], 2013

ROBERT W. BAIRD & CO. INCORPORATED
c/o Robert W. Baird & Co. Incorporated
777 East Wisconsin Avenue
Milwaukee, Wisconsin 53202
Ladies and Gentlemen:

The undersigned understands that Robert W. Baird & Co. Incorporated ("**Baird**") and certain other managing underwriters to be named in the prospectus relating to the Public Offering (defined below) (the "**Managers**") propose to enter into an Underwriting Agreement (the "**Underwriting Agreement**") with Armada Hoffler Properties, Inc., a Maryland corporation (the "**Company**"), and Armada Hoffler, L.P., a Virginia limited partnership (the "**Operating Partnership**"), providing for the public offering (the "**Public Offering**") by the several Underwriters (the "**Underwriters**"), including the Managers, of shares of common stock, par value $0.01 per share, of the Company (the "**Common Stock**").

To induce the Underwriters that may participate in the Public Offering to continue their efforts in connection with the Public Offering, the undersigned hereby agrees that, without the prior written consent of Baird on behalf of the Underwriters, it will not, during the period commencing on the date hereof and ending 180 days (subject to extensions discussed below) after the date of the final prospectus relating to the Public Offering (the "**Restricted Period**"), (1) offer, pledge, sell, contract to sell, sell any option or contract to purchase, purchase any option or contract to sell, grant any option, right or warrant to purchase, lend, or otherwise transfer or dispose of, directly or indirectly, any shares of Common Stock or any securities convertible into or exercisable or exchangeable for Common Stock (including units of limited partnership interest in the Operating Partnership ("**OP Units**")), (2) enter into any swap or other arrangement that transfers to another, in whole or in part, any of the economic consequences of ownership of the Common Stock, whether any such transaction described in clause (1) or (2) above is to be settled by delivery of Common Stock, OP Units or such other securities, in cash or otherwise, or (3) publicly announce an intention to effect any transaction specified in clause (1) or (2). The foregoing sentence shall not apply to (a) transactions relating to shares of Common Stock or other securities acquired in open market transactions after the completion of the Public Offering, *provided* that no filing under Section 16(a) of the Securities Exchange Act of 1934, as amended (the "**Exchange Act**") shall be required or shall be voluntarily made in connection with subsequent sales of Common Stock or other securities acquired in such open market transactions, (b)

transfers of shares of Common Stock or any security convertible into Common Stock (including OP Units) as a bona fide gift, (c) transfers, by will or intestate succession or otherwise to the undersigned's family or to a trust, the beneficiaries of which are exclusively the undersigned or members of the undersigned's family, (d) distributions of shares of Common Stock or any security convertible into Common Stock (including OP Units) to limited partners or stockholders of the undersigned; *provided* that in the case of any transfer or distribution pursuant to clause (b), (c) or (d), (i) each donee or distributee shall sign and deliver a lock-up letter substantially in the form of this letter and (ii) no filing under Section 16(a) of the Exchange Act, reporting a reduction in beneficial ownership of shares of Common Stock, shall be required or shall be voluntarily made during the restricted period referred to in the foregoing sentence. In addition, the undersigned agrees that, without the prior written consent of Baird on behalf of the Underwriters, it will not, during the Restricted Period, make any demand for or exercise any right with respect to, the registration of any shares of Common Stock or any security convertible into or exercisable or exchangeable for Common Stock (including OP Units). The undersigned also agrees and consents to the entry of stop transfer instructions with the Company's transfer agent and registrar against the transfer of the undersigned's shares of Common Stock except in compliance with the foregoing restrictions.

The undersigned understands that the Company and the Underwriters are relying upon this agreement in proceeding toward consummation of the Public Offering. The undersigned further understands that this agreement is irrevocable and shall be binding upon the undersigned's heirs, legal representatives, successors and assigns.

Whether or not the Public Offering actually occurs depends on a number of factors, including market conditions. Any Public Offering will only be made pursuant to an Underwriting Agreement, the terms of which are subject to negotiation between the Company and the Underwriters.

If the Public Offering does not close for any reason, including a decision by either the Company or the underwriters not to proceed with the Public Offering, this lock-up agreement shall terminate.

Very truly yours,

_____

(Name)

_____

(Address)

Exhibit 3.1

ARMADA HOFFLER PROPERTIES, INC.

ARTICLES OF AMENDMENT AND RESTATEMENT

Armada Hoffler Properties, Inc., a Maryland corporation (the "Corporation"), hereby certifies to the State Department of Assessments and Taxation of Maryland (the "SDAT") that:

FIRST: The Corporation desires to amend and restate its charter as currently in effect and as hereinafter amended.

SECOND: The provisions of the charter of the Corporation, which are now in effect and as amended hereby in accordance with the Maryland General Corporation Law, or any successor statute (the "MGCL"), are as follows:

ARTICLE I

INCORPORATION

J. Michael Hinchcliffe, whose address is c/o Hunton & Williams LLP, Riverfront Plaza, East Tower, 951 East Byrd Street, Richmond, Virginia 23225, being at least 18 years of age, formed a corporation under the general laws of the State of Maryland on October 12, 2012.

ARTICLE II

NAME

The name of the Corporation is Armada Hoffler Properties, Inc.

ARTICLE III

PURPOSE

The purposes for which the Corporation is formed are to engage in any lawful act or activity (including, without limitation or obligation, engaging in business as a REIT (as hereinafter defined) under the Internal Revenue Code of 1986, as amended, or any successor

statute (the "Code")) for which corporations may be organized under the general laws of the State of Maryland as now or hereafter in force. For purposes of these Articles of Amendment and Restatement of the Corporation (the "Charter"), "REIT" means a real estate investment trust under Sections 856 through 860 of the Code.

ARTICLE IV

PRINCIPAL OFFICE IN MARYLAND AND RESIDENT AGENT

The address of the principal office of the Corporation in the State of Maryland is c/o The Corporation Trust Incorporated, 351 West Camden Street, Baltimore, Maryland 21201. The name and address of the resident agent of the Corporation in the State of Maryland are The Corporation Trust Incorporated, 351 West Camden Street, Baltimore, Maryland 21201. The resident agent is a Maryland corporation.

ARTICLE V

PROVISIONS FOR DEFINING, LIMITING AND REGULATING CERTAIN POWERS OF THE CORPORATION AND OF THE STOCKHOLDERS AND DIRECTORS

Section 5.1 Number of Directors. The business and affairs of the Corporation shall be managed under the direction of the board of directors of the Corporation (the "Board of Directors"). The number of directors of the Corporation shall be one, which number may be increased or decreased only by the Board of Directors pursuant to the Bylaws of the Corporation (the "Bylaws"), but shall never be less than the minimum number required by the MGCL. The name of the director serving until the next annual meeting of stockholders and until his successor is duly elected and qualifies is Louis S. Haddad.

Any vacancy on the Board of Directors may be filled in the manner provided in the Bylaws. The Corporation elects, at such time as it becomes eligible to make the election provided for under Section 3-802(b) of the MGCL, that, except as may be provided by the Board of Directors in setting the terms of any class or series of Preferred Stock (as defined in Section 6.1), any and all vacancies on the Board of Directors may be filled only by the affirmative vote of a majority of the remaining directors in office, even if the remaining directors do not constitute a quorum, and any director elected to fill a vacancy shall serve for the remainder of the full term of the directorship in which such vacancy occurred and until his or her successor is duly elected and qualifies.

Section 5.2 Extraordinary Actions. Except as specifically provided in Section 5.8 (relating to removal of directors) and in the last sentence of Article VIII, notwithstanding any provision of law permitting or requiring any action to be taken or approved by the affirmative vote of the holders of shares entitled to cast a greater number of votes, any such action shall be effective and valid if declared advisable by the Board of Directors and taken or approved by the affirmative vote of holders of shares entitled to cast a majority of all the votes entitled to be cast on the matter.

Section 5.3 Authorization by Board of Stock Issuance. The Board of Directors may authorize the issuance from time to time of shares of stock of the Corporation of any class or series, whether now or hereafter authorized, or securities or rights convertible into shares of its stock of any class or series, whether now or hereafter authorized, for such consideration as the Board of Directors may deem advisable (or without consideration in the case of a stock split or stock dividend), subject to such restrictions or limitations, if any, as may be set forth in the Charter or the Bylaws.

Section 5.4 Preemptive Rights and Appraisal Rights. Except as may be provided by the Board of Directors in setting the terms of classified or reclassified shares of stock pursuant to Section 6.4 or as may otherwise be provided by a contract approved by the Board of Directors, no holder of shares of stock of the Corporation shall, as such holder, have any preemptive right to purchase or subscribe for any additional shares of stock of the Corporation or any other security of the Corporation which it may issue or sell. Holders of shares of stock shall not be entitled to exercise any rights of an objecting stockholder provided for under Title 3, Subtitle 2 of the MGCL or any successor statute unless the Board of Directors, upon affirmative vote of a majority of the Board of Directors, shall determine that such rights apply, with respect to all or any shares of all or any classes or series of stock, to one or more transactions occurring after the date of such determination in connection with which holders of such shares would otherwise be entitled to exercise such rights. Notwithstanding the foregoing, in the event the Corporation is subject to the Maryland Control Share Acquisition Act, holders of shares of stock of the Corporation shall be entitled to exercise rights of an objecting stockholder under Section 3-708(a) of the MGCL.

Section 5.5 Indemnification. (a) The Corporation shall have the power, to the maximum extent permitted by Maryland law in effect from time to time, to obligate itself to indemnify, and to pay or reimburse reasonable expenses in advance of final disposition of a proceeding without requiring a preliminary determination of the ultimate entitlement to indemnification to, (i) any individual who is a present or former director or officer of the Corporation or (ii) any individual who, while a director or officer of the Corporation and at the request of the Corporation, serves or has served as a director, officer, partner, trustee, member or manager of another corporation, real estate investment trust, partnership, joint venture, trust, limited liability company, employee benefit plan or any other enterprise from and against any claim or liability to which such person may become subject or which such person may incur by

reason of his or her service in any of the foregoing capacities. The Corporation shall have the power, with the approval of the Board of Directors, to provide such indemnification and advancement of expenses to a person who served a predecessor of the Corporation in any of the capacities described in (i) or (ii) above and to any employee or agent of the Corporation or a predecessor of the Corporation.

(b) The Corporation may, to the fullest extent permitted by law, purchase and maintain insurance on behalf of any person described in the preceding paragraph against any liability which may be asserted against such person.

(c) The indemnification provided herein shall not be deemed to limit the right of the Corporation to indemnify any other person for any such expenses to the maximum extent permitted by law, nor shall it be deemed exclusive of any other rights to which any person seeking indemnification from the Corporation may be entitled under any agreement, vote of stockholders or disinterested directors, or otherwise, both as to action in such person's official capacity and as to action in another capacity while holding such office.

Section 5.6 Determinations by Board. The determination as to any of the following matters, made by or pursuant to the direction of the Board of Directors consistent with the Charter, shall be final and conclusive and shall be binding upon the Corporation and every holder of shares of its stock: the amount of the net income of the Corporation for any period and the amount of assets at any time legally available for the payment of dividends, redemption of its stock or the payment of other distributions on its stock; the amount of paid-in surplus, net assets, other surplus, annual or other net profit, cash flow, funds from operations, net assets in excess of capital, undivided profits or excess of profits over losses on sales of assets; the amount, purpose, time of creation, increase or decrease, alteration or cancellation of any reserves or charges and

the propriety thereof (whether or not any obligation or liability for which such reserves or charges shall have been created shall have been paid or discharged); any interpretation or resolution of any ambiguity with respect to any provision in the Charter (including any of the terms, preferences, conversion or other rights, voting powers or rights, restrictions, limitations as to dividends or other distributions, qualifications or terms or conditions of redemption of any class or series of stock of the Corporation) or of the Bylaws; the fair value, or any sale, bid or asked price to be applied in determining the fair value, of any asset owned or held by the Corporation or of any shares of stock of the Corporation; the number of shares of stock of any class or series of the Corporation; any matter relating to the acquisition, holding and disposition of any assets by the Corporation; or any other matter relating to the business and affairs of the Corporation or required or permitted by applicable law, the Charter or the Bylaws or otherwise to be determined by the Board of Directors.

Section 5.7 REIT Qualification. The Board of Directors, without any action by the stockholders of the Corporation, shall have the authority to cause the Corporation to elect to be taxed as a REIT for federal income tax purposes. Following any such election, if the Board of Directors determines that it is no longer in the best interests of the Corporation to continue to be taxed as a REIT for federal income tax purposes, the Board of Directors, without any action by the stockholders of the Corporation, may revoke or otherwise terminate the Corporation's REIT election pursuant to Section 856(g) of the Code. In addition, the Board of Directors, without any action by the stockholders of the Corporation, shall have and may exercise, on behalf of the Corporation, without limitation, the power to determine that compliance with any restriction or limitation on stock ownership and transfers set forth in Article VII of the Charter is no longer required in order for the Corporation to qualify as a REIT.

Section 5.8 Removal of Directors. Subject to the rights of holders of one or more classes or series of Preferred Stock to elect or remove one or more directors, any director, or the entire Board of Directors, may be removed from office at any time, but only for cause, and then only by the affirmative vote of holders of shares entitled to cast at least two-thirds of all the votes entitled to be cast generally in the election of directors. For the purpose of this paragraph, "cause" shall mean, with respect to any particular director, conviction of a felony or a final judgment of a court of competent jurisdiction holding that such director caused demonstrable, material harm to the Corporation through bad faith or active and deliberate dishonesty.

Section 5.9 Advisor Agreements. The Board of Directors may authorize the execution and performance by the Corporation of one or more agreements with any person, corporation, association, company, trust, partnership (limited or general) or other organization whereby, subject to the supervision and control of the Board of Directors, any such other person, corporation, association, company, trust, partnership (limited or general) or other organization shall render or make available to the Corporation managerial, investment, advisory and/or related services, office space and other services and facilities (including, if deemed advisable by the Board of Directors, the management or supervision of the investments of the Corporation) upon such terms and conditions as may be provided in such agreement or agreements (including, if deemed fair and equitable by the Board of Directors, the compensation payable thereunder by the Corporation).

ARTICLE VI

STOCK

Section 6.1 Authorized Shares. The Corporation has authority to issue 600,000,000 shares of stock, consisting of 500,000,000 shares of Common Stock, $0.01 par value per share ("Common Stock"), and 100,000,000 shares of Preferred Stock, $0.01 par value per share ("Preferred Stock"). The aggregate par value of all authorized shares of stock having par value is $6,000,000. If shares of one class of stock are classified or reclassified into shares of another class of stock pursuant to Sections 6.2, 6.3 or 6.4 of this Article VI, the number of authorized shares of the former class shall be automatically decreased and the number of shares of the latter class shall be automatically increased, in each case by the number of shares so classified or reclassified, so that the aggregate number of shares of stock of all classes that the Corporation has authority to issue shall not be more than the total number of shares of stock set forth in the first sentence of this paragraph. The Board of Directors, with the approval of a majority of the entire Board of Directors, and without any action by the stockholders of the Corporation, may amend the Charter from time to time to increase or decrease the aggregate number of shares of stock or the number of shares of stock of any class or series that the Corporation has authority to issue.

Section 6.2 Common Stock. Subject to the provisions of Article VII and except as may otherwise be specified in the Charter, each share of Common Stock shall entitle the holder thereof to one vote. The Board of Directors may reclassify any unissued shares of Common Stock from time to time into one or more classes or series of stock.

Section 6.3 Preferred Stock. The Board of Directors may classify any unissued shares of Preferred Stock and reclassify any previously classified but unissued shares of Preferred Stock of any series from time to time, into one or more classes or series of stock.

Section 6.4 Classified or Reclassified Shares. Prior to issuance of classified or reclassified shares of any class or series, the Board of Directors by resolution shall: (a) designate that class or series to distinguish it from all other classes and series of stock of the Corporation; (b) specify the number of shares to be included in the class or series; (c) set or change, subject to

the provisions of Article VII and subject to the express terms of any class or series of stock of the Corporation outstanding at the time, the preferences, conversion or other rights, voting powers (including voting rights exclusive to such class or series), restrictions (including, without limitation, restrictions on transferability), limitations as to dividends or other distributions, qualifications and terms and conditions of redemption for each class or series; and (d) cause the Corporation to file articles supplementary with the SDAT. Any of the terms of any class or series of stock set or changed pursuant to clause (c) of this Section 6.4 may be made dependent upon facts or events ascertainable outside the Charter (including determinations by the Board of Directors or other facts or events within the control of the Corporation) and may vary among holders thereof, provided that the manner in which such facts, events or variations shall operate upon the terms of such class or series of stock is clearly and expressly set forth in the articles supplementary or other Charter document.

Section 6.5 Distributions. The Board of Directors from time to time may authorize and the Corporation may pay to its stockholders such dividends or other distributions in cash or other property, including in shares of one class of the Corporation's stock payable to holders of shares of another class of stock of the Corporation, as the Board of Directors in its discretion shall determine.

Section 6.6 Charter and Bylaws. The rights of all stockholders and the terms of all stock are subject to the provisions of the Charter and the Bylaws.

ARTICLE VII

RESTRICTION ON TRANSFER AND OWNERSHIP OF SHARES

Section 7.1 Definitions. For the purpose of this Article VII, the following terms shall have the following meanings:

Beneficial Ownership. The term “Beneficial Ownership” shall mean ownership of Capital Stock by a Person, whether the interest in the shares of Capital Stock is held directly or indirectly (including by a nominee), and shall include interests that would be treated as owned through the application of Section 544 of the Code, as modified by Sections 856(h)(1)(B) and 856(h)(3)(A) of the Code. The terms “Beneficial Owner,” “Beneficially Owns” and “Beneficially Owned” shall have the correlative meanings.

Business Day. The term “Business Day” shall mean any day, other than a Saturday or a Sunday that is neither a legal holiday nor a day on which banking institutions in the State of New York are authorized or required by law, regulation or executive order to close.

Capital Stock. The term “Capital Stock” shall mean all classes or series of stock of the Corporation, including, without limitation, Common Stock and Preferred Stock.

Charitable Beneficiary. The term “Charitable Beneficiary” shall mean one or more beneficiaries of the Charitable Trust as determined pursuant to Section 7.3.6, provided that each such organization must be described in Section 501(c)(3) of the Code and contributions to each such organization must be eligible for deduction under each of Sections 170(b)(1)(A), 2055 and 2522 of the Code.

Charitable Trust. The term “Charitable Trust” shall mean any trust provided for in Section 7.3.1.

Constructive Ownership. The term “Constructive Ownership” shall mean ownership of Capital Stock by a Person, whether the interest in the shares of Capital Stock is held directly or indirectly (including by a nominee), and shall include interests that would be treated as owned through the application of Section 318(a) of the Code, as modified by Section 856(d)(5) of the Code. The terms “Constructive Owner,” “Constructively Owns” and “Constructively Owned” shall have the correlative meanings.

Excepted Holder. The term “Excepted Holder” shall mean a Person for whom an Excepted Holder Limit is created by the Charter or by the Board of Directors pursuant to Section 7.2.7.

Excepted Holder Limit. The term “Excepted Holder Limit” shall mean, provided that the affected Excepted Holder agrees to comply with the requirements established by the Charter or by the Board of Directors pursuant to Section 7.2.7 and subject to adjustment pursuant to Section 7.2.8, the percentage limit established for an Excepted Holder by the Charter or by the Board of Directors pursuant to Section 7.2.7.

Initial Date. The term “Initial Date” shall mean the date of issuance of Common Stock pursuant to the initial underwritten public offering of Common Stock and set forth in a certificate of notice filed with the SDAT.

Market Price. The term “Market Price” on any date shall mean, with respect to any class or series of outstanding shares of Capital Stock, the Closing Price for such Capital Stock on such date. The “Closing Price” on any date shall mean the last reported sale price for such Capital Stock, regular way, or, in case no such sale takes place on such day, the average of the closing bid and asked prices, regular way, for such Capital Stock, in either case as reported in the principal consolidated transaction reporting system with respect to securities listed or admitted to trading on the NYSE or, if such Capital Stock is not listed or admitted to trading on the NYSE, as reported on the principal consolidated transaction reporting system with respect to securities listed on the principal national securities exchange on which such Capital Stock is listed or admitted to trading or, if such Capital Stock is not listed or admitted to trading on any

national securities exchange, the last quoted price, or, if not so quoted, the average of the high bid and low asked prices in the over-the-counter market, as reported by the principal automated quotation system that may then be in use or, if such Capital Stock is not quoted by any such system, the average of the closing bid and asked prices as furnished by a professional market maker making a market in such Capital Stock selected by the Board of Directors or, in the event that no trading price is available for such Capital Stock, the fair market value of the Capital Stock, as determined by the Board of Directors.

NYSE. The term "NYSE" shall mean the New York Stock Exchange or any successor stock exchange thereto.

Person. The term "Person" shall mean an individual, corporation, partnership, limited liability company, estate, trust (including a trust qualified under Sections 401(a) or 501(c)(17) of the Code), a portion of a trust permanently set aside for or to be used exclusively for the purposes described in Section 642(c) of the Code, association, private foundation within the meaning of Section 509(a) of the Code, joint stock company or other entity and also includes a "group" as that term is used for purposes of Rule 13d-5(b) or Section 13(d)(3) of the Securities Exchange Act of 1934, as amended, and a group to which an Excepted Holder Limit applies.

Prohibited Owner. The term "Prohibited Owner" shall mean, with respect to any purported Transfer (or other event), any Person who, but for the provisions of Section 7.2.1, would Beneficially Own or Constructively Own shares of Capital Stock in violation of the provisions of Section 7.2.1(a), and if appropriate in the context, shall also mean any Person who would have been the record owner of the shares of Capital Stock that the Prohibited Owner would have so owned.

Restriction Termination Date. The term “Restriction Termination Date” shall mean the first day after the Initial Date on which the Board of Directors determines pursuant to Section 5.7 of the Charter that it is no longer in the best interests of the Corporation to be taxed as a REIT for federal income tax purposes or that compliance with the restrictions and limitations on Beneficial Ownership, Constructive Ownership and Transfers of shares of Capital Stock set forth herein is no longer required in order for the Corporation to qualify as a REIT.

Stock Ownership Limit. The term “Stock Ownership Limit” shall mean nine and eight-tenths percent (9.8%) in value or in number of shares, whichever is more restrictive, of the outstanding shares of any class or series of Capital Stock of the Corporation excluding any outstanding shares of Capital Stock not treated as outstanding for federal income tax purposes, or such other percentage determined from time to time by the Board of Directors in accordance with Section 7.2.8 of the Charter.

TRS. The term “TRS” shall mean a taxable REIT subsidiary (as defined in Section 856(l) of the Code) of the Corporation.

Transfer. The term “Transfer” shall mean any issuance, sale, transfer, gift, assignment, devise or other disposition, as well as any other event that causes any Person to acquire or change such Person’s percentage of Beneficial Ownership or Constructive Ownership, or any agreement to take any such actions or cause any such events, of Capital Stock or the right to vote or receive dividends on Capital Stock, including (a) the granting or exercise of any option (or any disposition of any option), (b) any disposition of any securities or rights convertible into or exchangeable for Capital Stock or any interest in Capital Stock or any exercise of any such conversion or exchange right, and (c) Transfers of interests in other entities that result in changes in Beneficial Ownership or Constructive Ownership of Capital Stock; in each case, whether voluntary or involuntary, whether owned of record, Constructively Owned or Beneficially Owned and whether by operation of law or otherwise. The terms “Transferring” and “Transferred” shall have the correlative meanings.

Trustee. The term "Trustee" shall mean the Person unaffiliated with both the Corporation and a Prohibited Owner that is appointed by the Corporation to serve as trustee of the Charitable Trust.

Section 7.2 Capital Stock.

Section 7.2.1 Ownership Limitations. During the period commencing on the Initial Date and prior to the Restriction Termination Date or as otherwise set forth below, and subject to Section 7.4:

(a) Basic Restrictions.

(i) Except as provided in Section 7.2.7 hereof, no Person, other than an Excepted Holder, shall Beneficially Own or Constructively Own shares of Capital Stock in excess of the Stock Ownership Limit. No Excepted Holder shall Beneficially Own or Constructively Own shares of Capital Stock in excess of the Excepted Holder Limit for such Excepted Holder.

(ii) Except as provided in Section 7.2.7 hereof, no Person shall Beneficially Own shares of Capital Stock to the extent that such Beneficial Ownership of Capital Stock would result in the Corporation being "closely held" within the meaning of Section 856(h) of the Code (without regard to whether the ownership interest is held during the last half of a taxable year).

(iii) Except as provided in Section 7.2.7 hereof, any Transfer of shares of Capital Stock that, if effective, would result in the Capital Stock being beneficially owned by less than one hundred (100) Persons (determined under the principles of Section 856(a)(5) of the Code) shall be void ab initio, and the intended transferee shall acquire no rights in such Capital Stock.

(iv) Except as provided in Section 7.2.7 hereof, no Person shall Beneficially Own or Constructively Own shares of Capital Stock to the extent such Beneficial Ownership or Constructive Ownership would cause the Corporation to Constructively Own ten percent (10%) or more of the ownership interests in a tenant (other than a TRS) of the Corporation's real property within the meaning of Section 856(d)(2)(B) of the Code.

(v) No Person shall Beneficially Own or Constructively Own shares of Capital Stock to the extent that such Beneficial Ownership or Constructive Ownership would otherwise cause the Corporation to fail to qualify as a REIT under the Code, including, but not limited to, as a result of any "eligible independent contractor" (as defined in Section 856(d)(9)(A) of the Code) that operates a "qualified lodging facility" (as defined in Section 856(d)(9)(D)(i) of the Code), on behalf of a TRS failing to qualify as such.

(b) Transfer in Trust/Transfer Void Ab Initio. If any Transfer of shares of Capital Stock (or other event) occurs which, if effective, would result in any Person Beneficially Owning or Constructively Owning shares of Capital Stock in violation of Section 7.2.1(a)(i), (ii), (iv) or (v),

(i) then that number of shares of the Capital Stock the Beneficial Ownership or Constructive Ownership of which otherwise would cause such Person to violate Section 7.2.1(a)(i), (ii), (iv) or (v) (rounded up to the nearest whole share) shall be automatically transferred to a Charitable Trust for the benefit of a Charitable Beneficiary, as described in Section 7.3, effective as of the close of business on the Business Day prior to the date of such Transfer (or other event), and such Person shall acquire no rights in such shares of Capital Stock; or

(ii) if the transfer to the Charitable Trust described in clause (i) of this Section 7.2.1(b) would not be effective for any reason to prevent the violation of Section 7.2.1(a)(i), (ii), (iv) or (v), then the Transfer of that number of shares of Capital Stock that otherwise would cause any Person to violate Section 7.2.1(a)(i), (ii), (iv) or (v) shall be void ab initio, and the intended transferee shall acquire no rights in such shares of Capital Stock.

Section 7.2.2 Remedies for Breach. If the Board of Directors shall at any time determine that a Transfer or other event has taken place that results in a violation of Section 7.2.1 or that a Person intends to acquire or has attempted to acquire Beneficial Ownership or Constructive Ownership of any shares of Capital Stock in violation of Section 7.2.1 (whether or not such violation is intended), the Board of Directors or a committee thereof or other designees if permitted by the MGCL shall take such action as it deems advisable to refuse to give effect to or to prevent such Transfer or other event, including, without limitation, causing the Corporation to redeem shares of Capital Stock, refusing to give effect to such Transfer on the books of the Corporation or instituting proceedings to enjoin such Transfer or other event; provided, however, that any Transfer or attempted Transfer or other event in violation of Section 7.2.1 shall automatically result in the transfer to the Charitable Trust described above, or, where applicable, such Transfer (or other event) shall be void ab initio as provided above irrespective of any action (or non-action) by the Board of Directors or a committee thereof or other designee if permitted by the MGCL.

Section 7.2.3 Notice of Restricted Transfer. Any Person who acquires or attempts or intends to acquire Beneficial Ownership or Constructive Ownership of shares of Capital Stock that will or may violate Section 7.2.1(a) or any Person who would have owned shares of Capital Stock that resulted in a transfer to the Charitable Trust pursuant to the provisions of Section 7.2.1(b) shall immediately give written notice to the Corporation of such event or, in the case of such a proposed or attempted transaction, give at least fifteen (15) days prior written notice, and shall provide to the Corporation such other information as the Corporation may request in order to determine the effect, if any, of such Transfer on the Corporation's status as a REIT.

Section 7.2.4 Owners Required To Provide Information. From the Initial Date and prior to the Restriction Termination Date:

(a) Every Person that Beneficially Owns more than five percent (5%) (or such lower percentage as required by the Code or the Treasury Regulations promulgated thereunder) in number or value of the outstanding shares of Capital Stock, within thirty (30) days after the end of each taxable year, shall give written notice to the Corporation stating (i) the name and address of such owner, (ii) the number of shares of Capital Stock Beneficially Owned and (iii) a description of the manner in which such shares are held. Each such owner shall provide to the Corporation such additional information as the Corporation may request in order to determine the effect, if any, of such Beneficial Ownership on the Corporation's status as a REIT and to ensure compliance with the Stock Ownership Limit; and

(b) Each Person who is a Beneficial Owner or Constructive Owner of Capital Stock and each Person (including the stockholder of record) who is holding Capital Stock for a Beneficial Owner or Constructive Owner shall provide to the Corporation such information as the Corporation may request, in good faith, in order to determine the Corporation's status as a REIT and to comply with requirements of any taxing authority or governmental authority or to determine such compliance and to ensure compliance with the Stock Ownership Limit.

Section 7.2.5 Remedies Not Limited. Nothing contained in this Section 7.2 shall limit the authority of the Board of Directors to take such other action as it deems necessary or advisable to, subject to Section 5.7 of the Charter, protect the Corporation and the interests of its stockholders in preserving the Corporation's status as a REIT.

Section 7.2.6 Ambiguity. In the case of an ambiguity in the application of any of the provisions of this Article VII, including any definition contained in Section 7.1 of this Article VII, the Board of Directors shall have the power to determine the application of the provisions of this Article VII with respect to any situation based on the facts known to it at such time. In the event Section 7.2 or 7.3 requires an action by the Board of Directors and the Charter fails to provide specific guidance with respect to such action, the Board of Directors shall have the power to determine the action to be taken so long as such action is not contrary to the provisions of Sections 7.1, 7.2 or 7.3. Absent a decision to the contrary by the Board of Directors (which the Board of Directors may make in its sole and absolute discretion), if a Person would have (but for the remedies set forth in Sections 7.2.1 and 7.2.2) acquired Beneficial Ownership or Constructive Ownership of Capital Stock in violation of Section 7.2.1, such remedies (as applicable) shall apply first to the shares of Capital Stock which, but for such remedies, would have been actually owned by such Person, and second to shares of Capital Stock which, but for such remedies, would have been Beneficially Owned or Constructively Owned (but not actually owned) by such Person, pro rata among the Persons who actually own such shares of Capital Stock based upon the relative number of the shares of Capital Stock held by each such Person.

Section 7.2.7 Exceptions.

(a)(i) The Board of Directors, in its sole discretion, may exempt (prospectively or retroactively) a Person from the restrictions contained in Section 7.2.1(a)(i), (ii) or (iv) as the case may be, and may establish or increase an Excepted Holder Limit for such Person if the Board of Directors obtains such representations, covenants and undertakings as the Board of Directors may deem appropriate in order to conclude that granting the exemption and/or establishing or increasing the Excepted Holder Limit, as the case may be, will not cause the Corporation to lose its status as a REIT.

(b) Prior to granting any exception pursuant to Section 7.2.7(a), the Board of Directors may require a ruling from the Internal Revenue Service or an opinion of counsel, in either case in form and substance satisfactory to the Board of Directors in its sole discretion, as it may deem necessary or advisable in order to determine that granting the exception will not cause the Corporation to lose its status as a REIT. Notwithstanding the receipt of any ruling or opinion, the Board of Directors may impose such conditions or restrictions as it deems appropriate in connection with granting such exception.

(c) Subject to Section 7.2.1(a)(ii), (iv) and (v), an underwriter, placement agent or initial purchaser that participates in a public offering, a private placement or other private offering of Capital Stock (or securities convertible into or exchangeable for Capital Stock) may Beneficially Own or Constructively Own shares of Capital Stock (or securities convertible into or exchangeable for Capital Stock) in excess of the Stock Ownership Limit, but only to the extent necessary to facilitate such public offering, private placement or immediate resale of such Capital Stock and provided that the restrictions contained in Section 7.2.1(a) will not be violated following the distribution by such underwriter, placement agent or initial purchaser of such shares of Capital Stock.

Section 7.2.8 Change in Stock Ownership Limit and Excepted Holder Limits. (a) The Board of Directors may from time to time increase or decrease the Stock Ownership Limit; provided, however, that a decreased Stock Ownership Limit will not be effective for any Person whose percentage ownership of Capital Stock is in excess of such decreased Stock Ownership Limit until such time as such Person's percentage of Capital Stock equals or falls below the decreased Stock Ownership Limit, but until such time as such Person's percentage of Capital Stock falls below such decreased Stock Ownership Limit, any further acquisition of Capital Stock will be in violation of the Stock Ownership Limit and, provided further, that the new Stock Ownership Limit would not allow five or fewer individuals (taking into account all Excepted Holders) to Beneficially Own more than forty-nine and nine-tenths percent (49.9%) in value of the outstanding Capital Stock.

(b) The Board of Directors may only reduce the Excepted Holder Limit for an Excepted Holder: (1) with the written consent of such Excepted Holder at any time, or (2) pursuant to the terms and conditions of the agreements and undertakings entered into with such Excepted Holder in connection with the establishment of the Excepted Holder Limit for that Excepted Holder. No Excepted Holder Limit shall be reduced to a percentage that is less than the then existing Stock Ownership Limit.

Section 7.2.9 Legend. Each certificate, if any, or any notice in lieu of any certificate, for shares of Capital Stock shall bear a legend summarizing the restrictions on ownership and transfer contained herein. Instead of a legend, the certificate, if any, may state that the Corporation will furnish a full statement about certain restrictions on transferability to a stockholder on request and without charge.

Section 7.3 Transfer of Capital Stock in Trust.

Section 7.3.1 Ownership in Trust. Upon any purported Transfer or other event described in Section 7.2.1(b) that would result in a transfer of shares of Capital Stock to a Charitable Trust, such shares of Capital Stock shall be deemed to have been transferred to the Trustee as trustee for the exclusive benefit of one or more Charitable Beneficiaries. Such transfer to the Trustee shall be deemed to be effective as of the close of business on the Business Day prior to the purported Transfer or other event that results in the transfer to the Charitable Trust pursuant to Section 7.2.1(b). The Trustee shall be appointed by the Corporation and shall be a Person unaffiliated with the Corporation and any Prohibited Owner. Each Charitable Beneficiary shall be designated by the Corporation as provided in Section 7.3.6.

Section 7.3.2 Status of Shares Held by the Trustee. Shares of Capital Stock held by the Trustee shall continue to be issued and outstanding shares of Capital Stock of the Corporation. The Prohibited Owner shall have no rights in the Capital Stock held by the Trustee. The Prohibited Owner shall not benefit economically from ownership of any shares held in trust by the Trustee, shall have no rights to dividends or other distributions and shall not possess any rights to vote or other rights attributable to the shares held in the Charitable Trust. The Prohibited Owner shall have no claim, cause of action, or any other recourse whatsoever against the purported transferor of such Capital Stock.

Section 7.3.3 Dividend and Voting Rights. The Trustee shall have all voting rights and rights to dividends or other distributions with respect to shares of Capital Stock held in the Charitable Trust, which rights shall be exercised for the exclusive benefit of the Charitable Beneficiary. Any dividend or other distribution paid to a Prohibited Owner prior to the discovery by the Corporation that the shares of Capital Stock have been transferred to the Trustee shall be paid with respect to such shares of Capital Stock by the Prohibited Owner to the Trustee upon demand and any dividend or other distribution authorized but unpaid shall be paid when due to the Trustee. Any dividends or other distributions so paid over to the Trustee shall be held in trust for the Charitable Beneficiary. The Prohibited Owner shall have no voting rights with respect to shares held in the Charitable Trust and, subject to Maryland law, effective as of the date that the shares of Capital Stock have been transferred to the Charitable Trust, the Trustee shall have the authority (at the Trustee's sole discretion) (i) to rescind as void any vote cast by a Prohibited Owner prior to the discovery by the Corporation that the shares of Capital Stock have been transferred to the Trustee and (ii) to recast such vote in accordance with the desires of the Trustee acting for the benefit of the Charitable Beneficiary; provided, however, that if the Corporation has already taken irreversible corporate action, then the Trustee shall not have the authority to rescind and recast such vote. Notwithstanding the provisions of this Article VII, until the Corporation has received notification that shares of Capital Stock have been transferred into a Charitable Trust, the Corporation shall be entitled to rely on its share transfer and other stockholder records for purposes of preparing lists of stockholders entitled to vote at meetings, determining the validity and authority of proxies and otherwise conducting votes of stockholders.

Section 7.3.4 Sale of Shares by Trustee. Within twenty (20) days of receiving notice from the Corporation that shares of Capital Stock have been transferred to the Charitable Trust, the Trustee of the Charitable Trust shall sell the shares held in the Charitable Trust to a person, designated by the Trustee, whose ownership of the shares will not violate the ownership limitations set forth in Section 7.2.1(a). Upon such sale, the interest of the Charitable

Beneficiary in the shares sold shall terminate and the Trustee shall distribute the net proceeds of the sale to the Prohibited Owner and to the Charitable Beneficiary as provided in this Section 7.3.4. The Prohibited Owner shall receive the lesser of (1) the price paid by the Prohibited Owner for the shares or, if the Prohibited Owner did not give value for the shares in connection with the event causing the shares to be held in the Charitable Trust (*e.g.*, in the case of a gift, devise or other such transaction), the Market Price of the shares on the day of the event causing the shares to be held in the Charitable Trust and (2) the price per share received by the Trustee (net of any commissions and other expenses of sale) from the sale or other disposition of the shares held in the Charitable Trust. The Trustee may reduce the amount payable to the Prohibited Owner by the amount of dividends and other distributions paid to the Prohibited Owner and owed by the Prohibited Owner to the Trustee pursuant to Section 7.3.3 of this Article VII. Any net sales proceeds in excess of the amount payable to the Prohibited Owner shall be immediately paid to the Charitable Beneficiary. If, prior to the discovery by the Corporation that shares of Capital Stock have been transferred to the Trustee, such shares are sold by a Prohibited Owner, then (i) such shares shall be deemed to have been sold on behalf of the Charitable Trust and (ii) to the extent that the Prohibited Owner received an amount for such shares that exceeds the amount that such Prohibited Owner was entitled to receive pursuant to this Section 7.3.4, such excess shall be paid to the Trustee upon demand.

Section 7.3.5 Purchase Right in Stock Transferred to the Trustee. Shares of Capital Stock transferred to the Trustee shall be deemed to have been offered for sale to the Corporation, or its designee, at a price per share equal to the lesser of (i) the price per share in the transaction that resulted in such transfer to the Charitable Trust (or, in the case of a devise or gift, the Market Price at the time of such devise or gift) and (ii) the Market Price on the date the

Corporation, or its designee, accepts such offer. The Corporation may reduce the amount payable to the Prohibited Owner by the amount of dividends and other distributions paid to the Prohibited Owner and owed by the Prohibited Owner to the Trustee pursuant to Section 7.3.3 of this Article VII. The Corporation may pay the amount of such reduction to the Trustee for the benefit of the Charitable Beneficiary. The Corporation shall have the right to accept such offer until the Trustee has sold the shares held in the Charitable Trust pursuant to Section 7.3.4. Upon such a sale to the Corporation, the interest of the Charitable Beneficiary in the shares sold shall terminate and the Trustee shall distribute the net proceeds of the sale to the Prohibited Owner and any dividends or other distributions held by the Trustee shall be paid to the Charitable Beneficiary.

Section 7.3.6 Designation of Charitable Beneficiaries. By written notice to the Trustee, the Corporation shall designate one or more nonprofit organizations to be the Charitable Beneficiary of the interest in the Charitable Trust such that (i) the shares of Capital Stock held in the Charitable Trust would not violate the restrictions set forth in Section 7.2.1(a) in the hands of such Charitable Beneficiary and (ii) each such organization must be described in Section 501(c)(3) of the Code and contributions to each such organization must be eligible for deduction under one of Sections 170(b)(1)(A), 2055 and 2522 of the Code. Neither the failure of the Corporation to make such designation nor the failure of the Corporation to appoint the Trustee before the automatic transfer provided for in Section 7.2.1(b)(i) shall make such transfer ineffective, provided that the Corporation thereafter makes such designation and appointment.

Section 7.4 NYSE Transactions. Nothing in this Article VII shall preclude the settlement of any transaction entered into through the facilities of the NYSE or any other national securities exchange or automated inter-dealer quotation system. The fact that the settlement of any transaction occurs shall not negate the effect of any other provision of this Article VII and any transferee in such a transaction shall be subject to all of the provisions and limitations set forth in this Article VII.

Section 7.5 Enforcement. The Corporation is authorized specifically to seek equitable relief, including injunctive relief, to enforce the provisions of this Article VII.

Section 7.6 Non-Waiver. No delay or failure on the part of the Corporation or the Board of Directors in exercising any right hereunder shall operate as a waiver of any right of the Corporation or the Board of Directors, as the case may be, except to the extent specifically waived in writing.

Section 7.7 Severability. If any provision of this Article VII or any application of any such provision is determined to be invalid by any federal or state court having jurisdiction over the issues, the validity of the remaining provisions shall not be affected and other applications of such provisions shall be affected only to the extent necessary to comply with the determination of such court.

ARTICLE VIII

AMENDMENTS

The Corporation reserves the right from time to time to make any amendment to the Charter, now or hereafter authorized by law, including any amendment altering the terms or contract rights, as expressly set forth in the Charter, of any shares of outstanding stock. All rights and powers conferred by the Charter on stockholders, directors and officers are granted subject to this reservation. Except as otherwise provided in the Charter and except for those amendments permitted to be made without stockholder approval under Maryland law or by specific provision in the Charter, any amendment to the Charter shall be valid only if declared advisable by the Board of Directors and approved by the affirmative vote of holders of shares

entitled to cast a majority of all the votes entitled to be cast on the matter. However, any amendment to Section 5.8 and Article VII or to this sentence of the Charter shall be valid only if declared advisable by the Board of Directors and approved by the affirmative vote of holders of shares entitled to cast at least two-thirds of all the votes entitled to be cast on the matter.

ARTICLE IX

LIMITATION OF LIABILITY

To the maximum extent that Maryland law in effect from time to time permits limitation of the liability of directors and officers of a corporation, no present or former director or officer of the Corporation shall be liable to the Corporation or its stockholders for money damages. Neither the amendment nor repeal of this Article IX, nor the adoption or amendment of any other provision of the Charter or the Bylaws inconsistent with this Article IX, shall apply to or affect in any respect the applicability of the preceding sentence with respect to any act or failure to act which occurred prior to such amendment, repeal or adoption.

THIRD: The amendment to and restatement of the Charter as hereinabove set forth have been duly advised by the Board of Directors and approved by the sole stockholder of the Corporation as required by law.

FOURTH: The current address of the principal office of the Corporation is as set forth in Article IV of the foregoing amendment and restatement of the Charter.

FIFTH: The name and address of the Corporation's current resident agent are as set forth in Article IV of the foregoing amendment and restatement of the Charter.

SIXTH: The number of directors of the Corporation and the names of those currently in office are as set forth in Article V of the foregoing amendment and restatement of the Charter.

SEVENTH: The total number of shares of stock which the Corporation had authority to issue immediately prior to this amendment and restatement was 1,000 shares, consisting of 1,000 shares of Common Stock, $0.01 par value per share. The aggregate par value of all shares of stock having par value was $10.00.

EIGHTH: The total number of shares of stock which the Corporation has authority to issue pursuant to the foregoing amendment and restatement of the Charter is 600,000,000, consisting of 500,000,000 shares of Common Stock, $0.01 par value per share, and 100,000,000 shares of Preferred Stock, $0.01 par value per share. The aggregate par value of all authorized shares of stock having par value is $6,000,000.

NINTH: The undersigned President and Chief Executive Officer acknowledges these Articles of Amendment and Restatement to be the corporate act of the Corporation and, as to all matters or facts required to be verified under oath, the undersigned President and Chief Executive Officer acknowledges that, to the best of his knowledge, information and belief, these matters and facts are true in all material respects and that this statement is made under the penalties for perjury.

[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, the Corporation has caused these Articles of Amendment and Restatement to be signed in its name and on its behalf by its President and Chief Executive Officer of the Board and attested to by its Vice President of Operations on this day of , 2013.

ATTEST:

Eric L. Smith
Vice President of Operations

ARMADA HOFFLER PROPERTIES, INC.

By (SEAL)
Louis S. Haddad
President and Chief Executive Officer

ARMADA HOFFLER PROPERTIES, INC.

BYLAWS

ARTICLE I
OFFICES

Section 1. Principal Office.

The principal office of Armada Hoffler Properties, Inc. (the "Corporation") in the State of Maryland shall be located at such place as the Board of Directors of the Corporation (the "Board of Directors") may designate from time to time.

Section 2. Additional Offices.

The Corporation may have additional offices, including a principal executive office, at such places as the Board of Directors may from time to time determine or the business of the Corporation may require.

ARTICLE II
MEETINGS OF STOCKHOLDERS

Section 1. Place.

All meetings of stockholders shall be held at the principal executive office of the Corporation or at such other place as shall be set in accordance with these Bylaws and stated in the notice of the meeting.

Section 2. Annual Meeting.

An annual meeting of stockholders for the election of directors and the transaction of any business as may properly be brought before the meeting and within the powers of the Corporation shall be held on the date and at the time and place set by the Board of Directors.

Section 3. Special Meetings.

(a) *General*. Each of the Chairman of the Board of Directors, the Chief Executive Officer, the President and the Board of Directors may call a special meeting of stockholders. Except as provided in Section 3(b)(4), a special meeting of stockholders shall be held on the date and at the time and place set by whoever has called the meeting. Subject to Section 3(b), a special meeting of stockholders shall also be called by the Secretary of the Corporation to act on any matter that may properly be considered at a special meeting of stockholders upon the written request of stockholders entitled to cast not less than a majority of all the votes entitled to be cast on such matter at such meeting.

(b) *Stockholder-Requested Special Meetings*. (1) Any stockholder of record seeking to have stockholders request a special meeting shall, by sending written notice in proper form to the Secretary of the Corporation (the "Record Date Request Notice") at the principal executive

office of the Corporation by registered mail, return receipt requested, request the Board of Directors to fix a record date to determine the stockholders entitled to request a special meeting (the "Request Record Date"). To be in proper form, the Record Date Request Notice shall (i) set forth the purpose of the meeting and the matters proposed to be acted on at it, (ii) be signed by one or more stockholders of record as of the date of signature (or their agents duly authorized in a writing accompanying the Record Date Request Notice), (iii) bear the date of signature of each such stockholder (or such agent) and (iv) set forth all information relating to each such stockholder and each matter proposed to be acted on at the special meeting that would be required to be disclosed in connection with the solicitation of proxies for the election of directors in an election contest (even if an election contest is not involved), or would otherwise be required in connection with such a solicitation, in each case pursuant to Regulation l4A (or any successor provision) under the Securities Exchange Act of 1934, as amended, and the rules and regulations promulgated thereunder (the "Exchange Act"). Upon receiving the Record Date Request Notice, the Board of Directors may fix a Request Record Date. The Request Record Date shall not precede and shall not be more than ten (10) days after the close of business on the date on which the resolution fixing the Request Record Date is adopted by the Board of Directors. If the Board of Directors, within ten (10) days after the date on which a valid Record Date Request Notice is received, fails to adopt a resolution fixing the Request Record Date, the Request Record Date shall be the close of business on the tenth (10^{th}) day after the first date on which such Record Date Request Notice is received by the Secretary.

(2) In order for any stockholder to request a special meeting to act on any matter that may properly be considered at a special meeting of stockholders, one or more written requests for a special meeting (collectively, the "Special Meeting Request") in proper form and signed by stockholders of record (or their agents duly authorized in a writing accompanying the request) as of the Request Record Date entitled to cast not less than a majority of all of the votes entitled to be cast on such matter at such meeting (the "Special Meeting Percentage") shall be delivered to the Secretary at the principal executive office of the Corporation. To be in proper form, the Special Meeting Request shall (a) set forth the purpose of the meeting and the matters proposed to be acted on at it (which shall be limited to those lawful matters set forth in the Record Date Request Notice received by the Secretary), including the text of the proposal or business (including the text of any resolutions proposed for consideration), (b) bear the date of signature of each such stockholder (or such agent) signing the Special Meeting Request, (c) set forth (i) the name and address, as they appear in the Corporation's books, of each stockholder signing such request (or on whose behalf the Special Meeting Request is signed), (ii) the class, series and number of all shares of stock of the Corporation which are owned (beneficially or of record) by each such stockholder and (iii) the nominee holder for, and number of, shares of stock of the Corporation owned beneficially but not of record by such stockholder, (d) be sent to the Secretary by registered mail, return receipt requested, and (e) be received by the Secretary within sixty (60) days after the Request Record Date. Any requesting stockholder (or agent duly authorized in a writing accompanying the revocation of the Special Meeting Request) may revoke his, her or its request for a special meeting at any time by written revocation delivered to the Secretary.

(3) The Secretary shall inform the requesting stockholders of the reasonably estimated cost of preparing and mailing or delivering the notice of the special meeting (including the Corporation's proxy materials). The Secretary shall not be required to call a special meeting upon stockholder request and such meeting shall not be held unless, in addition to the documents required by Section 3(b)(2), the Secretary receives payment of such reasonably estimated cost prior to the preparation and mailing or delivery of such notice of the meeting.

(4) In the case of any special meeting called by the Secretary upon the request of stockholders (a "Stockholder-Requested Meeting"), such meeting shall be held at such place, date and time as may be designated by the Board of Directors; *provided*, *however*, that the date of any Stockholder-Requested Meeting shall be not more than ninety (90) days after the record date for such meeting (the "Meeting Record Date"); and *provided further* that if the Board of Directors fails to designate, within ten (10) days after the date that a valid Special Meeting Request is actually received by the Secretary (the "Delivery Date"), a date and time for a Stockholder-Requested Meeting, then such meeting shall be held at 2:00 p.m., local time, on the ninetieth (90th) day after the Meeting Record Date or, if such ninetieth (90th) day is not a Business Day (as defined below), on the first preceding Business Day; and *provided further* that in the event that the Board of Directors fails to designate a place for a Stockholder-Requested Meeting within ten (10) days after the Delivery Date, then such meeting shall be held at the principal executive office of the Corporation. In fixing a date for a Stockholder-Requested Meeting, the Board of Directors may consider such factors as it deems relevant, including, without limitation, the nature of the matters to be considered, the facts and circumstances surrounding any request for the meeting and any plan of the Board of Directors to call an annual meeting or a special meeting. In the case of any Stockholder-Requested Meeting, if the Board of Directors fails to fix a Meeting Record Date that is a date within thirty (30) days after the Delivery Date, then the close of business on the thirtieth day after the Delivery Date shall be the Meeting Record Date. The Board of Directors may revoke the notice for any Stockholder-Requested Meeting in the event that the requesting stockholders fail to comply with the provisions of Section 3(b)(3). Notwithstanding anything to the contrary in these Bylaws, the Board of Directors may submit its own proposal or proposals for consideration at any such special meeting.

(5) If written revocations of the Special Meeting Request have been delivered to the Secretary and the result is that stockholders of record (or their agents duly authorized in writing), as of the Request Record Date, entitled to cast less than the Special Meeting Percentage have delivered, and not revoked, requests for a special meeting on the matter to the Secretary: (i) if the notice of meeting has not already been sent to the stockholders of the Corporation, the Secretary shall refrain from sending the notice of the meeting and send to all requesting stockholders who have not revoked such requests written notice of any revocation of a request for a special meeting on the matter, or (ii) if the notice of meeting has been sent to the stockholders of the Corporation and if the Secretary first sends to all requesting stockholders who have not revoked requests for a special meeting on the matter written notice of any revocation of a request for the special meeting and written notice of the Corporation's intention to revoke the notice of and to cancel the meeting or for the chairman of the meeting to adjourn the meeting without action on the matter, (A) the Secretary may revoke the notice of and cancel the meeting at any time before ten (10) days before the commencement of the meeting or (B) the chairman of the meeting may call the meeting to order and adjourn the meeting without acting on the matter. Any request for a special meeting received after a revocation by the Secretary of a notice of a meeting shall be considered a request for a new special meeting.

(6) The Chairman of the Board of Directors, the Chief Executive Officer, the President or the Board of Directors may appoint independent inspectors of elections to act as the agent of the Corporation for the purpose of promptly performing a ministerial review of the validity of any purported Special Meeting Request received by the Secretary. For the purpose of permitting the inspectors to perform such review, no such purported Special Meeting Request shall be deemed to have been received by the Secretary until the earlier of (i) five (5) Business Days after actual receipt by the Secretary of such purported request and (ii) such date as the independent inspectors certify to the Corporation that the valid requests received by the Secretary represent, as of the Request Record Date, stockholders of record entitled to cast not less than the Special Meeting Percentage. Nothing contained in this paragraph (6) shall in any way be construed to suggest or imply that the Corporation or any stockholder shall not be entitled to contest the validity of any request, whether during or after such five (5) Business Day period, or to take any other action (including, without limitation, the commencement, prosecution or defense of any litigation with respect thereto, and the seeking of injunctive relief in such litigation).

(7) The Secretary shall not accept, and the Secretary and the Corporation shall consider ineffective, any request from any stockholder to hold a special meeting or to establish a Request Record Date or Meeting Record Date that (a) does not comply with this Section 3 or (b) proposes or includes an item of business to be transacted at such special meeting that is not a proper subject for stockholder action under the charter of the Corporation (the "Charter"), these Bylaws or applicable law.

(8) For purposes of these Bylaws, "Business Day" shall mean any day other than a Saturday, a Sunday or a day on which banking institutions in the State of New York or the State of Maryland are authorized or obligated by law or executive order to close.

Section 4. Notice.

Not less than ten (10) nor more than ninety (90) days before each meeting of stockholders, the Secretary shall give to each stockholder entitled to vote at such meeting and to each stockholder not entitled to vote who is entitled to notice of the meeting notice in writing or by electronic transmission stating the date, time and place of the meeting and, in the case of a special meeting or as otherwise may be required by any statute, the purpose for which the meeting is called, by mail, by presenting it to such stockholder personally, by leaving it at the stockholder's residence or usual place of business or by any other means permitted by applicable law. If mailed, such notice shall be deemed to be given when deposited in the United States mail addressed to the stockholder at the stockholder's address as it appears on the records of the Corporation, with postage thereon prepaid. If transmitted electronically, such notice shall be deemed to be given when transmitted to the stockholder by an electronic transmission to any address or number of the stockholder at which the stockholder receives electronic transmissions. The Corporation may give a single notice to all stockholders who share an address, which single notice shall be effective as to any stockholder at such address, unless a stockholder at such address objects to receiving such single notice or revokes a prior consent to receiving such single notice. Failure to give notice of any meeting to one or more stockholders, or any irregularity in such notice, shall not affect the validity of any meeting fixed in accordance with this Article II or the validity of any proceedings at any such meeting.

Subject to Section 11(a) of this Article II, any business of the Corporation may be transacted at an annual meeting of stockholders without being specifically designated in the notice, except such business as is required by any statute to be stated in such notice. No business shall be transacted at a special meeting of stockholders except as specifically designated in the notice of such special meeting. The Corporation may postpone or cancel a meeting of stockholders by making a public announcement (as defined in Section 11(c)(3) of this Article II) of such postponement or cancellation prior to the meeting. Notice of the date, time and place to which the meeting is postponed shall be given not less than ten (10) days prior to such date and otherwise in the manner set forth in this section.

Section 5. Organization and Conduct.

Every meeting of stockholders shall be conducted by an individual appointed by the Board of Directors to be chairman of the meeting or, in the absence of such appointment or appointed individual, by the Chairman of the Board of Directors or, in the case of a vacancy in the office or absence of the Chairman of the Board of Directors, by one of the following officers present at the meeting in the following order: the Executive Chairman of the Board of Directors, if there is one, the Chief Executive Officer, the President, the Vice Presidents in their order of rank and seniority, the Secretary, or, in the absence of such officers, a chairman chosen by the stockholders by the vote of a majority of the votes cast by stockholders present in person or by proxy at such meeting. The Secretary, or, in the Secretary's absence, an Assistant Secretary, or, in the absence of both the Secretary and Assistant Secretaries, an individual appointed by the Board of Directors or, in the absence of such appointment, an individual appointed by the chairman of the meeting shall act as secretary of the meeting. In the event that the Secretary presides at a meeting of stockholders, an Assistant Secretary, or, in the absence of all Assistant Secretaries, an individual appointed by the Board of Directors or the chairman of the meeting, shall record the minutes of the meeting.

The Board of Directors may adopt by resolution such rules, regulations and procedures for the conduct of any meeting of stockholders as the Board of Directors deems appropriate. Except to the extent not prohibited by any such rules, regulations and procedures adopted by the Board of Directors, the chairman of the meeting shall determine the order of business and all other matters of procedure at any meeting of stockholders and shall have the authority to adopt rules, regulations and procedures and take such other actions as, in the discretion of the chairman and without any action by the stockholders, are appropriate for the proper conduct of the meeting, including, without limitation, (a) restricting admission to the time set for the commencement of the meeting; (b) limiting attendance at the meeting to stockholders of record of the Corporation, their duly authorized proxies and such other individuals as the chairman of the meeting may determine; (c) limiting participation at the meeting on any matter to stockholders of record of the Corporation entitled to vote on such matter, their duly authorized proxies and such other individuals as the chairman of the meeting may determine; (d) limiting the time allotted to questions or comments by participants; (e) determining when and for how long the polls should be opened and when the polls should be closed; (f) maintaining order and security at the meeting; (g) removing any stockholder or any other individual who refuses to comply with meeting procedures, rules or guidelines as set forth by the chairman of the meeting; (h) concluding a meeting or recessing or adjourning the meeting to a later date and time and at a place announced at the meeting; and (i) complying with any state and local laws and regulations concerning safety and security. Unless otherwise determined by the chairman of the meeting, meetings of stockholders shall not be required to be held in accordance with the rules of parliamentary procedure.

Section 6. Quorum.

At any meeting of stockholders, the presence in person or by proxy of stockholders entitled to cast a majority of all the votes entitled to be cast at such meeting on any matter shall constitute a quorum; but this section shall not affect any requirement under any statute or the Charter for the vote necessary for the approval of any matter. If, however, such quorum is not established at any meeting of the stockholders, the chairman of the meeting may adjourn the meeting *sine die* or from time to time to a date not more than one hundred and twenty (120) days after the original record date without notice other than announcement at the meeting. At such adjourned meeting at which a quorum shall be present, any business may be transacted which might have been transacted at the meeting as originally notified. The stockholders present either in person or by proxy, at a meeting which has been duly called and at which a quorum has been established, may continue to transact business until adjournment, notwithstanding the withdrawal from the meeting of enough stockholders to leave fewer than would be required to establish a quorum.

Section 7. Voting.

A plurality of all the votes cast at a meeting of stockholders duly called and at which a quorum is present shall be sufficient to elect a director. Each share may be voted for as many individuals as there are directors to be elected and for whose election the share is entitled to be voted. A majority of the votes cast in favor of a matter (other than the election of directors) at a meeting of stockholders duly called and at which a quorum is present shall be sufficient to approve any such matter which may properly come before the meeting, unless more than a majority of the votes cast is required by statute or by the Charter. Unless otherwise provided by statute or by the Charter, each outstanding share, regardless of class, shall be entitled to one vote on each matter submitted to a vote at a meeting of stockholders. Unless otherwise determined by the chairman of the meeting, voting on any question or in any election may be *viva voce* rather than by ballot.

Section 8. Proxies.

A holder of record of shares of stock of the Corporation may cast votes in person or by proxy executed or authorized by the stockholder or by the stockholder's duly authorized agent in any manner permitted by law. Such proxy or evidence of authorization of such proxy shall be filed with the Secretary of the Corporation before or at the meeting. No proxy shall be valid more than eleven (11) months after its date, unless otherwise provided in the proxy.

Section 9. Voting of Stock by Certain Holders.

Stock of the Corporation registered in the name of a corporation, partnership, limited liability company, trust or other entity, if entitled to be voted, may be voted by the president or a vice president, general partner, trustee or managing member thereof, as the case may be, or a proxy appointed by any of the foregoing individuals, unless some other person who has been

appointed to vote such stock pursuant to a bylaw or a resolution of the governing body of such corporation or other entity or agreement of the partners of a partnership presents a certified copy of such bylaw, resolution or agreement, in which case such person may vote such stock. Any director or fiduciary may vote stock registered in the name of such person in the capacity of such director or fiduciary, either in person or by proxy.

Shares of stock of the Corporation directly or indirectly owned by it shall not be voted at any meeting and shall not be counted in determining the total number of outstanding shares entitled to be voted at any given time, unless they are held by it in a fiduciary capacity, in which case they may be voted and shall be counted in determining the total number of outstanding shares at any given time.

The Board of Directors may adopt by resolution a procedure by which a stockholder may certify in writing to the Corporation that any shares of stock registered in the name of the stockholder are held for the account of a specified person other than the stockholder. The resolution shall set forth the class of stockholders who may make the certification, the purpose for which the certification may be made, the form of certification and the information to be contained in it; if the certification is with respect to a record date, the time after the record date within which the certification must be received by the Corporation; and any other provisions with respect to the procedure which the Board of Directors considers necessary or desirable. On receipt by the Corporation of such certification, the person specified in the certification shall be regarded as, for the purposes set forth in the certification, the holder of record of the specified stock in place of the stockholder who makes the certification.

Section 10. Inspectors.

The Board of Directors or the chairman of the meeting may appoint, before or at the meeting, one or more inspectors for the meeting and any successor to the inspector. Except as otherwise provided by the chairman of the meeting, the inspectors, if any, shall (i) determine the number of shares of stock represented at the meeting, in person or by proxy, and the validity and effect of proxies, (ii) receive and tabulate all votes, ballots or consents, (iii) report such tabulation to the chairman of the meeting, (iv) hear and determine all challenges and questions arising in connection with the validity of any proxies of ballots, (v) perform such tasks as may be required by applicable law and (vi) do such acts as are proper to fairly conduct the election or vote. Each such report shall be in writing and signed by the inspector or by a majority of them if there is more than one inspector acting at such meeting. If there is more than one inspector, the report of a majority shall be the report of the inspectors. The report of the inspector or inspectors on the number of shares represented at the meeting and the results of the voting shall be prima facie evidence thereof.

Section 11. Advance Notice of Nominees for Director and Other Stockholder Proposals.

(a) *Annual Meetings of Stockholders*.

(1) Nominations of individuals for election to the Board of Directors and the proposal of other business to be considered by the stockholders may only be made at an annual meeting of stockholders (i) pursuant to the Corporation’s notice of meeting (or any supplement

thereto), (ii) by or at the direction of the Board of Directors or (iii) by any stockholder of the Corporation who was a stockholder of record both at the time of giving of notice by the stockholder as provided for in this Section 11(a) and at the time of the annual meeting, who is entitled to vote at the meeting in the election of each individual so nominated or on any such other business and who has complied with this Section 11(a). Clause (iii) of the immediately preceding sentence shall be the sole and exclusive means for a stockholder to make nominations or other business proposals before an annual meeting of stockholders (other than matters properly brought under, and to the extent required by, Rule 14a-8 under the Exchange Act and included in the Corporation's notice of meeting).

(2) Without qualification or limitation, subject to Section 11(c)(4), for any nomination or other business to be properly brought before an annual meeting of stockholders by a stockholder pursuant to Section 11(a)(1)(iii), the stockholder must have given timely notice thereof in writing to the Secretary of the Corporation and any such other business must otherwise be a proper matter for action by the stockholders. To be timely, a stockholder's notice shall set forth all information required under this Section 11 and shall be delivered to the Secretary at the principal executive office of the Corporation not earlier than the one hundred and fiftieth (150th) day nor later than 5:00 p.m., Eastern Time, on the one hundred and twentieth (120th) day prior to the first anniversary of the date of the proxy statement (as defined in Section 11(c)(3) of this Article II) for the preceding year's annual meeting; *provided*, *however*, that in connection with the Corporation's first (1st) annual meeting occurring after the initial underwritten public offering of the common stock of the Corporation or in the event that the date of the annual meeting is advanced or delayed by more than thirty (30) days from the first (1st) anniversary of the date of the preceding year's annual meeting, in order for notice by the stockholder to be timely, such notice must be so delivered not earlier than the one hundred and fiftieth (150th) day prior to the date of such annual meeting and not later than 5:00 p.m., Eastern Time, on the later of the one hundred and twentieth (120th) day prior to the date of such annual meeting, as originally convened, or the tenth (10th) day following the day on which public announcement of the date of such meeting is first made. The public announcement of a postponement or adjournment of an annual meeting shall not commence a new time period for the giving of a stockholder's notice as described above.

(3) A stockholder's notice described in Section 11(a)(2) shall set forth:

(i) as to each individual whom the stockholder proposes to nominate for election or reelection as a director (each, a "Proposed Nominee"), all information relating to the Proposed Nominee that would be required to be disclosed in connection with the solicitation of proxies for the election of the Proposed Nominee as a director in an election contest (even if an election contest is not involved), or would otherwise be required in connection with such solicitation, in each case pursuant to Regulation 14A (or any successor provision) under the Exchange Act;

(ii) as to any other business that the stockholder proposes to bring before the meeting, a description of such business, the stockholder's reasons for proposing such business at the meeting and any material interest in such business of such stockholder or any Stockholder Associated Person (as defined below), individually or in the aggregate, including any anticipated benefit to the stockholder or the Stockholder Associated Person therefrom;

(iii) as to the stockholder giving the notice, any Proposed Nominee and any Stockholder Associated Person: (A) the class, series and number of all shares of stock or other securities of the Corporation or any affiliate thereof (collectively, the "Company Securities"), if any, which are owned (beneficially or of record) by such stockholder, Proposed Nominee or Stockholder Associated Person, the date on which each such Company Security was acquired and the investment intent of such acquisition, and any short interest (including any opportunity to profit or share in any benefit from any decrease in the price of such stock or other security) in any Company Securities of any such person; (B) any derivative, swap or other transaction or series of transactions engaged in, directly or indirectly, by such stockholder, Proposed Nominee or Stockholder Associated Person, the purpose or effect of which is to give such stockholder, Proposed Nominee or Stockholder Associated Person economic risk similar to ownership of shares of any class or series of the Corporation, including due to the fact that the value of such derivative, swap, or other transactions are determined by reference to the price, value or volatility of any shares of any class or series of the Corporation, or which derivative, swap or other transactions provide, directly or indirectly, the opportunity to profit from any increase in the price or value of shares of any class or series of the Corporation ("Synthetic Equity Interests"), which Synthetic Equity Interests shall be disclosed without regard to whether (x) the derivative, swap or other transactions convey any voting rights in such shares to such stockholder, Proposed Nominee or Stockholder Associated Person, (y) the derivative, swap or other transactions are required to be, or are capable of being, settled through delivery of such shares or (z) such stockholder, Proposed Nominee or Stockholder Associated Person may have entered into other transactions that hedge or mitigate the economic effect of such derivative, swap or other transactions, (C) any proxy, contract, arrangement, understanding or other relationship pursuant to which such stockholder, Proposed Nominee or Stockholder Associated Person has a right to vote any shares of any security of the Corporation, (D) any short interest in any security of the Corporation (for purposes of these Bylaws, a person shall be deemed to have a short interest in a security if such person directly or indirectly, through any contract, arrangement, understanding, relationship or otherwise, has the opportunity to profit or share in any profit derived from any decrease in the value of the subject security), (E) any rights to dividends on the shares of the Corporation owned beneficially by such stockholder, Proposed Nominee or Stockholder Associated Person that are separated or separable from the underlying shares of the Corporation, (F) any proportionate interest in shares of the Corporation or Synthetic Equity Interests held, directly or indirectly, by a general or limited partnership in which such stockholder, Proposed Nominee or Stockholder Associated Person is a general partner or, directly or indirectly, beneficially owns an interest in a general partner, (G) any performance-related fees (other than an asset-based fee) that such stockholder, Proposed Nominee or Stockholder Associated Person is entitled to based on any increase or decrease in the value of shares of the Corporation, if any, as of the date of such notice, including without limitation any such interests held by members of such stockholder's, Proposed Nominee's or Stockholder Associated Person's immediate family sharing the same household (which information required by this subsection (iii) shall be supplemented by such stockholder, Proposed Nominee or Stockholder Associated Person and beneficial owner, if any, not later than ten (10) days after the record date for the meeting to disclose such ownership as of the record date), (H) any substantial interest, direct or indirect (including, without limitation, any existing or prospective commercial, business or contractual relationship with the Corporation), by security holdings or otherwise, of

such stockholder, Proposed Nominee or Stockholder Associated Person, in the Corporation or any affiliate thereof, other than an interest arising from the ownership of Company Securities where such stockholder, Proposed Nominee or Stockholder Associated Person receives no extra or special benefit not shared on a *pro rata* basis by all other holders of the same class or series; and (I) any other information relating to such stockholder, Proposed Nominee or Stockholder Associated Person and beneficial owner, if any, that would be required to be disclosed in a proxy statement or other filings required to be made in connection with solicitation of proxies for, as applicable, the proposal and/or for the election of directors in a contested election pursuant to Regulation 14A (or any successor provision) of the Exchange Act;

(iv) as to the stockholder giving the notice, any Stockholder Associated Person with an interest or ownership referred to in clauses (ii) or (iii) of this Section 11(a)(3) and any Proposed Nominee: (A) the name and address of such stockholder, as they appear on the Corporation's stock ledger, and the current name and business address, if different, of each such Stockholder Associated Person and any Proposed Nominee; and (B) the investment strategy or objective, if any, of such stockholder and each such Stockholder Associated Person who is not an individual and a copy of the prospectus, offering memorandum or similar document, if any, provided to investors or potential investors in such stockholder and each such Stockholder Associated Person;

(v) the name and address of any person who contacted or was contacted by the stockholder giving the notice or any Stockholder Associated Person about the Proposed Nominee or other business proposal prior to the date of such stockholder's notice; and

(vi) to the extent known by the stockholder giving the notice, the name and address of any other stockholder supporting the nominee for election or reelection as a director or the proposal of other business on the date of such stockholder's notice.

(4) A stockholder's notice described in Section 11(a)(2) or Section 11(b), as the case may be, shall, with respect to any Proposed Nominee, be accompanied by a certificate executed by the Proposed Nominee (i) certifying that such Proposed Nominee (a) is not, and will not become a party to, any agreement, arrangement or understanding with any person or entity other than the Corporation in connection with service or action as a director of the Corporation that has not been disclosed to the Corporation and (b) will serve as a director of the Corporation if elected; and (ii) attaching a completed Proposed Nominee questionnaire (which questionnaire shall be provided by the Corporation, upon request, to the stockholder providing the notice and shall include all information relating to the Proposed Nominee that would be required to be disclosed in connection with the solicitation of proxies for the election of the Proposed Nominee as a director in an election contest (even if an election contest is not involved), or would otherwise be required in connection with such solicitation, in each case pursuant to Regulation 14A (or any successor provision) under the Exchange Act and the rules thereunder, or would be required pursuant to the rules of any national securities exchange on which any securities of the Corporation are listed or over-the-counter market on which any securities of the Corporation are traded).

(5) Notwithstanding anything in this Section 11(a) to the contrary, in the event that the number of directors to be elected to the Board of Directors is increased, and there is no

public announcement of such action at least one hundred and thirty (130) days prior to the first (1st) anniversary of the date of the proxy statement (as defined in Section 11(c)(3) of this Article II) for the preceding year's annual meeting, a stockholder's notice required by this Section 11(a) shall also be considered timely, but only with respect to nominees for any new positions created by such increase, if it shall be delivered to the Secretary at the principal executive office of the Corporation not later than 5:00 p.m., Eastern Time, on the tenth day following the day on which such public announcement is first made by the Corporation.

(6) For purposes of these Bylaws, "Stockholder Associated Person" of any stockholder shall mean (i) any person acting in concert with such stockholder, (ii) any beneficial owner of shares of stock of the Corporation owned of record or beneficially by such stockholder (other than a stockholder that is a depositary) and (iii) any person that directly, or indirectly through one or more intermediaries, controls, or is controlled by, or is under common control with, such stockholder or such Stockholder Associated Person.

(b) *Special Meetings of Stockholders*. Only such business shall be conducted at a special meeting of stockholders as shall have been brought before the meeting pursuant to the Corporation's notice of meeting. Nominations of individuals for election to the Board of Directors may be made at a special meeting of stockholders at which directors are to be elected only (i) by or at the direction of the Board of Directors or (ii) provided that the special meeting has been called in accordance with Section 3 of this Article II for the purpose of electing directors, by any stockholder of the Corporation who is a stockholder of record both at the time of giving of notice provided for in this Section 11 and at the time of the special meeting, who is entitled to vote at the meeting in the election of each individual so nominated and who has complied with the notice procedures set forth in this Section 11. Section 11(a)(1)(iii) above shall be the exclusive means for a stockholder to propose business to be brought before a special meeting of the stockholders. In the event the Corporation calls a special meeting of stockholders for the purpose of electing one or more individuals to the Board of Directors, any stockholder may nominate an individual or individuals (as the case may be) for election as a director as specified in the Corporation's notice of meeting, if the stockholder's notice, containing the information required by Section 11(a)(3) and (4), is delivered to the Secretary at the principal executive office of the Corporation not earlier than the one hundred and twentieth (120th) day prior to such special meeting and not later than 5:00 p.m., Eastern Time, on the later of the ninetieth (90th) day prior to such special meeting or the tenth (10th) day following the day on which public announcement is first made of the date of the special meeting and of the nominees proposed by the Board of Directors to be elected at such meeting. The public announcement of a postponement or adjournment of a special meeting shall not commence a new time period for the giving of a stockholder's notice as described above.

(c) *General*. (1) If information submitted pursuant to this Section 11 by any stockholder proposing a nominee for election as a director or any proposal for other business at a meeting of stockholders shall be inaccurate in any material respect, such information may be deemed not to have been provided in accordance with this Section 11. Any such stockholder shall (A) notify the Corporation of any inaccuracy or change (within two (2) Business Days of becoming aware of such inaccuracy or change) in any such information and (B) promptly update and supplement the information previously provided to the Corporation pursuant to this Section 11, if necessary, so that the information provided or required to be provided shall be true

and correct as of the record date for the meeting and as of the date that is ten (10) Business Days prior to the meeting or any adjournment or postponement thereof, and such update and supplement shall be delivered to the Secretary at the principal executive office of the Corporation. Without limiting the foregoing, upon written request by the Secretary or the Board of Directors, any such stockholder shall provide, within five (5) Business Days of delivery of such request (or such other period as may be specified in such request), (x) written verification, satisfactory, in the discretion of the Board of Directors or any authorized officer of the Corporation, to demonstrate the accuracy of any information submitted by the stockholder pursuant to this Section 11, (y) a written update of any information (including, if requested by the Corporation, written confirmation by such stockholder that it continues to intend to bring such nomination or other business proposal before the meeting) submitted by the stockholder pursuant to this Section 11 as of an earlier date and (z) any other information requested by the Corporation as may reasonably be required to determined the eligibility of any Proposed Nominee to serve as an independent director of the Corporation or that would be material to a reasonable stockholder's understanding of the independence, or lack thereof, of such Proposed Nominee. If a stockholder fails to provide such written verification or written update within such period, the information as to which written verification or a written update was requested may be deemed not to have been provided in accordance with this Section 11.

(2) Only such individuals who are nominated in accordance with this Section 11 shall be eligible for election by stockholders as directors, and only such business shall be conducted at a meeting of stockholders as shall have been brought before the meeting in accordance with this Section 11 except as required pursuant to Rule 14a-8 under the Exchange Act or such similar rule promulgated by the Securities and Exchange Commission (the "SEC") that governs the inclusion of stockholder proposals in proxy materials or consideration at a stockholders meeting. The chairman of the meeting shall have the power to determine whether a nomination or any other business proposed to be brought before the meeting was made or proposed, as the case may be, in accordance with these Bylaws and, if any proposed nomination or other business is not in compliance with these Bylaws, to declare that no action shall be taken on such nomination or other proposal, and such nomination or other proposal shall be disregarded.

(3) For purposes of this Section 11: (i) "the date of the proxy statement" shall have the same meaning as "the date of the company's proxy statement released to shareholders" as used in Rule 14a-8(e) promulgated under the Exchange Act, as interpreted by the SEC from time to time; and (ii) "public announcement" shall mean disclosure (A) in a press release reported by the Dow Jones News Service, Associated Press, Business Wire, PR Newswire or other widely circulated news or wire service or (B) in a document publicly filed by the Corporation with the SEC pursuant to the Exchange Act.

(4) Notwithstanding the foregoing provisions of this Section 11, a stockholder shall also comply with all applicable requirements of state law and of the Exchange Act and the rules and regulations thereunder with respect to the matters set forth in this Section 11. Nothing in this Section 11 shall be deemed to affect any right of a stockholder to request inclusion of a proposal in, or the right of the Corporation to omit a proposal from, the Corporation's proxy statement pursuant to Rule 14a-8 (or any successor provision) under the Exchange Act. Nothing in this Section 11 shall require disclosure of revocable proxies received by the stockholder or Stockholder Associated Person pursuant to a solicitation of proxies after the filing of an effective Schedule 14A by such stockholder or Stockholder Associated Person under Section 14(a) of the Exchange Act.

Section 12. Control Share Acquisition Act.

Notwithstanding any other provision of the Charter or these Bylaws, Title 3, Subtitle 7 of the Maryland General Corporation Law (or any successor statute) (the "MGCL") shall not apply to any acquisition by any person of shares of stock of the Corporation. This section may be repealed, in whole or in part, at any time, whether before or after an acquisition of control shares and, upon such repeal, may, to the extent provided by any successor bylaw, apply to any prior or subsequent control share acquisition.

Section 13. Telephone Meetings.

The Board of Directors or chairman of the meeting may permit one or more stockholders to participate by means of a conference telephone or other communications equipment if all persons participating in the meeting can hear each other at the same time. Participation in a meeting by these means constitutes presence in person at the meeting.

Section 14. Stockholders' Consent in Lieu of Meeting.

Any action required or permitted to be taken at any meeting of stockholders may be taken without a meeting if a unanimous consent setting forth the action is given in writing or by electronic transmission by each stockholder entitled to vote on the matter and filed with the minutes of proceeds of the stockholders.

ARTICLE III
DIRECTORS

Section 1. General Powers.

The business and affairs of the Corporation shall be managed under the direction of its Board of Directors.

Section 2. Number, Tenure and Resignation.

At any regular meeting of the Board of Directors or at any special meeting of the Board of Directors called for that purpose, a majority of the entire Board of Directors may establish, increase or decrease the number of directors, *provided* that the number thereof shall never be less than the minimum number required by the MGCL nor more than fifteen (15), and *further provided* that the tenure of office of a director shall not be affected by any decrease in the number of directors. Directors shall be elected at the annual meeting of stockholders, and each director shall be elected to serve until the next annual meeting of stockholders and until his or her successor is duly elected and qualifies. Any director of the Corporation may resign at any time by delivering his or her resignation in writing to the Board of Directors, the Chairman of the Board of Directors or the Secretary. Any resignation shall take effect immediately upon its receipt or at such later time specified in the resignation. The acceptance of a resignation shall not be necessary to make it effective unless otherwise stated in the resignation.

Section 3. Annual and Regular Meetings.

An annual meeting of the Board of Directors shall be held immediately after and at the same place as the annual meeting of stockholders, with no notice other than this Bylaw being necessary, or at such other date, time and place as may be determined by the Board of Directors

and specified in a notice given as hereinafter provided for special meetings of the Board of Directors. The Board of Directors may provide, by resolution, the date, time and place for the holding of regular meetings of the Board of Directors without other notice than such resolution.

Section 4. Special Meetings.

Special meetings of the Board of Directors may be called by or at the request of the Chairman of the Board of Directors, the Chief Executive Officer, the President or a majority of the directors then in office. The person or persons authorized to call special meetings of the Board of Directors may fix the date, time and place for holding any special meeting of the Board of Directors called by them. The Board of Directors may provide, by resolution, the time and place for the holding of special meetings of the Board of Directors without other notice than such resolution.

Section 5. Notice.

Notice of any special meeting of the Board of Directors shall be delivered personally or by telephone, electronic mail, facsimile transmission, courier or United States mail to each director at his or her business or residence address. Notice by personal delivery, telephone, electronic mail or facsimile transmission shall be given at least twenty-four (24) hours prior to the meeting. Notice by United States mail shall be given at least three (3) days prior to the meeting. Notice by courier shall be given at least two (2) days prior to the meeting. Telephone notice shall be deemed to be given when the director or his or her agent is personally given such notice in a telephone call to which the director or his or her agent is a party. Electronic mail notice shall be deemed to be given upon transmission of the message to the electronic mail address given to the Corporation by the director. Facsimile transmission notice shall be deemed to be given upon completion of the transmission of the message to the number given to the Corporation by the director and receipt of a completed answer-back indicating receipt. Notice by United States mail shall be deemed to be given when deposited in the United States mail properly addressed, with postage thereon prepaid. Notice by courier shall be deemed to be given when deposited with or delivered to a courier properly addressed. Neither the business to be transacted at, nor the purpose of, any annual, regular or special meeting of the Board of Directors need be stated in the notice, unless specifically required by statute or these Bylaws.

Section 6. Quorum.

A majority of the directors shall constitute a quorum for transaction of business at any meeting of the Board of Directors, *provided* that, if less than a majority of such directors is present at such meeting, a majority of the directors present may adjourn the meeting from time to time without further notice, and *provided further* that if, pursuant to applicable law, the Charter or these Bylaws, the vote of a majority or other percentage of a particular group of directors is required for action, a quorum must also include a majority or such other percentage of such group.

The directors present at a meeting which has been duly called and at which a quorum has been established may continue to transact business until adjournment, notwithstanding the withdrawal from the meeting of enough directors to leave fewer than required to establish a quorum.

Section 7. Voting.

The action of a majority of the directors present at a meeting at which a quorum is present shall be the action of the Board of Directors, unless the concurrence of a greater proportion is required for such action by applicable law, the Charter or these Bylaws. If enough directors have withdrawn from a meeting to leave fewer than required to establish a quorum, but the meeting is not adjourned, the action of the majority of that number of directors necessary to constitute a quorum at such meeting shall be the action of the Board of Directors, unless the concurrence of a greater proportion is required for such action by applicable law, the Charter or these Bylaws.

Section 8. Organization.

At each meeting of the Board of Directors, the Chairman of the Board of Directors shall act as chairman of the meeting. In the absence of the Chairman of the Board of Directors, the Chief Executive Officer, if a director, or, in the absence of the Chief Executive Officer, the President, if a director, or, in the absence of the President, a director chosen by a majority of the directors present, shall act as chairman of the meeting. The Secretary or, in his or her absence, an Assistant Secretary of the Corporation, or, in the absence of the Secretary and all Assistant Secretaries, an individual appointed by the chairman of the meeting, shall act as secretary of the meeting.

Section 9. Telephone Meetings.

Directors may participate in a meeting by means of a conference telephone or other communications equipment if all persons participating in the meeting can hear each other at the same time. Participation in a meeting by these means shall constitute presence in person at the meeting.

Section 10. Consent by Directors Without a Meeting.

Any action required or permitted to be taken at any meeting of the Board of Directors may be taken without a meeting, if a consent in writing or by electronic transmission to such action is given by each director and is filed with the minutes of proceedings of the Board of Directors.

Section 11. Vacancies.

If for any reason any or all of the directors cease to be directors, such event shall not terminate the existence of the Corporation or affect these Bylaws or the powers of the remaining directors hereunder. Except as may be provided by the Board of Directors in setting the terms of any class or series of preferred stock, any vacancy on the Board of Directors may be filled only by a majority of the remaining directors, even if the remaining directors do not constitute a quorum. Any director elected to fill a vacancy shall serve for the remainder of the full term of the directorship in which the vacancy occurred and until a successor is elected and qualifies.

Section 12. Chairman of the Board of Directors.

The Board of Directors shall designate a Chairman of the Board of Directors. The Board of Directors may designate the Chairman of the Board of Directors as an executive or non-executive chairman. The Chairman of the Board of Directors shall preside over the meetings of the Board of Directors. The Chairman of the Board of Directors shall perform such other duties as may be assigned to him by these Bylaws or the Board of Directors.

Section 13. Compensation.

Directors shall not receive any stated salary for their services as directors but, by resolution of the Board of Directors, may receive compensation per year and/or per meeting and/or per visit to real property or other facilities owned or leased by the Corporation and for any service or activity they performed or engaged in as directors. Directors may be reimbursed for expenses of attendance, if any, at each annual, regular or special meeting of the Board of Directors or of any committee thereof and for their expenses, if any, in connection with each property visit and any other service or activity they perform or engage in as directors; but nothing herein contained shall be construed to preclude any directors from serving the Corporation in any other capacity and receiving compensation therefor.

Section 14. Reliance.

Each director and officer of the Corporation shall, in the performance of his or her duties with respect to the Corporation, be entitled to rely on any information, opinion, report or statement, including any financial statement or other financial data, prepared or presented by an officer or employee of the Corporation whom the director or officer reasonably believes to be reliable and competent in the matters presented, by a lawyer, certified public accountant or other person, as to a matter which the director or officer reasonably believes to be within the person's professional or expert competence, or, with respect to a director, by a committee of the Board of Directors on which the director does not serve, as to a matter within its designated authority, if the director reasonably believes the committee to merit confidence.

Section 15. Certain Rights of Directors and Officers.

A director who is not also an officer of the Corporation shall have no responsibility to devote his or her full time to the affairs of the Corporation. Any director or officer, in his or her personal capacity or in a capacity as an affiliate, employee, or agent of any other person, or otherwise, may have business interests and engage in business activities similar to, in addition to or in competition with those of or relating to the Corporation.

Section 16. Ratification.

The Board of Directors or the stockholders may ratify and make binding on the Corporation any action or inaction by the Corporation or its officers to the extent that the Board of Directors or the stockholders could have originally authorized the matter. Moreover, any action or inaction questioned in any stockholders' derivative proceeding or any other proceeding on the ground of lack of authority, defective or irregular execution, adverse interest of a director, officer or stockholder, non-disclosure, miscomputation, the application of improper principles or

practices of accounting or otherwise, may be ratified, before or after judgment, by the Board of Directors or by the stockholders, and if so ratified, shall have the same force and effect as if the questioned action or inaction had been originally duly authorized, and such ratification shall be binding upon the Corporation and its stockholders and shall constitute a bar to any claim or execution of any judgment in respect of such questioned action or inaction.

Section 17. Emergency Provisions.

Notwithstanding any other provision in the Charter or these Bylaws, this Section 17 shall apply during the existence of any catastrophe, or other similar emergency condition, as a result of which a quorum of the Board of Directors under Article III of these Bylaws cannot readily be obtained (an "Emergency"). During any Emergency, unless otherwise provided by the Board of Directors, (i) a meeting of the Board of Directors or a committee thereof may be called by any director or officer by any means feasible under the circumstances; (ii) notice of any meeting of the Board of Directors during such an Emergency may be given less than twenty-four (24) hours prior to the meeting to as many directors and by such means as may be feasible at the time, including publication, television or radio, and (iii) the number of directors necessary to constitute a quorum shall be one-third (1/3) of the entire Board of Directors.

ARTICLE IV
COMMITTEES

Section 1. Number, Tenure and Qualifications.

The Board of Directors may appoint from among its members an Audit Committee, a Compensation Committee, a Nominating and Corporate Governance Committee and other committees, composed of one or more directors, to serve at the pleasure of the Board of Directors. The exact composition of each committee, including the total number of directors and the number of independent directors on each such committee, shall at all times comply with any applicable listing requirements and rules and regulations of the New York Stock Exchange or any other national securities exchange on which the Corporation's common stock is then listed, as such rules and regulations may be modified or amended from time to time, and any applicable rules and regulations of the SEC, as such rules and regulations may be modified or amended from time to time.

Section 2. Powers.

The Board of Directors may delegate to committees appointed under Section 1 of this Article IV any of the powers of the Board of Directors, except as prohibited by law.

Section 3. Meetings.

Notice of committee meetings shall be given in the same manner as notice for special meetings of the Board of Directors. A majority of the members of the committee shall constitute a quorum for the transaction of business at any meeting of the committee. The act of a majority of the committee members present at a meeting shall be the act of such committee. The Board of Directors may designate a chairman of any committee, and such chairman or, in the absence of a chairman, any two (2) members of any committee (if there are at least two members of the

committee) may fix the time and place of its meeting unless the Board of Directors shall otherwise provide. In the absence of any member of any such committee, the members thereof present at any meeting, whether or not they constitute a quorum, may appoint another director to act in the place of such absent member.

Section 4. Telephone Meetings.

Members of a committee of the Board of Directors may participate in a meeting by means of a conference telephone or other communications equipment if all persons participating in the meeting can hear each other at the same time. Participation in a meeting by these means shall constitute presence in person at the meeting.

Section 5. Consent by Committees Without a Meeting.

Any action required or permitted to be taken at any meeting of a committee of the Board of Directors may be taken without a meeting, if a consent in writing or by electronic transmission to such action is given by each member of the committee and is filed with the minutes of proceedings of such committee.

Section 6. Removal and Vacancies.

Subject to the provisions hereof, the Board of Directors shall have the power at any time to change the membership or size of any committee (including the removal of any member of such committee), to fill any vacancy, to designate an alternate member to replace any absent or disqualified member or to dissolve any such committee.

ARTICLE V
OFFICERS

Section 1. General Provisions.

The officers of the Corporation shall include a President, a Secretary and a Treasurer and may include a Chairman of the Board of Directors, a Vice Chairman of the Board of Directors, a Chief Executive Officer, a Chief Operating Officer, a Chief Financial Officer, one (1) or more Assistant Secretaries and one (1) or more Assistant Treasurers. In addition, the Board of Directors may from time to time elect such other officers with such powers and duties as it shall deem necessary or desirable. The officers of the Corporation shall be elected annually by the Board of Directors, except that the Chief Executive Officer or President may from time to time appoint one (1) or more Vice Presidents, Assistant Secretaries, and Assistant Treasurers or other officers. Each officer shall serve until his or her successor is elected and qualifies or until his or her death, or his or her resignation or removal in the manner hereinafter provided. Any two (2) or more offices except President and Vice President may be held by the same person. Election of an officer or agent shall not of itself create contract rights between the Corporation and such officer or agent.

Section 2. Removal and Resignation.

Any officer or agent of the Corporation may be removed, with or without cause, by the Board of Directors if in its judgment the best interests of the Corporation would be served thereby, but such removal shall be without prejudice to the contract rights, if any, of the person so removed. Any officer of the Corporation may resign at any time by delivering his or her resignation in writing to the Board of Directors, the Chairman of the Board of Directors, the Chief Executive Officer, the President or the Secretary. Any resignation shall take effect immediately upon its receipt or at such later time specified in the resignation. The acceptance of a resignation shall not be necessary to make it effective unless otherwise stated in the resignation. Such resignation shall be without prejudice to the contract rights, if any, of the Corporation.

Section 3. Vacancies.

A vacancy in any office may be filled by the Board of Directors for the balance of the term.

Section 4. Chief Executive Officer.

The Board of Directors may designate a Chief Executive Officer. In the absence of such designation, the Chairman of the Board of Directors shall be the Chief Executive Officer of the Corporation. The Chief Executive Officer shall have general responsibility for implementation of the policies of the Corporation, as determined by the Board of Directors, and for the management of the business and affairs of the Corporation. He or she may execute any deed, mortgage, bond, contract or other instrument, except in cases where the execution thereof shall be expressly delegated by the Board of Directors or by these Bylaws to some other officer or agent of the Corporation or shall be required by law to be otherwise executed, and in general shall perform all duties incident to the office of Chief Executive Officer and such other duties as may be prescribed the Board of Directors from time to time.

Section 5. Chief Operating Officer.

The Board of Directors may designate a Chief Operating Officer. The Chief Operating Officer shall have the responsibilities and duties as prescribed by the Board of Directors or the Chief Executive Officer.

Section 6. Chief Financial Officer.

The Board of Directors may designate a Chief Financial Officer. The Chief Financial Officer shall have the responsibilities and duties prescribed by the Board of Directors or the Chief Executive Officer.

Section 7. President.

In the absence of a Chief Executive Officer, the President shall in general supervise and control all of the business and affairs of the Corporation. In the absence of a designation of a Chief Operating Officer by the Board of Directors, the President shall be the Chief Operating

Officer. He or she may execute any deed, mortgage, bond, contract or other instrument, except in cases where the execution thereof shall be expressly delegated by the Board of Directors or by these Bylaws to some other officer or agent of the Corporation or shall be required by law to be otherwise executed, and in general shall perform all duties incident to the office of President and such other duties as may be prescribed by the Board of Directors from time to time.

Section 8. Vice Presidents.

In the absence of the President or in the event of a vacancy in such office, the Vice President (or in the event there be more than one Vice President, Vice Presidents in the order designated at the time of their election or, in the absence of any designation, then in the order of their election) shall perform the duties of the President and when so acting shall have all the powers of and be subject to all the restrictions upon the President, and shall perform such other duties as from time to time may be assigned to such Vice President by the Board of Directors or Chief Executive Officer. The Board of Directors may designate one or more Vice Presidents as Executive Vice President, Senior Vice President or as Vice President for particular areas of responsibility.

Section 9. Secretary.

The Secretary shall (a) keep the minutes of the proceedings of the stockholders, the Board of Directors and committees of the Board of Directors in one or more books provided for that purpose; (b) see that all notices are duly given in accordance with the provisions of these Bylaws or as required by law; (c) be custodian of the corporate records and of the seal of the Corporation; (d) keep a register of the post office address of each stockholder which shall be furnished to the Secretary by such stockholder; (e) have general charge of the stock transfer books of the Corporation; and (f) in general perform such other duties as from time to time may be assigned to him or her by the Chief Executive Officer, the President or the Board of Directors.

Section 10. Treasurer.

The Treasurer shall (a) have the custody of the funds and securities of the Corporation, (b) keep full and accurate accounts of receipts and disbursements in books belonging to the Corporation, (c) deposit all moneys and other valuable effects in the name and to the credit of the Corporation in such depositories as may be designated by the Board of Directors and (d) in general perform such other duties as from time to time may be assigned to him or her by the Chief Executive Officer, the President or the Board of Directors. In the absence of a designation of a Chief Financial Officer by the Board of Directors, the Treasurer shall be the Chief Financial Officer of the Corporation.

The Treasurer shall disburse the funds of the Corporation as may be ordered by the Board of Directors, taking proper vouchers for such disbursements, and shall render to the President and Board of Directors, at the regular meetings of the Board of Directors or whenever it may so require, an account of all his or her transactions as Treasurer and of the financial condition of the Corporation.

Section 11. Assistant Secretaries; Assistant Treasurers.

The Assistant Secretaries and Assistant Treasurers, in general, shall perform such duties as shall be assigned to them by the Secretary or Treasurer, respectively, or by the Chief Executive Officer, the President or the Board of Directors.

Section 12. Compensation.

The compensation of the officers shall be fixed from time to time by or under the authority of the Board of Directors. No officer shall be prevented from receiving such compensation by reason of the fact that he or she is also a director.

ARTICLE VI
CONTRACTS, CHECKS AND DEPOSITS

Section 1. Contracts.

The Board of Directors or a committee of the Board of Directors acting within the scope of its delegated authority may authorize any officer or agent to enter into any contract or to execute and deliver any instrument in the name of and on behalf of the Corporation and such authority may be general or confined to specific instances. Any agreement, deed, mortgage, lease or other document shall be valid and binding upon the Corporation when duly authorized or ratified by action of the Board of Directors or such other committee and executed by an authorized person.

Section 2. Checks and Drafts.

All checks, drafts or other orders for the payment of money, notes or other evidences of indebtedness issued in the name of the Corporation shall be signed by such officer or agent of the Corporation in such manner as shall from time to time be determined by the Board of Directors.

Section 3. Deposits.

All funds of the Corporation not otherwise employed shall be deposited or invested from time to time to the credit of the Corporation as the Board of Directors, the Chief Executive Officer, the President, the Chief Financial Officer, or any other officer designated by the Board of Directors may determine.

ARTICLE VII
STOCK

Section 1. Certificates.

Except as may be otherwise provided by the Board of Directors, stockholders of the Corporation are not entitled to certificates representing the shares of stock held by them. In the event that the Corporation issues shares of stock represented by certificates, such certificates shall be in such form as prescribed by the Board of Directors or a duly authorized officer, shall contain the statements and information required by the MGCL and shall be signed by the officers

of the Corporation in the manner required by the MGCL. In the event that the Corporation issues shares of stock without certificates, to the extent then required by the MGCL, the Corporation shall provide to the record holders of such shares a written statement of the information required by the MGCL to be included on stock certificates. There shall be no differences in the rights and obligations of stockholders based on whether or not their shares are represented by certificates.

Section 2. Transfers.

All transfers of shares of stock shall be made on the books of the Corporation and the books of the transfer agent of the Corporation, if applicable, by the holder of the shares, in person or by his or her attorney, in such manner as the Board of Directors or any officer of the Corporation may prescribe and, if such shares are certificated, upon surrender to the Corporation or, if authorized by the Corporation, the transfer agent of the Corporation of certificates duly endorsed or accompanied by proper evidence of succession, assignment or authority to transfer, the Corporation, or, if authorized by the Corporation, the transfer agent of the Corporation, shall issue a new certificate to the person entitled thereto, cancel the old certificate and record the transaction on its books. The issuance of a new certificate upon the transfer of certificated shares is subject to the determination of the Board of Directors that such shares shall no longer be represented by certificates. Upon the transfer of any uncertificated shares, to the extent then required by the MGCL, the Corporation shall provide to the record holders of such shares a written statement of the information required by the MGCL to be included on stock certificates.

The Corporation shall be entitled to treat the holder of record of any share of stock as the holder in fact thereof and, accordingly, shall not be bound to recognize any equitable or other claim to or interest in such share or on the part of any other person, whether or not it shall have express or other notice thereof, except as otherwise expressly provided by the laws of the State of Maryland. Notwithstanding the foregoing, transfers of shares of any class or series of stock will be subject in all respects to the Charter and all of the terms and conditions contained therein.

Section 3. Replacement Certificate.

Any officer of the Corporation may direct a new certificate or certificates to be issued in place of any certificate or certificates theretofore issued by the Corporation alleged to have been lost, destroyed, stolen or mutilated upon the making of an affidavit of that fact by the person claiming the certificate to be lost, destroyed, stolen or mutilated; provided, however, if such shares have ceased to be certificated, no new certificate shall be issued unless requested in writing by such stockholder and the Board of Directors has determined that such certificates may be issued. Unless otherwise determined by an officer of the Corporation, the owner of such lost, destroyed, stolen or mutilated certificate or certificates, or his or her legal representative, shall be required, as a condition precedent to the issuance of a new certificate or certificates, to give the Corporation a bond in such sums as it may direct as indemnity against any claim that may be made against the Corporation.

Section 4. Fixing of Record Date.

Subject to the provisions of Article II, Section 3, the Board of Directors may set, in advance, a record date for the purpose of determining stockholders entitled to notice of or to vote

at any meeting of stockholders or determining stockholders entitled to receive payment of any dividend or the allotment of any other rights, or in order to make a determination of stockholders for any other proper purpose. Such date, in any case, shall not be prior to the close of business on the day the record date is fixed and shall be not more than ninety (90) days and, in the case of a meeting of stockholders, not less than ten (10) days, before the date on which the meeting or particular action requiring such determination of stockholders of record is to be held or taken.

When a record date for the determination of stockholders entitled to notice of and to vote at any meeting of stockholders has been set as provided in this section, such record date shall continue to apply to the meeting if adjourned or postponed, except if the meeting is adjourned or postponed to a date more than one hundred and twenty (120) days after the record date originally fixed for the meeting, in which case a new record date for such meeting may be determined as set forth herein.

Section 5. Stock Ledger.

The Corporation shall maintain at its principal office or at the office of its counsel, accountants or transfer agent, an original or duplicate stock ledger containing the name and address of each stockholder and the number of shares of each class held by such stockholder.

Section 6. Fractional Stock; Issuance of Units.

The Board of Directors may authorize the Corporation to issue fractional stock or authorize the issuance of scrip, all on such terms and under such conditions as it may determine. Notwithstanding any other provision of the Charter or these Bylaws, the Board of Directors may issue units consisting of different securities of the Corporation. Any security issued in a unit shall have the same characteristics as any identical securities issued by the Corporation, except that the Board of Directors may provide that for a specified period securities of the Corporation issued in such unit may be transferred on the books of the Corporation only in such unit.

ARTICLE VIII
MISCELLANEOUS

Section 1. Fiscal Year.

The Board of Directors shall have the power, from time to time, to fix the fiscal year of the Corporation by a duly adopted resolution.

Section 2. Severability.

If any provision of these Bylaws shall be held invalid or unenforceable in any respect, such holding shall apply only to the extent of any such invalidity or unenforceability and shall not in any manner affect, impair or render invalid or unenforceable any other provision of the Bylaws in any jurisdiction.

ARTICLE IX
DISTRIBUTIONS

Section 1. Authorization.

Dividends and other distributions upon the stock of the Corporation may be authorized by the Board of Directors, subject to the provisions of law and the Charter. Dividends and other distributions may be paid in cash, property or stock of the Corporation, subject to the provisions of law and the Charter.

Section 2. Contingencies.

Before payment of any dividends or other distributions, there may be set aside out of any assets of the Corporation available for dividends or other distributions such sum or sums as the Board of Directors may from time to time, in its absolute discretion, think proper as a reserve fund for contingencies, for equalizing dividends, for repairing or maintaining any property of the Corporation or for such other purpose as the Board of Directors shall determine, and the Board of Directors may modify or abolish any such reserve.

ARTICLE X
INVESTMENT POLICIES

Subject to the provisions of the Charter, the Board of Directors may from time to time adopt, amend, revise or terminate any policy or policies with respect to investments by the Corporation as it shall deem appropriate in its sole discretion.

ARTICLE XI
SEAL

Section 1. Seal.

The Board of Directors may authorize the adoption of a seal by the Corporation. The seal shall contain the name of the Corporation and the year of its incorporation, and the words “Incorporated Maryland.” The Board of Directors may authorize one or more duplicate seals and provide for the custody thereof.

Section 2. Affixing Seal.

Whenever the Corporation is permitted or required to affix its seal to a document, it shall be sufficient to meet the requirements of any law, rule or regulation relating to a seal to place the word “(SEAL)” adjacent to the signature of the person authorized to execute the document on behalf of the Corporation.

ARTICLE XII
INDEMNIFICATION AND ADVANCE OF EXPENSES

To the maximum extent permitted by Maryland law in effect from time to time, the Corporation shall indemnify and, without requiring a preliminary determination of the ultimate

entitlement to indemnification, shall pay or reimburse all reasonable costs, fees and expenses (including attorneys' fees, costs and expenses) in advance of final disposition of any Proceeding (as defined below) to (a) any individual who is a present or former director or officer of the Corporation and who was or is made or threatened to be made a party to any pending or contemplated action, suit or proceeding, whether civil, criminal, administrative or investigative (a "Proceeding"), by reason of his or her service in that capacity or (b) any individual who, while a director or officer of the Corporation and at the request of the Corporation, serves or has served as a director, officer, partner, trustee, member or manager of another corporation, real estate investment trust, limited liability company, partnership, joint venture, trust, employee benefit plan or other enterprise and who was or is made or threatened to be made a party to any Proceeding by reason of his or her service in that capacity. The rights to indemnification and to be paid or reimbursed expenses in advance of a final disposition of any Proceeding provided by the Charter and these Bylaws shall vest immediately upon election of a director or officer.

The Corporation may, with the approval of its Board of Directors, provide such indemnification and payment or reimbursement of expenses in advance to (i) an individual who served a predecessor of the Corporation in any of the capacities described in (a) or (b) above and (ii) any employee or agent of the Corporation or a predecessor of the Corporation.

Subject to the terms of any agreement between the Corporation and any present and future directors and officers of the Corporation, if a claim under this Article is not paid in full by the Corporation within 60 days after a written claim has been received by the Corporation from a present or former director or officer of the Corporation, except in the case of a claim for payment or reimbursement of expenses in advance of the final disposition of a Proceeding, in which case the applicable period shall be 20 days, the present or former director or officer making such claim may at any time thereafter bring suit against the Corporation to recover the unpaid amount of the claim and, to the extent successful in whole or in part, the claimant shall be entitled to be indemnified for the costs, fees and expenses (including attorneys' fees, costs and expenses) actually and reasonably incurred by such person in prosecuting such suit.

The indemnification and payment or reimbursement of expenses in advance provided in these Bylaws shall not be deemed exclusive of or limit in any way any other rights to which any person seeking indemnification or payment or reimbursement of expenses may be or may become entitled under any bylaw, charter, resolution, insurance, agreement, vote of directors or stockholders, or otherwise, it being the policy of the Corporation that indemnification of and payment and reimbursement of expenses in advance to all present and former directors and officers of the Corporation shall be made to the fullest extent permitted by applicable law.

Neither the amendment nor repeal of this Article XII, nor the adoption or amendment of any other provision of the Charter or these Bylaws inconsistent with this Article XII, shall apply to or affect in any respect the applicability of the preceding paragraph with respect to any act or failure to act which occurred prior to such amendment, repeal or adoption.

ARTICLE XIII
WAIVER OF NOTICE

Whenever any notice of a meeting is required to be given pursuant to the Charter or these Bylaws or pursuant to applicable law, a waiver thereof in writing or by electronic transmission, given by the person or persons entitled to such notice, whether before or after the time stated therein, shall be deemed equivalent to the giving of such notice. Neither the business to be transacted at nor the purpose of any meeting need be set forth in the waiver of notice of such meeting, unless specifically required by statute. The attendance of any person at any meeting shall constitute a waiver of notice of such meeting, except where such person attends a meeting for the express purpose of objecting to the transaction of any business on the ground that the meeting has not been lawfully called or convened.

ARTICLE XIV
AMENDMENT OF BYLAWS

The Board of Directors shall have the exclusive power to adopt, alter or repeal any provision of these Bylaws and to make new Bylaws.

Exhibit 10.1

FIRST AMENDED AND RESTATED AGREEMENT OF LIMITED PARTNERSHIP

OF

ARMADA HOFFLER, L.P.
(a Virginia limited partnership)

TABLE OF CONTENTS

EXHIBITS

FIRST AMENDED AND RESTATED AGREEMENT OF LIMITED PARTNERSHIP
OF
ARMADA HOFFLER, L.P.
RECITALS

Armada Hoffler, L.P. (the **"Partnership"**) was formed as a limited partnership under the laws of the Commonwealth of Virginia, pursuant to a Certificate of Limited Partnership filed with the Virginia State Corporation Commission effective as of , 2012 and an Agreement of Limited Partnership entered into as of , 2012 (the "**Original Agreement")**, by and between Armada Hoffler Properties, Inc., a Maryland corporation (the "**General Partner**"), and Louis S. Haddad (the **"Original Limited Partner"**). This First Amended and Restated Agreement of Limited Partnership is entered into this day of , 2013 among the General Partner and the Limited Partners set forth on Exhibit A hereto, for the purpose of amending and restating the Agreement of Limited Partnership.

AGREEMENT

NOW, THEREFORE, in consideration of the foregoing, of mutual covenants between the parties hereto, and of other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree to amend the Agreement of Limited Partnership to read in its entirety as follows:

ARTICLE I

DEFINED TERMS

The following defined terms used in this Agreement shall have the meanings specified below:

"**Act**" means the Virginia Revised Uniform Limited Partnership Act, as it may be amended from time to time.

"**Additional Funds**" has the meaning set forth in Section 4.03 hereof.

"**Additional Securities**" means any: (1) shares of capital stock of the General Partner now or hereafter authorized or reclassified that have dividend rights, or rights upon liquidation, winding up and dissolution, that are superior or prior to the REIT Shares ("**Preferred Shares**"), (2) REIT Shares, (3) shares of capital stock of the General Partner now or hereafter authorized or reclassified that have dividend rights, or rights upon liquidation, winding up and dissolution, that are junior in rank to the REIT Shares ("**Junior Shares**") and (4) (i) rights, options, warrants or convertible or exchangeable securities having the right to subscribe for or purchase REIT Shares, Preferred Shares or Junior Shares, or (ii) indebtedness issued by the General Partner that provides any of the rights described in clause (4)(i) of this definition (any such securities referred to in clause (4)(i) or (ii) of this definition, "**New Securities**").

"**Adjustment Events**" has the meaning set forth in Section 4.04(a)(i) hereof.

"**Administrative Expenses**" means (i) all administrative and operating costs and expenses incurred by the Partnership, (ii) administrative costs and expenses of the General Partner, including any salaries or other payments to directors, officers or employees of the General Partner, and any accounting and legal expenses of the General Partner, which expenses, the Partners hereby agree are expenses of the Partnership and not the General Partner, and (iii) to the extent not included in clauses (i) or (ii) above, REIT Expenses; provided, however, that Administrative Expenses shall not include any administrative costs and expenses incurred by the General Partner that are attributable to Properties or interests in a Subsidiary that are owned by the General Partner other than through its ownership interest in the Partnership.

"**Affiliate**" means, (i) any Person that, directly or indirectly, controls or is controlled by or is under common control with such Person, (ii) any other Person that owns, beneficially, directly or indirectly, 10% or more of the outstanding capital stock, shares or equity interests of such Person, or (iii) any officer, director, employee, partner, member, manager or trustee of such Person or any Person controlling, controlled by or under common control with such Person. For the purposes of this definition, "control" (including the correlative meanings of the terms "controlled by" and "under common control with"), as used with respect to any Person, shall mean the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of such Person, through the ownership of voting securities or partnership interests, contract or otherwise.

"**Agreed Value**" means the fair market value of a Partner's non-cash Capital Contribution as of the date of contribution as agreed to by such Partner and the General Partner. The names and addresses of the Partners, number of Partnership Units issued to each Partner, and the Agreed Value of non-cash Capital Contributions as of the date of contribution is set forth on Exhibit A, as it may be amended or restated from time to time.

"**Agreement**" means this First Amended and Restated Agreement of Limited Partnership, as it may be amended, supplemented or restated from time to time.

"**Articles**" means the Articles of Amendment and Restatement of the General Partner filed with the State Department and Assessments and Taxation of the State of Maryland, as amended, supplemented or restated from time to time.

"**Board of Directors**" means the Board of Directors of the General Partner.

"**Capital Account**" has the meaning set forth in Section 4.06 hereof.

"**Capital Account Limitation**" has the meaning set forth in Section 4.05(b) hereof.

"**Capital Contribution**" means the total amount of cash, cash equivalents, and the Agreed Value of any Property or other asset contributed or agreed to be contributed, as the context requires, to the Partnership by each Partner pursuant to the terms of the Agreement. Any reference to the Capital Contribution of a Partner shall include the Capital Contribution made by a predecessor holder of the Partnership Interest of such Partner.

"**Cash Amount**" means an amount of cash per Common Unit equal to the Value of the REIT Shares Amount on the Specified Redemption Date.

"**Certificate**" means any instrument or document that is required under the laws of the Commonwealth of Virginia, or any other jurisdiction in which the Partnership conducts business, to be signed and sworn to by the Partners of the Partnership (either by themselves or pursuant to the power-of-attorney granted to the General Partner in Section 8.02 hereof) and filed for recording in the appropriate public offices within the Commonwealth of Virginia or such other jurisdiction to perfect or maintain the Partnership as a limited partnership, to effect the admission, withdrawal or substitution of any Partner of the Partnership, or to protect the limited liability of the Limited Partners as limited partners under the laws of the Commonwealth of Virginia or such other jurisdiction.

"**Change of Control**" means, as to the General Partner, the occurrence of any of the following: (i) the sale, lease or transfer, in one or a series of related transactions, of 80% or more of the assets of the General Partner, taken as a whole, to any Person or group (within the meaning of Section 13(d)(3) or Section 14(d)(2) of the Exchange Act, or any successor provision), other than an Affiliate of the General Partner; or (ii) the acquisition by any Person or group (within the meaning of Section 13(d)(3) or Section 14(d)(2) of the Exchange Act, or any successor provision), including any group acting for the purpose of acquiring, holding or disposing of securities (within the meaning of Rule 13d-5(b)(1) under the Exchange Act), other than an Affiliate of the General Partner in a single transaction or in a related series of transactions, by way of merger, share exchange, consolidation or other business combination or purchase of beneficial ownership (within the meaning of Rule 13d-3 under the Exchange Act, or any successor provision) of more than 50% of the total voting power of the voting capital stock of the General Partner.

"**Code**" means the Internal Revenue Code of 1986, as amended, and as hereafter amended from time to time. Reference to any particular provision of the Code shall mean that provision in the Code at the date hereof and any successor provision of the Code.

"**Commission**" means the U.S. Securities and Exchange Commission.

"**Common Partnership Unit Distribution**" has the meaning set forth in Section 4.04(a)(ii) hereof.

"**Common Redemption Amount**" means either the Cash Amount or the REIT Shares Amount, as selected by the General Partner pursuant to Section 8.04(b) hereof.

"**Common Unit**" means a Partnership Unit which is designated as a Common Unit of the Partnership.

"**Common Unit Economic Balance**" has the meaning set forth in Section 5.01(g) hereof.

"**Common Unit Redemption Right**" has the meaning set forth in Section 8.04(a) hereof.

"**Common Unit Transaction**" has the meaning set forth in Section 4.05(f) hereof.

"**Constituent Person**" has the meaning set forth in Section 4.05(f) hereof.

"**Conversion Date**" has the meaning set forth in Section 4.05(b) hereof.

"**Conversion Factor**" means a factor of 1.0, as such factor may be adjusted as provided in this definition and in Section 6.08. The Conversion Factor will be adjusted in the event that the General Partner (i) declares or pays a dividend on its outstanding REIT Shares in REIT Shares or makes a distribution to all holders of its outstanding REIT Shares in REIT Shares, (ii) subdivides its outstanding REIT Shares or (iii) combines its outstanding REIT Shares into a smaller number of REIT Shares. In each of such events, the Conversion Factor shall be adjusted by multiplying the Conversion Factor by a fraction, the numerator of which shall be the number of REIT Shares issued and outstanding on the record date for such dividend, distribution, subdivision or combination (assuming for such purposes that such dividend, distribution, subdivision or combination has occurred as of such time), and the denominator of which shall be the actual number of REIT Shares (determined without the above assumption) issued and outstanding on such record date and, provided further, that in the event that an entity other than an Affiliate of the General Partner shall become General Partner pursuant to any merger, consolidation or combination of the General Partner with or into another entity (the "**Successor Entity**"), the Conversion Factor shall be adjusted by multiplying the Conversion Factor by the number of shares of the Successor Entity into which one REIT Share is converted pursuant to such merger, consolidation or combination, determined as of the date of such merger, consolidation or combination. Any adjustment to the Conversion Factor shall become effective immediately after the effective date of such event retroactive to the record date, if any, for such event. If, however, the General Partner receives a Notice of Redemption after the record date, if any, but prior to the effective date of such event, the Conversion Factor shall be determined as if the General Partner had received the Notice of Redemption immediately prior to the record date for the event.

"**Conversion Notice**" has the meaning set forth in Section 4.05(b) hereof.

"**Conversion Right**" has the meaning set forth in Section 4.05(a) hereof.

"**Defaulting Limited Partner**" means a Limited Partner that has failed to pay any amount owed to the Partnership under a Partnership Loan within 15 days after demand for payment thereof is made by the Partnership.

"**Distributable Amount**" has the meaning set forth in Section 5.02(d) hereof.

"**Economic Capital Account Balances**" has the meaning set forth in Section 5.01(g) hereof.

"**Equity Incentive Plan**" means any equity incentive or compensation plan hereafter adopted by the Partnership or the General Partner, including, without limitation, the General Partner's 2013 Equity Incentive Plan.

"**Event of Bankruptcy**" as to any Person means (i) the filing of a petition for relief as to such Person as debtor or bankrupt under the Bankruptcy Code of 1978, as amended, or similar provision of law of any jurisdiction (except if such petition is contested by such Person and has been dismissed within 90 days); (ii) the insolvency or bankruptcy of such Person as finally determined by a court proceeding; (iii) the filing by such Person of a petition or application to accomplish the same or for the appointment of a receiver or a trustee for such Person or a substantial part of his assets; or (iv) the commencement of any proceedings relating to such Person

as a debtor under any other reorganization, arrangement, insolvency, adjustment of debt or liquidation law of any jurisdiction, whether now in existence or hereinafter in effect, either by such Person or by another, provided that if such proceeding is commenced by another, such Person indicates his approval of such proceeding, consents thereto or acquiesces therein, or such proceeding is contested by such Person and has not been finally dismissed within 90 days.

"**Excepted Holder Limit**" has the meaning set forth in the Articles.

"**Exchange Act**" means the Securities Exchange Act of 1934, as amended.

"**Forced Conversion**" has the meaning set forth in Section 4.05(c) hereof.

"**Forced Conversion Notice**" has the meaning set forth in Section 4.05(c) hereof.

"**General Partner**" has the meaning set forth in the first paragraph of this Agreement.

"**General Partner Loan**" means a loan extended by the General Partner to a Defaulting Limited Partner in the form of a payment on a Partnership Loan by the General Partner to the Partnership on behalf of the Defaulting Limited Partner.

"**General Partnership Interest**" means the Partnership Interest held by the General Partner in its capacity as the general partner of the Partnership, which Partnership Interest is an interest as a general partner under the Act. The General Partnership Interest will be a number of Common Units held by the General Partner equal to one-tenth of one percent (0.1%) of all outstanding Partnership Units. All other Partnership Units owned by the General Partner and any Partnership Units owned by any Affiliate or Subsidiary of the General Partner shall be considered to constitute a Limited Partnership Interest.

"**Indemnified Party**" has the meaning set forth in Section 8.05(f) hereof.

"**Indemnifying Party**" has the meaning set forth in Section 8.05(f) hereof.

"**Indemnitee**" means (i) any Person made a party to a proceeding by reason of its status as (A) the General Partner or (B) a director of the General Partner or an officer or employee of the Partnership, the General Partner or any Subsidiary thereof, and (ii) such other Persons (including Affiliates of the General Partner or the Partnership) as the General Partner may designate from time to time (whether before or after the event giving rise to potential liability), in its sole and absolute discretion.

"**Independent Director**" means a director of the General Partner who meets the NYSE requirements for an independent director as set forth from time to time.

"**Junior Shares**" has the meaning set forth in the definition of "Additional Securities."

"**Limited Partner**" means any Person named as a Limited Partner on Exhibit A attached hereto, as it may be amended or restated from time to time, and any Person who becomes a Substitute Limited Partner or any additional Limited Partner, in such Person's capacity as a Limited Partner in the Partnership.

"**Limited Partnership Interest**" means a Partnership Interest held by a Limited Partner at any particular time representing a fractional part of the Partnership Interest of all Limited Partners, and includes any and all benefits to which the holder of such a Limited Partnership Interest may be entitled as provided in this Agreement and in the Act, together with the obligations of such Limited Partner to comply with all the provisions of this Agreement and of the Act. Limited Partnership Interests may be expressed as a number of Common Units, LTIP Units or other Partnership Units.

"**Liquidating Gains**" has the meaning set forth in Section 5.01(g) hereof.

"**LTIP Unit**" means a Partnership Unit which is designated as an LTIP Unit and which has the rights, preferences and other privileges designated in Section 4.04 hereof and elsewhere in this Agreement in respect of holders of LTIP Units, including both vested LTIP Units and Unvested LTIP Units. The allocation of LTIP Units among the Partners shall be set forth on Exhibit A as it may be amended or restated from time to time.

"**LTIP Unitholder**" means a Partner that holds LTIP Units.

"**Loss**" has the meaning set forth in Section 5.01(h) hereof.

"**Majority in Interest**" means Limited Partners holding more than fifty percent (50%) of the Percentage Interests of the Limited Partners.

"**New Securities**" has the meaning set forth in the definition of "Additional Securities".

"**Notice of Redemption**" means the Notice of Exercise of Common Unit Redemption Right substantially in the form attached as Exhibit B hereto.

"**NYSE**" means the New York Stock Exchange.

"**Offer**" has the meaning set forth in Section 7.01(c)(ii) hereof.

"**Offering**" means the underwritten initial public offering of REIT Shares.

"Original Date" means , 2013.

"**Original Limited Partner**" has the meaning set forth in the first paragraph of this Agreement.

"**Partner**" means any General Partner or Limited Partner, and "Partners" means the General Partner and the Limited Partners.

"**Partner Nonrecourse Debt Minimum Gain**" has the meaning set forth in Regulations Section 1.704-2(i). A Partner's share of Partner Nonrecourse Debt Minimum Gain shall be determined in accordance with Regulations Section 1.704-2(i)(5).

"**Partnership**" means Armada Hoffler, L.P., a limited partnership formed under the Act and pursuant to this Agreement, and any successor thereto.

"**Partnership Interest**" means an ownership interest in the Partnership held by a Partner, and includes any and all benefits to which the holder of such a Partnership Interest may be entitled as provided in this Agreement, together with all obligations of such Person to comply with the terms and provisions of this Agreement. A Partnership Interest may be expressed as a number of Common Units, LTIP Units or other Partnership Units.

"**Partnership Loan**" means a loan from the Partnership to the Partner on the day the Partnership pays over the excess of the Withheld Amount over the Distributable Amount to a taxing authority.

"**Partnership Minimum Gain**" has the meaning set forth in Regulations Section 1.704-2(d). In accordance with Regulations Section 1.704-2(d), the amount of Partnership Minimum Gain is determined by first computing, for each Partnership nonrecourse liability, any gain the Partnership would realize if it disposed of the property subject to that liability for no consideration other than full satisfaction of the liability, and then aggregating the separately computed gains. A Partner's share of Partnership Minimum Gain shall be determined in accordance with Regulations Section 1.704-2(g)(1).

"**Partnership Record Date**" means the record date established by the General Partner for the distribution of cash pursuant to Section 5.02 hereof, which record date shall be the same as the record date established by the General Partner for a distribution to its stockholders of some or all of its portion of such distribution.

"**Partnership Unit**" means a fractional, undivided share of the Partnership Interests of all Partners issued hereunder, and includes Common Units, LTIP Units and any other class or series of Partnership Units that may be established after the date hereof in accordance with the terms hereof. The number of Partnership Units outstanding and the Percentage Interests represented by such Partnership Units are set forth on Exhibit A hereto, as it may be amended or restated from time to time.

"**Partnership Unit Designation**" has the meaning set forth in Section 4.02(a)(i) hereof.

"**Percentage Interest**" means the percentage determined by dividing the number of Common Units of a Partner by the aggregate number of Common Units of all Partners, treating LTIP Units, in accordance with Section 4.04(a), as Common Units for this purpose.

"**Person**" means any individual, partnership, corporation, limited liability company, joint venture, trust or other entity.

"**Preferred Shares**" has the meaning set forth in the definition of "Additional Securities".

"**Profit**" has the meaning set forth in Section 5.01(h) hereof.

"**Property**" means any property or other investment in which the Partnership, directly or indirectly, holds an ownership interest.

"**Redeeming Limited Partner**" has the meaning set forth in Section 8.04(a) hereof.

"**Redemption Shares**" has the meaning set forth in Section 8.05(a) hereof.

"**Regulations**" means the Federal Income Tax Regulations issued under the Code, as amended and as subsequently amended from time to time. Reference to any particular provision of the Regulations shall mean that provision of the Regulations on the date hereof and any successor provision of the Regulations.

"**REIT**" means a real estate investment trust under Sections 856 through 860 of the Code.

"**REIT Expenses**" means (i) costs and expenses relating to the formation and continuity of existence and operation of the General Partner and any Subsidiaries thereof (which Subsidiaries shall, for purposes hereof, be included within the definition of the General Partner), including taxes, fees and assessments associated therewith, any and all costs, expenses or fees payable to any director, officer or employee of the General Partner, (ii) costs and expenses relating to any public offering and registration, or private offering, of securities by the General Partner, and all statements, reports, fees and expenses incidental thereto, including, without limitation, underwriting discounts and selling commissions applicable to any such offering of securities, and any costs and expenses associated with any claims made by any holders of such securities or any underwriters or placement agents thereof, (iii) costs and expenses associated with any repurchase of any securities by the General Partner, (iv) costs and expenses associated with the preparation and filing of any periodic or other reports and communications by the General Partner under federal, state or local laws or regulations, including filings with the Commission, (v) costs and expenses associated with compliance by the General Partner with laws, rules and regulations promulgated by any regulatory body, including the Commission and any securities exchange, (vi) costs and expenses associated with any health, dental, vision, disability, life insurance, 401(k) plan, incentive plan, bonus plan or other plan providing for compensation or benefits for the employees of the General Partner, (vii) costs and expenses incurred by the General Partner relating to any issuing or redemption of Partnership Interests and (viii) all other operating or administrative costs of the General Partner incurred in the ordinary course of its business on behalf of or related to the Partnership.

"**REIT Shares**" means shares of common stock, par value $0.01 per share, of the General Partner (or common stock or common shares of beneficial interest of a Successor Entity, as the case may be).

"**REIT Shares Amount**" means the number of REIT Shares equal to the product of (X) the number of Common Units offered for redemption by a Redeeming Limited Partner, multiplied by (Y) the Conversion Factor as adjusted to and including the Specified Redemption Date; provided that in the event that prior to the Specified Redemption Date, the General Partner issues to all holders of REIT Shares rights, options, warrants or convertible or exchangeable securities entitling the holders of REIT Shares to subscribe for or purchase additional REIT Shares, or any other securities or property (collectively, the "**Rights**"), and such Rights have not expired at the Specified Redemption Date, then the REIT Shares Amount shall also include such Rights issuable to a holder of the REIT Shares Amount on the record date fixed for purposes of determining the holders of REIT Shares entitled to Rights.

"**Restriction Notice**" has the meaning set forth in Section 8.04(f) hereof.

"**Rights**" has the meaning set forth in the definition of "REIT Shares Amount" herein.

"**Rule 144**" has the meaning set forth in Section 8.05(c) hereof.

"**S-3 Eligible Date**" has the meaning set forth in Section 8.05(a) hereof.

"Safe Harbor" has the meaning set forth in Section 10.05(d) hereof.

"**Safe Harbor Election**" has the meaning set forth in Section 11.01 hereof.

"**Safe Harbor Interests**" has the meaning set forth in Section 11.01 hereof.

"**Securities Act**" means the Securities Act of 1933, as amended.

"**Service**" means the Internal Revenue Service.

"**Stock Ownership Limit**" has the meaning set forth in the Articles.

"**Specified Redemption Date**" means the first business day of the calendar quarter that is at least 60 calendar days after the receipt by the General Partner of a Notice of Redemption.

"**Subsidiary**" means, with respect to any Person, any corporation or other entity of which a majority of (i) the voting power of the voting equity securities or (ii) the outstanding equity interests is owned, directly or indirectly, by such Person.

"**Subsidiary Partnership**" means any partnership or limited liability company in which the General Partner, the Partnership, or a wholly owned subsidiary of the General Partner or the Partnership owns a partnership or limited liability company interest.

"**Substitute Limited Partner**" means any Person admitted to the Partnership as a Limited Partner pursuant to Section 9.03 hereof.

"**Successor Entity**" has the meaning set forth in the definition of "Conversion Factor" herein.

"**Survivor**" has the meaning set forth in Section 7.01(d) hereof.

"**Tax Matters Partner**" has the meaning set forth within Section 6231(a)(7) of the Code.

"**Trading Day**" means a day on which the principal national securities exchange on which a security is listed or admitted to trading is open for the transaction of business or, if a security is not listed or admitted to trading on any national securities exchange, shall mean any day other than a Saturday, a Sunday or a day on which banking institutions in the State of New York are authorized or obligated by law or executive order to close.

"**Transaction**" has the meaning set forth in Section 7.01(c) hereof.

"**Transfer**" has the meaning set forth in Section 9.02(a) hereof.

"**TRS**" means a taxable REIT subsidiary (as defined in Section 856(l) of the Code) of the General Partner.

"**Unvested LTIP Units**" has the meaning set forth in Section 4.04(c)(i) hereof.

"**Value**" means, with respect to any security, the average of the daily market prices of such security for the ten consecutive Trading Days immediately preceding the date of such valuation. The market price for each such Trading Day shall be: (i) if the security is listed or admitted to trading on the NYSE or any other national securities exchange, the last reported sale price, regular way, on such day, or if no such sale takes place on such day, the average of the closing bid and asked prices, regular way, on such day, (ii) if the security is not listed or admitted to trading on the NYSE or any other national securities exchange, the last reported sale price on such day or, if no sale takes place on such day, the average of the closing bid and asked prices on such day, as reported by a reliable quotation source designated by the General Partner, or (iii) if the security is not listed or admitted to trading on the NYSE or any national securities exchange and no such last reported sale price or closing bid and asked prices are available, the average of the reported high bid and low asked prices on such day, as reported by a reliable quotation source designated by the General Partner, or if there shall be no bid and asked prices on such day, the average of the high bid and low asked prices, as so reported, on the most recent day (not more than ten days prior to the date in question) for which prices have been so reported; provided that if there are no bid and asked prices reported during the ten days prior to the date in question, the value of the security shall be determined by the General Partner acting in good faith on the basis of such quotations and other information as it considers, in its reasonable judgment, appropriate. In the event the security includes any additional rights (including any Rights), then the value of such rights shall be determined by the General Partner acting in good faith on the basis of such quotations and other information as it considers, in its reasonable judgment, appropriate.

"**Vested LTIP Units**" has the meaning set forth in Section 4.04(c)(i) hereof.

"**Vesting Agreement**" means each or any, as the context implies, agreement or instrument entered into by an LTIP Unitholder upon acceptance of an award of LTIP Units under an Equity Incentive Plan.

"**Withheld Amount**" means any amount required to be withheld by the Partnership to pay over to any taxing authority as a result of any allocation or distribution of income to a Partner.

ARTICLE II

FORMATION OF THE PARTNERSHIP

2.01 Formation of the Partnership. The Partnership was formed as a limited partnership pursuant to the provisions of the Act and upon the terms and conditions set forth in the Original Agreement. Concurrently with the execution of this Agreement, the Original Limited Partner is withdrawing from the Partnership and relinquishing any and all rights or interest he may have in the Partnership other than as set forth on Exhibit A, and the Partnership is continued without dissolution. Except as expressly provided herein to the contrary, the rights and obligations of the Partners and administration and termination of the Partnership shall be governed by the Act. The Partnership Interest of each Partner shall be personal property for all purposes.

2.02 Name. The Name of the Partnership shall be "Armada Hoffler, L.P." and the Partnership's business may be conducted under any other name or names deemed advisable by the General Partner, including the name of the General Partner or any Affiliate thereof. The words "Limited Partnership," "LP," "L.P." or "Ltd." or similar words or letters shall be included in the Partnership's name where necessary for the purposes of complying with the laws of any jurisdiction that so requires. The General Partner in its sole and absolute discretion may change the name of the Partnership at any time and from time to time and shall notify the Partners of such change in the next regular communication to the Partners; provided, however, failure to so notify the Partners shall not invalidate such change or the authority granted hereunder.

2.03 Registered Office and Agent; Principal Office. The registered office of the Partnership in the Commonwealth of Virginia is located at , , and the registered agent for service of process on the Partnership in the Commonwealth of Virginia at such registered office is . The principal office of the Partnership is located at 222 Central Park Avenue, Suite 2100, Virginia Beach, Virginia 23462, or such other place as the General Partner may from time to time designate. Upon such a change of the principal office of the Partnership, the General Partner shall notify the Partners of such change in the next regular communication to the Partners; provided, however, failure to so notify the Partners shall not invalidate such change or the authority granted hereunder. The Partnership may maintain offices at such other place or places within or outside the Commonwealth of Virginia as the General Partner deems necessary or desirable.

2.04 Term and Dissolution.

(a) The term of the Partnership shall continue in full force and effect until dissolved upon the first to occur of any of the following events:

(i) the occurrence of an Event of Bankruptcy as to a General Partner or the dissolution, death, removal or withdrawal of a General Partner unless the business of the Partnership is continued pursuant to Section 7.03(b) hereof; provided that if a General Partner is on the date of such occurrence a partnership, the dissolution of such General Partner as a result of the dissolution, death, withdrawal, removal or Event of Bankruptcy of a partner in such partnership shall not be an event of dissolution of the Partnership if the business of such General Partner is continued by the remaining partner or partners, either alone or with additional partners, and such General Partner and such partners comply with any other applicable requirements of this Agreement;

(ii) the passage of 90 days after the sale or other disposition of all or substantially all of the assets of the Partnership (provided that if the Partnership receives an installment obligation as consideration for such sale or other disposition, the Partnership shall continue, unless sooner dissolved under the provisions of this Agreement, until such time as such installment obligations are paid in full);

(iii) the redemption of all Limited Partnership Interests (other than any Limited Partnership Interests held by the General Partner), unless the General Partner determines to continue the term of the Partnership by the admission of one or more additional Limited Partners; or

(iv) the dissolution of the Partnership upon election by the General Partner.

(b) Upon dissolution of the Partnership (unless the business of the Partnership is continued pursuant to Section 7.03(b) hereof), the General Partner (or its trustee, receiver, successor or legal representative) shall amend or cancel the Certificate and liquidate the Partnership's assets and apply and distribute the proceeds thereof in accordance with Section 5.06 hereof. Notwithstanding the foregoing, the liquidating General Partner may either (i) defer liquidation of, or withhold from distribution for a reasonable time, any assets of the Partnership (including those necessary to satisfy the Partnership's debts and obligations), or (ii) distribute the assets to the Partners in kind.

2.05 Filing of Certificate and Perfection of Limited Partnership. The General Partner shall execute, acknowledge, record and file at the expense of the Partnership the Certificate and any and all amendments thereto and all requisite fictitious name statements and notices in such places and jurisdictions as may be necessary to cause the Partnership to be treated as a limited partnership under, and otherwise to comply with, the laws of each state or other jurisdiction in which the Partnership conducts business.

2.06 Certificates Describing Partnership Units. At the request of a Limited Partner, the General Partner, at its option, may issue a certificate summarizing the terms of such Limited Partner's interest in the Partnership, including the class or series and number of Partnership Units owned and the Percentage Interest represented by such Partnership Units as of the date of such certificate. Any such certificate (i) shall be in form and substance as determined by the General Partner, (ii) shall not be negotiable and (iii) shall bear a legend to the following effect:

THIS CERTIFICATE IS NOT NEGOTIABLE. THE PARTNERSHIP UNITS REPRESENTED BY THIS CERTIFICATE ARE GOVERNED BY AND TRANSFERABLE ONLY IN ACCORDANCE WITH (A) THE PROVISIONS OF THE AGREEMENT OF LIMITED PARTNERSHIP OF ARMADA HOFFLER, L.P., AS AMENDED, SUPPLEMENTED OR RESTATED FROM TIME TO TIME, AND (B) ANY APPLICABLE FEDERAL OR STATE SECURITIES OR BLUE SKY LAWS.

ARTICLE III

BUSINESS OF THE PARTNERSHIP

The purpose and nature of the business of the Partnership is (i) to conduct any business that may be lawfully conducted by a limited partnership organized pursuant to the Act, provided, however, that such business shall be limited to and conducted in such a manner as to permit the General Partner at all times to qualify as a REIT, unless the General Partner otherwise ceases to, or the Board of Directors determines, pursuant to Section 5.7 of the Articles, that the General Partner shall no longer qualify as a REIT, (ii) to enter into any partnership, joint venture or other similar

arrangement to engage in any of the foregoing or the ownership of interests in any entity engaged in any of the foregoing and (iii) to do anything necessary or incidental to the foregoing. In connection with the foregoing, and without limiting the General Partner's right in its sole and absolute discretion to cease qualifying as a REIT, the Partners acknowledge that the General Partner intends to elect REIT status and the avoidance of income and excise taxes on the General Partner inures to the benefit of all the Partners and not solely to the General Partner. Notwithstanding the foregoing, the Limited Partners agree that the General Partner may terminate or revoke its status as a REIT under the Code at any time. The General Partner shall also be empowered to do any and all acts and things necessary or prudent to ensure that the Partnership will not be classified as a "publicly traded partnership" taxable as a corporation for purposes of Section 7704 of the Code.

ARTICLE IV

CAPITAL CONTRIBUTIONS AND ACCOUNTS

4.01 Capital Contributions. The General Partner and each Limited Partner has made a capital contribution to the Partnership in exchange for the Partnership Units set forth opposite such Partner's name on Exhibit A hereto, as it may be amended or restated from time to time by the General Partner to the extent necessary to reflect accurately sales, exchanges or other Transfers, redemptions, Capital Contributions, the issuance of additional Partnership Units or similar events having an effect on a Partner's ownership of Partnership Units.

4.02 Additional Capital Contributions and Issuances of Additional Partnership Units. Except as provided in this Section 4.02 or in Section 4.03 hereof, the Partners shall have no right or obligation to make any additional Capital Contributions or loans to the Partnership. The General Partner may contribute additional capital to the Partnership, from time to time, and receive additional Partnership Interests, in the form of Partnership Units, in respect thereof, in the manner contemplated in this Section 4.02.

(a) Issuances of Additional Partnership Units.

(i) General. As of the effective date of this Agreement, the Partnership shall have authorized two classes of Partnership Units, entitled "Common Units" and "LTIP Units." The General Partner is hereby authorized to cause the Partnership to issue additional Partnership Interests, in the form of Partnership Units, for any Partnership purpose at any time or from time to time to the Partners (including the General Partner) or to other Persons for such consideration and on such terms and conditions as shall be established by the General Partner in its sole and absolute discretion, all without the approval of any Limited Partners. The General Partner's determination that consideration is adequate shall be conclusive insofar as the adequacy of consideration relates to whether the Partnership Units are validly issued and fully paid. Any additional Partnership Units issued thereby may be issued in one or more classes, or one or more series of any of such classes, with such designations, preferences and relative, participating, optional or other special rights, powers and duties, including rights, powers and duties senior to the then-outstanding Partnership Units held by the Limited Partners, all as shall be determined by the General Partner in its sole and absolute discretion and without the approval of any Limited Partner, subject to Virginia law that cannot be preempted by the terms hereof and as set forth in a written document hereafter attached

to and made an exhibit to this Agreement (each, a "**Partnership Unit Designation**"), which document shall include, without limitation, (i) the allocations of items of Partnership income, gain, loss, deduction and credit to each such class or series of Partnership Units; (ii) the right of each such class or series of Partnership Units to share in Partnership distributions; and (iii) the rights of each such class or series of Partnership Units upon dissolution and liquidation of the Partnership; provided, however, that no additional Partnership Units shall be issued to the General Partner (or any direct or indirect wholly-owned Subsidiary of the General Partner) unless:

(1) (A) the additional Partnership Units are issued in connection with an issuance of REIT Shares or other capital stock of, or other interests in, the General Partner, which REIT Shares, capital stock or other interests have designations, preferences and other rights, all such that the economic interests are substantially similar to the designations, preferences and other rights of the additional Partnership Units issued to the General Partner (or any direct or indirect wholly owned Subsidiary of the General Partner) by the Partnership in accordance with this Section 4.02 and (B) the General Partner (or any direct or indirect wholly owned Subsidiary of the General Partner) shall make a Capital Contribution to the Partnership in an amount equal to the cash consideration received by the General Partner, if any, from such grant, award or issuance of such REIT Shares, capital stock or other interests in the General Partner;

(2) (A) the additional Partnership Units are issued in connection with a grant award or issuance of REIT Shares or other capital stock of, or other interests in, the General Partner pursuant to a taxable share dividend declared by the General Partner, which REIT Shares, capital stock or interests have designations, preferences and other rights, all such that the economic interests are substantially similar to the designations, preferences and other rights of the additional Partnership Units issued to the General Partner (or any direct or indirect wholly owned Subsidiary of the General Partner) by the Partnership in accordance with this Section 4.02, (B) if the General Partner allows the holders of its REIT Shares to elect whether to receive such dividend in REIT Shares or other capital stock of, or other interests in, the General Partner, or cash, the Partnership will give the Limited Partners (excluding the General Partner or any direct or indirect Subsidiary of the General Partner) the same ability to elect to receive (I) Partnership Units or cash or, (II) at the election of the General Partner, REIT Shares, capital stock or other interests in the General Partner or cash, and (C) if the Partnership issues additional Partnership Units pursuant to this Section 4.02(a)(i)(2), then an amount of income equal to the value of the Partnership Units received will be allocated to those holders of Common Units that elect to receive additional Partnership Units;

(3) the additional Partnership Units are issued in exchange for property owned by the General Partner (or any direct or indirect wholly owned Subsidiary of the General Partner) with a fair market value, as determined by the General Partner, in good faith, equal to the value of the Partnership Units; or

(4) Common Units are issued to all Partners owning Common Units or LTIP Units in proportion to their respective Percentage Interests.

Without limiting the foregoing, the General Partner is expressly authorized to cause the Partnership to issue Partnership Units for less than fair market value, so long as the General Partner concludes in good faith that such issuance is in the interests of the Partnership. Upon the issuance of any additional Partnership Units, the General Partner shall amend Exhibit A as appropriate to reflect such issuance.

(ii) Upon Issuance of Additional Securities. The General Partner shall not issue any Additional Securities (other than REIT Shares issued in connection with an exchange pursuant to Section 8.04 hereof or REIT Shares or other capital stock of or other interests in the General Partner issued in connection with a taxable stock dividend as described in Section 4.02(a)(i)(2) hereof) or Rights other than to all holders of REIT Shares, Preferred Shares, Junior Shares, or New Securities, as the case may be, unless (A) the General Partner shall cause the Partnership to issue to the General Partner (or any direct or indirect wholly owned Subsidiary of the General Partner) Partnership Units or Rights having designations, preferences and other rights, all such that the economic interests are substantially similar to those of the Additional Securities, and (B) the General Partner (or any direct or indirect wholly owned Subsidiary of the General Partner) contributes the proceeds from the issuance of such Additional Securities and from any exercise of Rights contained in such Additional Securities to the Partnership; provided, however, that the General Partner is allowed to issue Additional Securities in connection with an acquisition of Property to be held directly by the General Partner, but if and only if, such direct acquisition and issuance of Additional Securities have been approved by a majority of the Independent Directors. Without limiting the foregoing, the General Partner is expressly authorized to issue Additional Securities for less than fair market value, and the General Partner is authorized to cause the Partnership to issue to the General Partner (or any direct or indirect wholly owned Subsidiary of the General Partner) corresponding Partnership Units, so long as (x) the General Partner concludes in good faith that such issuance is in the best interests of the General Partner and the Partnership and (y) the General Partner (or any direct or indirect wholly owned Subsidiary of the General Partner) contributes all proceeds from such issuance to the Partnership, including without limitation, the issuance of REIT Shares and corresponding Partnership Units pursuant to a stock purchase plan providing for purchases of REIT Shares at a discount from fair market value or pursuant to stock awards, including stock options that have an exercise price that is less than the fair market value of the REIT Shares, either at the time of issuance or at the time of exercise, and restricted or other stock awards approved by the Board of Directors. For example, in the event the General Partner issues REIT Shares for a cash purchase price and the General Partner (or any direct or indirect wholly owned Subsidiary of the General Partner) contributes all of the proceeds of such issuance to the Partnership as required hereunder, the General Partner (or any direct or indirect wholly owned Subsidiary of the General Partner) shall be issued a number of additional Partnership Units equal to the product of (A) the number of such REIT Shares issued by the General Partner, the proceeds of which were so contributed, multiplied by (B) a fraction, the numerator of which is 100%, and the denominator of which is the Conversion Factor in effect on the date of such contribution.

(b) Certain Contributions of Proceeds of Issuance of REIT Shares. In connection with any and all issuances of REIT Shares, the General Partner (or any direct or indirect wholly owned Subsidiary of the General Partner) shall make Capital Contributions to the Partnership of the proceeds therefrom (if any), provided that if the proceeds actually received and contributed by the General Partner (or any direct or indirect wholly owned Subsidiary of the General Partner) are less than the gross proceeds of such issuance as a result of any underwriter’s discount, commissions,

placement fees or other expenses paid or incurred in connection with such issuance, then the General Partner (or any direct or indirect wholly owned Subsidiary of the General Partner) shall be deemed to have made a Capital Contribution to the Partnership in the amount equal to the sum of the net proceeds of such issuance plus the amount of such underwriter's discount, commissions, placement fees or other expenses paid by the General Partner, and the Partnership shall be deemed simultaneously to have reimbursed such discount, commissions, placement fees and expenses as an Administrative Expense for the benefit of the Partnership for purposes of Section 6.05(b).

(c) Repurchases of General Partner Securities. If the General Partner shall repurchase shares of any class or series of its capital stock, the purchase price thereof and all costs incurred in connection with such repurchase shall be reimbursed to the General Partner by the Partnership pursuant to Section 6.05 hereof and the General Partner shall cause the Partnership to redeem an equivalent number of Partnership Units of the appropriate class or series held by the General Partner, or by the General Partner in its capacity as a Limited Partner (which, in the case of REIT Shares, shall be a number equal to the quotient of the number of such REIT Shares divided by the Conversion Factor).

4.03 Additional Funding. If the General Partner determines that it is in the best interests of the Partnership to provide for additional Partnership funds ("**Additional Funds**") for any Partnership purpose, the General Partner may (i) cause the Partnership to obtain such funds from outside borrowings, or (ii) elect to have the General Partner or any of its Affiliates provide such Additional Funds to the Partnership through loans or otherwise.

4.04 LTIP Units.

(a) Issuance of LTIP Units. Notwithstanding anything contained herein to the contrary, the General Partner may from time to time issue LTIP Units to Persons who provide services to the Partnership or the General Partner, for such consideration as the General Partner may determine to be appropriate, and admit such Persons as Limited Partners. Subject to the following provisions of this Section 4.04 and the special provisions of Sections 4.05 and 5.01(g) hereof, LTIP Units shall be treated as Common Units, with all of the rights, privileges and obligations attendant thereto. For purposes of computing the Partners' Percentage Interests, holders of LTIP Units shall be treated as Common Unit holders and LTIP Units shall be treated as Common Units. In particular, the Partnership shall maintain at all times a one-to-one correspondence between LTIP Units and Common Units for conversion, distribution and other purposes, including, without limitation, complying with the following procedures:

(i) If an Adjustment Event (as defined below) occurs, then the General Partner shall make a corresponding adjustment to the LTIP Units to maintain a one-for-one conversion and economic equivalence ratio between Common Units and LTIP Units. The following shall be "**Adjustment Events**": (A) the Partnership makes a distribution on all outstanding Common Units in the form of Partnership Units, (B) the Partnership subdivides the outstanding Common Units into a greater number of units or combines the outstanding Common Units into a smaller number of units, or (C) the Partnership issues any Partnership Units in exchange for its outstanding Common Units by way of a reclassification or recapitalization of its Common Units. If more than one Adjustment Event occurs, the adjustment to the LTIP Units need be made only once using a single formula that takes into account each and every Adjustment Event as if all Adjustment Events

occurred simultaneously. For the avoidance of doubt, the following shall not be Adjustment Events: (x) the issuance of Partnership Units in a financing, reorganization, acquisition or other similar business Common Unit Transaction, (y) the issuance of Partnership Units pursuant to any employee benefit or compensation plan or distribution reinvestment plan or (z) the issuance of any Partnership Units to the General Partner in respect of a capital contribution to the Partnership of proceeds from the sale of Additional Securities by the General Partner. If the Partnership takes an action affecting the Common Units other than actions specifically described above as "Adjustment Events" and in the opinion of the General Partner such action would require an adjustment to the LTIP Units to maintain the one-to-one correspondence described above, the General Partner shall have the right to make such adjustment to the LTIP Units, to the extent permitted by law and by any Equity Incentive Plan and Vesting Agreement, in such manner and at such time as the General Partner, in its sole discretion, may determine to be appropriate under the circumstances. If an adjustment is made to the LTIP Units, as herein provided, the Partnership shall promptly file in the books and records of the Partnership an officer's certificate setting forth such adjustment and a brief statement of the facts requiring such adjustment, which certificate shall be conclusive evidence of the correctness of such adjustment absent manifest error. Promptly after filing of such certificate, the Partnership shall deliver a notice to each LTIP Unitholder setting forth the adjustment to his or her LTIP Units and the effective date of such adjustment; provided, however, the failure to deliver such notice shall not invalidate the adjustment or the authority granted hereunder, and

(ii) The LTIP Unitholders shall, when, as and if authorized and declared by the General Partner out of assets legally available for that purpose, be entitled to receive distributions in an amount per LTIP Unit equal to the distributions per Common Unit paid to holders of Common Units on such Partnership Record Date established by the General Partner with respect to such distribution (the "**Common Partnership Unit Distribution**"). So long as any LTIP Units are outstanding, no distributions (whether in cash or in kind) shall be authorized, declared or paid on Common Units, unless equal distributions have been or contemporaneously are authorized, declared and paid on the LTIP Units.

(b) Priority. Subject to the provisions of this Section 4.04, the special provisions of Sections 4.05 and 5.01(g) hereof and any Vesting Agreement, the LTIP Units shall rank *pari passu* with the Common Units as to the payment of regular and special periodic or other distributions and distribution of assets upon liquidation, dissolution or winding up. As to the payment of distributions and as to distribution of assets upon liquidation, dissolution or winding up, any class or series of Partnership Units which by its terms specifies that it shall rank junior to, on a parity with, or senior to the Common Units shall also rank junior to, or *pari passu* with, or senior to, as the case may be, the LTIP Units. Subject to the terms of any Vesting Agreement, an LTIP Unitholder shall be entitled to transfer his or her LTIP Units to the same extent, and subject to the same restrictions as holders of Common Units are entitled to transfer their Common Units pursuant to Article IX.

(c) Special Provisions. LTIP Units shall be subject to the following special provisions:

(i) Vesting Agreements. LTIP Units may, in the sole discretion of the General Partner, be issued subject to vesting, forfeiture and additional restrictions on transfer pursuant to the terms of a Vesting Agreement. The terms of any Vesting Agreement may be modified by the

General Partner from time to time in its sole discretion, subject to any restrictions on amendment imposed by the relevant Vesting Agreement or by the Equity Incentive Plan, if applicable. LTIP Units that have vested under the terms of a Vesting Agreement are referred to as "**Vested LTIP Units**"; all other LTIP Units shall be treated as "**Unvested LTIP Units**."

(ii) Forfeiture. Unless otherwise specified in the Vesting Agreement, upon the occurrence of any event specified in a Vesting Agreement resulting in either the right of the Partnership or the General Partner to repurchase LTIP Units at a specified purchase price or some other forfeiture of any LTIP Units, then if the Partnership or the General Partner exercises such right to repurchase or forfeiture occurs in accordance with the applicable Vesting Agreement, the relevant LTIP Units shall immediately, and without any further action, be treated as cancelled and no longer outstanding for any purpose. Unless otherwise specified in the Vesting Agreement, no consideration or other payment shall be due with respect to any LTIP Units that have been forfeited, other than any distributions declared with respect to a Partnership Record Date prior to the effective date of the forfeiture. In connection with any repurchase or forfeiture of LTIP Units, the balance of the portion of the Capital Account of the LTIP Unitholder that is attributable to all of such LTIP Unitholder's LTIP Units shall be reduced by the amount, if any, by which it exceeds the target balance contemplated by Section 5.01(g) hereof, calculated with respect to the LTIP Unitholder's remaining LTIP Units, if any.

(iii) Allocations. LTIP Unitholders shall be entitled to certain special allocations of gain under Section 5.01(g) hereof.

(iv) Redemption. The Common Unit Redemption Right provided to Limited Partners under Section 8.04 hereof shall not apply with respect to LTIP Units unless and until they are converted to Common Units as provided in clause (v) below and Section 4.05 hereof.

(v) Conversion to Common Units. Vested LTIP Units are eligible to be converted into Common Units in accordance with Section 4.05 hereof.

(d) Voting. LTIP Unitholders shall (a) have the same voting rights as the holders of Common Units, with all Vested LTIP Units and Unvested LTIP Units voting as a single class with the Common Units and having one vote per LTIP Unit; and (b) have the additional voting rights that are expressly set forth below. So long as any LTIP Units remain outstanding, the Partnership shall not, without the affirmative vote of the holders of a majority of the LTIP Units (Vested LTIP Units and Unvested LTIP Units) outstanding at the time, given in person or by proxy, either in writing or at a meeting (voting separately as a class), amend, alter or repeal, whether by merger, consolidation or otherwise, the provisions of this Agreement applicable to LTIP Units so as to materially and adversely affect (as determined in good faith by the General Partner) any right, privilege or voting power of the LTIP Units or the LTIP Unitholders as such, unless such amendment, alteration, or repeal affects equally, ratably and proportionately the rights, privileges and voting powers of the holders of Common Units; but subject, in any event, to the following provisions:

(i) With respect to any Common Unit Transaction (as defined in Section 4.05(f) hereof), so long as the LTIP Units are treated in accordance with Section 4.05(f) hereof, the consummation of such Common Unit Transaction shall not be deemed to materially and adversely affect such rights, preferences, privileges or voting powers of the LTIP Units or the LTIP Unitholders as such; and

(ii) Any creation or issuance of any Partnership Units or of any class or series of Partnership Interest including without limitation additional Common Units or LTIP Units, whether ranking senior to, junior to, or on a parity with the LTIP Units with respect to distributions and the distribution of assets upon liquidation, dissolution or winding up, shall not be deemed to materially and adversely affect such rights, preferences, privileges or voting powers of the LTIP Units or the LTIP Unitholders as such.

The foregoing voting provisions will not apply if, at or prior to the time when the act with respect to which such vote would otherwise be required will be effected, all outstanding LTIP Units shall have been converted into Common Units.

4.05 Conversion of LTIP Units.

(a) Subject to the provisions of this Section 4.05, an LTIP Unitholder shall have the right (the "**Conversion Right**"), at such holder's option, at any time to convert all or a portion of such holder's Vested LTIP Units into Common Units; provided, however, that a holder may not exercise the Conversion Right for less than 1,000 Vested LTIP Units or, if such holder holds less than 1,000 Vested LTIP Units, all of the Vested LTIP Units held by such holder. LTIP Unitholders shall not have the right to convert Unvested LTIP Units into Common Units until they become Vested LTIP Units; provided, however, that when an LTIP Unitholder is notified of the expected occurrence of an event that will cause such LTIP Unitholder's Unvested LTIP Units to become Vested LTIP Units, such LTIP Unitholder may give the Partnership a Conversion Notice conditioned upon and effective as of the time of vesting and such Conversion Notice, unless subsequently revoked by the LTIP Unitholder, shall be accepted by the Partnership subject to such condition. The General Partner shall have the right at any time to cause a conversion of Vested LTIP Units into Common Units. In all cases, the conversion of any LTIP Units into Common Units shall be subject to the conditions and procedures set forth in this Section 4.05.

(b) A holder of Vested LTIP Units may convert such LTIP Units into an equal number of fully paid and non-assessable Common Units, giving effect to all adjustments (if any) made pursuant to Section 4.04 hereof. Notwithstanding the foregoing, in no event may a holder of Vested LTIP Units convert a number of Vested LTIP Units that exceeds (x) the Economic Capital Account Balance of such Limited Partner, to the extent attributable to its ownership of LTIP Units, divided by (y) the Common Unit Economic Balance, in each case as determined as of the effective date of conversion (the "**Capital Account Limitation**").

In order to exercise the Conversion Right, an LTIP Unitholder shall deliver a notice (a "**Conversion Notice**") in the form attached as Exhibit D hereto to the Partnership (with a copy to the General Partner) not less than ten nor more than 60 days prior to a date (the "**Conversion Date**") specified in such Conversion Notice; provided, however, that if the General Partner has not given to the LTIP Unitholders notice of a proposed or upcoming Common Unit Transaction (as defined in Section 4.05(f) hereof) at least 30 days prior to the effective date of such Common Unit Transaction, then LTIP Unitholders shall have the right to deliver a Conversion Notice until the earlier of (x) the tenth day after such notice from the General Partner of a Common Unit

Transaction or (y) the third Trading Day immediately preceding the effective date of such Common Unit Transaction. A Conversion Notice shall be provided in the manner provided in Section 12.01 hereof. Each LTIP Unitholder covenants and agrees with the Partnership that all Vested LTIP Units to be converted pursuant to this Section 4.05(b) shall be free and clear of all liens, claims and encumbrances. Notwithstanding anything herein to the contrary, a holder of LTIP Units may deliver a Notice of Redemption pursuant to Section 8.04(a) hereof relating to those Common Units that will be issued to such holder upon conversion of such LTIP Units into Common Units in advance of the Conversion Date; provided, however, that the redemption of such Common Units by the Partnership shall in no event take place until on or after the Conversion Date. For clarity, it is noted that the objective of this paragraph is to put an LTIP Unitholder in a position where, if such holder so wishes, the Common Units into which such holder's Vested LTIP Units will be converted can be tendered to the Partnership for redemption simultaneously with such conversion, with the further consequence that, if the General Partner elects to assume the Partnership's redemption obligation with respect to such Common Units under Section 8.04(b) hereof by delivering to such holder the REIT Shares Amount, then such holder can have the REIT Shares Amount issued to such holder simultaneously with the conversion of such holder's Vested LTIP Units into Common Units. The General Partner and LTIP Unitholder shall reasonably cooperate with each other to coordinate the timing of the events described in the foregoing sentence.

(c) The Partnership, at any time at the election of the General Partner, may cause any number of Vested LTIP Units held by an LTIP Unitholder to be converted (a "**Forced Conversion**") into an equal number of Common Units, giving effect to all adjustments (if any) made pursuant to Section 4.04 hereof; provided, however, that the Partnership may not cause Forced Conversion of any LTIP Units that would not at the time be eligible for conversion at the option of such LTIP Unitholder pursuant to Section 4.05(b) hereof. In order to exercise its right of Forced Conversion, the Partnership shall deliver a notice (a "**Forced Conversion Notice**") in the form attached as Exhibit E hereto to the applicable LTIP Unitholder not less than ten nor more than 60 days prior to the Conversion Date specified in such Forced Conversion Notice. A Forced Conversion Notice shall be provided in the manner provided in Section 12.01 hereof and shall be revocable by the General Partner at any time prior to the Forced Conversion.

(d) A conversion of Vested LTIP Units for which the holder thereof has given a Conversion Notice or the Partnership has given a Forced Conversion Notice shall occur automatically after the close of business on the applicable Conversion Date without any action on the part of such LTIP Unitholder, as of which time such LTIP Unitholder shall be credited on the books and records of the Partnership with the issuance as of the opening of business on the next day of the number of Common Units issuable upon such conversion. After the conversion of LTIP Units as aforesaid, the Partnership shall deliver to such LTIP Unitholder, upon his or her written request, a certificate of the General Partner certifying the number of Common Units and remaining LTIP Units, if any, held by such person immediately after such conversion. The Assignee of any Limited Partner pursuant to Article IX hereof may exercise the rights of such Limited Partner pursuant to this Section 4.05 and such Limited Partner shall be bound by the exercise of such rights by the Assignee.

(e) For purposes of making future allocations under Section 5.01(g) hereof and applying the Capital Account Limitation, the portion of the Economic Capital Account Balance of the applicable LTIP Unitholder that is treated as attributable to his or her LTIP Units shall be reduced, as of the date of conversion, by the product of the number of LTIP Units converted and the Common Unit Economic Balance.

(f) If the Partnership or the General Partner shall be a party to any Common Unit Transaction (including without limitation a merger, consolidation, unit exchange, self tender offer for all or substantially all Common Units or other business combination or reorganization, or sale of all or substantially all of the Partnership's assets, but excluding any Common Unit Transaction which constitutes an Adjustment Event) in each case as a result of which Common Units shall be exchanged for or converted into the right, or the holders of Common Units shall otherwise be entitled, to receive cash, securities or other property or any combination thereof (each of the foregoing being referred to herein as a "**Common Unit Transaction**"), then the General Partner shall, subject to the terms of any applicable Equity Incentive Plan or Vesting Agreement, exercise immediately prior to the Common Unit Transaction its right to cause a Forced Conversion with respect to the maximum number of LTIP Units then eligible for conversion, taking into account any allocations that occur in connection with the Common Unit Transaction or that would occur in connection with the Common Unit Transaction if the assets of the Partnership were sold at the Common Unit Transaction price or, if applicable, at a value determined by the General Partner in good faith using the value attributed to the Partnership Units in the context of the Common Unit Transaction (in which case the Conversion Date shall be the effective date of the Common Unit Transaction).

In anticipation of such Forced Conversion and the consummation of the Common Unit Transaction, the Partnership shall use commercially reasonable efforts to cause each LTIP Unitholder to be afforded the right to receive in connection with such Common Unit Transaction in consideration for the Common Units into which such LTIP Unitholder's LTIP Units will be converted the same kind and amount of cash, securities and other property (or any combination thereof) receivable upon the consummation of such Common Unit Transaction by a holder of the same number of Common Units, assuming such holder of Common Units is not a Person with which the Partnership consolidated or into which the Partnership merged or which merged into the Partnership or to which such sale or transfer was made, as the case may be (a "**Constituent Person**"), or an affiliate of a Constituent Person. In the event that holders of Common Units have the opportunity to elect the form or type of consideration to be received upon consummation of the Common Unit Transaction, prior to such Common Unit Transaction, the General Partner shall give prompt written notice to each LTIP Unitholder of such election, and shall use commercially reasonable efforts to afford the LTIP Unitholders the right to elect, by written notice to the General Partner, the form or type of consideration to be received upon conversion of each LTIP Unit held by such holder into Common Units in connection with such Common Unit Transaction. If an LTIP Unitholder fails to make such an election, such holder (and any of its transferees) shall receive upon conversion of each LTIP Unit held by such LTIP Unitholder (or by any of such LTIP Unitholder's transferees) the same kind and amount of consideration that a holder of a Common Unit would receive if such Common Unit holder failed to make such an election.

Subject to the rights of the Partnership and the General Partner under any Vesting Agreement and any Equity Incentive Plan, the Partnership shall use commercially reasonable efforts to cause the terms of any Common Unit Transaction to be consistent with the provisions of this Section 4.05(f) and to enter into an agreement with the successor or purchasing entity, as the case may be, for the benefit of any LTIP Unitholders whose LTIP Units will not be converted into

Common Units in connection with the Common Unit Transaction that will (i) contain provisions enabling the holders of LTIP Units that remain outstanding after such Common Unit Transaction to convert their LTIP Units into securities as comparable as reasonably possible under the circumstances to the Common Units and (ii) preserve as far as reasonably possible under the circumstances the distribution, special allocation, conversion, and other rights set forth in this Agreement for the benefit of the LTIP Unitholders.

4.06 Capital Accounts. A separate capital account (a "**Capital Account**") shall be established and maintained for each Partner in accordance with Regulations Section 1.704-1(b)(2)(iv). If (i) a new or existing Partner acquires an additional Partnership Interest in exchange for more than a *de minimis* Capital Contribution, (ii) the Partnership distributes to a Partner more than a *de minimis* amount of Partnership property as consideration for a Partnership Interest, (iii) the Partnership is liquidated within the meaning of Regulation Section 1.704-1(b)(2)(ii)(g) or (iv) the Partnership grants a Partnership Interest (other than a *de minimis* Partnership Interest) as consideration for the provision of services to or for the benefit of the Partnership to an existing Partner acting in a Partner capacity, or to a new Partner acting in a Partner capacity or in anticipation of being a Partner, the General Partner shall revalue the property of the Partnership to its fair market value (as determined by the General Partner, in its sole and absolute discretion, and taking into account Section 7701(g) of the Code) in accordance with Regulations Section 1.704-1(b)(2)(iv)(f); provided that (i) the issuance of any LTIP Unit shall be deemed to require a revaluation pursuant to this Section 4.06 and (ii) the General Partner may elect not to revalue the property of the Partnership in connection with the issuance of additional Partnership Units pursuant to Section 4.02 to the extent in determines, in its sole and absolute discretion, that revaluing the property of the Partnership in not necessary or appropriate to reflect the relative economic interests of the Partners. When the Partnership's property is revalued by the General Partner, the Capital Accounts of the Partners shall be adjusted in accordance with Regulations Sections 1.704-1(b)(2)(iv)(f) and (g), which generally require such Capital Accounts to be adjusted to reflect the manner in which the unrealized gain or loss inherent in such property (that has not been reflected in the Capital Accounts previously) would be allocated among the Partners pursuant to Section 5.01 hereof if there were a taxable disposition of such property for its fair market value (as determined by the General Partner, in its sole and absolute discretion, and taking into account Section 7701(g) of the Code) on the date of the revaluation.

4.07 Percentage Interests. If the number of outstanding Common Units or LTIP Units increases or decreases during a taxable year, each Partner's Percentage Interest shall be adjusted by the General Partner effective as of the effective date of each such increase or decrease to a percentage equal to the number of Common Units or LTIP Units held by such Partner divided by the aggregate number of Common Units and LTIP Units outstanding after giving effect to such increase or decrease. If the Partners' Percentage Interests are adjusted pursuant to this Section 4.07, the Profits and Losses for the taxable year in which the adjustment occurs shall be allocated between the part of the year ending on the day when the Partnership's property is revalued by the General Partner and the part of the year beginning on the following day either (i) as if the taxable year had ended on the date of the adjustment or (ii) based on the number of days in each part. The General Partner, in its sole and absolute discretion, shall determine which method shall be used to allocate Profits and Losses for the taxable year in which the adjustment occurs. The allocation of Profits and Losses for the earlier part of the year shall be based on the Percentage Interests before adjustment, and the allocation of Profits and Losses for the later part shall be based on the adjusted Percentage Interests.

4.08 No Interest on Contributions. No Partner shall be entitled to interest on its Capital Contribution.

4.09 Return of Capital Contributions. No Partner shall be entitled to withdraw any part of its Capital Contribution or its Capital Account or to receive any distribution from the Partnership, except as specifically provided in this Agreement. Except as otherwise provided herein, there shall be no obligation to return to any Partner or withdrawn Partner any part of such Partner's Capital Contribution for so long as the Partnership continues in existence.

4.10 No Third-Party Beneficiary. No creditor or other third party having dealings with the Partnership shall have the right to enforce the right or obligation of any Partner to make Capital Contributions or loans or to pursue any other right or remedy hereunder or at law or in equity, it being understood and agreed that the provisions of this Agreement, except as provided in Section 6.03(h), shall be solely for the benefit of, and may be enforced solely by, the parties to this Agreement and their respective successors and assigns. None of the rights or obligations of the Partners herein set forth to make Capital Contributions or loans to the Partnership shall be deemed an asset of the Partnership for any purpose by any creditor or other third party, nor may such rights or obligations be sold, transferred or assigned by the Partnership or pledged or encumbered by the Partnership to secure any debt or other obligation of the Partnership or of any of the Partners. In addition, it is the intent of the parties hereto that no distribution to any Limited Partner shall be deemed a return of money or other property in violation of the Act. However, if any court of competent jurisdiction holds that, notwithstanding the provisions of this Agreement, any Limited Partner is obligated to return such money or property, such obligation shall be the obligation of such Limited Partner and not of the General Partner. Without limiting the generality of the foregoing, a deficit Capital Account of a Partner shall not be deemed to be a liability of such Partner nor an asset or property of the Partnership.

ARTICLE V

PROFITS AND LOSSES; DISTRIBUTIONS

5.01 Allocation of Profit and Loss.

(a) Profit. Profit of the Partnership for each fiscal year of the Partnership shall be allocated to the Partners in accordance with their respective Percentage Interests.

(b) Loss. Loss of the Partnership for each fiscal year of the Partnership shall be allocated to the Partners in accordance with their respective Percentage Interests.

(c) Minimum Gain Chargeback. Notwithstanding any provision to the contrary, (i) any expense of the Partnership that is a "nonrecourse deduction" within the meaning of Regulations Section 1.704-2(b)(1) shall be allocated in accordance with the Partners' respective Percentage Interests, (ii) any expense of the Partnership that is a "partner nonrecourse deduction" within the meaning of Regulations Section 1.704-2(i)(2) shall be allocated to the Partner that bears the "economic risk of loss" of such deduction in accordance with Regulations Section 1.704-2(i)(1),

(iii) if there is a net decrease in Partnership Minimum Gain within the meaning of Regulations Section 1.704-2(f)(1) for any Partnership taxable year, then, subject to the exceptions set forth in Regulations Section 1.704-2(f)(2),(3), (4) and (5), items of gain and income shall be allocated among the Partners in accordance with Regulations Section 1.704-2(f) and the ordering rules contained in Regulations Section 1.704-2(j), and (iv) if there is a net decrease in Partner Nonrecourse Debt Minimum Gain within the meaning of Regulations Section 1.704-2(i)(4) for any Partnership taxable year, then, subject to the exceptions set forth in Regulations Section 1.704(2)(g), items of gain and income shall be allocated among the Partners in accordance with Regulations Section 1.704-2(i)(4) and the ordering rules contained in Regulations Section 1.704-2(j). The manner in which it is reasonably expected that the deductions attributable to nonrecourse liabilities will be allocated for purposes of determining a Partner's share of the nonrecourse liabilities of the Partnership within the meaning of Regulations Section 1.752-3(a)(3) shall be in accordance with a Partner's Percentage Interest.

(d) Qualified Income Offset. If a Partner receives in any taxable year an adjustment, allocation or distribution described in subparagraphs (4), (5) or (6) of Regulations Section 1.704-1(b)(2)(ii)(d) that causes or increases a deficit balance in such Partner's Capital Account that exceeds the sum of such Partner's shares of Partnership Minimum Gain and Partner Nonrecourse Debt Minimum Gain, as determined in accordance with Regulations Sections 1.704-2(g) and 1.704-2(i), such Partner shall be allocated specially for such taxable year (and, if necessary, later taxable years) items of income and gain in an amount and manner sufficient to eliminate such deficit Capital Account balance as quickly as possible as provided in Regulations Section 1.704-1(b)(2)(ii)(d). After the occurrence of an allocation of income or gain to a Partner in accordance with this Section 5.01(d), to the extent permitted by Regulations Section 1.704-1(b), items of expense or loss shall be allocated to such Partner in an amount necessary to offset the income or gain previously allocated to such Partner under this Section 5.01(d).

(e) Capital Account Deficits. Loss shall not be allocated to a Limited Partner to the extent that such allocation would cause a deficit in such Partner's Capital Account (after reduction to reflect the items described in Regulations Section 1.704-1(b)(2)(ii)(d)(4), (5) and (6)) to exceed the sum of such Partner's shares of Partnership Minimum Gain and Partner Nonrecourse Debt Minimum Gain. Any Loss in excess of that limitation shall be allocated to the General Partner. After the occurrence of an allocation of Loss to the General Partner in accordance with this Section 5.01(e), to the extent permitted by Regulations Section 1.704-1(b), Profit first shall be allocated to the General Partner in an amount necessary to offset the Loss previously allocated to the General Partner under this Section 5.01(e).

(f) Allocations Between Transferor and Transferee. If a Partner transfers any part or all of its Partnership Interest, the distributive shares of the various items of Profit and Loss allocable among the Partners during such fiscal year of the Partnership shall be allocated between the transferor and the transferee Partner either (i) as if the Partnership's fiscal year had ended on the date of the transfer or (ii) based on the number of days of such fiscal year that each was a Partner without regard to the results of Partnership activities in the respective portions of such fiscal year in which the transferor and the transferee were Partners. The General Partner, in its sole and absolute discretion, shall determine which method shall be used to allocate the distributive shares of the various items of Profit and Loss between the transferor and the transferee Partner.

(g) Special Allocations Regarding LTIP Units. Notwithstanding the provisions of Sections 5.01(a) and (b) hereof, Liquidating Gains shall first be allocated to the LTIP Unitholders until their Economic Capital Account Balances, to the extent attributable to their ownership of LTIP Units, are equal to (i) the Common Unit Economic Balance, multiplied by (ii) the number of their LTIP Units. For this purpose, "**Liquidating Gains**" means net capital gains realized in connection with the actual or hypothetical sale of all or substantially all of the assets of the Partnership, including but not limited to net capital gain realized in connection with an adjustment to the value of Partnership assets under Section 704(b) of the Code. The "**Economic Capital Account Balances**" of the LTIP Unit holders will be equal to their Capital Account balances to the extent attributable to their ownership of LTIP Units. Similarly, the "**Common Unit Economic Balance**" shall mean (i) the Capital Account balance of the General Partner, plus the amount of the General Partner's share of any Partner Nonrecourse Debt Minimum Gain or Partnership Minimum Gain, in either case to the extent attributable to the General Partner's ownership of Common Units and computed on a hypothetical basis after taking into account all allocations through the date on which any allocation is made under this Section 5.01(g), divided by (ii) the number of the General Partner's Common Units. Any such allocations shall be made among the LTIP Unitholders in proportion to the amounts required to be allocated to each under this Section 5.01(g). The parties agree that the intent of this Section 5.01(g) is to make the Capital Account balance associated with each LTIP Unit to be economically equivalent to the Capital Account balance associated with the General Partner's Common Units (on a per-Unit basis).

(h) Definition of Profit and Loss. "**Profit**" and "**Loss**" and any items of income, gain, expense or loss referred to in this Agreement shall be determined in accordance with federal income tax accounting principles, as modified by Regulations Section 1.704-1(b)(2)(iv), except that Profit and Loss shall not include items of income, gain and expense that are specially allocated pursuant to Sections 5.01(c), (d) or (e) hereof. All allocations of income, Profit, gain, Loss and expense (and all items contained therein) for federal income tax purposes shall be identical to all allocations of such items set forth in this Section 5.01, except as otherwise required by Section 704(c) of the Code and Regulations Section 1.704-1(b)(4). With respect to properties acquired by the Partnership, the General Partner shall have the authority to elect the method to be used by the Partnership for allocating items of income, gain and expense as required by Section 704(c) of the Code with respect to such properties, and such election shall be binding on all Partners.

(i) Preferred Units. The General Partner shall amend this agreement from time to time to reflect the allocation of profit and loss in connection with priority distributions on any preferred units of limited partnership interest issued by the Partnership.

5.02 Distribution of Cash.

(a) Subject to Sections 5.02(c), (d) and (e) hereof and to the terms of any Partnership Unit Designation, the Partnership shall distribute cash at such times and in such amounts as are determined by the General Partner in its sole and absolute discretion, to the Partners who are Partners on the Partnership Record Date with respect to such quarter (or other distribution period) in proportion with their respective Common Units on the Partnership Record Date.

(b) In accordance with the terms of Section 4.04(a)(ii), the LTIP Unitholders shall be entitled to receive distributions in an amount per LTIP Unit equal to the Common Partnership Unit Distribution.

(c) If a new or existing Partner acquires additional Partnership Units in exchange for a Capital Contribution on any date other than a Partnership Record Date (other than Partnership Units acquired by the General Partner in connection with the issuance of additional REIT Shares or Additional Securities), the cash distribution attributable to such additional Partnership Units relating to the Partnership Record Date next following the issuance of such additional Partnership Units shall be reduced in the proportion to (i) the number of days that such additional Partnership Units are held by such Partner bears to (ii) the number of days between such Partnership Record Date and the immediately preceding Partnership Record Date.

(d) Notwithstanding any other provision of this Agreement, the General Partner is authorized to take any action that it determines to be necessary or appropriate to cause the Partnership to comply with any withholding requirements established under the Code or any other federal, state or local law including, without limitation, pursuant to Sections 1441, 1442, 1445 and 1446 of the Code. To the extent that the Partnership is required to withhold and pay over to any taxing authority any amount resulting from the allocation or distribution of income to a Partner or assignee (including by reason of Section 1446 of the Code), either (i) if the actual amount to be distributed to the Partner (the "**Distributable Amount**") equals or exceeds the Withheld Amount, the entire Distributable Amount shall be treated as a distribution of cash to such Partner, or (ii) if the Distributable Amount is less than the Withheld Amount, the excess of the Withheld Amount over the Distributable Amount shall be treated as a Partnership Loan from the Partnership to the Partner on the day the Partnership pays over such amount to a taxing authority. A Partnership Loan shall be repaid upon the demand of the Partnership or, alternatively, through withholding by the Partnership with respect to subsequent distributions to the applicable Partner or assignee. In the event that a Limited Partner fails to pay any amount owed to the Partnership with respect to the Partnership Loan within 15 days after demand for payment thereof is made by the Partnership on the Limited Partner, the General Partner, in its sole and absolute discretion, may elect to make the payment to the Partnership on behalf of such Defaulting Limited Partner. In such event, on the date of payment, the General Partner shall be deemed to have extended a General Partner Loan to the Defaulting Limited Partner in the amount of the payment made by the General Partner and shall succeed to all rights and remedies of the Partnership against the Defaulting Limited Partner as to that amount. Without limitation, the General Partner shall have the right to receive any distributions that otherwise would be made by the Partnership to the Defaulting Limited Partner until such time as the General Partner Loan has been paid in full, and any such distributions so received by the General Partner shall be treated as having been received by the Defaulting Limited Partner and immediately paid to the General Partner.

Any amounts treated as a Partnership Loan or a General Partner Loan pursuant to this Section 5.02(d) shall bear interest at the lesser of (i) 300 basis points above the base rate on corporate loans at large United States money center commercial banks, as published from time to time in The Wall Street Journal or, if not so published, in any similar publication, or (ii) the maximum lawful rate of interest on such obligation, such interest to accrue from the date the Partnership or the General Partner, as applicable, is deemed to extend the loan until such loan is repaid in full.

(e) In no event may a Partner receive a distribution of cash with respect to a Partnership Unit if such Partner is entitled to receive a cash dividend or other distribution of cash as the holder of record of a REIT Share for which all or part of such Partnership Unit has been or will be redeemed.

5.03 REIT Distribution Requirements. The General Partner shall use commercially reasonable efforts to cause the Partnership to distribute amounts sufficient to enable the General Partner to pay distributions to its stockholders that will allow the General Partner to (i) meet its distribution requirement for qualification as a REIT as set forth in Section 857 of the Code and (ii) avoid any federal income or excise tax liability imposed by the Code, other than to the extent the General Partner elects to retain and pay income tax on its net capital gain.

5.04 No Right to Distributions in Kind. No Partner shall be entitled to demand property other than cash in connection with any distributions by the Partnership.

5.05 Limitations on Return of Capital Contributions. Notwithstanding any of the provisions of this Article V, no Partner shall have the right to receive, and the General Partner shall not have the right to make, a distribution that includes a return of all or part of a Partner's Capital Contributions, unless after giving effect to the return of a Capital Contribution, the sum of all Partnership liabilities, other than the liabilities to a Partner for the return of his Capital Contribution, does not exceed the fair market value of the Partnership's assets.

5.06 Distributions Upon Liquidation.

(a) Upon liquidation of the Partnership, after payment of, or adequate provision for, debts and obligations of the Partnership, including any Partner loans, any remaining assets of the Partnership shall be distributed to all Partners with positive Capital Accounts in accordance with their respective positive Capital Account balances.

(b) For purposes of Section 5.06(a) hereof, the Capital Account of each Partner shall be determined after all adjustments made in accordance with Sections 5.01 and 5.02 hereof resulting from Partnership operations and from all sales and dispositions of all or any part of the Partnership's assets.

(c) Any distributions pursuant to this Section 5.06 shall be made by the end of the Partnership's taxable year in which the liquidation occurs (or, if later, within 90 days after the date of the liquidation). To the extent deemed advisable by the General Partner, appropriate arrangements (including the use of a liquidating trust) may be made to assure that adequate funds are available to pay any contingent debts or obligations.

5.07 Substantial Economic Effect. It is the intent of the Partners that the allocations of Profit and Loss under this Agreement have substantial economic effect (or be consistent with the Partners' interests in the Partnership in the case of the allocation of losses attributable to nonrecourse debt) within the meaning of Section 704(b) of the Code as interpreted by the Regulations promulgated pursuant thereto. Article V and other relevant provisions of this Agreement shall be interpreted in a manner consistent with such intent.

ARTICLE VI

RIGHTS, OBLIGATIONS AND POWERS OF THE GENERAL PARTNER

6.01 Management of the Partnership.

(a) Except as otherwise expressly provided in this Agreement, the General Partner shall have full, complete and exclusive discretion to manage and control the business of the Partnership for the purposes herein stated, and shall make all decisions affecting the business and assets of the Partnership. Subject to the restrictions specifically contained in this Agreement, the powers of the General Partner shall include, without limitation, the authority to take the following actions on behalf of the Partnership:

(i) acquire, purchase, own, operate, lease and dispose of any real property and any other property or assets including, but not limited to, notes and mortgages that the General Partner determines are necessary or appropriate in the business of the Partnership;

(ii) construct buildings and make other improvements on the properties owned or leased by the Partnership;

(iii) authorize, issue, sell, redeem or otherwise purchase any Partnership Units or any securities of the Partnership (including secured and unsecured debt obligations of the Partnership, debt obligations of the Partnership convertible into any class or series of Partnership Units, or Rights relating to any class or series of Partnership Units);

(iv) borrow or lend money for the Partnership, issue or receive evidences of indebtedness in connection therewith, refinance, increase the amount of, modify, amend or change the terms of, or extend the time for the payment of, any such indebtedness, and secure indebtedness by mortgage, deed of trust, pledge or other lien on the Partnership's assets;

(v) pay, either directly or by reimbursement, all operating costs and general administrative expenses of the Partnership to third parties or to the General Partner or its Affiliates as set forth in this Agreement;

(vi) guarantee or become a co-maker of indebtedness of any Subsidiary of the General Partner or the Partnership, refinance, increase the amount of, modify, amend or change the terms of, or extend the time for the payment of, any such guarantee or indebtedness, and secure such guarantee or indebtedness by mortgage, deed of trust, pledge or other lien on the Partnership's assets;

(vii) use assets of the Partnership (including, without limitation, cash on hand) for any purpose consistent with this Agreement, including, without limitation, payment, either directly or by reimbursement, of all operating costs and general and administrative expenses of the General Partner, the Partnership or any Subsidiary of either, to third parties or to the General Partner as set forth in this Agreement;

(viii) lease all or any portion of any of the Partnership's assets, whether or not the terms of such leases extend beyond the termination date of the Partnership and whether or not any

portion of the Partnership's assets so leased are to be occupied by the lessee, or, in turn, subleased in whole or in part to others, for such consideration and on such terms as the General Partner may determine and to further lease property from third parties, including ground leases;

(ix) prosecute, defend, arbitrate or compromise any and all claims or liabilities in favor of or against the Partnership, on such terms and in such manner as the General Partner may determine, and similarly prosecute, settle or defend litigation with respect to the Partners, the Partnership or the Partnership's assets;

(x) file applications, communicate and otherwise deal with any and all governmental agencies having jurisdiction over, or in any way affecting, the Partnership's assets or any other aspect of the Partnership's business;

(xi) make or revoke any election permitted or required of the Partnership by any taxing authority;

(xii) maintain such insurance coverage for public liability, fire and casualty, and any and all other insurance for the protection of the Partnership, for the conservation of Partnership assets, or for any other purpose convenient or beneficial to the Partnership, in such amounts and such types, as it shall determine from time to time;

(xiii) determine whether or not to apply any insurance proceeds for any property to the restoration of such property or to distribute the same;

(xiv) establish one or more divisions of the Partnership, hire and dismiss employees of the Partnership or any division of the Partnership, and retain legal counsel, accountants, consultants, real estate brokers and such other persons as the General Partner may deem necessary or appropriate in connection with the Partnership business and pay therefor such reasonable remuneration as the General Partner may deem reasonable and proper;

(xv) retain other services of any kind or nature in connection with the Partnership's business, and pay therefor such remuneration as the General Partner may deem reasonable and proper;

(xvi) negotiate and conclude agreements on behalf of the Partnership with respect to any of the rights, powers and authority conferred upon the General Partner;

(xvii) maintain accurate accounting records and file all federal, state and local income tax returns on behalf of the Partnership;

(xviii) distribute Partnership cash or other Partnership assets in accordance with this Agreement;

(xix) form or acquire an interest in, and contribute property to, any further limited or general partnerships, joint ventures or other relationships that it deems desirable (including, without limitation, the acquisition of interests in, and the contributions of property to, its Subsidiaries and any other Person in which it has an equity interest from time to time);

(xx) establish Partnership reserves for working capital, capital expenditures, contingent liabilities or any other valid Partnership purpose;

(xxi) merge, consolidate or combine the Partnership with or into another Person;

(xxii) enter into and perform obligations under underwriting or other agreements in connection with issuances of securities by the Partnership or the General Partner or any affiliate thereof;

(xxiii) do any and all acts and things necessary or prudent to ensure that the Partnership will not be classified as a "publicly traded partnership" taxable as a corporation under Section 7704 of the Code or an "investment company" or a subsidiary of an investment company under the Investment Company Act of 1940; and

(xxiv) take such other action, execute, acknowledge, swear to or deliver such other documents and instruments, and perform any and all other acts that the General Partner deems necessary or appropriate for the formation, continuation and conduct of the business and affairs of the Partnership (including, without limitation, all actions consistent with allowing the General Partner at all times to qualify as a REIT unless the General Partner voluntarily terminates or revokes its REIT status) and to possess and enjoy all of the rights and powers of a general partner as provided by the Act.

(b) Except as otherwise provided herein, to the extent the duties of the General Partner require expenditures of funds to be paid to third parties, the General Partner shall not have any obligations hereunder except to the extent that Partnership funds are reasonably available to it for the performance of such duties, and nothing herein contained shall be deemed to authorize or require the General Partner, in its capacity as such, to expend its individual funds for payment to third parties or to undertake any individual liability or obligation on behalf of the Partnership.

6.02 Delegation of Authority. The General Partner may delegate any or all of its powers, rights and obligations hereunder, and may appoint, employ, contract or otherwise deal with any Person for the transaction of the business of the Partnership, which Person may, under supervision of the General Partner, perform any acts or services for the Partnership as the General Partner may approve.

6.03 Indemnification and Exculpation of Indemnitees.

(a) The Partnership shall indemnify an Indemnitee from and against any and all losses, claims, damages, liabilities, joint or several, expenses (including reasonable legal fees and expenses), judgments, fines, settlements, and other amounts arising from any and all claims, demands, actions, suits or proceedings, civil, criminal, administrative or investigative, that relate to the operations of the Partnership as set forth in this Agreement in which any Indemnitee may be involved, or is threatened to be involved, as a party or otherwise, unless it is established that: (i) the act or omission of the Indemnitee was material to the matter giving rise to the proceeding and either was committed in bad faith or was the result of active and deliberate dishonesty; (ii) the Indemnitee actually received an improper personal benefit in money, property or services; or (iii) in the case of any criminal proceeding, the Indemnitee had reasonable cause to believe that the act or omission was unlawful. The termination of any proceeding by judgment, order or settlement does

not create a presumption that the Indemnitee did not meet the requisite standard of conduct set forth in this Section 6.03(a). The termination of any proceeding by conviction or upon a plea of nolo contendere or its equivalent, or an entry of an order of probation prior to judgment, creates a rebuttable presumption that the Indemnitee acted in a manner contrary to that specified in this Section 6.03(a). Any indemnification pursuant to this Section 6.03 shall be made only out of the assets of the Partnership.

(b) The Partnership shall reimburse an Indemnitee for reasonable expenses incurred by an Indemnitee who is a party to a proceeding in advance of the final disposition of the proceeding upon receipt by the Partnership of (i) a written affirmation by the Indemnitee of the Indemnitee's good faith belief that the standard of conduct necessary for indemnification by the Partnership as authorized in this Section 6.03 has been met, and (ii) a written undertaking by or on behalf of the Indemnitee to repay the amount if it shall ultimately be determined that the standard of conduct has not been met.

(c) The indemnification provided by this Section 6.03 shall be in addition to any other rights to which an Indemnitee or any other Person may be entitled under any agreement, pursuant to any vote of the Partners, as a matter of law or otherwise, and shall continue as to an Indemnitee who has ceased to serve in such capacity.

(d) The Partnership may purchase and maintain insurance, as an expense of the Partnership, on behalf of the Indemnitees and such other Persons as the General Partner shall determine, against any liability that may be asserted against or expenses that may be incurred by such Person in connection with the Partnership's activities, regardless of whether the Partnership would have the power to indemnify such Person against such liability under the provisions of this Agreement.

(e) For purposes of this Section 6.03, the Partnership shall be deemed to have requested an Indemnitee to serve as fiduciary of an employee benefit plan whenever the performance by the Indemnitee of its duties to the Partnership also imposes duties on, or otherwise involves services by, the Indemnitee to the plan or participants or beneficiaries of the plan; excise taxes assessed on an Indemnitee with respect to an employee benefit plan pursuant to applicable law shall constitute fines within the meaning of this Section 6.03; and actions taken or omitted by the Indemnitee with respect to an employee benefit plan in the performance of its duties for a purpose reasonably believed by the Indemnitee to be in the interest of the participants and beneficiaries of the plan shall be deemed to be for a purpose that is not opposed to the best interests of the Partnership.

(f) In no event may an Indemnitee subject the Limited Partners to personal liability by reason of the indemnification provisions set forth in this Agreement.

(g) An Indemnitee shall not be denied indemnification in whole or in part under this Section 6.03 because the Indemnitee had an interest in the transaction with respect to which the indemnification applies if the transaction was otherwise permitted by the terms of this Agreement.

(h) The provisions of this Section 6.03 are for the benefit of the Indemnitees, their heirs, successors, assigns and administrators and shall not be deemed to create any rights for the benefit of any other Persons.

(i) Any amendment, modification or repeal of this Section 6.03 or any provision hereof shall be prospective only and shall not in any way affect the indemnification of an Indemnitee by the Partnership under this Section 6.03 as in effect immediately prior to such amendment, modification or repeal with respect to matters occurring, in whole or in part, prior to such amendment, modification or repeal, regardless of when claims relating to such matters may arise or be asserted.

6.04 Liability of the General Partner.

(a) Notwithstanding anything to the contrary set forth in this Agreement, neither the General Partner, nor any of its directors, officers, agents or employees shall be liable for monetary damages to the Partnership or any Partners for losses sustained or liabilities incurred as a result of errors in judgment or mistakes of fact or law or of any act or omission if any such party acted in good faith. The General Partner shall not be in breach of any duty that the General Partner may owe to the Limited Partners or the Partnership or any other Persons under this Agreement or of any duty stated or implied by law or equity provided the General Partner, acting in good faith, abides by the terms of this Agreement.

(b) The Limited Partners expressly acknowledge that the General Partner is acting on behalf of the Partnership, the Limited Partners and the General Partner's stockholders collectively, that the General Partner is under no obligation to consider the separate interests of the Limited Partners (including, without limitation, the tax consequences to Limited Partners or the tax consequences of some, but not all, of the Limited Partners) in deciding whether to cause the Partnership to take (or decline to take) any actions. In the event of a conflict between the interests of the stockholders of the General Partner on the one hand and the Limited Partners on the other, the General Partner shall endeavor in good faith to resolve the conflict in a manner not adverse to either the stockholders of the General Partner or the Limited Partners; provided, however, that for so long as the General Partner owns a controlling interest in the Partnership, any such conflict that the General Partner, in its sole and absolute discretion, determines cannot be resolved in a manner not adverse to either the stockholders of the General Partner or the Limited Partners shall be resolved in favor of the stockholders of the General Partner. The General Partner shall not be liable for monetary damages for losses sustained, liabilities incurred or benefits not derived by the Limited Partners in connection with such decisions.

(c) Subject to its obligations and duties as General Partner set forth in Section 6.01 hereof, the General Partner may exercise any of the powers granted to it under this Agreement and perform any of the duties imposed upon it hereunder either directly or by or through its agents. The General Partner shall not be responsible for any misconduct or negligence on the part of any such agent appointed by it in good faith.

(d) Notwithstanding any other provisions of this Agreement or the Act, any action of the General Partner on behalf of the Partnership or any decision of the General Partner to refrain from acting on behalf of the Partnership, undertaken in the good faith belief that such action or omission is necessary or advisable in order (i) to protect the ability of the General Partner to continue to qualify as a REIT or (ii) to prevent the General Partner from incurring any taxes under Section 857, Section 4981 or any other provision of the Code, is expressly authorized under this Agreement and is deemed approved by all of the Limited Partners.

(e) Any amendment, modification or repeal of this Section 6.04 or any provision hereof shall be prospective only and shall not in any way affect the limitations on the General Partner's or any of its officers', directors', agents' or employees' liability to the Partnership and the Limited Partners under this Section 6.04 as in effect immediately prior to such amendment, modification or repeal with respect to matters occurring, in whole or in part, prior to such amendment, modification or repeal, regardless of when claims relating to such matters may arise or be asserted.

6.05 Partnership Obligations.

(a) Except as provided in this Section 6.05 and elsewhere in this Agreement (including the provisions of Articles V and VI hereof regarding distributions, payments and allocations to which it may be entitled), the General Partner shall not be compensated for its services as general partner of the Partnership.

(b) All Administrative Expenses shall be obligations of the Partnership, and the General Partner shall be entitled to reimbursement by the Partnership for any expenditure (including Administrative Expenses) incurred by it on behalf of the Partnership that shall be made other than out of the funds of the Partnership. All reimbursements hereunder shall be characterized for federal income tax purposes as expenses of the Partnership incurred on its behalf, and not as expenses of the General Partner.

6.06 Outside Activities. Subject to Section 6.08 hereof, the Articles and any agreements entered into by the General Partner or its Affiliates with the Partnership or a Subsidiary, any officer, director, employee, agent, trustee, Affiliate or stockholder of the General Partner, the General Partner shall be entitled to and may have business interests and engage in business activities in addition to those relating to the Partnership, including business interests and activities substantially similar or identical to those of the Partnership. Neither the Partnership nor any of the Limited Partners shall have any rights by virtue of this Agreement in any such business ventures, interest or activities. None of the Limited Partners nor any other Person shall have any rights by virtue of this Agreement or the partnership relationship established hereby in any such business ventures, interests or activities, and the General Partner shall have no obligation pursuant to this Agreement to offer any interest in any such business ventures, interests and activities to the Partnership or any Limited Partner, even if such opportunity is of a character that, if presented to the Partnership or any Limited Partner, could be taken by such Person.

6.07 Employment or Retention of Affiliates.

(a) Any Affiliate of the General Partner may be employed or retained by the Partnership and may otherwise deal with the Partnership (whether as a buyer, lessor, lessee, manager, furnisher of goods or services, broker, agent, lender or otherwise) and may receive from the Partnership any compensation, price or other payment therefor that the General Partner determines to be fair and reasonable.

(b) The Partnership may lend or contribute to its Subsidiaries or other Persons in which it has an equity investment, and such Persons may borrow funds from the Partnership, on terms and conditions established in the sole and absolute discretion of the General Partner. The foregoing authority shall not create any right or benefit in favor of any Subsidiary or any other Person.

(c) The Partnership may transfer assets to joint ventures, other partnerships, corporations or other business entities in which it is or thereby becomes a participant upon such terms and subject to such conditions as the General Partner deems are consistent with this Agreement and applicable law.

6.08 General Partner Activities. The General Partner agrees that, generally, all business activities of the General Partner, including activities pertaining to the acquisition, development, ownership of or investment in real property or other property, shall be conducted through the Partnership or one or more Subsidiaries of the Partnership; provided, however, that the General Partner may make direct acquisitions or undertake business activities if such acquisitions or activities are made in connection with the issuance of Additional Securities by the General Partner or the business activity has been approved by a majority of the Independent Directors. If, at any time, the General Partner acquires material assets (other than Partnership Units or other assets on behalf of the Partnership) without transferring such assets to the Partnership, the definition of "REIT Shares Amount" may be adjusted, as reasonably determined by the General Partner, to reflect only the fair market value of a REIT Share attributable to the General Partner's Partnership Units and other assets held on behalf of the Partnership.

6.09 Title to Partnership Assets. Title to Partnership assets, whether real, personal or mixed and whether tangible or intangible, shall be deemed to be owned by the Partnership as an entity, and no Partner, individually or collectively, shall have any ownership interest in such Partnership assets or any portion thereof. Title to any or all of the Partnership assets may be held in the name of the Partnership, the General Partner or one or more nominees, as the General Partner may determine, including Affiliates of the General Partner. The General Partner hereby declares and warrants that any Partnership assets for which legal title is held in the name of the General Partner or any nominee or Affiliate of the General Partner shall be held by the General Partner for the use and benefit of the Partnership in accordance with the provisions of this Agreement; provided, however, that the General Partner shall use its commercially reasonable efforts to cause beneficial and record title to such assets to be vested in the Partnership as soon as reasonably practicable. All Partnership assets shall be recorded as the property of the Partnership in its books and records, irrespective of the name in which legal title to such Partnership assets is held.

ARTICLE VII

CHANGES IN GENERAL PARTNER

7.01 Transfer of the General Partner's Partnership Interest.

(a) The General Partner shall not transfer all or any portion of its General Partnership Interests, and the General Partner shall not withdraw as General Partner, except as provided in or in connection with a transaction contemplated by Sections 7.01(c), (d) or (e) hereof.

(b) The General Partner agrees that its General Partnership Interest will at all times be in the aggregate at least 0.1%.

(c) Except as otherwise provided in Section 7.01(d) or (e) hereof, the General Partner shall not engage in any merger, consolidation or other combination with or into another Person or

sale of all or substantially all of its assets (other than in connection with a change in the General Partner's state of incorporation or organizational form), in each case which results in a Change of Control of the General Partner (a "**Transaction**"), unless at least one of the following conditions is met:

(i) the consent of a Majority in Interest (excluding, for purposes of determining a Majority in Interest, Partnership Interests held by the General Partner or any Subsidiary of the General Partner) is obtained;

(ii) as a result of such Transaction, all Limited Partners (other than the General Partner and any Subsidiary of the General Partner, and, in the case of LTIP Unitholders, subject to the terms of any applicable Equity Incentive Plan or Vesting Agreement) will receive, or have the right to receive, for each Partnership Unit an amount of cash, securities or other property equal or substantially equivalent in value, as determined by the General Partner in good faith, to the product of the Conversion Factor and the greatest amount of cash, securities or other property paid in the Transaction to a holder of one REIT Share in consideration of one REIT Share, provided that if, in connection with such Transaction, a purchase, tender or exchange offer ("**Offer**") shall have been made to and accepted by the holders of more than 50% of the outstanding REIT Shares, each holder of Partnership Units (other than the General Partner and any Subsidiary of the General Partner) shall be given the option to exchange its Partnership Units for an amount of cash, securities or other property equal or substantially equivalent in value, as determined by the General Partner in good faith, to the greatest amount of cash, securities or other property that such Limited Partner would have received had it (A) exercised its Common Unit Redemption Right pursuant to Section 8.04 hereof and (B) sold, tendered or exchanged pursuant to the Offer the REIT Shares Amount that would be receivable upon exercise of the Common Unit Redemption Right immediately prior to the expiration of the Offer; or

(iii) the General Partner is the surviving entity in the Transaction and either (A) the holders of REIT Shares do not receive cash, securities or other property in the Transaction or (B) all Limited Partners (other than the General Partner or any Subsidiary of the General Partner, and, in the case of LTIP Unitholders, subject to the terms of any applicable Equity Incentive Plan or Vesting Agreement) receive for each Partnership Unit an amount of cash, securities or other property equal or substantially equivalent in value, as determined by the General Partner in good faith, to the product of the Conversion Factor and the greatest amount of cash, securities or other property (expressed as an amount per REIT Share) received in the Transaction by any holder of REIT Shares in respect of such holder's REIT Shares.

(d) Notwithstanding Section 7.01(c) hereof, the General Partner may merge with or into or consolidate with another entity if immediately after such merger or consolidation (i) substantially all of the assets of the successor or surviving entity (the "**Survivor**"), other than Partnership Units held by the General Partner, are contributed, directly or indirectly, to the Partnership as a Capital Contribution in exchange for Partnership Units, or for economically equivalent partnership interests issued by a Subsidiary Partnership established at the direction of the Board of Directors, with a fair market value equal to the value of the assets so contributed as determined by the Survivor in good faith and (ii) the Survivor expressly agrees to assume all obligations of the General Partner hereunder. Upon such contribution and assumption, the Survivor shall have the right and duty to amend this Agreement as set forth in this Section 7.01(d). The

Survivor shall in good faith arrive at a new method for the calculation of the Cash Amount, the REIT Shares Amount and Conversion Factor for a Partnership Unit after any such merger or consolidation so as to approximate the existing method for such calculation as closely as reasonably possible. Such calculation shall take into account, among other things, the kind and amount of securities, cash and other property that was receivable upon such merger or consolidation by a holder of REIT Shares or options, warrants or other rights relating thereto, and which a holder of Partnership Units could have acquired had such Partnership Units been redeemed in exchange for the REIT Shares Amount immediately prior to such merger or consolidation. Such amendment to this Agreement shall provide for adjustment to such method of calculation, which shall be as nearly equivalent as may be practicable to the adjustments provided for with respect to the Conversion Factor. The Survivor also shall in good faith modify the definition of REIT Shares and make such amendments to Section 8.04 hereof so as to approximate the existing rights and obligations set forth in Section 8.04 hereof as closely as reasonably possible. The above provisions of this Section 7.01(d) shall similarly apply to successive mergers or consolidations permitted hereunder.

In respect of any transaction described in the preceding paragraph, the General Partner shall use its commercially reasonable efforts to seek to structure such transaction to avoid causing the Limited Partners (other than the General Partner or any Subsidiary) to recognize a gain for federal income tax purposes by virtue of the occurrence of or their participation in such transaction, provided such efforts are consistent with and subject in all respects to the exercise of the Board of Directors' fiduciary duties to the stockholders of the General Partner under applicable law.

(e) Notwithstanding anything in this Article VII,

(i) The General Partner may transfer all or any portion of its General Partnership Interest to (A) any wholly owned Subsidiary of the General Partner or (B) the owner of all of the ownership interests of the General Partner, and following a transfer of all of its General Partnership Interest, may withdraw as General Partner; and

(ii) the General Partner may engage in a transaction required by law or by the rules of any national securities exchange or over-the-counter interdealer quotation system on which the REIT Shares are listed or traded.

7.02 Admission of a Substitute or Additional General Partner. A Person shall be admitted as a substitute or additional General Partner of the Partnership only if the following terms and conditions are satisfied:

(a) the Person to be admitted as a substitute or additional General Partner shall have accepted and agreed to be bound by all the terms and provisions of this Agreement by executing a counterpart thereof and such other documents or instruments as may be required or appropriate in order to effect the admission of such Person as a General Partner, and a certificate evidencing the admission of such Person as a General Partner shall have been filed for recordation and all other actions required by Section 2.05 hereof in connection with such admission shall have been performed;

(b) if the Person to be admitted as a substitute or additional General Partner is a corporation or a partnership, it shall have provided the Partnership with evidence satisfactory to counsel for the Partnership of such Person's authority to become a General Partner and to be bound by the terms and provisions of this Agreement; and

(c) counsel for the Partnership shall have rendered an opinion (relying on such opinions from other counsel as may be necessary) that the admission of the Person to be admitted as a substitute or additional General Partner is in conformity with the Act, that none of the actions taken in connection with the admission of such Person as a substitute or additional General Partner will cause (i) the Partnership to be classified other than as a partnership for federal income tax purposes, or (ii) the loss of any Limited Partner's limited liability.

7.03 Effect of Bankruptcy, Withdrawal, Death or Dissolution of General Partner.

(a) Upon the occurrence of an Event of Bankruptcy as to the General Partner (and its removal pursuant to Section 7.04(a) hereof) or the death, withdrawal, removal or dissolution of the General Partner (except that, if the General Partner is on the date of such occurrence a partnership, the withdrawal, death, dissolution, Event of Bankruptcy as to, or removal of a partner in, such partnership shall be deemed not to be a dissolution of the General Partner if the business of the General Partner is continued by the remaining partner or partners), the Partnership shall be dissolved and terminated unless the Partnership is continued pursuant to Section 7.03(b) hereof. The merger of the General Partner with or into any entity that is admitted as a substitute or successor General Partner pursuant to Section 7.02 hereof shall not be deemed to be the withdrawal, dissolution or removal of the General Partner.

(b) Following the occurrence of an Event of Bankruptcy as to the General Partner (and its removal pursuant to Section 7.04(a) hereof) or the death, withdrawal, removal or dissolution of the General Partner (except that, if the General Partner is on the date of such occurrence a partnership, the withdrawal, death, dissolution, Event of Bankruptcy as to, or removal of a partner in, such partnership shall be deemed not to be a dissolution of the General Partner if the business of such General Partner is continued by the remaining partner or partners), the Limited Partners, within 90 days after such occurrence, may elect to continue the business of the Partnership for the balance of the term specified in Section 2.04 hereof by selecting, subject to Section 7.02 hereof and any other provisions of this Agreement, a substitute General Partner by consent of a Majority in Interest. If the Limited Partners elect to continue the business of the Partnership and admit a substitute General Partner, the relationship with the Partners and of any Person who has acquired an interest of a Partner in the Partnership shall be governed by this Agreement.

7.04 Removal of General Partner.

(a) Upon the occurrence of an Event of Bankruptcy as to, or the dissolution of, the General Partner, the General Partner shall be deemed to be removed automatically; provided, however, that if the General Partner is on the date of such occurrence a partnership, the withdrawal, death, dissolution, Event of Bankruptcy as to, or removal of, a partner in such partnership shall be deemed not to be a dissolution of the General Partner if the business of the General Partner is continued by the remaining partner or partners. The Limited Partners may not remove the General Partner, with or without cause.

(b) If the General Partner has been removed pursuant to this Section 7.04 and the Partnership is continued pursuant to Section 7.03 hereof, the General Partner shall promptly transfer and assign its General Partnership Interest in the Partnership to the substitute General Partner approved by a Majority in Interest in accordance with Section 7.03(b) hereof and otherwise be admitted to the Partnership in accordance with Section 7.02 hereof. At the time of assignment, the removed General Partner shall be entitled to receive from the substitute General Partner the fair market value of the General Partnership Interest of such removed General Partner. Such fair market value shall be determined by an appraiser mutually agreed upon by the General Partner and a Majority in Interest (excluding the General Partner and any Subsidiary of the General Partner) within ten days following the removal of the General Partner. In the event that the parties are unable to agree upon an appraiser, the removed General Partner and a Majority in Interest (excluding, for purposes of determining a Majority in Interest, Partnership Interests held by the General Partner and any Subsidiary of the General Partner) each shall select an appraiser. Each such appraiser shall complete an appraisal of the fair market value of the removed General Partner's General Partnership Interest within 30 days of the General Partner's removal, and the fair market value of the removed General Partner's General Partnership Interest shall be the average of the two appraisals; provided, however, that if the higher appraisal exceeds the lower appraisal by more than 20% of the amount of the lower appraisal, the two appraisers, no later than 40 days after the removal of the General Partner, shall select a third appraiser who shall complete an appraisal of the fair market value of the removed General Partner's General Partnership Interest no later than 60 days after the removal of the General Partner. In such case, the fair market value of the removed General Partner's General Partnership Interest shall be the average of the two appraisals closest in dollar value.

(c) The General Partnership Interest of a removed General Partner, during the time after default until transfer under Section 7.04(b) hereof, shall be converted to that of a special Limited Partner; provided, however, such removed General Partner shall not have any rights to participate in the management and affairs of the Partnership, and shall not be entitled to any portion of the income, expense, profit, gain or loss allocations or cash distributions allocable or payable, as the case may be, to the Limited Partners. Instead, such removed General Partner shall receive and be entitled only to retain distributions or allocations of such items that it would have been entitled to receive in its capacity as General Partner, until the transfer is effective pursuant to Section 7.04(b) hereof.

(d) All Partners shall have given and hereby do give such consents, shall take such actions and shall execute such documents as shall be legally necessary and sufficient to effect all the foregoing provisions of this Section 7.04.

ARTICLE VIII

RIGHTS AND OBLIGATIONS OF THE LIMITED PARTNERS

8.01 Management of the Partnership. The Limited Partners shall not participate in the management or control of Partnership business nor shall they transact any business for the Partnership, nor shall they have the power to sign for or bind the Partnership, such powers being vested solely and exclusively in the General Partner. The Limited Partners covenant and agree not to hold themselves out in a manner that could reasonably be considered in contravention of the terms hereof by any third party.

8.02 Power of Attorney. Each Limited Partner by entry into this Agreement through execution, execution by power of attorney or other consent, hereby irrevocably appoints the General Partner its true and lawful attorney-in-fact, who may act for each Limited Partner and in its name, place and stead, and for its use and benefit, to sign, acknowledge, swear to, deliver, file or record, at the appropriate public offices, any and all documents, certificates and instruments (including, without limitation, this Agreement and all amendments or restatements thereof) as may be deemed necessary or desirable by the General Partner to carry out fully the provisions of this Agreement and the Act in accordance with their terms, which power of attorney is coupled with an interest and shall survive the death, dissolution or legal incapacity of the Limited Partner, or the transfer by the Limited Partner of any part or all of its Partnership Interest.

8.03 Limitation on Liability of Limited Partners. No Limited Partner shall be liable for any debts, liabilities, contracts or obligations of the Partnership. A Limited Partner shall be liable to the Partnership only to make payments of its Capital Contribution, if any, as and when due hereunder. After its Capital Contribution is fully paid, no Limited Partner shall, except as otherwise required by the Act, be required to make any further Capital Contributions or other payments or lend any funds to the Partnership.

8.04 Common Unit Redemption Right.

(a) Subject to Sections 8.04(b), (c), (d), (e) and (f) hereof and the provisions of any agreements between the Partnership and one or more Limited Partners with respect to Common Units (including any LTIP Units that are converted into Common Units) held by them, each Limited Partner (other than the General Partner or any Subsidiary of the General Partner, shall have the right (the "**Common Unit Redemption Right**") to require the Partnership to redeem on a Specified Redemption Date all or a portion of the Common Units held by such Limited Partner at a redemption price equal to and in the form of the Common Redemption Amount to be paid by the Partnership, provided that (i) Common Units outstanding as of the Original Date shall have been outstanding for at least one year (or such lesser time as determined by the General Partner in its sole and absolute discretion) and (ii) Common Units issued after the Original Date shall be subject to any restriction agreed to in writing between the Redeeming Limited Partner and the General Partner. The Common Unit Redemption Right shall be exercised pursuant to a Notice of Exercise of Redemption Right in the form attached hereto as Exhibit B delivered to the Partnership (with a copy to the General Partner) by the Limited Partner who is exercising the Common Unit Redemption Right (the "**Redeeming Limited Partner**") and such notice shall be irrevocable unless otherwise agreed upon by the General Partner. In such event, the Partnership shall deliver the Cash Amount to the Redeeming Limited Partner. Notwithstanding the foregoing, the Partnership shall not be obligated to satisfy such Common Unit Redemption Right if the General Partner elects to purchase the Common Units subject to the Notice of Redemption pursuant to Section 8.04(b) hereof. No Limited Partner may deliver more than two Notices of Redemption during each calendar year unless otherwise agreed by the General Partner. A Limited Partner may not exercise the Common Unit Redemption Right for less than one thousand (1,000) Common Units or, if such Limited Partner holds less than one thousand (1,000) Common Units, all of the Common Units held by such Limited Partner. The Redeeming Limited Partner shall have no right, with respect to any Common Units so redeemed, to receive any distribution paid with respect to Common Units if the record date for such distribution is on or after the Specified Redemption Date.

(b) Notwithstanding the provisions of Section 8.04(a) hereof, if a Limited Partner exercises the Common Unit Redemption Right by delivering to the Partnership a Notice of Redemption, then the Partnership may, in its sole and absolute discretion, elect to cause the General Partner to purchase directly and acquire some or all of, and in such event the General Partner agrees to purchase and acquire, such Common Units by paying to the Redeeming Limited Partner either the Cash Amount or the REIT Shares Amount, as elected by the General Partner (in its sole and absolute discretion) on the Specified Redemption Date, whereupon the General Partner shall acquire the Common Units offered for redemption by the Redeeming Limited Partner and shall be treated for all purposes of this Agreement as the owner of such Common Units.

In the event the General Partner purchases Common Units with respect to the exercise of a Common Unit Redemption Right, the Partnership shall have no obligation to pay any amount to the Redeeming Limited Partner with respect to such Redeeming Limited Partner's exercise of such Common Unit Redemption Right, and each of the Redeeming Limited Partner, the Partnership and the General Partner shall treat the transaction between the General Partner and the Redeeming Limited Partner for federal income tax purposes as a sale of the Redeeming Limited Partner's Common Units to the General Partner. Each Redeeming Limited Partner agrees to execute such documents as the General Partner may reasonably require in connection with the issuance of REIT Shares upon exercise of the Common Unit Redemption Right.

Each Redeeming Limited Partner covenants and agrees that all Common Units subject to a Notice of Redemption will be delivered to the Partnership or the General Partner free and clear of all liens, claims and encumbrances whatsoever and should any such liens, claims or encumbrances exist or arise with respect to such Common Units, neither the Partnership nor the General Partner shall be under any obligation to redeem or acquire such Common Units.

(c) Notwithstanding the provisions of Sections 8.04(a) and 8.04(b) hereof, a Limited Partner shall not be entitled to exercise the Common Unit Redemption Right if the delivery of REIT Shares to such Limited Partner on the Specified Redemption Date by the General Partner pursuant to Section 8.04(b) hereof (regardless of whether or not the General Partner would in fact purchase the Common Units pursuant to Section 8.04(b) hereof) would (i) result in such Limited Partner or any other Person (as defined in the Articles) owning, directly or indirectly, REIT Shares in excess of the Stock Ownership Limit or any Excepted Holder Limit (each as defined in the Articles) and calculated in accordance therewith, except as provided in the Articles, (ii) result in REIT Shares being owned by fewer than 100 persons (determined without reference to any rules of attribution), (iii) result in the General Partner being "closely held" within the meaning of Section 856(h) of the Code, (iv) cause the General Partner to own, actually or constructively, 10% or more of the ownership interests in a tenant (other than a TRS) of the General Partner's, the Partnership's or a Subsidiary Partnership's real property, within the meaning of Section 856(d)(2)(B) of the Code, (v) otherwise cause the General Partner to fail to qualify as a REIT under the Code, or (vi) cause the acquisition of REIT Shares by such Limited Partner to be "integrated" with any other distribution of REIT Shares or Common Units for purposes of complying with the registration provisions of the Securities Act. The General Partner, in its sole and absolute discretion, may waive the restriction on redemption set forth in this Section 8.04(c).

(d) Any Cash Amount to be paid to a Redeeming Limited Partner pursuant to this Section 8.04 shall be paid on the Specified Redemption Date; provided, however, that the General Partner may elect to cause the Specified Redemption Date to be delayed for up to an additional 90 days to the extent required for the General Partner to cause additional REIT Shares to be issued to provide financing to be used to make such payment of the Cash Amount and may also delay such Specified Redemption Date to the extent necessary to effect compliance with applicable requirements of the law. Any REIT Shares Amount to be paid to a Redeeming Limited Partner pursuant to this Section 8.04 shall be paid on the Specified Redemption Date; provided, however, that the General Partner may elect to cause the Specified Redemption Date to be delayed to the extent necessary to effect compliance with applicable requirements of the law. Notwithstanding the foregoing, the General Partner agrees to use its commercially reasonable efforts to cause the closing of the acquisition of redeemed Common Units hereunder to occur as quickly as reasonably possible.

(e) Notwithstanding any other provision of this Agreement, the General Partner is authorized to take any action that it determines to be necessary or appropriate to cause the Partnership to comply with any withholding requirements established under the Code or any other federal, state, local or foreign law that apply upon a Redeeming Limited Partner's exercise of the Common Unit Redemption Right. If a Redeeming Limited Partner believes that it is exempt from such withholding upon the exercise of the Common Unit Redemption Right, such Partner must furnish the General Partner with a FIRPTA Certificate in the form attached hereto as Exhibit C and any similar forms or certificates required to avoid or reduce the withholding under federal, state, local or foreign law or such other form as the General Partner may reasonably request. If the Partnership or the General Partner is required to withhold and pay over to any taxing authority any amount upon a Redeeming Limited Partner's exercise of the Common Unit Redemption Right and if the Common Redemption Amount equals or exceeds the Withheld Amount, the Withheld Amount shall be treated as an amount received by such Partner in redemption of its Common Units. If, however, the Common Redemption Amount is less than the Withheld Amount, the Redeeming Limited Partner shall not receive any portion of the Common Redemption Amount, the Common Redemption Amount shall be treated as an amount received by such Partner in redemption of its Common Units, and the Partner shall contribute the excess of the Withheld Amount over the Common Redemption Amount to the Partnership before the Partnership is required to pay over such excess to a taxing authority.

(f) Notwithstanding any other provision of this Agreement, the General Partner may place appropriate restrictions on the ability of the Limited Partners to exercise their Common Unit Redemption Rights as and if deemed necessary or reasonable to ensure that the Partnership does not constitute a "publicly traded partnership" under Section 7704 of the Code. If and when the General Partner determines that imposing such restrictions is necessary, the General Partner shall give prompt written notice thereof (a "**Restriction Notice**") to each of the Limited Partners, which notice shall be accompanied by a copy of an opinion of counsel to the Partnership that states that, in the opinion of such counsel, restrictions are necessary or reasonable in order to avoid the Partnership being treated as a "publicly traded partnership" under Section 7704 of the Code.

8.05 Registration. Subject to the terms of any agreement between the General Partner and a Limited Partner with respect to Common Units held by such Limited Partner:

(a) Shelf Registration of the REIT Shares. Following the date on which the General Partner becomes eligible to use a registration statement on Form S-3 for the registration of securities under the Securities Act (the "**S-3 Eligible Date**"), the General Partner shall file with the Commission a shelf registration statement under Rule 415 of the Securities Act (the "**Registration Statement**"), or any similar rule that may be adopted by the Commission, covering (i) the issuance of REIT Shares issuable upon redemption of the Common Units held by the Limited Partners as of the date of this Agreement ("**Redemption Shares**") and/or (ii) the resale by the holder of the Redemption Shares. In connection therewith, the General Partner will:

(1) use commercially reasonable efforts to have such Registration Statement declared effective;

(2) register or qualify the Redemption Shares covered by the Registration Statement under the securities or blue sky laws of such jurisdictions within the United States as required by law, and do such other reasonable acts and things as may be required of it to enable such holders to consummate the sale or other disposition in such jurisdictions of the Redemption Shares; provided, however, that the General Partner shall not be required to (i) qualify as a foreign corporation or consent to a general or unlimited service or process in any jurisdictions in which it would not otherwise be required to be qualified or so consent or (ii) qualify as a dealer in securities; and

(3) otherwise use its commercially reasonable efforts to comply with all applicable rules and regulations of the Commission in connection with the Registration Statement.

The General Partner further agrees to supplement or make amendments to the Registration Statement, if required by the rules, regulations or instructions applicable to the registration form utilized by the General Partner or by the Securities Act or rules and regulations thereunder for the Registration Statement. Each Limited Partner agrees to furnish to the General Partner, upon request, such information with respect to the Limited Partner as may be required to complete and file the Registration Statement and to have the Registration Statement declared effective by the SEC.

In connection with and as a condition to the General Partner's obligations with respect to the filing of the Registration Statement pursuant to this Section 8.05, each Limited Partner agrees with the General Partner that:

(w) it will provide in a timely manner to the General Partner such information with respect to the Limited Partner as reasonably required to complete the Registration Statement or as otherwise required to comply with applicable securities laws and regulations;

(x) it will not offer or sell its Redemption Shares until (A) such Redemption Shares have been included in the Registration Statement and (B) it has received notice that the Registration Statement covering such Redemption Shares, or any post-effective amendment thereto, has been declared effective by the Commission, such notice to have been satisfied by the posting by the Commission on *www.sec.gov* of a notice of effectiveness;

(y) if the General Partner determines in its good faith judgment, after consultation with counsel, that the use of the Registration Statement, including any pre- or post-effective amendment thereto, or the use of any prospectus contained in such Registration Statement would require the disclosure of important information that the General Partner has a *bona fide* business purpose for preserving as confidential or the disclosure of which, in the judgment of the General Partner, would impede the General Partner's ability to consummate a significant transaction, upon written notice of such determination by the General Partner (which notice shall be deemed sufficient if given through the issuance of a press release or filing with the Commission and, if such notice is not publicly distributed, the Limited Partner agrees to keep the subject information confidential and acknowledges that such information may constitute material non-public information subject to the applicable restrictions under securities laws), the rights of each Limited Partner to offer, sell or distribute its Redemption Shares pursuant to such Registration Statement or prospectus or to require the General Partner to take action with respect to the registration or sale of any Redemption Shares pursuant to a Registration Statement (including any action contemplated by this Section 8.05) will be suspended until the date upon which the General Partner notifies such Limited Partner in writing (which notice shall be deemed sufficient if given through the issuance of a press release or filing with the Commission and, if such notice is not publicly distributed, the Limited Partner agrees to keep the subject information confidential and acknowledges that such information may constitute material non-public information subject to the applicable restrictions under securities laws) that suspension of such rights for the grounds set forth in this paragraph is no longer necessary; provided, however, that the General Partner may not suspend such rights for an aggregate period of more than 180 days in any 12-month period; and

(z) in the case of the registration of any underwritten equity offering proposed by the General Partner (other than any registration by the General Partner on Form S-8, or a successor or substantially similar form, of an employee stock option, stock purchase or compensation plan or of securities issued or issuable pursuant to any such plan), each Limited Partner will agree, if requested in writing by the managing underwriter or underwriters administering such offering, not to effect any offer, sale or distribution of any REIT Shares or Redemption Shares (or any option or right to acquire REIT Shares or Redemption Shares) during the period commencing on the tenth day prior to the expected effective date (which date shall be stated in such notice) of the registration statement covering such underwritten primary equity offering or, if such offering shall be a "take-down" from an effective shelf registration statement, the tenth day prior to the expected commencement date (which date shall be stated in such notice) of such offering, and ending on the date specified by such managing underwriter in such written request to the Limited Partners; provided, however, that no Limited Partner shall be required to agree not to effect any offer, sale or distribution of its Redemption Shares for a period of time that is longer than the greater of 90 days or the period of time for which any senior executive of the General Partner is required so to agree in connection with such offering. Nothing in this paragraph shall be read to limit the ability of any Limited Partner to redeem its Common Units in accordance with the terms of this Agreement.

(b) Listing on Securities Exchange. If the General Partner lists or maintains the listing of REIT Shares on any securities exchange or national market system, it shall, at its expense and as necessary to permit the registration and sale of the Redemption Shares hereunder, list thereon, maintain and, when necessary, increase such listing to include such Redemption Shares.

(c) Registration Not Required. Notwithstanding the foregoing, the General Partner shall not be required to file or maintain the effectiveness of a registration statement relating to Redemption Shares after the first date upon which, in the opinion of counsel to the General Partner, all of the Redemption Shares covered thereby could be sold by the holders thereof either (i) pursuant to Rule 144 under the Securities Act, or any successor rule thereto ("**Rule 144**") without limitation as to amount or manner of sale or (ii) pursuant to Rule 144 in one transaction in accordance with the volume limitations contained in Rule 144(e) under the Securities Act.

(d) Allocation of Expenses. The Partnership shall pay all expenses in connection with the Registration Statement, including without limitation (i) all expenses incident to filing with the Financial Industry Regulatory Authority, Inc., (ii) registration fees, (iii) printing expenses, (iv) accounting and legal fees and expenses, except to the extent holders of Redemption Shares elect to engage accountants or attorneys in addition to the accountants and attorneys engaged by the General Partner or the Partnership, which fees and expenses for such accountants or attorneys shall be for the account of the holders of the Redemption Shares, (v) accounting expenses incident to or required by any such registration or qualification and (vi) expenses of complying with the securities or blue sky laws of any jurisdictions in connection with such registration or qualification; provided, however, neither the Partnership nor the General Partner shall be liable for, or pay (A) any discounts or commissions to any underwriter or broker attributable to the sale of Redemption Shares, or (B) any fees or expenses incurred by holders of Redemption Shares in connection with such registration that, according to the written instructions of any regulatory authority, the Partnership or the General Partner is not permitted to pay.

(e) Indemnification.

(i) In connection with the Registration Statement, the General Partner and the Partnership agree to indemnify each holder of Redemption Shares and each Person who controls any such holder of Redemption Shares within the meaning of Section 15 of the Securities Act, against all losses, claims, damages, liabilities and expenses (including reasonable costs of investigation) caused by any untrue, or alleged untrue, statement of a material fact contained in the Registration Statement, preliminary prospectus or prospectus (as amended or supplemented if the General Partner shall have furnished any amendments or supplements thereto) or caused by any omission or alleged omission, to state therein a material fact required to be stated therein or necessary to make the statements therein not misleading, except insofar as such losses, claims, damages, liabilities or expenses are caused by any untrue statement, alleged untrue statement, omission, or alleged omission based upon information furnished to the General Partner by the Limited Partner or the holder for use therein. The General Partner and each officer, director and controlling person of the General Partner and the Partnership shall be indemnified by each Limited Partner or holder of Redemption Shares covered by the Registration Statement for all such losses, claims, damages, liabilities and expenses (including reasonable costs of investigation) caused by any untrue, or alleged untrue, statement or any omission, or alleged omission, based upon information furnished to the General Partner by the Limited Partner or the holder for use therein.

(ii) Promptly upon receipt by a party indemnified under this Section 8.05(e) of notice of the commencement of any action against such indemnified party in respect of which indemnity or reimbursement may be sought against any indemnifying party under this Section 8.05(e), such indemnified party shall notify the indemnifying party in writing of the

commencement of such action, but the failure to so notify the indemnifying party shall not relieve it of any liability that it may have to any indemnified party otherwise than under this Section 8.05(e) unless such failure shall materially adversely affect the defense of such action. In case notice of commencement of any such action shall be given to the indemnifying party as above provided, the indemnifying party shall be entitled to participate in and, to the extent it may wish, jointly with any other indemnifying party similarly notified, to assume the defense of such action at its own expense, with counsel chosen by it and reasonably satisfactory to such indemnified party. The indemnified party shall have the right to employ separate counsel in any such action and participate in the defense thereof, but the fees and expenses of such counsel shall be paid by the indemnified party unless (i) the indemnifying party agrees to pay the same, (ii) the indemnifying party fails to assume the defense of such action with counsel reasonably satisfactory to the indemnified party or (iii) the named parties to any such action (including any impleaded parties) have been advised by such counsel that representation of such indemnified party and the indemnifying party by the same counsel would be inappropriate under applicable standards of professional conduct (in which case the indemnified party shall have the right to separate counsel and the indemnifying party shall pay the reasonable fees and expenses of such separate counsel, provided that, the indemnifying party shall not be liable for more than one separate counsel). No indemnifying party shall be liable for any settlement of any proceeding entered into without its consent.

(f) Contribution.

(i) If for any reason the indemnification provisions contemplated by Section 8.05(e) hereof are either unavailable or insufficient to hold harmless an indemnified party in respect of any losses, claims, damages or liabilities referred to therein, then the party that would otherwise be required to provide indemnification or the indemnifying party (in either case, for purposes of this Section 8.05(f), the "**Indemnifying Party**") in respect of such losses, claims, damages or liabilities, shall contribute to the amount paid or payable by the party that would otherwise be entitled to indemnification or the indemnified party (in either case, for purposes of this Section 8.05(f), the "**Indemnified Party**") as a result of such losses, claims, damages, liabilities or expense, in such proportion as is appropriate to reflect the relative fault of the Indemnifying Party and the Indemnified Party, as well as any other relevant equitable considerations. The relative fault of the Indemnifying Party and Indemnified Party shall be determined by reference to, among other things, whether the untrue or alleged untrue statement of a material fact or omission or alleged omission to state a material fact related to information supplied by the Indemnifying Party or Indemnified Party, and the parties' relative intent, knowledge, access to information and opportunity to correct or prevent such statement or omission. The amount paid or payable by a party as a result of the losses, claims, damages, liabilities and expenses referred to above shall be deemed to include any legal or other fees or expenses reasonably incurred by such party.

(ii) The parties hereto agree that it would not be just and equitable if contribution pursuant to this Section 8.05(f) were determined by pro rata allocation (even if the holders were treated as one entity for such purpose) or by any other method of allocation that does not take account of the equitable considerations referred to in the immediately preceding paragraph. No person or entity determined to have committed a fraudulent misrepresentation (within the meaning of Section 11(f) of the Securities Act) shall be entitled to contribution from any person or entity who was not guilty of such fraudulent misrepresentation.

(iii) The contribution provided for in this Section 8.05(f) shall survive the termination of this Agreement and shall remain in full force and effect regardless of any investigation made by or on behalf of any Indemnified Party.

ARTICLE IX

TRANSFERS OF PARTNERSHIP INTERESTS

9.01 Purchase for Investment.

(a) Each Limited Partner, by its signature below or by its subsequent admission to the Partnership, hereby represents and warrants to the General Partner and to the Partnership that the acquisition of such Limited Partner's Partnership Units is made for investment purposes only and not with a view to the resale or distribution of such Partnership Units.

(b) Subject to the provisions of Section 9.02 hereof, each Limited Partner agrees that such Limited Partner will not sell, assign or otherwise transfer such Limited Partner's Partnership Units or any fraction thereof, whether voluntarily or by operation of law or at judicial sale or otherwise, to any Person who does not make the representations and warranties to the General Partner set forth in Section 9.01(a) hereof.

9.02 Restrictions on Transfer of Partnership Units.

(a) Subject to the provisions of Sections 9.02(b) and (c) hereof, no Limited Partner may offer, sell, assign, hypothecate, pledge or otherwise transfer all or any portion of such Limited Partner's Partnership Units, or any of such Limited Partner's economic rights as a Limited Partner, whether voluntarily or by operation of law or at judicial sale or otherwise (collectively, a "**Transfer**") without the consent of the General Partner, which consent may be granted or withheld in its sole and absolute discretion; provided, however, that the term Transfer does not include (a) any redemption of Common Units by the Partnership or the General Partner, or acquisition of Common Units by the General Partner, pursuant to Section 8.04 or (b) any redemption of Partnership Units pursuant to any Partnership Unit Designation. The General Partner may require, as a condition of any Transfer to which it consents, that the transferor assume all costs incurred by the Partnership in connection therewith (including, but not limited to, cost of legal counsel).

(b) No Limited Partner may withdraw from the Partnership other than as a result of a permitted Transfer (*i.e.*, a Transfer consented to as contemplated by clause (a) above or a Transfer pursuant to Section 9.05 hereof) of all of such Limited Partner's Partnership Units pursuant to this Article IX or pursuant to a redemption of all of such Limited Partner's Common Units pursuant to Section 8.04 hereof. Upon the permitted Transfer or redemption of all of a Limited Partner's Common Units, such Limited Partner shall cease to be a Limited Partner.

(c) No Limited Partner may effect a Transfer of its Partnership Units, in whole or in part, if, in the opinion of legal counsel for the Partnership, such proposed Transfer would require the registration of the Partnership Units under the Securities Act or would otherwise violate any applicable federal or state securities or blue sky law (including investment suitability standards).

(d) No Transfer by a Limited Partner of its Partnership Units, in whole or in part, may be made to any Person if (i) in the opinion of legal counsel for the Partnership, such Transfer would result in the Partnership being treated as an association taxable as a corporation (other than a qualified REIT subsidiary within the meaning of Section 856(i) of the Code), (ii) in the opinion of legal counsel for the Partnership, it would adversely affect the ability of the General Partner to continue to qualify as a REIT or subject the General Partner to any additional taxes under Section 857 or Section 4981 of the Code, (iii) the General Partner determines, in its sole and absolute discretion, that such Transfer, along or in connection with other Transfers, could cause the Partnership Units to be treated as readily tradable on an "established securities market" or a "secondary market (or the substantial equivalent thereof)" within the meaning of Section 7704 of the Code, or (iv) in the opinion of legal counsel for the Partnership, such Transfer is reasonably likely to cause the Partnership to fail to satisfy the 90% qualifying income test described in Section 7704(c) of the Code.

(e) Any purported Transfer in contravention of any of the provisions of this Article IX shall be void ab initio and ineffectual and shall not be binding upon, or recognized by, the General Partner or the Partnership.

(f) Prior to the consummation of any Transfer under this Article IX, the transferor and/or the transferee shall deliver to the General Partner such opinions, certificates and other documents as the General Partner shall request in connection with such Transfer.

9.03 Admission of Substitute Limited Partner.

(a) Subject to the other provisions of this Article IX, an assignee of the Partnership Units of a Limited Partner (which shall be understood to include any purchaser, transferee, donee or other recipient of any disposition of such Partnership Units) shall be deemed admitted as a Limited Partner of the Partnership only with the consent of the General Partner, which consent may be given or withheld by the General Partner in its sole and absolute discretion, and upon the completion of the following in a manner satisfactory to the General Partner:

(i) The assignee shall have accepted and agreed to be bound by the terms and provisions of this Agreement by executing a counterpart or an amendment thereof, including a revised Exhibit A, and such other documents or instruments as the General Partner may require in order to effect the admission of such Person as a Limited Partner.

(ii) To the extent required, an amended Certificate evidencing the admission of such Person as a Limited Partner shall have been signed, acknowledged and filed in accordance with the Act.

(iii) The assignee shall have delivered a letter containing the representation set forth in Section 9.01(a) hereof and the agreement set forth in Section 9.01(b) hereof.

(iv) If the assignee is a corporation, partnership, limited liability company or trust, the assignee shall have provided the General Partner with evidence satisfactory to counsel for the Partnership of the assignee's authority to become a Limited Partner under the terms and provisions of this Agreement.

(v) The assignee shall have executed a power of attorney containing the terms and provisions set forth in Section 8.02 hereof.

(vi) The assignee shall have paid all legal fees and other expenses of the Partnership and the General Partner and filing and publication costs in connection with its substitution as a Limited Partner.

(vii) The assignee shall have obtained the prior written consent of the General Partner to its admission as a Substitute Limited Partner, which consent may be given or denied in the exercise of the General Partner's sole and absolute discretion.

(b) For the purpose of allocating Profits and Losses and distributing cash received by the Partnership, a Substitute Limited Partner shall be treated as having become, and appearing in the records of the Partnership as, a Partner upon the filing of the Certificate described in Section 9.03(a)(ii) hereof or, if no such filing is required, the later of the date specified in the transfer documents or the date on which the General Partner has received all necessary instruments of transfer and substitution.

(c) The General Partner and the Substitute Limited Partner shall cooperate with each other by preparing the documentation required by this Section 9.03 and making all required filings and publications. The Partnership shall take all such action as promptly as practicable after the satisfaction of the conditions in this Article IX to the admission of such Person as a Limited Partner of the Partnership.

9.04 Rights of Assignees of Partnership Units.

(a) Subject to the provisions of Sections 9.01, 9.02 and 9.03 hereof, except as required by operation of law, the Partnership shall not be obligated for any purposes whatsoever to recognize the assignment by any Limited Partner of its Partnership Units until the Partnership has received notice thereof.

(b) Any Person who is the assignee of all or any portion of a Limited Partner's Partnership Units, but does not become a Substitute Limited Partner and desires to make a further assignment of such Partnership Units, shall be subject to all the provisions of this Article IX to the same extent and in the same manner as any Limited Partner desiring to make an assignment of its Partnership Units.

9.05 Effect of Bankruptcy, Death, Incompetence or Termination of a Limited Partner. The occurrence of an Event of Bankruptcy as to a Limited Partner, the death of a Limited Partner or a final adjudication that a Limited Partner is incompetent (which term shall include, but not be limited to, insanity) shall not cause the termination or dissolution of the Partnership, and the business of the Partnership shall continue if an order for relief in a bankruptcy proceeding is entered against a Limited Partner, the trustee or receiver of his estate or, if such Limited Partner dies, such Limited Partner's executor, administrator or trustee, or, if such Limited Partner is finally adjudicated incompetent, such Limited Partner's committee, guardian or conservator, shall have the rights of such Limited Partner for the purpose of settling or managing such Limited Partner's estate property and such power as the bankrupt, deceased or incompetent Limited Partner possessed to assign all or any part of such Limited Partner's Partnership Units and to join with the assignee in satisfying conditions precedent to the admission of the assignee as a Substitute Limited Partner.

9.06 Joint Ownership of Partnership Units. A Partnership Unit may be acquired by two individuals as joint tenants with right of survivorship, provided that such individuals either are married or are related and share the same home as tenants in common. The written consent or vote of both owners of any such jointly held Partnership Unit shall be required to constitute the action of the owners of such Partnership Unit; provided, however, that the written consent of only one joint owner will be required if the Partnership has been provided with evidence satisfactory to the counsel for the Partnership that the actions of a single joint owner can bind both owners under the applicable laws of the state of residence of such joint owners. Upon the death of one owner of a Partnership Unit held in a joint tenancy with a right of survivorship, the Partnership Unit shall become owned solely by the survivor as a Limited Partner and not as an assignee. The Partnership need not recognize the death of one of the owners of a jointly-held Partnership Unit until it shall have received certificated notice of such death. Upon notice to the General Partner from either owner, the General Partner shall cause the Partnership Unit to be divided into two equal Partnership Units, which shall thereafter be owned separately by each of the former owners.

ARTICLE X

BOOKS AND RECORDS; ACCOUNTING; TAX MATTERS

10.01 Books and Records. At all times during the continuance of the Partnership, the General Partner shall keep or cause to be kept at the Partnership's specified office true and complete books of account in accordance with generally accepted accounting principles, including: (a) a current list of the full name and last known business address of each Partner, (b) a copy of the Certificate of Limited Partnership and all certificates of amendment thereto, (c) copies of the Partnership's federal, state and local income tax returns and reports, (d) copies of this Agreement and any financial statements of the Partnership for the three most recent years and (e) all documents and information required under the Act. Any Partner or its duly authorized representative, upon paying the costs of collection, duplication and mailing, shall be entitled to a copy of such records if reasonably requested.

10.02 Custody of Partnership Funds; Bank Accounts.

(a) All funds of the Partnership not otherwise invested shall be deposited in one or more accounts maintained in such banking or brokerage institutions as the General Partner shall determine, and withdrawals shall be made only on such signature or signatures as the General Partner may, from time to time, determine.

(b) All deposits and other funds not needed in the operation of the business of the Partnership may be invested by the General Partner. The funds of the Partnership shall not be commingled with the funds of any Person other than the General Partner except for such commingling as may necessarily result from an investment in those investment companies permitted by this Section 10.02(b).

10.03 Fiscal and Taxable Year. The fiscal and taxable year of the Partnership shall be the calendar year unless otherwise required by the Code.

10.04 Annual Tax Information and Report. Within 75 days after the end of each fiscal year of the Partnership, the General Partner shall furnish to each person who was a Limited Partner at any time during such year the tax information necessary to file such Limited Partner's individual tax returns as shall be reasonably required by law.

10.05 Tax Matters Partner; Tax Elections; Special Basis Adjustments.

(a) The General Partner shall be the Tax Matters Partner of the Partnership. As Tax Matters Partner, the General Partner shall have the right and obligation to take all actions authorized and required by the Code for the Tax Matters Partner. The General Partner shall have the right to retain professional assistance in respect of any audit of the Partnership by the Service and all out-of-pocket expenses and fees incurred by the General Partner on behalf of the Partnership as Tax Matters Partner shall constitute Partnership expenses. In the event the General Partner receives notice of a final Partnership adjustment under Section 6223(a)(2) of the Code, the General Partner shall either (i) file a court petition for judicial review of such final adjustment within the period provided under Section 6226(a) of the Code, a copy of which petition shall be mailed to all Limited Partners on the date such petition is filed, or (ii) mail a written notice to all Limited Partners, within such period, that describes the General Partner's reasons for determining not to file such a petition.

(b) All elections required or permitted to be made by the Partnership under the Code or any applicable state or local tax law shall be made by the General Partner in its sole and absolute discretion.

(c) In the event of a transfer of all or any part of the Partnership Interest of any Partner, the Partnership, at the option of the General Partner, may elect pursuant to Section 754 of the Code to adjust the basis of the Properties. Notwithstanding anything contained in Article V of this Agreement, any adjustments made pursuant to Section 754 shall affect only the successor in interest to the transferring Partner and in no event shall be taken into account in establishing, maintaining or computing Capital Accounts for the other Partners for any purpose under this Agreement. Each Partner will furnish the Partnership with all information necessary to give effect to such election.

(d) The Partners, intending to be legally bound, hereby authorize the Partnership to make an election (the "**Safe Harbor Election**") to have the "liquidation value" safe harbor provided in Proposed Treasury Regulation § 1.83-3(1) and the Proposed Revenue Procedure set forth in Internal Revenue Service Notice 2005-43, as such safe harbor may be modified when such proposed guidance is issued in final form or as amended by subsequently issued guidance (the "**Safe Harbor**"), apply to any interest in the Partnership transferred to a service provider while the Safe Harbor Election remains effective, to the extent such interest meets the Safe Harbor requirements (collectively, such interests are referred to as "**Safe Harbor Interests**"). The Tax Matters Partner is authorized and directed to execute and file the Safe Harbor Election on behalf of the Partnership and the Partners. The Partnership and the Partners (including any person to whom an interest in the Partnership is transferred in connection with the performance of services) hereby

agree to comply with all requirements of the Safe Harbor (including forfeiture allocations) with respect to all Safe Harbor Interests and to prepare and file all U.S. federal income tax returns reporting the tax consequences of the issuance and vesting of Safe Harbor Interests consistent with such final Safe Harbor guidance. The Partnership is also authorized to take such actions as are necessary to achieve, under the Safe Harbor, the effect that the election and compliance with all requirements of the Safe Harbor referred to above would be intended to achieve under Proposed Treasury Regulation § 1.83-3, including amending this Agreement.

(e) Each Limited Partner shall be required to provide such information as reasonably requested by the Partnership in order to determine whether such Limited Partner (i) owns, directly or constructively (within the meaning of Section 318(a) of the Code, as modified by Section 856(d)(5) of the Code and Section 7704(d)(3) of the Code), five percent (5%) or more of the value of the Partnership or (ii) owns, directly or constructively (within the meaning of Section 318(a) of the Code, as modified by Section 856(d)(5) of the Code and Section 7704(d)(3) of the Code), ten percent (10%) or more of (a) the stock, by voting power or value, of a tenant (other than a "taxable REIT subsidiary" within the meaning of Section 856(d) of the Code) of the Partnership that is a corporation or (b) the assets or net profits of a tenant of the Partnership that is a noncorporate entity.

ARTICLE XI

AMENDMENT OF AGREEMENT; MERGER

11.01 Amendment of Agreement.

The General Partner's consent shall be required for any amendment to this Agreement. The General Partner, without the consent of the Limited Partners, may amend this Agreement in any respect; provided, however, that the following amendments shall require the consent of a Majority in Interest (excluding, for purposes of determining a Majority in Interest, Partnership Interests held by the General Partner or any Subsidiary of the General Partner):

(a) any amendment affecting the operation of the Conversion Factor or the Common Unit Redemption Right (except as otherwise provided herein) in a manner that adversely affects the Limited Partners in any material respect;

(b) any amendment that would adversely affect the rights of the Limited Partners to receive the distributions payable to them hereunder, other than with respect to the issuance of additional Partnership Units pursuant to Section 4.02 hereof;

(c) any amendment that would alter the Partnership's allocations of Profit and Loss to the Limited Partners, other than with respect to the issuance of additional Partnership Units pursuant to Section 4.02 hereof;

(d) any amendment that would impose on the Limited Partners any obligation to make additional Capital Contributions to the Partnership; or

(e) any amendment to this Article XI.

11.02 Merger of Partnership.

The General Partner, without the consent of the Limited Partners, may (i) merge or consolidate the Partnership with or into any other domestic or foreign partnership, limited partnership, limited liability company or corporation or (ii) sell all or substantially all of the assets of the Partnership in a transaction pursuant to which the Limited Partners (other than the General Partner or any Subsidiary of the General Partner) receive consideration as set forth in Section 7.01(c)(ii) hereof or in a transaction that complies with the provisions of Sections 7.01(c)(iii) or 7.01(d) hereof and may amend this Agreement in connection with any such transaction consistent with the provisions of this Article XI; provided, however, that the consent of a Majority in Interest shall be required in the case of any other (a) merger or consolidation of the Partnership with or into any other domestic or foreign partnership, limited partnership, limited liability company or corporation or (b) sale of all or substantially all of the assets of the Partnership.

ARTICLE XII

GENERAL PROVISIONS

12.01 Notices. All communications required or permitted under this Agreement shall be in writing and shall be deemed to have been given when delivered personally, by email, by press release, by posting on the Web site of the General Partner, or upon deposit in the United States mail, registered, first-class postage prepaid return receipt requested, or via courier to the Partners at the addresses set forth in Exhibit A attached hereto, as it may be amended or restated from time to time; provided, however, that any Partner may specify a different address by notifying the General Partner in writing of such different address. Notices to the General Partner and the Partnership shall be delivered at or mailed to its principal office address set forth in Section 2.03 hereof. The General Partner and the Partnership may specify a different address by notifying the Limited Partners in writing of such different address.

12.02 Survival of Rights. Subject to the provisions hereof limiting transfers, this Agreement shall be binding upon and inure to the benefit of the Partners and the Partnership and their permitted respective legal representatives, successors, transferees and assigns.

12.03 Additional Documents. Each Partner agrees to perform all further acts and execute, swear to, acknowledge and deliver all further documents that may be reasonable, necessary, appropriate or desirable to carry out the provisions of this Agreement or as required by the Act.

12.04 Severability. If any provision of this Agreement shall be declared illegal, invalid or unenforceable in any jurisdiction, then such provision shall be deemed to be severable from this Agreement (to the extent permitted by law) and in any event such illegality, invalidity or unenforceability shall not affect the remainder hereof. To the extent permitted under applicable law, the severed provision shall be interpreted or modified so as to be enforceable to the maximum extent permitted by law.

12.05 Entire Agreement. This Agreement and exhibits attached hereto constitute the entire Agreement of the Partners and supersede all prior written agreements and prior and contemporaneous oral agreements, understandings and negotiations with respect to the subject matter hereof.

12.06 Pronouns and Plurals. When the context in which words are used in the Agreement indicates that such is the intent, words in the singular number shall include the plural and the masculine gender shall include the neuter or female gender as the context may require.

12.07 Headings. The Article headings or sections in this Agreement are for convenience only and shall not be used in construing the scope of this Agreement or any particular Article.

12.08 Counterparts. This Agreement may be executed by hand or by power of attorney in several counterparts, each of which shall be deemed to be an original copy and all of which together shall constitute one and the same instrument binding on all parties hereto, notwithstanding that all parties shall not have signed the same counterpart.

12.09 Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the Commonwealth of Virginia.

[Signature page follows.]

IN WITNESS WHEREOF, the parties hereto have hereunder affixed their signatures to this First Amended and Restated Agreement of Limited Partnership, all as of the day of , 2013.

GENERAL PARTNER:

ARMADA HOFFLER PROPERTIES, INC.

By: _____

Name: _____

Title: _____

LIMITED PARTNERS:

By: _____

, not individually
but as attorney-in-fact for each of the
following Limited Partners:

EXHIBIT A

(As of , 2013)

Partner	Cash Contribution(1)	Agreed Value of Capital Contribution(1)	Common Units	LTIP Units	Percentage Interest
General Partner:					
Armada Hoffler Properties, Inc.	$	$			
[ ]					
Limited Partners:					
[ ]	$	$			%
	$	$			%
	$	$			%
	$	$			%
TOTALS	$	$			%

(1) Does not account for offering expenses. Cash and Agreed Value of Cash are to be reduced by final amount of offering expenses and underwriting discount as determined by the accountants to the Company at a later date.

EXHIBIT B

NOTICE OF EXERCISE OF REDEMPTION RIGHT

In accordance with Section 8.04 of the Agreement of Limited Partnership, as amended (the **"Agreement"**) of Armada Hoffler, L.P., the undersigned hereby irrevocably (i) presents for redemption Common Units of Armada Hoffler, L.P. in accordance with the terms of the Agreement, as amended, and the Common Unit Redemption Right referred to in Section 8.04 thereof, (ii) surrenders such Common Units and all right, title and interest therein and (iii) directs that the Cash Amount or REIT Shares Amount (as defined in the Agreement) as determined by the General Partner deliverable upon exercise of the Common Unit Redemption Right be delivered to the address specified below, and if REIT Shares (as defined in the Agreement) are to be delivered, such REIT Shares be registered or placed in the name(s) and at the address(es) specified below. The undersigned hereby represents, warrants and certifies that the undersigned (a) has title to such Common Units, free and clear of the rights and interests of any person or entity other than the Partnership or the General Partner; (b) has the full right, power and authority to cause the redemption of the Common Units as provided herein; and (c) has obtained the approval of all persons or entities, if any, having the right to consent to or approve the Common Units for redemption.

Dated: ,

Name of Limited Partner:

(Signature of Limited Partner or Authorized Representative)

(Mailing Address)

(City) (State) (Zip Code)

Signature Guaranteed by:

If REIT Shares are to be issued, issue to:

Name:

Please insert Social Security or Identifying Number:

EXHIBIT C-1

CERTIFICATION OF NON-FOREIGN STATUS
(FOR REDEEMING LIMITED PARTNERS THAT ARE ENTITIES)

Under Section 1445(e) of the Internal Revenue Code of 1986, as amended (the "Code"), in the event of a disposition by a non-U.S. person of a partnership interest in a partnership in which (i) 50% or more of the value of the gross assets consists of United States real property interests ("USRPIs"), as defined in Section 897(c) of the Code, and (ii) 90% or more of the value of the gross assets consists of USRPIs, cash, and cash equivalents, the transferee will be required to withhold 10% of the amount realized by the non-U.S. person upon the disposition. To inform Armada Hoffler Properties, Inc. (the "General Partner") and Armada Hoffler, L.P. (the "Partnership") that no withholding is required with respect to the redemption by ("Partner") of its Common Units in the Partnership, the undersigned hereby certifies the following on behalf of Partner:

1. Partner is not a foreign corporation, foreign partnership, foreign trust, or foreign estate, as those terms are defined in the Code and the Treasury regulations thereunder.

2. Partner is not a disregarded entity as defined in Treasury Regulation Section 1.1445-2(b)(2)(iii).

3. The U.S. employer identification number of Partner is .

4. The principal business address of Partner is: , and Partner's place of incorporation is .

5. Partner agrees to inform the General Partner if it becomes a foreign person at any time during the three-year period immediately following the date of this notice.

6. Partner understands that this certification may be disclosed to the Internal Revenue Service by the General Partner and that any false statement contained herein could be punished by fine, imprisonment, or both.

PARTNER:

By: _____
Name: _____
Title: _____

Under penalties of perjury, I declare that I have examined this certification and, to the best of my knowledge and belief, it is true, correct, and complete, and I further declare that I have authority to sign this document on behalf of Partner.

Date:

Name: _____
Title: _____

EXHIBIT C-2

CERTIFICATION OF NON-FOREIGN STATUS
(FOR REDEEMING LIMITED PARTNERS THAT ARE INDIVIDUALS)

Under Section 1445(e) of the Internal Revenue Code of 1986, as amended (the "Code"), in the event of a disposition by a non-U.S. person of a partnership interest in a partnership in which (i) 50% or more of the value of the gross assets consists of United States real property interests ("USRPIs"), as defined in Section 897(c) of the Code, and (ii) 90% or more of the value of the gross assets consists of USRPIs, cash, and cash equivalents, the transferee will be required to withhold 10% of the amount realized by the non-U.S. person upon the disposition. To inform Armada Hoffler Properties, Inc. (the "General Partner") and Armada Hoffler, L.P. (the "Partnership") that no withholding is required with respect to my redemption of my Common Units in the Partnership, I, , hereby certify the following:

1. I am not a nonresident alien for purposes of U.S. income taxation.

2. My U.S. taxpayer identification number (social security number) is .

3. My home address is: .

4. I agree to inform the General Partner promptly if I become a nonresident alien at any time during the three-year period immediately following the date of this notice.

5. I understand that this certification may be disclosed to the Internal Revenue Service by the General Partner and that any false statement contained herein could be punished by fine, imprisonment, or both.

Name: .

Under penalties of perjury, I declare that I have examined this certification and, to the best of my knowledge and belief, it is true, correct, and complete.

Date: , 20 .

Name: _____
Title: _____

EXHIBIT D

NOTICE OF ELECTION BY PARTNER TO CONVERT
LTIP UNITS INTO COMMON UNITS

The undersigned holder of LTIP Units hereby irrevocably (i) elects to convert the number of LTIP Units of Armada Hoffler, L.P. (the "Partnership") set forth below into Common Units in accordance with the terms of the Agreement, as amended; and (ii) directs that any cash in lieu of Common Units that may be deliverable upon such conversion be delivered to the address specified below. The undersigned hereby represents, warrants and certifies that the undersigned (a) has title to such LTIP Units, free and clear of the rights or interests of any other person or entity other than the Partnership or the General Partner; (b) has the full right, power, and authority to cause the conversion of such LTIP Units as provided herein; and (c) has obtained the consent to or approval of all persons or entities, if any, having the right to consent to or approve such conversion.

Name of Holder:

(Please Print: Exact Name as Registered with Partnership)

Number of LTIP Units to be Converted:

Date of this Notice:

(Signature of Holder: Sign Exact Name as Registered with Partnership)

(Street Address)

(City) (State) (Zip Code)

Signature Guaranteed by:

EXHIBIT E

NOTICE OF ELECTION BY PARTNERSHIP TO FORCE CONVERSION OF LTIP UNITS INTO COMMON UNITS

Armada Hoffler, L.P. (the "Partnership") hereby elects to cause the number of LTIP Units held by the holder of LTIP Units set forth below to be converted into Common Units in accordance with the terms of the Agreement, as amended, effective as of (the "Conversion Date").

Name of Holder:

(Please Print: Exact Name as Registered with Partnership)

Number of LTIP Units to be Converted:

Date of this Notice:

ARMADA HOFFLER PROPERTIES, INC.

2013 EQUITY INCENTIVE PLAN

TABLE OF CONTENTS

ARTICLE I
DEFINITIONS

1.01. **Affiliate**

Affiliate means any entity, whether now or hereafter existing, which controls, is controlled by, or is under common control with, the Company (including, but not limited to, joint ventures, limited liability companies and partnerships). For this purpose, the term "control" shall mean ownership of 50% or more of the total combined voting power or value of all classes of shares or interests in the entity, or the power to direct the management and policies of the entity, by contract or otherwise.

1.02. **Agreement**

Agreement means a written agreement (including any amendment or supplement thereto) between the Company and a Participant specifying the terms and conditions of a Stock Award, an Incentive Award, an award of Performance Units, an Option, SAR or Other Equity-Based Award (including an LTIP Unit) granted to such Participant.

1.03. **Board**

Board means the Board of Directors of the Company.

1.04. **Change in Control**

"Change in Control" shall mean a change in control of the Company which will be deemed to have occurred after the date hereof if:

(a) any "person" as such term is used in Section 3(a)(9) of the Exchange Act, as modified and used in Sections 13(d) and 14(d) thereof except that such term shall not include (A) the Company or any of its subsidiaries, (B) any trustee or other fiduciary holding securities under an employee benefit plan of the Company or any of its affiliates, (C) an underwriter temporarily holding securities pursuant to an offering of such securities, (D) any corporation owned, directly or indirectly, by the stockholders of the Company in substantially the same proportions as their ownership of the Company's common stock, or (E) any person or group as used in Rule 13d-1(b) under the Exchange Act, is or becomes the Beneficial Owner, as such term is defined in Rule 13d-3 under the Exchange Act, directly or indirectly, of securities of the Company representing at least 50% of the combined voting power or common stock of the Company;

(b) during any period of two consecutive years, individuals who at the beginning of such period constitute the Board, and any new director (other than (A) a director designated by a person

who has entered into an agreement with the Company to effect a transaction described in clause (1), (3), or (4) of this Section 1.05 or (B) a director whose initial assumption of office is in connection with an actual or threatened election contest, including but not limited to a consent solicitation, relating to the election of directors of the Company) whose election by the Board or nomination for election by the Company's stockholders was approved by a vote of at least two-thirds (2/3) of the directors then still in office who either were directors at the beginning of the period or whose election or nomination for election was previously so approved, cease for any reason to constitute at least a majority thereof;

(c) there is consummated a merger or consolidation of the Company or any direct or indirect subsidiary of the Company with any other corporation, other than a merger or consolidation which would result in the voting securities of the Company outstanding immediately prior thereto continuing to represent (either by remaining outstanding or by being converted into voting securities of the surviving entity or any parent thereof) in combination with the ownership of any trustee or other fiduciary holding securities under an employee benefit plan of the Company or any subsidiary of the Company, more than 50% of the combined voting power and common stock of the Company or such surviving entity or any parent thereof outstanding immediately after such merger or consolidation; or

(d) there is consummated a sale or disposition by the Company of all or substantially all of the Company's assets (or any transaction having a similar effect, including a liquidation) other than a sale or disposition by the Company of all or substantially all of the Company's assets to an entity, more than fifty percent (50%) of the combined voting power and common stock of which is owned by stockholders of the Company in substantially the same proportions as their ownership of the common stock of the Company immediately prior to such sale.

Notwithstanding the foregoing, if an award under this Plan constitutes "deferred compensation" under Section 409A of the Code, no payment shall be made under such award on account of a Change in Control unless the occurrence of one or more of the preceding events also constitutes a change in the ownership or effective control of the Company or a change in the ownership of a substantial portion of the Company's assets, all as determined in accordance with the regulations under Section 409A of the Code.

1.05. **Code**

Code means the Internal Revenue Code of 1986, and any amendments thereto.

1.06. **Committee**

Committee means the Compensation Committee of the Board; provided, however, that if there is no Compensation Committee, then "Committee" means the Board; and provided, further that with respect to awards made to a member of the Board who is not an employee of the Company or an Affiliate, "Committee" means the Board.

1.07. **Common Stock**

Common Stock means the common stock, par value $0.01 per share, of the Company.

1.08. **Company**

Company means Armada Hoffler Properties, Inc., a Maryland corporation.

1.09. **Control Change Date**

Control Change Date means the date on which a Change in Control occurs. If a Change in Control occurs on account of a series of transactions, the "Control Change Date" is the date of the last of such transactions.

1.10. **Corresponding SAR**

Corresponding SAR means an SAR that is granted in relation to a particular Option and that can be exercised only upon the surrender to the Company, unexercised, of that portion of the Option to which the SAR relates.

1.11. **Dividend Equivalent Right**

Dividend Equivalent Right means the right, subject to the terms and conditions prescribed by the Committee, of a Participant to receive (or have credited) cash, shares or other property in amounts equivalent to the cash, shares or other property dividends declared on shares of Common Stock with respect to specified Performance Units or Common Shares subject to an Other Equity-Based Award, as determined by the Committee, in its sole discretion. The Committee shall provide that Dividend Equivalent Rights (if any) payable with respect to any award that does not vest or become exercisable solely on account of continued employment or service shall be distributed only when, and to the extent that, the underlying award is vested or exercisable and also may provide that Dividend Equivalent Rights (if any) shall be deemed to have been reinvested in additional shares of Common Stock or otherwise reinvested.

1.12. **Exchange Act**

Exchange Act means the Securities Exchange Act of 1934, as amended.

1.13. **Fair Market Value**

Fair Market Value means, on any given date, the reported "closing" price of a share of Common Stock on the New York Stock Exchange. If, on any given date, the Common Stock is not listed for trading on the New York Stock Exchange, then Fair Market Value shall be the "closing" price of a share of Common Stock on such other exchange on which the Common Stock is listed for trading or, if the Common Stock is not listed on any exchange, the amount determined by the Committee using any reasonable method in good faith and in accordance with the regulations under Section 409A of the Code.

1.14. **Incentive Award**

Incentive Award means an award under Article XI which, subject to the terms and conditions prescribed by the Committee, entitles the Participant to receive a payment from the Company or an Affiliate.

1.15. **Initial Value**

Initial Value means, with respect to a Corresponding SAR, the option price per share of the related Option and, with respect to an SAR granted independently of an Option, the price per share of Common Stock as determined by the Committee on the date of grant; provided, however, that the price shall not be less than the Fair Market Value on the date of grant.

1.16. **LTIP Unit**

LTIP Unit means an "LTIP Unit" as defined in the Operating Partnership's partnership agreement. An LTIP Unit granted under this Plan represents the right to receive the benefits, payments or other rights set forth in that partnership agreement, subject to the terms and conditions of the applicable Agreement and that partnership agreement.

1.17. **Operating Partnership**

Operating Partnership means Armada Hoffler, L.P.

1.18. **Option**

Option means a share option that entitles the holder to purchase from the Company a stated number of shares of Common Stock at the price set forth in an Agreement.

1.19. **Other Equity-Based Award**

Other Equity-Based Award means any award other than an Option, SAR, a Performance Unit award or a Stock Award which, subject to such terms and conditions as may be prescribed by the Committee, entitles a Participant to receive shares of Common Stock or rights or units valued in whole or in part by reference to, or otherwise based on, shares of Common Stock (including securities convertible into Common Stock) or other equity interests including LTIP Units.

1.20. **Participant**

Participant means an employee or officer of the Company or an Affiliate, a member of the Board, or an individual who provides significant services to the Company or an Affiliate (including an individual who provides services to the Company or an Affiliate by virtue of employment with, or providing services to, the Operating Partnership), and who satisfies the requirements of Article IV and is selected by the Committee to receive an award of Performance Units, a Stock Award, an Incentive Award Option, SAR, Other Equity-Based Award or a combination thereof.

1.21. **Performance Goal**

Performance Goal means a performance objective that is stated with respect to one or more of the following, alone or in combination: funds from operations; adjusted funds from operations; earnings before income taxes, depreciation and amortization ("EBITDA"); adjusted EBITDA; return on capital assets, development, investment or equity; total earnings; revenues or sales; earnings per share of Common Stock; return on capital; Fair Market Value; total stockholder return; cash flow; acquisitions or strategic transactions; operating income (loss); gross or net profit levels; productivity; expenses; margins; operating efficiency; working capital; portfolio or regional occupancy rates; or performance or yield on development or redevelopment activities.

A Performance Goal may be expressed on an absolute basis or relative to the performance of one or more similarly situated companies or a published index. When establishing Performance Goals, the Committee may exclude any or all special, unusual or extraordinary items as determined under U.S. generally accepted accounting principles, including, without limitation, the charges or costs associated with restructurings of the Company, discontinued operations, other unusual or non-recurring items and the cumulative effects of accounting changes. To the extent permitted under Section 162(m) of the Code (for any award that is intended to constitute "performance based compensation" under Section 162(m) of the Code), the Committee may also adjust the Performance Goals as it deems equitable in recognition of unusual or non-recurring events affecting the Company, changes in applicable tax laws or accounting principles or such other factors as the Committee may determine.

1.22. **Performance Units**

Performance Units means an award, in the amount determined by the Committee, stated with reference to a specified number of shares of Common Stock or other securities or property, that in accordance with the terms of an Agreement entitles the holder to receive a payment for each specified unit equal to the value of the Performance Unit on the date of payment.

1.23. **Person**

"Person" means any human being, firm, corporation, partnership, or other entity. "Person" also includes any human being, firm, corporation, partnership, or other entity as defined in sections 13(d)(3) and 14(d)(2) of the Exchange Act. Notwithstanding the preceding sentences, the term "Person" does not include (i) the Company or any of its subsidiaries, (ii) any trustee or other fiduciary holding securities under an employee benefit plan of the Company or any Affiliate, (iii) an underwriter temporarily holding securities pursuant to an offering of such securities or (iv) any corporation owned, directly or indirectly, by the stockholders of the Company in substantially the same proportions as their ownership of the Common Stock.

1.24. **Plan**

Plan means this Armada Hoffler Properties, Inc. 2013 Equity Incentive Plan.

1.25. **SAR**

SAR means a stock appreciation right that in accordance with the terms of an Agreement entitles the holder to receive, with respect to each share of Common Stock encompassed by the exercise of the SAR, the excess, if any, of the Fair Market Value at the time of exercise over the Initial Value. References to "SARs" include both Corresponding SARs and SARs granted independently of Options, unless the context requires otherwise.

1.26. **Stock Award**

Stock Award means shares of Common Stock awarded to a Participant under Article VIII.

1.27. **Ten Percent Stockholder**

Ten Percent Stockholder means any individual owning more than ten percent (10%) of the total combined voting power of all classes of shares of the Company or of a "parent

corporation" or "subsidiary corporation" (as such terms are defined in Section 424 of the Code) of the Company. An individual shall be considered to own any voting shares owned (directly or indirectly) by or for his or her brothers, sisters, spouse, ancestors or lineal descendants and shall be considered to own proportionately any voting shares owned (directly or indirectly) by or for a corporation, partnership, estate or trust of which such individual is a stockholder, partner or beneficiary.

ARTICLE II
PURPOSES

The Plan is intended to assist the Company and its Affiliates in recruiting and retaining individuals and other service providers with ability and initiative by enabling such persons or entities to participate in the future success of the Company and its Affiliates and to associate their interests with those of the Company and its stockholders. The Plan is intended to permit the grant of both Options qualifying under Section 422 of the Code ("incentive stock options") and Options not so qualifying, and the grant of SARs, Stock Awards, Incentive Awards, Performance Units, and Other Equity-Based Awards in accordance with the Plan and any procedures that may be established by the Committee. No Option that is intended to be an incentive stock option shall be invalid for failure to qualify as an incentive stock option. The proceeds received by the Company from the sale of Common Stock pursuant to this Plan shall be used for general corporate purposes.

ARTICLE III
ADMINISTRATION

The Plan shall be administered by the Committee. The Committee shall have authority to grant SARs, Stock Awards, Incentive Awards, Performance Units, Options and Other Equity-Based Awards upon such terms (not inconsistent with the provisions of this Plan), as the Committee may consider appropriate. Such terms may include conditions (in addition to those contained in this Plan), on the exercisability of all or any part of an Option or SAR or on the transferability or forfeitability of a Stock Award, an Incentive Award, an award of Performance Units or an Other Equity-Based Award. Notwithstanding any such conditions, the Committee may, in its discretion, accelerate the time at which any Option or SAR may be exercised, or the time at which a Stock Award, an Incentive Award or Other Equity-Based Award may become transferable or nonforfeitable or the time at which an Other Equity-Based Award, an Incentive Award or an award of Performance Units may be settled. In addition, the Committee shall have complete authority to interpret all provisions of this Plan; to prescribe the form of Agreements; to adopt, amend, and rescind rules and regulations pertaining to the administration of the Plan (including rules and regulations that require or allow Participants to defer the payment of benefits under the Plan); and to make all other determinations necessary or advisable for the administration of this Plan. The Committee's determinations under the Plan (including without

limitation, determinations of the individuals to receive awards under the Plan, the form, amount and timing of such awards, the terms and provisions of such awards and the Agreements) need not be uniform and may be made by the Committee selectively among individuals who receive, or are eligible to receive, awards under the Plan, whether or not such persons are similarly situated. The express grant in the Plan of any specific power to the Committee shall not be construed as limiting any power or authority of the Committee. Any decision made, or action taken, by the Committee in connection with the administration of this Plan shall be final and conclusive. The members of the Committee shall not be liable for any act done in good faith with respect to this Plan or any Agreement, Option, SAR, Stock Award, Incentive Award, Other Equity-Based Award or award of Performance Units. All expenses of administering this Plan shall be borne by the Company.

The Committee, in its discretion, may delegate to the Company's Chief Executive Officer all or part of the Committee's authority and duties with respect to grants and awards to individuals who are not subject to the reporting and other provisions of Section 16 of the Exchange Act. The Committee may revoke or amend the terms of a delegation at any time but such action shall not invalidate any prior actions of the Committee's delegate that were consistent with the terms of the Plan and the Committee's prior delegation. References to the "Committee" in the Plan include the Committee's delegate to the extent consistent with the Committee's delegation.

ARTICLE IV
ELIGIBILITY

Any employee of the Company or an Affiliate (including a trade or business that becomes an Affiliate after the adoption of this Plan) and any member of the Board is eligible to participate in this Plan. In addition, any other individual who provides significant services to the Company or an Affiliate (including an individual who provides services to the Company or an Affiliate by virtue of employment with, or providing services to, the Operating Partnership) is eligible to participate in this Plan if the Committee, in its sole discretion, determines that the participation of such individual is in the best interest of the Company. The Committee may also grant Options, SARs, Stock Awards, Incentive Awards, Performance Units and Other Equity-Based Awards to an individual as an inducement to such individual becoming eligible to participate in the Plan and prior to the date that the individual first performs services for the Company, an Affiliate or the Operating Partnership, provided that such awards will not become vested or exercisable, and no shares of Common Stock shall be issued or other payment made to such individual with respect to such awards prior to the date the individual first performs services for the Company, an Affiliate or the Operating Partnership.

ARTICLE V
COMMON STOCK SUBJECT TO PLAN

5.01. **Common Stock Issued**

Upon the award of Common Stock pursuant to a Stock Award, an Other Equity-Based Award or in settlement of an award of Performance Units or Incentive Award, the Company may deliver to the Participant shares of Common Stock from its treasury shares or authorized but unissued Common Stock. Upon the exercise of any Option, SAR or Other Equity-Based Award denominated in shares of Common Stock, the Company may deliver to the Participant (or the Participant's broker if the Participant so directs), shares of Common Stock from its treasury shares or authorized but unissued Common Stock.

5.02. **Aggregate Limit**

(a) The maximum aggregate number of Common Shares that may be issued under this Plan pursuant to the exercise of Options and SARs, the grant of Stock Awards or Other Equity-Based Awards and the settlement of Performance Units and Incentive Awards is 700,000 shares. Other Equity-Based Awards that are LTIP Units shall reduce the maximum aggregate number of shares of Common Stock that may be issued under this Plan on a one-for-one basis, *i.e.*, each such unit shall be treated as an award of Common Stock.

(b) The maximum number of shares of Common Stock that may be issued under this Plan in accordance with Section 5.02(a) shall be subject to adjustment as provided in Article XII.

(c) The maximum number of shares of Common Stock that may be issued upon the exercise of Options that are incentive stock options or Corresponding SARs that are related to incentive stock options shall be determined in accordance with Sections 5.02(a) and 5.02(b).

5.03. **Individual Grant Limit**

No Participant may be granted Options, SARs, Stock Awards, Performance Units or Other Equity-Based Awards in any calendar year with respect to more than 100,000 shares of Common Stock; provided, however, that a Participant who is a member of the Board and who is not an employee of the Company or an Affiliate may not be granted any such awards in any calendar year with respect to more than 20,000 shares of Common Stock. For purposes of this Section 5.03, an Option and Corresponding SAR shall be treated as a single award. The maximum number of shares of Common Stock for which a Participant may be granted Options, SARs, Stock Awards, Performance Units and Other Equity-Based Awards in any calendar year shall be subject to adjustment as provided in Article XII.

5.04. **Reallocation of Shares**

If any award or grant under the Plan (including LTIP Units) expires, is forfeited or is terminated without having been exercised or is paid in cash without delivery of shares of Common Stock, then any shares of Common Stock covered by such lapsed, cancelled, expired, unexercised or cash-settled portion of such award or grant and any forfeited, lapsed, cancelled or expired LTIP Units shall be available for the grant of other Options, SARs, Stock Awards, Other Equity-Based Awards and settlement of Performance Units and Incentive Awards under this Plan. Any shares of Common Stock tendered or withheld to satisfy the grant or exercise price or tax withholding obligation pursuant to any award shall increase the number of shares of Common Stock available for future grants or awards.

ARTICLE VI
OPTIONS

6.01. **Award**

In accordance with the provisions of Article IV, the Committee will designate each individual to whom an Option is to be granted and, subject to Section 5.03, will specify the number of shares of Common Stock covered by such awards.

6.02. **Option Price**

The price per share of Common Stock purchased on the exercise of an Option shall be determined by the Committee on the date of grant, but shall not be less than the Fair Market Value on the date the Option is granted. Notwithstanding the preceding sentence, the price per share of Common Stock purchased on the exercise of any Option that is an incentive stock option granted to an individual who is a Ten Percent Stockholder on the date such option is granted, shall not be less than one hundred ten percent (110%) of the Fair Market Value on the date the Option is granted. Except as provided in Article XII, the price per share of an outstanding Option may not be reduced (by amendment, cancellation and new grant or otherwise) without the approval of stockholders. In addition, no payment shall be made in cancellation of an Option if, on the date of cancellation, the option price per share exceeds Fair Market Value.

6.03. **Maximum Option Period**

The maximum period in which an Option may be exercised shall be determined by the Committee on the date of grant except that no Option shall be exercisable after the expiration of ten years from the date such Option was granted. In the case of an incentive stock option granted to a Participant who is a Ten Percent Stockholder on the date of grant, such Option shall not be exercisable after the expiration of five years from the date of grant. The terms of any Option may provide that it is exercisable for a period less than such maximum period.

6.04. **Nontransferability**

Except as provided in Section 6.05, each Option granted under this Plan shall be nontransferable except by will or by the laws of descent and distribution. In the event of any transfer of an Option (by the Participant or his transferee), the Option and any Corresponding SAR that relates to such Option must be transferred to the same person or persons or entity or entities. Except as provided in Section 6.05, during the lifetime of the Participant to whom the Option is granted, the Option may be exercised only by the Participant. No right or interest of a Participant in any Option shall be liable for, or subject to, any lien, obligation, or liability of such Participant.

6.05. **Transferable Options**

Section 6.04 to the contrary notwithstanding, if the Agreement provides, an Option that is not an incentive stock option may be transferred by a Participant to the Participant's children, grandchildren, spouse, one or more trusts for the benefit of such family members or a partnership in which such family members are the only partners, on such terms and conditions as may be permitted under Rule 16b-3 under the Exchange Act as in effect from time to time. The holder of an Option transferred pursuant to this Section shall be bound by the same terms and conditions that governed the Option during the period that it was held by the Participant; provided, however, that such transferee may not transfer the Option except by will or the laws of descent and distribution. In the event of any transfer of an Option (by the Participant or his transferee), the Option and any Corresponding SAR that relates to such Option must be transferred to the same person or persons or entity or entities.

6.06. **Employee Status**

For purposes of determining the applicability of Section 422 of the Code (relating to incentive stock options), or in the event that the terms of any Option provide that it may be exercised only during employment or continued service or within a specified period of time after termination of employment or continued service, the Committee may decide to what extent leaves of absence for governmental or military service, illness, temporary disability, or other reasons shall not be deemed interruptions of continuous employment or service.

6.07. **Exercise**

Subject to the provisions of this Plan and the applicable Agreement, an Option may be exercised in whole at any time or in part from time to time at such times and in compliance with such requirements as the Committee shall determine; provided, however, that incentive stock

options (granted under the Plan and all plans of the Company and its Affiliates) may not be first exercisable in a calendar year for Common Shares having a Fair Market Value (determined as of the date an Option is granted) exceeding $100,000. An Option granted under this Plan may be exercised with respect to any number of whole shares less than the full number for which the Option could be exercised. A partial exercise of an Option shall not affect the right to exercise the Option from time to time in accordance with this Plan and the applicable Agreement with respect to the remaining shares subject to the Option. The exercise of an Option shall result in the termination of any Corresponding SAR to the extent of the number of shares with respect to which the Option is exercised.

6.08. **Payment**

Subject to rules established by the Committee and unless otherwise provided in an Agreement, payment of all or part of the Option price may be made in cash, certified check, by tendering shares of Common Stock or by attestation of ownership of shares of Common Stock or by a broker-assisted cashless exercise. If shares of Common Stock are used to pay all or part of the Option price, the sum of the cash and cash equivalent and the Fair Market Value (determined on the date of exercise) of the shares surrendered must not be less than the Option price of the shares for which the Option is being exercised.

6.09. **Stockholder Rights**

No Participant shall have any rights as a stockholder with respect to shares of Common Stock subject to an Option until the date of exercise of such Option.

6.10. **Disposition of Shares**

A Participant shall notify the Company of any sale or other disposition of shares of Common Stock acquired pursuant to an Option that was an incentive stock option if such sale or disposition occurs (i) within two years of the grant of an Option or (ii) within one year of the issuance of the shares of Common Stock to the Participant. Such notice shall be in writing and directed to the Secretary of the Company.

ARTICLE VII
SARS

7.01. **Award**

In accordance with the provisions of Article IV, the Committee will designate each individual to whom SARs are to be granted and will, subject to Section 5.03, specify the number of shares of Common Stock covered by such awards. No Participant may be granted Corresponding SARs (under the Plan and all plans of the Company and its Affiliates) that are related to incentive stock options which are first exercisable in any calendar year for shares of Common Stock having an aggregate Fair Market Value (determined as of the date the related Option is granted) that exceeds $100,000.

7.02. **Maximum SAR Period**

The term of each SAR shall be determined by the Committee on the date of grant, except that no SAR shall have a term of more than ten years from the date of grant. In the case of a Corresponding SAR that is related to an incentive stock option granted to a Participant who is a Ten Percent Stockholder on the date of grant, such Corresponding SAR shall not be exercisable after the expiration of five years from the date of grant. The terms of any SAR may provide that it has a term that is less than such maximum period.

7.03. **Nontransferability**

Except as provided in Section 7.04, each SAR granted under this Plan shall be nontransferable except by will or by the laws of descent and distribution. In the event of any such transfer, a Corresponding SAR and the related Option must be transferred to the same person or persons or entity or entities. Except as provided in Section 7.04, during the lifetime of the Participant to whom the SAR is granted, the SAR may be exercised only by the Participant. No right or interest of a Participant in any SAR shall be liable for, or subject to, any lien, obligation, or liability of such Participant.

7.04. **Transferable SARs**

Section 7.03 to the contrary notwithstanding, if the Agreement provides, an SAR, other than a Corresponding SAR that is related to an incentive stock option, may be transferred by a Participant to the Participant’s children, grandchildren, spouse, one or more trusts for the benefit of such family members or a partnership in which such family members are the only partners, on such terms and conditions as may be permitted under Rule 16b-3 under the Exchange Act as in effect from time to time. The holder of an SAR transferred pursuant to this Section shall be bound by the same terms and conditions that governed the SAR during the period that it was held by the Participant; provided, however, that such transferee may not transfer the SAR except by will or the laws of descent and distribution. In the event of any transfer of a Corresponding SAR (by the Participant or his transferee), the Corresponding SAR and the related Option must be transferred to the same person or person or entity or entities.

7.05. **Exercise**

Subject to the provisions of this Plan and the applicable Agreement, an SAR may be exercised in whole at any time or in part from time to time at such times and in compliance with such requirements as the Committee shall determine; provided, however, that a Corresponding SAR that is related to an incentive stock option may be exercised only to the extent that the related Option is exercisable and only when the Fair Market Value exceeds the option price of the related Option. An SAR granted under this Plan may be exercised with respect to any number of whole shares less than the full number for which the SAR could be exercised. A partial exercise of an SAR shall not affect the right to exercise the SAR from time to time in accordance with this Plan and the applicable Agreement with respect to the remaining shares subject to the SAR. The exercise of a Corresponding SAR shall result in the termination of the related Option to the extent of the number of shares with respect to which the SAR is exercised.

7.06. **Employee Status**

If the terms of any SAR provide that it may be exercised only during employment or continued service or within a specified period of time after termination of employment or continued service, the Committee may decide to what extent leaves of absence for governmental or military service, illness, temporary disability or other reasons shall not be deemed interruptions of continuous employment or service.

7.07. **Settlement**

At the Committee's discretion, the amount payable as a result of the exercise of an SAR may be settled in cash, Common Stock, or a combination of cash and Common Stock. No fractional share will be deliverable upon the exercise of an SAR but a cash payment will be made in lieu thereof.

7.08. **Stockholder Rights**

No Participant shall, as a result of receiving an SAR, have any rights as a stockholder of the Company or any Affiliate until the date that the SAR is exercised and then only to the extent that the SAR is settled by the issuance of Common Stock.

7.09. **No Reduction of Initial Value**

Except as provided in Article XII, the Initial Value of an outstanding SAR may not be reduced (by amendment, cancellation and new grant or otherwise) without the approval of stockholders. In addition, no payment shall be made in cancellation of a SAR if, on the date of cancellation, the Initial Value exceeds Fair Market Value.

ARTICLE VIII
STOCK AWARDS

8.01. **Award**

In accordance with the provisions of Article IV, the Committee will designate each individual to whom a Stock Award is to be made and will, subject to Section 5.03, specify the number of shares of Common Stock covered by such awards.

8.02. **Vesting**

The Committee, on the date of the award, may prescribe that a Participant's rights in a Stock Award shall be forfeitable or otherwise restricted for a period of time or subject to such conditions as may be set forth in the Agreement. By way of example and not of limitation, the Committee may prescribe that a Participant's rights in a Stock Award shall be forfeitable or otherwise restricted subject to the attainment of objectives stated with reference to the Company's, an Affiliate's or a business unit's attainment of objectives stated with respect to performance criteria established by the Committee, including the attainment of objectives stated with respect to one or more Performance Goals.

8.03. **Employee Status**

In the event that the terms of any Stock Award provide that shares may become transferable and nonforfeitable thereunder only after completion of a specified period of employment or continuous service, the Committee may decide in each case to what extent leaves of absence for governmental or military service, illness, temporary disability, or other reasons shall not be deemed interruptions of continuous employment or service.

8.04. **Stockholder Rights**

Unless otherwise specified in accordance with the applicable Agreement, while the shares of Common Stock granted pursuant to the Stock Award may be forfeited or are nontransferable, a Participant will have all rights of a stockholder with respect to a Stock Award, including the right to receive dividends and vote the shares; provided, however, that dividends payable on Common Shares subject to a Stock Award that does not become nonforfeitable and transferable

solely on account of continued employment or service, such dividends shall be distributed only when, and to the extent that, the underlying Stock Award is nonforfeitable and transferable and the Committee may provide that such dividends shall be deemed to have been reinvested in additional shares of Common Stock. During the period that the shares of Common Stock granted pursuant to the Stock Award may be forfeited or are nontransferable (i) a Participant may not sell, transfer, pledge, exchange, hypothecate, or otherwise dispose of shares granted pursuant to a Stock Award, (ii) the Company shall retain custody of the certificates evidencing shares granted pursuant to a Stock Award, and (iii) the Participant will deliver to the Company a stock power, endorsed in blank, with respect to each Stock Award. The limitations set forth in the preceding sentence shall not apply after the shares granted under the Stock Award are transferable and are no longer forfeitable.

ARTICLE IX
PERFORMANCE UNIT AWARDS

9.01. **Award**

In accordance with the provisions of Article IV, the Committee will designate each individual to whom an award of Performance Units is to be made and will[, subject to Section 5.03,] specify the number of shares of Common Stock or other securities or property covered by such awards. The Committee also will specify whether Dividend Equivalent Rights are granted in conjunction with the Performance Units.

9.02. **Earning the Award**

The Committee, on the date of the grant of an award, shall prescribe that the Performance Units will be earned, and the Participant will be entitled to receive payment pursuant to the award of Performance Units, only upon the satisfaction of performance objectives and such other criteria as may be prescribed by the Committee, including the attainment of objectives stated with respect to one or more Performance Goals.

9.03. **Payment**

In the discretion of the Committee, the amount payable when an award of Performance Units is earned may be settled in cash, by the issuance of Common Stock, by the delivery of other securities or property or a combination thereof. A fractional share of Common Stock shall not be deliverable when an award of Performance Units is earned, but a cash payment will be made in lieu thereof. The amount payable when an award of Performance Units is earned shall be paid in a lump sum.

9.04. **Stockholder Rights**

A Participant, as a result of receiving an award of Performance Units, shall not have any rights as a stockholder until, and then only to the extent that, the award of Performance Units is earned and settled in shares of Common Stock. After an award of Performance Units is earned and settled in shares of Common Stock, a Participant will have all the rights of a stockholder as described in Section 8.04.

9.05. **Nontransferability**

Except as provided in Section 9.06, Performance Units granted under this Plan shall be nontransferable except by will or by the laws of descent and distribution. No right or interest of a Participant in any Performance Units shall be liable for, or subject to, any lien, obligation, or liability of such Participant.

9.06. **Transferable Performance Units**

Section 9.05 to the contrary notwithstanding, if the Agreement provides, an award of Performance Units may be transferred by a Participant to the Participant's children, grandchildren, spouse, one or more trusts for the benefit of such family members or a partnership in which such family members are the only partners, on such terms and conditions as may be permitted under Rule 16b-3 under the Exchange Act as in effect from time to time. The holder of Performance Units transferred pursuant to this Section shall be bound by the same terms and conditions that governed the Performance Units during the period that they were held by the Participant; provided, however that such transferee may not transfer Performance Units except by will or the laws of descent and distribution.

9.07. **Employee Status**

In the event that the terms of any Performance Unit award provide that no payment will be made unless the Participant completes a stated period of employment or continued service, the Committee may decide to what extent leaves of absence for government or military service, illness, temporary disability, or other reasons shall not be deemed interruptions of continuous employment or service.

ARTICLE X
OTHER EQUITY-BASED AWARDS

10.01. **Award**

In accordance with the provisions of Article IV, the Committee will designate each individual to whom an Other Equity-Based Award is to be made and will, subject to Section

5.03, specify the number of shares of Common Stock or other equity interests (including LTIP Units) covered by such awards. The grant of LTIP Units must satisfy the requirements of the partnership agreement of the Operating Partnership as in effect on the date of grant. The Committee also will specify whether Dividend Equivalent Rights are granted in conjunction with the Other Equity-Based Award.

10.02. **Terms and Conditions**

The Committee, at the time an Other Equity-Based Award is made, shall specify the terms and conditions which govern the award. The terms and conditions of an Other Equity-Based Award may prescribe that a Participant's rights in the Other Equity-Based Award shall be forfeitable, nontransferable or otherwise restricted for a period of time or subject to such other conditions as may be determined by the Committee, in its discretion and set forth in the Agreement, including the attainment of objectives stated with respect to one or more Performance Goals. Other Equity-Based Awards may be granted to Participants, either alone or in addition to other awards granted under the Plan, and Other Equity-Based Awards may be granted in the settlement of other Awards granted under the Plan.

10.03. **Payment or Settlement**

Other Equity-Based Awards valued in whole or in part by reference to, or otherwise based on, shares of Common Stock, shall be payable or settled in shares of Common Stock, cash or a combination of Common Stock and cash, as determined by the Committee in its discretion; provided, however, that any shares of Common Stock that are issued on account of the conversion of LTIP Units into Common Stock shall not be issued under the Plan. Other Equity-Based Awards denominated as equity interests other than Common Stock may be paid or settled in shares or units of such equity interests or cash or a combination of both as determined by the Committee in its discretion.

10.04. **Employee Status**

If the terms of any Other Equity-Based Award provides that it may be earned or exercised only during employment or continued service or within a specified period of time after termination of employment or continued service, the Committee may decide to what extent leaves of absence for governmental or military service, illness, temporary disability or other reasons shall not be deemed interruptions of continuous employment or service.

10.05. **Stockholder Rights**

A Participant, as a result of receiving an Other Equity-Based Award, shall not have any rights as a stockholder until, and then only to the extent that, shares of Common Stock are issued under the Other Equity-Based Award.

ARTICLE XI
INCENTIVE AWARDS

11.01. **Award**

In accordance with the provisions of Article IV, the Committee will designate each individual to whom an Incentive Award is to be made. The amount payable under all Incentive Awards shall be finally determined by the Committee; provided, however, that no individual may receive an Incentive Award payment in any calendar year that exceeds the lesser of (i) 200% of the individual's base salary (prior to any salary reduction or deferral elections) as of the date of grant of the Incentive Award and (ii) $1,000,000.

11.02. **Terms and Conditions**

The Committee, at the time an Incentive Award is made, shall specify the terms and conditions that govern the award. Such terms and conditions may prescribe that the Incentive Award shall be earned only to the extent that the Participant, the Company or an Affiliate, during a performance period of at least one year, achieves objectives stated with reference to one or more performance measures or criteria prescribed by the Committee, including the attainment of objectives stated with respect to one or more Performance Goals. Such terms and conditions also may include other limitations on the payment of Incentive Awards including, by way of example and not of limitation, requirements that the Participant complete a specified period of employment or service with the Company or an Affiliate or that the Company, an Affiliate, or the Participant attain stated objectives or goals (in addition to those prescribed in accordance with the preceding sentence) as a prerequisite to payment under an Incentive Award.

11.03. **Nontransferability**

Incentive Awards granted under this Plan shall be nontransferable except by will or by the laws of descent and distribution. No right or interest of a Participant in an Incentive Award shall be liable for, or subject to, any lien, obligation, or liability of such Participant.

11.04. **Employee Status**

If the terms of an Incentive Award provide that a payment will be made thereunder only if the Participant completes a stated period of employment or continued service the Committee may decide to what extent leaves of absence for governmental or military service, illness, temporary disability or other reasons shall not be deemed interruptions of continuous employment or service.

11.05. **Settlement**

An Incentive Award that is earned shall be settled with a single lump sum payment which may be in cash, shares of Common Stock or a combination of cash and Common Stock, as determined by the Committee.

11.06. **Stockholder Rights**

No participant shall, as a result of receiving an Incentive Award, have any rights as a stockholder of the Company or an Affiliate until the date that the Incentive Award is settled and then only to the extent that the Incentive Award is settled by the issuance of Common Stock.

ARTICLE XII
ADJUSTMENT UPON CHANGE IN COMMON STOCK

The maximum number of shares of Common Stock as to which Options, SARs, Performance Units, Stock Awards and Other Equity-Based Awards may be granted, the individual grant limit in Section 5.03 and the terms of outstanding Stock Awards, Options, SARs, Incentive Awards, Performance Units and Other Equity-Based Awards shall be adjusted as determined by the Board in the event that (i) the Company (a) effects one or more nonreciprocal transactions between the Company and its stockholders such as a share dividend, extra-ordinary cash dividend, share split-up, subdivision or consolidation of shares that affects the number of shares or kind of Common Stock (or other securities of the Company) or the Fair Market Value (or the value of other Company securities) and causes a change in the Fair Market Value of the Common Stock subject to outstanding awards or (b) engages in a transaction to which Section 424 of the Code applies or (ii) there occurs any other event which, in the judgment of the Board necessitates such action. Any determination made under this Article XII by the Board shall be final and conclusive.

The issuance by the Company of shares of any class, or securities convertible into shares of any class, for cash or property, or for labor or services, either upon direct sale or upon the exercise of rights or warrants to subscribe therefor, or upon conversion of shares or obligations of the Company convertible into such shares or other securities, shall not affect, and no adjustment by reason thereof shall be made with respect to, the maximum number of shares as to which Options, SARs, Performance Units, Stock Awards and Other Equity-Based Awards may be granted, the individual grant limit in Section 5.03 or the terms of outstanding Stock Awards, Options, SARs, Incentive Awards, Performance Shares or Other Equity-Based Awards.

The Committee may grant Stock Awards, Options, SARs, Performance Units or Other Equity-Based Awards in substitution for performance shares, phantom shares, stock awards, stock options, stock appreciation rights, or similar awards held by an individual who becomes an employee of the Company or an Affiliate in connection with a transaction described in the first paragraph of this Article XII. Notwithstanding any provision of the Plan (other than the limitation of Section 5.02), the terms of such substituted Stock Awards, SARs, Other Equity-Based Awards, Options or Performance Units shall be as the Committee, in its discretion, determines is appropriate.

ARTICLE XIII
COMPLIANCE WITH LAW AND APPROVAL OF REGULATORY BODIES

No Option or SAR shall be exercisable, no Common Stock shall be issued, no certificates for Common Stock shall be delivered, and no payment shall be made under this Plan except in compliance with all applicable federal and state laws and regulations (including, without limitation, withholding tax requirements), any listing agreement to which the Company is a party, and the rules of all domestic stock exchanges on which the Company's shares may be listed. The Company shall have the right to rely on an opinion of its counsel as to such compliance. Any certificate issued to evidence Common Stock when a Stock Award is granted, a Performance Unit, Incentive Award or Other Equity-Based Award is settled or for which an Option or SAR is exercised may bear such legends and statements as the Committee may deem advisable to assure compliance with federal and state laws and regulations. No Option or SAR shall be exercisable, no Stock Award or Performance Unit shall be granted, no Common Stock shall be issued, no certificate for Common Stock shall be delivered, and no payment shall be made under this Plan until the Company has obtained such consent or approval as the Committee may deem advisable from regulatory bodies having jurisdiction over such matters.

ARTICLE XIV
GENERAL PROVISIONS

14.01. **Effect on Employment and Service**

Neither the adoption of this Plan, its operation, nor any documents describing or referring to this Plan (or any part thereof), shall confer upon any individual or entity any right to continue in the employ or service of the Company or an Affiliate or in any way affect any right and power of the Company or an Affiliate to terminate the employment or service of any individual or entity at any time with or without assigning a reason therefor.

14.02. **Unfunded Plan**

This Plan, insofar as it provides for grants, shall be unfunded, and the Company shall not be required to segregate any assets that may at any time be represented by grants under this Plan. Any liability of the Company to any person with respect to any grant under this Plan shall be based solely upon any contractual obligations that may be created pursuant to this Plan. No such obligation of the Company shall be deemed to be secured by any pledge of, or other encumbrance on, any property of the Company.

14.03. **Rules of Construction**

Headings are given to the articles and sections of this Plan solely as a convenience to facilitate reference. The reference to any statute, regulation, or other provision of law shall be construed to refer to any amendment to or successor of such provision of law.

14.04. **Section 409A Compliance**

All awards made under this Plan are intended to comply with, or otherwise be exempt from, Section 409A of the Code ("Section 409A"), after giving effect to the exemptions in Treasury Regulation sections 1.409A-1(b)(3) through (b)(12). This Plan and all Agreements shall be administered, interpreted and construed in a manner consistent with Section 409A. If any provision of this Plan or any Agreement is found not to comply with, or otherwise not be exempt from, the provisions of Section 409A, it shall be modified and given effect, in the sole discretion of the Committee and without requiring the Participant's consent, in such manner as the Committee determines to be necessary or appropriate to comply with, or effectuate an exemption from, Section 409A. Each payment under an award granted under this Plan shall be treated as a separate identified payment for purposes of Section 409A.

If a payment obligation under an award or an Agreement arises on account of the Participant's termination of employment and such payment obligation constitutes "deferred compensation" (as defined under Treasury Regulation section 1.409A-1(b)(1), after giving effect to the exemptions in Treasury Regulation sections 1.409A-1(b)(3) through (b)(12)), it shall be payable only after the Participant's "separation from service" (as defined under Treasury Regulation section 1.409A-1(h)); provided, however, that if the Participant is a "specified employee" (as defined under Treasury Regulation section 1.409A-1(i)), any such payment that is scheduled to be paid within six months after such separation from service shall accrue without interest and shall be paid on the first day of the seventh month beginning after the date of the Participant's separation from service or, if earlier, within fifteen days after the appointment of the personal representative or executor of the Participant's estate following the Participant's death.

14.05. **Withholding Taxes**

Each Participant shall be responsible for satisfying any income and employment tax withholding obligations attributable to participation in the Plan. Unless otherwise provided by the Agreement, any such withholding tax obligations may be satisfied in cash (including from any cash payable in settlement of an award of Performance Units, SARs, Incentive Awards or Other Equity-Based Award) or a cash equivalent acceptable to the Committee. Any minimum statutory federal, state, district or city withholding tax obligations also may be satisfied (a) by surrendering to the Company shares of Common Stock previously acquired by the Participant; (b) by authorizing the Company to withhold or reduce the number of shares of Common Stock otherwise issuable to the Participant upon the exercise of an Option or SAR, the settlement of a Performance Unit award, Incentive Award or an Other Equity-Based Award (if applicable) or the grant or vesting of a Stock Award; or (c) by any other method as may be approved by the Committee. If Common Stock is used to pay all or part of such withholding tax obligation, the Fair Market Value of the shares surrendered, withheld or reduced shall be determined as of the day the tax liability arises.

14.06. **Return of Awards; Repayment**

Each Stock Award, Option, SAR, Performance Unit award, Incentive Award and Other Equity-Based Award granted under the Plan, as amended and restated herein, is subject to the condition that the Company may require that such award be returned and that any payment made with respect to such award must be repaid if such action is required under the terms of any Company "clawback" policy as in effect on the date that the payment was made, on the date the award was granted or, as applicable, the date the Option or SAR was exercised or the date the Stock Award, Performance Unit award or Other Equity-Based Award is vested or earned.

ARTICLE XV
CHANGE IN CONTROL

15.01. **Impact of Change in Control**

Upon a Change in Control, the Committee is authorized to cause (i) outstanding Options and SARs to become fully exercisable, (ii) outstanding Stock Awards to become transferable and nonforfeitable and (iii) outstanding Performance Units, Incentive Awards and Other Equity-Based Awards to become earned and nonforfeitable in their entirety.

15.02. **Assumption Upon Change in Control**

In the event of a Change in Control, the Committee, in its discretion and without the need for a Participant's consent, may provide that an outstanding Option, SAR, Incentive Award, Stock Award, Performance Unit or Other Equity-Based Award shall be assumed by, or a

substitute award granted by, the surviving entity in the Change in Control. Such assumed or substituted award shall be of the same type of award as the original Option, SAR, Incentive Award, Stock Award, Performance Unit or Other Equity-Based Award being assumed or substituted. The assumed or substituted award shall have an intrinsic value, as of the Control Change Date, that is substantially equal to the intrinsic value of the original award (or the difference between the Fair Market Value and the option price or Initial Value in the case of Options and SARs) as the Committee determines is equitably required and such other terms and conditions as may be prescribed by the Committee.

15.03. **Cash-Out Upon Change in Control**

In the event of a Change in Control, the Committee, in its discretion and without the need of a Participant's consent, may provide that each Option, SAR, Incentive Award, Stock Award and Performance Unit and Other Equity-Based Award shall be cancelled in exchange for a payment. The payment may be in cash, Common Stock or other securities or consideration received by stockholders in the Change in Control transaction. The amount of the payment shall be an amount that is substantially equal to (i) the amount by which the price per share received by stockholders in the Change in Control exceeds the option price or Initial Value in the case of an Option and SAR, or (ii) the price per share received by stockholders for each share of Common Stock subject to a Stock Award, Performance Unit or Other Equity-Based Award, (iii) the value of the other securities or property in which the Performance Unit or Other Equity-Based award is denominated or (iv) the amount payable under an Incentive Award on account of meeting all Performance Goals or other performance objectives. If the option price or Initial Value exceeds the price per share received by stockholders in the Change in Control transaction, the Option or SAR may be cancelled under this Section 15.03 without any payment to the Participant.

15.04. **Limitation of Benefits**

The benefits that a Participant may be entitled to receive under this Plan and other benefits that a Participant is entitled to receive under other plans, agreements and arrangements (which, together with the benefits provided under this Plan, are referred to as "Payments"), may constitute Parachute Payments that are subject to Sections 280G and 4999 of the Code. As provided in this Section 15.04, the Parachute Payments will be reduced if, and only to the extent that, a reduction will allow a Participant to receive a greater Net After Tax Amount than a Participant would receive absent a reduction.

The Accounting Firm will first determine the amount of any Parachute Payments that are payable to a Participant. The Accounting Firm also will determine the Net After Tax Amount attributable to the Participant's total Parachute Payments.

The Accounting Firm will next determine the largest amount of Payments that may be made to the Participant without subjecting the Participant to tax under Section 4999 of the Code (the "Capped Payments"). Thereafter, the Accounting Firm will determine the Net After Tax Amount attributable to the Capped Payments.

The Participant will receive the total Parachute Payments or the Capped Payments, whichever provides the Participant with the higher Net After Tax Amount. If the Participant will receive the Capped Payments, the total Parachute Payments will be adjusted by first reducing the amount of any noncash benefits under this Plan or any other plan, agreement or arrangement (with the source of the reduction to be directed by the Participant) and then by reducing the amount of any cash benefits under this Plan or any other plan, agreement or arrangement (with the source of the reduction to be directed by the Participant). The Accounting Firm will notify the Participant and the Company if it determines that the Parachute Payments must be reduced to the Capped Payments and will send the Participant and the Company a copy of its detailed calculations supporting that determination.

As a result of the uncertainty in the application of Sections 280G and 4999 of the Code at the time that the Accounting Firm makes its determinations under this Article XV, it is possible that amounts will have been paid or distributed to the Participant that should not have been paid or distributed under this Section 15.04 ("Overpayments"), or that additional amounts should be paid or distributed to the Participant under this Section 15.04 ("Underpayments"). If the Accounting Firm determines, based on either the assertion of a deficiency by the Internal Revenue Service against the Company or the Participant, which assertion the Accounting Firm believes has a high probability of success or controlling precedent or substantial authority, that an Overpayment has been made, the Participant must repay to the Company, without interest; provided, however, that no loan will be deemed to have been made and no amount will be payable by the Participant to the Company unless, and then only to the extent that, the deemed loan and payment would either reduce the amount on which the Participant is subject to tax under Section 4999 of the Code or generate a refund of tax imposed under Section 4999 of the Code. If the Accounting Firm determines, based upon controlling precedent or substantial authority, that an Underpayment has occurred, the Accounting Firm will notify the Participant and the Company of that determination and the amount of that Underpayment will be paid to the Participant promptly by the Company.

For purposes of this Section 15.04, the term "Accounting Firm" means the independent accounting firm engaged by the Company immediately before the Control Change Date. For purposes of this Article XV, the term "Net After Tax Amount" means the amount of any Parachute Payments or Capped Payments, as applicable, net of taxes imposed under Sections 1, 3101(b) and 4999 of the Code and any State or local income taxes applicable to the Participant on the date of payment. The determination of the Net After Tax Amount shall be made using the highest combined effective rate imposed by the foregoing taxes on income of the same character

as the Parachute Payments or Capped Payments, as applicable, in effect on the date of payment. For purposes of this Section 15.04, the term "Parachute Payment" means a payment that is described in Section 280G(b)(2) of the Code, determined in accordance with Section 280G of the Code and the regulations promulgated or proposed thereunder.

Notwithstanding any other provision of this Section 15.04, the limitations and provisions of this Section 15.04 shall not apply to any Participant who, pursuant to an agreement with the Company or the terms of another plan maintained by the Company, is entitled to indemnification for any liability that the Participant may incur under Section 4999 of the Code.

ARTICLE XVI
AMENDMENT

The Board may amend or terminate this Plan at any time; provided, however, that no amendment may adversely impair the rights of a Participant with respect to outstanding awards without the Participant's consent. In addition, an amendment will be contingent on approval of the Company's stockholders if such approval is required by law or the rules of any exchange on which the Common Shares are listed or if the amendment would materially increase the benefits accruing to Participants under the Plan, materially increase the aggregate number of shares of Common Stock that may be issued under the Plan or materially modify the requirements as to eligibility for participation in the Plan.

ARTICLE XVII
DURATION OF PLAN

No Stock Award, Performance Unit Award, Incentive Award, Option, SAR or Other Equity-Based Award may be granted under this Plan after the day before the tenth anniversary of the date the Board adopted this Plan. Stock Awards, Performance Unit awards, Incentive Awards, Options, SARs and Other Equity-Based Awards granted before such date shall remain valid in accordance with their terms.

ARTICLE XVIII
EFFECTIVE DATE OF PLAN

Options, Stock Awards, Performance Units, Incentive Awards and Other Equity-Based Awards may be granted under this Plan on and after the date that the Plan is adopted by the Board, provided that, this Plan shall not be effective unless the votes cast in favor of the approval of the Plan by the stockholders of the Company exceed the votes cast opposing such proposal at a duly constituted meeting of the stockholders of the Company; provided that the total votes cast on the proposal with respect to the Plan represents more than fifty percent (50%) in interest of all shares entitled to vote on such proposal.

Exhibit 10.7

ARMADA HOFFLER, L.P.

EXECUTIVE SEVERANCE BENEFIT PLAN

I. PURPOSE

Armada Hoffler, L.P. (the "Company") recognizes that outstanding management of the Company and its Affiliates is essential to advancing the interests of the Company and its Affiliates. The Company also recognizes that the risk and uncertainty of an unexpected termination of employment could distract its executive officers from the performance of their duties and frustrate the Company's ability to retain their services. The Company has adopted this Executive Severance Benefit Plan in order to minimize the distraction that could result from unexpected terminations of employment and in order to enhance the Company's ability to attract and retain executives who possess the level of skill, judgment and experience essential to the Company's success.

The Company also has a legitimate business interest in assuring that Participants do not take advantage of relationships developed, or information acquired, by the Participant during the Participant's employment with the Company or an Affiliate. Accordingly, the Company has adopted this Executive Severance Benefit Plan to provide Participants, in accordance with the terms of this Executive Severance Benefit Plan, additional and significant benefits to which Participants are not otherwise entitled. In consideration for the right to receive those additional and significant benefits, each Participant agrees to comply with the covenants set forth in Article VI.

II. DEFINITIONS

The following terms shall have the definitions set forth below:

2.01. Affiliate. "Affiliate" means any entity, whether now or hereafter existing, which controls, is controlled by, or is under common control with the Company (including, but not limited to, joint ventures, limited liability companies and partnerships). For this purpose, the term "control" shall mean ownership of [fifty percent (50%)] or more of the total combined voting power or value of all classes of shares or interests in the entity, or the power to direct the management and policies of the entity, by contract or otherwise.

2.02. Bonus. "Bonus" means the "target" amount or level of any incentive compensation payable in cash or securities of the Company or an Affiliate but does not include any equity or equity-based awards granted to a Participant under the Armada Hoffler Properties, Inc. 2013 Equity Incentive Plan. If a "target" level of Bonus is not established for a Participant, then for purposes of Section 5.01 the Bonus shall equal 75% of the Tier I Participant's Salary, for purposes of Section 5.02 the Bonus shall equal 50% of the Tier II Participant's Salary and for purposes of Section 5.03 the Bonus shall equal 25% of the Tier III Participant's Salary (in each case disregarding any reduction in Salary that constitutes Good Reason).

2.03. Cause. "Cause" means (i) a Participant's willful failure or refusal to perform specific reasonable written directives of the Committee (or the board of directors or managers of an Affiliate, as applicable), which directives are consistent with the scope and nature of the Participant's duties and responsibilities to the Company or an Affiliate and which is not remedied by the Participant within sixty (60) days after written notice of the failure by the Committee; (ii) a Participant's conviction of, or plea of guilty or *nolo contendre*, to a felony; (iii) any act of dishonesty by a Participant involving the Company or an Affiliate which results in a material unjust gain or enrichment to the Participant at the expense of the Company or an Affiliate; (iv) any act of a Participant involving moral turpitude which materially and adversely affects the business of the Company or an Affiliate or (v) a Participant's material breach of the obligations set forth in Article VI. No act or failure to act on the part of a Participant shall be deemed "willful" unless it was done or omitted to be done by the Participant not in good faith and without reasonable belief that the action or omission was in the best interests of the Company or an Affiliate. A termination of a Participant's employment shall not be deemed to have been for Cause unless the termination is approved in a resolution duly adopted by the affirmative vote of not less than a majority of the Committee then in office (excluding the Participant or any immediate family member of the Participant) adopted at a meeting of the Committee called and held for such purpose, after reasonable notice to the Participant and an opportunity for the Participant, together with counsel (if the Participant chooses), to be heard before the Committee, finding that, in the good faith opinion of the Committee, the Participant committed an act or omission constituting Cause as defined above.

2.04. Change in Control. "Change in Control" shall mean a change in control of Armada Hoffler Properties, Inc. (the "REIT") which will be deemed to have occurred after the date hereof if:

(1) any "person" as such term is used in Section 3(a)(9) of the Securities Exchange Act of 1934 (the "Exchange Act"), as modified and used in Sections 13(d) and 14(d) thereof except that such term shall not include (A) the REIT or any of its subsidiaries, (B) any trustee or other fiduciary holding securities under an employee benefit plan of the REIT or any of its affiliates, (C) an underwriter temporarily holding securities pursuant to an offering of such securities, (D) any corporation owned, directly or indirectly, by the stockholders of the REIT in substantially the same proportions as their ownership of the REIT's common stock, or (E) any person or group as used in Rule 13d-1(b) under the Exchange Act, is or becomes the Beneficial Owner, as such term is defined in Rule 13d-3 under the Exchange Act, directly or indirectly, of securities of the REIT representing at least 50% of the combined voting power or common stock of the REIT;

(2) during any period of two consecutive years, individuals who at the beginning of such period constitute the board of directors of the REIT, and any new director (other than (A) a director designated by a person who has entered into an agreement with the REIT to effect a transaction described in clause (1), (3), or (4) of this Section 1.05 or (B) a director of the REIT whose initial assumption of office is in connection with an actual or threatened election contest, including but not limited to a consent solicitation, relating to the election of directors of the REIT) whose election by the REIT's board of directors or nomination for election by the REIT's shareholders was approved by a vote of at least two-thirds (2/3) of the directors then still in office who either were trustees at the beginning of the period or whose election or nomination for election was previously so approved, cease for any reason to constitute at least a majority thereof;

(3) there is consummated a merger or consolidation of the REIT or any direct or indirect subsidiary of the REIT with any other corporation, other than a merger or consolidation which would result in the voting securities of the REIT outstanding immediately prior thereto continuing to represent (either by remaining outstanding or by being converted into voting securities of the surviving entity or any parent thereof) in combination with the ownership of any trustee or other fiduciary holding securities under an employee benefit plan of the REIT or any subsidiary of the REIT, more than 50% of the combined voting power and common stock of the REIT or such surviving entity or any parent thereof outstanding immediately after such merger or consolidation; or

(4) there is consummated a sale or disposition by the REIT of all or substantially all of the REIT's assets (or any transaction having a similar effect, including a liquidation) other than a sale or disposition by the REIT of all or substantially all of the REIT's assets to an entity, more than fifty percent (50%) of the combined voting power and common stock of which is owned by stockholders of the REIT in substantially the same proportions as their ownership of the common stock of the REIT immediately prior to such sale.

2.05. Code. "Code" means the Internal Revenue Code of 1986, and any amendments thereto.

2.06. Committee. "Committee" means the committee appointed by the REIT, in its capacity as general partner of the Company, to administer the Plan; *provided, however*, that if there is no committee, then "Committee" means the REIT, in its capacity as general partner of the Company.

2.07. Company. "Company" means Armada Hoffler, L.P.

2.08. Control Change Date. "Control Change Date" means the date on which a Change in Control occurs. If a Change in Control occurs on account of a series of transactions, the "Control Change Date" is the date of the last of such transactions.

2.09. ERISA. "ERISA" means the Employee Retirement Income Security Act of 1974, as amended.

2.10. Good Reason. "Good Reason" means (i) a material breach by the Company or an Affiliate of any [material] written agreement between the Participant and the Company or an Affiliate; (ii) a material reduction in the nature or scope of the Participant's title, authority, powers, functions, duties or responsibilities (other than a reduction for Cause), (iii) a material reduction in the Participant's Salary or Bonus opportunity (other than a reduction for Cause or a reduction related to a general reduction that affects similarly situated individuals in a comparable manner) or (iv) a requirement that the Participant, without his or her consent, transfer the Participant's principal office to a location more than fifty (50) miles from his or her then-current principal office. A Participant shall not be deemed to have resigned with Good Reason unless the Participant gives the Board written notice of the grounds that the Participant asserts constitute

Good Reason within ninety (90) days after the initial existence of such grounds, the Company or an Affiliate, as applicable fails to cure or remedy such grounds to the reasonable satisfaction of the Participant within thirty (30) days thereafter and the Participant resigns from the employ of the Company and its Affiliates within thirty (30) days after the expiration of such cure period.

2.11. Participant. "Participant" means an individual who satisfies the eligibility requirements set forth in Article III, is selected by the Committee to participate in the Plan and who enters into a Participation Agreement with the Company.

2.12. Participation Agreement. "Participation Agreement" means the agreement, in a form approved by the Committee, confirming an individual's participation in the Plan and his or her agreement to be bound by all of the terms and conditions of the Plan, including the covenants set forth in Article VI.

2.13. Plan. "Plan" means this Armada Hoffler, L.P. Executive Severance Benefit Plan, as amended from time to time.

2.14. Salary. "Salary" means a Participant's base salary as in effect on the date the Participant's employment with the Company and its Affiliates is terminated or terminates in accordance with Article IV; *provided, however,* that a Participant's Salary shall be determined without regard to any reduction in base salary that constitutes Good Reason.

2.15. Standard Termination Benefits. "Standard Termination Benefits" means the sum of any Salary that has been earned but remains unpaid, any Bonus that has been earned but remains unpaid and any accrued but unused vacation pay.

2.16. Tier I Participant. "Tier I Participant" means a Participant who is designated as a Tier I Participant by the Committee.

2.17. Tier II Participant. "Tier II Participant" means a Participant who is designated as a Tier II Participant by the Committee.

2.18. Tier III Participant. "Tier III Participant means a Participant who is designated as a Tier III Participant by the Committee.

III. ELIGIBILITY

Participation in the Plan shall be limited to employees of the Company or an Affiliate who (i) are members of a "select group of management or highly compensated employees" as such phrase is defined for purposes of Title I of ERISA, (ii) are selected to participate in the Plan by the Committee and (iii) execute a Participation Agreement. The Committee's designation shall also designate whether the individual is a Tier I Participant, a Tier II Participant or a Tier III Participant.

IV. ELIGIBILITY TO RECEIVE BENEFITS

A Participant shall be entitled to receive the benefits described in the applicable section of Article V if the Participant (a) remains in the continuous employ of the Company or an

Affiliate from the date the Participant is designated as eligible to participate in the Plan until the date that the Participant's employment with the Company and its Affiliates is terminated without Cause or the date that the Participant's employment with the Company and its Affiliates is terminated by the Participant's resignation with Good Reason and (b) satisfies the requirement to provide a Release as described in Section 5.04.

V. SEVERANCE BENEFITS

5.01. Tier I Participants. A Participant who is designated a Tier I Participant and who satisfies the requirements of Article IV and Section 5.04 shall be eligible to receive the following benefits:

(a) Unless previously paid, the Tier I Participant shall be entitled to receive the Standard Termination Benefits.

(b) A payment equal to a *pro rata* amount (based on the portion of the calendar year that the Participant was employed by the Company or an Affiliate) of the Tier I Participant's Bonus for the year in which employment is terminated or terminates; *provided, however,* that any reduction in Bonus that constitutes Good Reason shall be disregarded.

(c) A payment equal to the product of three (3.0) times the Tier I Participant's Salary as in effect on the date the Tier I Participant's employment with the Company and its Affiliates is terminated or ends in accordance with Article IV; *provided, however*, that any reduction in Salary that constitutes Good Reason shall be disregarded.

(d) (c) A payment equal to the product of three (3.0) times the Tier I Participant's Bonus for the year in which the Tier I Participant's employment with the Company and its Affiliates is terminated or ends in accordance with Article IV; *provided, however*, that any reduction in Bonus that constitutes Good Reason shall be disregarded.

(e) A payment equal to the product of three (3.0) times the sum of (i) the annual COBRA premium that the Company is permitted to charge "qualified beneficiaries" (as defined in Section 4980B of the Code) for the same level and type of coverage that were in effect for the Tier I Participant and dependents on the date employment terminates or ends in accordance with Article IV and (ii) the annual premium for the life insurance, long-term disability insurance and accidental death and dismemberment insurance that were in effect on the date employment terminates or ends in accordance with Article IV.

5.02. Tier II Participants. A Participant who is designated a Tier II Participant and who satisfies the requirements of Article IV and Section 5.04 shall be eligible to receive the following benefits:

(a) Unless previously paid, the Tier II Participant shall be entitled to receive the Standard Termination Benefits.

(b) A payment equal to a *pro rata* amount (based on the portion of the calendar year that the Participant was employed by the Company or an Affiliate) of the Tier II Participant's Bonus for the year in which employment is terminated or terminates; *provided, however,* that any reduction in Bonus that constitutes Good Reason shall be disregarded.

(c) A payment equal to the product of two (2.0) times the Tier II Participant's Salary as in effect on the date the Tier I Participant's employment with the Company and its Affiliates is terminated or ends in accordance with Article IV; *provided, however*, that any reduction in Salary that constitutes Good Reason shall be disregarded.

(d) A payment equal to the product of two (2.0) times the Tier II Participant's Bonus for the year in which the Tier II Participant's employment with the Company and its Affiliates is terminated or ends in accordance with Article IV; *provided, however*, that any reduction in Bonus that constitutes Good Reason shall be disregarded.

(e) A payment equal to the product of two (2.0) times the sum of (i) the annual COBRA premium that the Company is permitted to charge "qualified beneficiaries" (as defined in Section 4980B of the Code) for the same level and type of coverage that were in effect for the Tier II Participant and dependents on the date employment terminates or ends in accordance with Article IV and (ii) the annual premium for the life insurance, long-term disability insurance and accidental death and dismemberment insurance that were in effect on the date employment terminates or ends in accordance with Article IV.

(f) If a Tier II Participant satisfies the requirements of Article IV and Section 5.04 and is terminated without Cause or resigns with Good Reason, in either case within ninety (90) days before a Change in Control or within one (1) year after a Change in Control, then the benefits described in the preceding Sections 5.02(c), (d) and (e) shall be calculated by substituting "two and one-half (2.5)" for "two (2.0)" therein.

5.03. Tier III Participants. A Participant who is designated a Tier III Participant and who satisfies the requirements of Article IV and Section 5.04 shall be eligible to receive the following benefits:

(a) Unless previously paid, the Tier III Participant shall be entitled to receive the Standard Termination Benefits.

(b) A payment equal to a *pro rata* amount (based on the portion of the calendar year that the Participant was employed by the Company or an Affiliate) of the Tier III Participant's Bonus for the year in which employment is terminated or terminates; *provided, however,* that any reduction in Bonus that constitutes Good Reason shall be disregarded.

(c) A payment equal to the product of one (1.0) times the Tier III Participant's Salary as in effect on the date the Tier I Participant's employment with the Company and its Affiliates is terminated or ends in accordance with Article IV; *provided, however*, that any reduction in Salary that constitutes Good Reason shall be disregarded.

(d) (c) A payment equal to the product of one (1.0) times the Tier III Participant's Bonus for the year in which the Tier III Participant's employment with the Company and its Affiliates is terminated or ends in accordance with Article IV; *provided, however*, that any reduction in Bonus that constitutes Good Reason shall be disregarded.

(e) A payment equal to the product of one (1.0) times the sum of (i) the annual COBRA premium that the Company is permitted to charge "qualified beneficiaries" (as defined in Section 4980B of the Code) for the same level and type of coverage that were in effect for the Tier III Participant and dependents on the date employment terminates or ends in accordance with Article IV and (ii) the annual premium for the life insurance, long-term disability insurance and accidental death and dismemberment insurance that were in effect on the date employment terminates or ends in accordance with Article IV.

(f) If a Tier III Participant satisfies the requirements of Article IV and Section 5.04 and is terminated without Cause or resigns with Good Reason, in either case within ninety (90) days before a Change in Control or within one (1) year after a Change in Control, then the benefits described in the preceding Sections 5.03(c), (d) and (e) shall be calculated by substituting "one and one-half (1.5)" for "one (1.0)" therein.

5.04. Release. A Participant shall not be entitled to receive any benefits (other than the Standard Termination Benefits) unless the Participant signs a general release and waiver of claims, on a form provided by the Company, and the general release and waiver of claims becomes effective and irrevocable on or before the forty-fifth (45th) day after the date that the Participant's employment is terminated or ends in accordance with Article IV. [The Company shall deliver the general release and waiver of claims to the Participant no later than ten (10) days after the date that the Participant's employment is terminated or ends in accordance with Article IV.

5.05. Payment. The Standard Termination Benefits shall be paid to each Participant as soon as practicable after the date that the Participant ceases to be employed by the Company and its Affiliates. Any other benefits payable under the Plan shall be paid to the Participant, in a single cash payment, within five (5) days after the release described in Section 5.04 becomes effective and irrevocable; provided, however, that if a Tier II Participant or a Tier III Participant becomes entitled to additional benefits pursuant to Section 5.02(f) or 5.03(f), respectively, after the payment of the benefits due before the application of Section 5.02(f) or 5.03(f), the additional benefits shall be paid within five (5) days after the Control Change Date. Applicable income and employment taxes shall be deducted from any payment to a Participant.

VI. RESTRICTIVE COVENANTS

6.01. Covenant Against Competition. As a condition of participation in the Plan and as set forth in the Participation Agreement, each Participant agrees that during his or her employment with the Company or an Affiliate and for a period of one (1) year following the termination of the Participant's employment with the Company and its Affiliates for any reason, that the Participant shall not engage in any business which is competitive with the business of the Company or any Affiliate as of the date such employment terminates or is terminated. A business shall be deemed "competitive" with the business of the Company or an Affiliate if its business consists of or includes any type or line of business engaged in by the Company or any Affiliate as of the date of such termination and is conducted, in whole or in part, within the states of North Carolina or Maryland, the Commonwealth of Virginia or the District of Columbia. A Participant shall be deemed to "engage in a business" if the Participant (a) participates, directly or indirectly, in such business as a director, officer, stockholder, employee, salesman, partner or

individual proprietor, (ii) acts as a paid consultant, representative or advisor to such business, (iii) participates in such business as an investor (whether through loans, contributions to capital or otherwise) or has a controlling influence over such business or (iv) permits his or her name to be used by or in connection with such business; *provided, however*, that this Section 6.01 shall not preclude the purchase of securities that are listed on a national securities exchange of any entity that is competitive with the Company or an Affiliate, provided that the Participant may not beneficially own more than five percent (5%) or more of any class of such securities.

6.02. Covenant Against Solicitation. As a condition of participation in the Plan and as set forth in the Participation Agreement, each Participant agrees that during his or her employment with the Company or an Affiliate and for a period of one (1) year following the termination of the Participant's employment with the Company and its Affiliates for any reason, that the Participant shall not, directly or indirectly through another person or entity (i) solicit any employee of the Company or an Affiliate to leave the employ of the Company or Affiliate or in any way interfere with the relationship between the Company or its Affiliate, on the one hand, and any employee thereof, on the other hand, (ii) hire any person who was an employee of the Company or an Affiliate until one year after such individual's employment relationship with the Company and its Affiliates has been terminated or (iii) induce or attempt to induce any customer, client, supplier, contractor or other business relation of the Company or an Affiliate to cease doing business with the Company or an Affiliate or in any way interfere with the relationship between any such customer, client, supplier, contractor or business relation, on the one hand, and the Company or its Affiliate, on the other hand.

6.03. Covenant Regarding Confidentiality. As a condition of participation in the Plan and as set forth in the Participation Agreement, each Participant agrees that he or she shall not at any time use or divulge, furnish or make accessible to anyone (other than in the regular course of the business of the Company or its Affiliates) any information regarding trade secrets, proprietary information or other confidential information (including, but not limited to, any information concerning customers, clients or accounts) with respect to the business affairs of the Company or any Affiliate. This Section 6.03 shall not apply to information that is or becomes generally available (i) to the public other than as a result of a disclosure by the Participant or his or her representatives.

VII. LIMITATION ON BENEFITS

The benefits that a Participant may be entitled to receive under this Plan and other benefits that a Participant is entitled to receive under other plans, agreements and arrangements (which, together with the benefits provided under this Plan, are referred to as "Payments"), may constitute Parachute Payments that are subject to Code Sections 280G and 4999. As provided in this Article VII, the Parachute Payments will be reduced if, and only to the extent that, a reduction will allow a Participant to receive a greater Net After Tax Amount than a Participant would receive absent a reduction.

The Accounting Firm will first determine the amount of any Parachute Payments that are payable to a Participant. The Accounting Firm also will determine the Net After Tax Amount attributable to the Participant's total Parachute Payments.

The Accounting Firm will next determine the largest amount of Payments that may be made to the Participant without subjecting the Participant to tax under Code Section 4999 (the "Capped Payments"). Thereafter, the Accounting Firm will determine the Net After Tax Amount attributable to the Capped Payments.

The Participant will receive the total Parachute Payments or the Capped Payments, whichever provides the Participant with the higher Net After Tax Amount. If the Participant will receive the Capped Payments, the total Parachute Payments will be adjusted by first reducing the amount of any noncash benefits under this Plan or any other plan, agreement or arrangement (with the source of the reduction to be directed by the Participant) and then by reducing the amount of any cash benefits under this Plan or any other plan, agreement or arrangement (with the source of the reduction to be directed by the Participant). The Accounting Firm will notify the Participant and the Company if it determines that the Parachute Payments must be reduced to the Capped Payments and will send the Participant and the Company a copy of its detailed calculations supporting that determination.

As a result of the uncertainty in the application of Code Sections 280G and 4999 at the time that the Accounting Firm makes its determinations under this Article VII, it is possible that amounts will have been paid or distributed to the Participant that should not have been paid or distributed under this Article VII ("Overpayments"), or that additional amounts should be paid or distributed to the Participant under this Article VII ("Underpayments"). If the Accounting Firm determines, based on either the assertion of a deficiency by the Internal Revenue Service against the Company or the Participant, which assertion the Accounting Firm believes has a high probability of success or controlling precedent or substantial authority, that an Overpayment has been made, the Participant must repay to the Company, without interest; provided, however, that no loan will be deemed to have been made and no amount will be payable by the Participant to the Company unless, and then only to the extent that, the deemed loan and payment would either reduce the amount on which the Participant is subject to tax under Code Section 4999 or generate a refund of tax imposed under Code Section 4999. If the Accounting Firm determines, based upon controlling precedent or substantial authority, that an Underpayment has occurred, the Accounting Firm will notify the Participant and the Company of that determination and the amount of that Underpayment will be paid to the Participant promptly by the Company.

For purposes of this Article VII, the term "Accounting Firm" means the independent accounting firm engaged by the Company immediately before the Control Change Date. For purposes of this Article VII, the term "Net After Tax Amount" means the amount of any Parachute Payments or Capped Payments, as applicable, net of taxes imposed under Code Sections 1, 3101(b) and 4999 and any State or local income taxes applicable to the Participant on the date of payment. The determination of the Net After Tax Amount shall be made using the highest combined effective rate imposed by the foregoing taxes on income of the same character as the Parachute Payments or Capped Payments, as applicable, in effect on the date of payment. For purposes of this Article VII, the term "Parachute Payment" means a payment that is described in Code Section 280G(b)(2), determined in accordance with Code Section 280G and the regulations promulgated or proposed thereunder.

VIII. CODE SECTION 409A

The Plan and all payments under the Plan are intended to be exempt from, or otherwise comply with, Section 409A of the Code ("Section 409A"), after giving effect to the exemptions in Treasury Regulation sections 1.409A-1(b)(3) through (b)(12). This Plan and the Participation Agreements shall be administered, interpreted and construed in a manner consistent with that intent. If any provision of the Plan or the payment of any benefit under the Plan is found not to be exempt from and found not to comply with, the provisions of Section 409A, it shall be modified and given effect, in the sole discretion of the Committee and without requiring the Participant's consent, in such manner as the Committee determines is necessary or appropriate to effectuate an exemption from, or to comply with, Section 409A. Each payment under the Plan shall be treated as a separate identified payment for purposes of Section 409A.

If a payment obligation under the Plan constitutes "deferred compensation" (as defined in Treasury Regulation section 1.409A-1(b)(1), after giving effect to the exemptions in Treasury Regulation sections 1.409A-1(b)(3) through (b)(12)), it shall be payable only after the Participant's "separation from service" (as defined under Treasury Regulation section 1.409A-1(h)); *provided, however*, that if the Participant is a "specified employee" (as defined under Treasury Regulation section 1.409A-1(i)), any such payment that is subject to Section 409A and that is scheduled to be paid within six months after such separation from service shall accrue without interest and shall be paid on the first day of the seventh month beginning after the date of the Participant's separation from service or, if earlier, within fifteen (15) days after the appointment of the personal representative or executor of the Participant's estate following the Participant's death.

IX. ADMINISTRATION; CLAIMS PROCEDURE; REVIEW

9.01. Administration. The Committee shall serve as the "plan administrator" and "named fiduciary" of the Plan for purposes of the Employee Retirement Income Security Act of 1974, as amended. The Committee shall have full power and discretionary authority to determine eligibility to participate in the Plan, to designate Participants as Tier I Participants, Tier II Participants and Tier III Participants, to determine eligibility to receive Plan benefits and to construe and interpret the terms of the Plan. The Committee shall have the authority to make all factual determinations necessary to administer the Plan. The decisions of the Committee shall be final and conclusive with respect to all questions concerning administration of the Plan; subject only to the claims procedure and review procedure set forth in Sections 9.02 and 9.03. No member of the Committee shall be liable for any act done in good faith with respect to the Plan.

The Committee may delegate to other persons responsibility for performing ministerial acts with respect to the administration of the Plan. The Committee may seek such expert advice as the Committee deems necessary or desirable with respect to the Plan. The Committee shall be entitled to rely upon the information and advice furnished by such delegates and experts, unless the Committee has actual knowledge that such information or advice is inaccurate or unlawful. No Participant shall be entitled to challenge a decision of the Committee in court or in any other administrative proceeding unless and until the claim and review procedures set forth in Sections 9.02 and 9.03 have been complied with and exhausted.

9.02. Claim Procedure. A Participant is not required to file a claim in order to receive any benefits that are payable under the Plan but a Participant who believes he or she is entitled to benefits or additional benefits may file a written claim for benefits with the Committee. The Committee shall review any written claim for benefits that is submitted to it. If a claim is wholly or partially denied, the Committee will furnish the Participant written notice in accordance with Department of Labor regulations of the Committee's decision within ninety (90) days of receipt of the written claim. The Committee's notification shall include (a) the specific reasons for the denial, (b) the specific reference to the pertinent Plan provisions upon which the denial is based, (c) a description of any additional material or information necessary for the Participant to perfect the claim and an explanation of why such material or information is necessary and (d) a description of the Plan's claims review procedures describing the steps to be taken and the applicable time limits to submit a claim for review, including a statement of the Participant's right to bring a civil action under Section 502(a) of ERISA following an adverse benefit determination on review.

If special circumstances require an extension of time for the Committee to process a written claim for benefits, the ninety (90) day period may be extended for an additional ninety (90) days. Prior to the expiration of the initial ninety (90) day period, the Participant shall be furnished with a written or electronic notice setting forth the reason for the extension and the special circumstances requiring an extension of time and the date by which the Committee expects to render its decision on the written claim for benefits.

9.03. Review of Claim Denials. If a written claim for benefits is wholly or partially denied, the Participant may (a) request a full and fair review of the Committee's decision upon written application to the Committee filed within sixty (60) days after receipt of the written notification of the Committee's decision, (b) submit written comments, documents, records and other information relating to the claim to the Committee and (c) upon request (and free of charge) be given reasonable access to and copies of documents and records and other information relevant to the claim. Upon receipt of timely, written application for review, the Committee shall undertake a review, taking into account all comments, documents, records and information submitted by the Participant or considered in the initial benefit determination. If the Participant fails to appeal the initial benefit determination in writing within the prescribed period of time, then the Committee's prior determination shall be final, binding and conclusive.

The Committee will render a decision upon review no later than sixty (60) days after receipt of the written request for review. If special circumstances (such as the need to hold a hearing on any matter pertaining to the denied claim) warrant additional time, the decision will be rendered as soon as possible, but not later than one hundred twenty (120) days after receipt of the written request for review. Written notice specifying the circumstances requiring an extension of time will be furnished to the Participant prior to the expiration of the sixty (60) day period. The decision of the Committee on review will be in writing and will include specific reasons for the decision and specific references to the pertinent provisions of the Plan on which the decision is based, including a statement of the Participant's right to bring a civil action under Section 502(a) of ERISA. If the decision on review is not furnished to the Participant within the time limits prescribed above, the claim will be deemed denied on review.

X. AMENDMENT AND TERMINATION

The Plan may be amended at any time by action of the Committee; *provided*, *however*, that no amendment shall be effective with respect to any Participant without the Participant's consent if the amendment adversely affects the Participants rights under the Plan or the Participant's obligations under Article VI. In addition, the Committee may not revoke a Participant's designation as a Participant (except in the case that the Participant's continued participation in the Plan would prevent the Plan from satisfying the requirements for exemption under ERISA for plans maintained primarily for a select group of management or highly compensated employees). In addition, the Committee may not change a Tier I Participant's designation to a Tier II Participant or Tier III Participant and may not change a Tier II Participant's designation to a Tier III Participant.

The Plan may be terminated at any time by action of the Committee or the Board; *provided*, *however*, that a termination of the Plan shall not affect the rights of a Participant whose employment was terminated or ended as provided in Article IV before the date of the Plan termination and *provided further* that the Plan may not be amended or terminated with respect to any Participant without the Participant's consent within twelve (12) months after a Control Change Date.

XI. GENERAL

11.01. No Employment Rights. The Plan, and a Participant's participation in the Plan, does not confer on any Participant any right to continued employment by the Company or an Affiliate. Nothing in the Plan shall restrict the right of the Company or an Affiliate to terminate the employment of any Participant at any time for any reason or no reason.

11.02. No Assignment. The benefits payable under the Plan are not subject to anticipation, alienation, pledge, sale, transfer, assignment, garnishment, attachment, or other transfer and any attempt to cause such transfer shall not be recognized except to the extent required by law.

11.03. Severability. If any provision of the Plan is found, held or deemed by a court of competent jurisdiction to be void, unlawful or unenforceable under any applicable statute or other controlling law, the remainder of the Plan shall continue in full force and effect.

11.04. Unfunded Obligation. The benefits payable under the Plan are unfunded obligations of the Company and shall be paid from the general assets of the Company. No Participant has any right in or title to any assets, funds or property of the Company with respect to the payment of Plan benefits and each Participant is a general unsecured creditor of the Company with respect to any Plan benefits that may become payable to the Participant.

11.05. Death of Participant. If a Participant becomes entitled to receive Plan benefits but dies before all of the Plan benefits have been paid to the Participant, any remaining Plan benefits shall be paid to the estate of the Participant.

11.06. Governing Law. The Plan shall be governed and construed in accordance with the laws of the State of Maryland except to the extent that the laws of the State of Maryland would require the application of the laws of another state and except to the extent that the laws of the State of Maryland are preempted by ERISA.

11.07. Successors. The Plan shall be binding on, and inure to the benefit of, the successors and personal representatives, legatees, heirs, etc. of a Participant and the successors to the Company.

Exhibit 10.8

CONTRIBUTION AGREEMENT

Daniel A. Hoffler

This CONTRIBUTION AGREEMENT (this "Agreement") is made as of February 11, 2013, by and among Daniel A. Hoffler ("Contributor"), Armada Hoffler, L.P., a Virginia limited partnership (the "Operating Partnership") and Armada Hoffler Properties, Inc., a Maryland corporation (the "REIT").

RECITALS

WHEREAS, Contributor is the record and beneficial owner of equity interests in the amount or percentage described on Exhibit A hereto (the "Contributed Interests") in each of the entities described in Exhibit A hereto (each, a "Contributed Entity" and collectively, the "Contributed Entities"), which are the direct or indirect owners of the respective properties or property entities described on Exhibit A hereto (each a "Property" and collectively, the "Properties"). Entities in which certain of the Contributed Entities own interests (each, a "Subsidiary Entity") are set forth on Exhibit A as "Subsidiary Interests". Contributor desires to contribute the Contributed Interests to the Operating Partnership, and the Operating Partnership desires to acquire the Contributed Interests from Contributor, on the terms and conditions hereinafter set forth.

NOW, THEREFORE, for and in consideration of the foregoing, and the representations, warranties and other terms contained in this Agreement, and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties hereto, intending to be legally bound hereby, agree as follows:

ARTICLE I

THE CONTRIBUTION

1.1 Contribution of Contributed Interests. Contributor irrevocably agrees to contribute, transfer and assign at Closing (as defined herein) the Contributed Interests set forth opposite Contributor's name on Exhibit A hereto, together with any other interests Contributor may have in any of the Contributed Entities and any other properties or entities being acquired by the Operating Partnership as described in the draft Confidential Private Placement Memorandum for the Offering of Limited Partnership Interests of the Operating Partnership (the "PPM"), to the Operating Partnership, and the Operating Partnership agrees to accept transfer of the Contributed Interests and any such other interests pursuant to the terms and subject to the conditions set forth in this Agreement. The Contributed Interests shall be transferred to the Operating Partnership free and clear of all liens, encumbrances, security interests, pledges, voting agreements, prior assignments or conveyances, conditions, restrictions, claims, and any other matters affecting title thereto.

1.2 Consideration.

(a) Consideration Amount. The total consideration (the "Consideration") for which Contributor agrees to contribute, transfer and assign the Contributed Interests to the

Operating Partnership, and for which the Operating Partnership agrees to pay, issue or deliver to Contributor, subject to the terms of this Agreement, at Closing (as defined herein) shall be determined in the manner set forth on Exhibit A hereto. The Consideration may be adjusted, upward or downward, by the amount of any adjustments arising from the Prorations (as defined herein). Any decrease to the amount of the Consideration will be deducted first from the cash portion of the Consideration, if any, and the balance, if any, will be deducted from the OP Units. Any increase in the Consideration as a result of the Prorations will be paid in OP Units. In addition to the Consideration set forth on Exhibit A hereto, Contributor shall be entitled to receive in cash, at Closing or shortly thereafter, Contributor's pro rata share (based on Contributor's direct or indirect ownership interest in each Property Entity) of any tenant improvement, leasing commission and replacement reserves held by lenders with respect to each Property in which Contributor owns an interest.

(b) Election Form. The Consideration shall be payable in accordance with the election made by Contributor in the Consideration Election Form ("Election Form") accompanying the PPM, the results of which election are set forth on Exhibit A hereto. If, pursuant to the Election Form, Contributor (A) elected all or part of Contributor's consideration payable hereunder to be in the form of units of limited partnership interests of the Operating Partnership ("OP Units") and (B) submitted to the Operating Partnership (x) an executed Investor Questionnaire representing and warranting to the Operating Partnership that Contributor is an "accredited investor" as defined in the Investor Questionnaire and (y) any other documentation required by the Operating Partnership, including, but not limited to, a signature page to the Partnership Agreement (as hereinafter defined), Contributor shall receive OP Units in an amount determined in the manner described on Exhibit A hereto. The portion of the Consideration, if any, payable in cash is set forth on Exhibit A. Contributor agrees that the cash payment shall be made and the OP Units shall be registered in the name of the persons or entities set forth on the Election Form. OP Units will only be delivered to Contributor if Contributor has represented to the Operating Partnership that Contributor is an "accredited investor". No fractional OP Units will be issued and OP Units will be rounded to the nearest whole number. The Consideration payable to Contributor, whether in cash, in OP Units or a combination thereof, may be reduced by the amount the Operating Partnership reasonably determines must be withheld for tax purposes. The rights and obligations of holders of OP Units as of the Closing will be as set forth in the First Amended and Restated Agreement of Limited Partnership of the Operating Partnership (the "Partnership Agreement"), a draft copy of which is included as an exhibit to the PPM.

1.3 OP Units. Although initially the OP Units will not be certificated, certificates, if any, subsequently evidencing the OP Units will bear appropriate legends (i) indicating that the OP Units have not been registered under the Securities Act of 1933, as amended ("Securities Act"), (ii) indicating that the Partnership Agreement will restrict the transfer of the OP Units, and (iii) describing the ownership limitations and transfer restrictions imposed by the charter of the REIT with respect to shares of the REIT's common stock.

1.4 No Further Interest. Contributor acknowledges and agrees that effective upon the Closing, and without any further action by Contributor, the Contributed Interests shall be transferred, assigned and conveyed to the Operating Partnership, or a subsidiary thereof, and Contributor shall no longer be an equity holder of any of the Contributed Entities, shall no longer

be entitled to receive any distributions from any of the Contributed Entities, and shall have no further right, title or interest in any of the Contributed Interests, the Contributed Entities or the Property Entities.

1.5 Tax Consequences to Contributor. Notwithstanding anything to the contrary contained in this Agreement, including without limitation the use of words and phrases such as "sell," "sale," "purchase," and "pay," the parties hereto acknowledge, agree and consent that the transactions contemplated hereby will be treated for federal income tax purposes (i) in accordance with Section 721 of the Internal Revenue Code of 1986, as amended (the "Code") with respect to any portion of the Consideration that is payable in OP Units; (ii) as an "assets over form" of transaction pursuant to Treasury Regulations Section 1.708-1(c)(3)(i); and (iii) as a sale of the Contributor's Contributed Interests to the Operating Partnership under Treasury Regulations Section 1.708-1(c)(4) to the extent of the Contributor's receipt of cash Consideration pursuant to Section 1.2(a), except to the extent that such cash Consideration is treated as (a) the reimbursement of "preformation expenditures" under Treasury Regulations Section 1.707-4(d); and/or (b) a "debt financed transfer of consideration" by the Operating Partnership under Treasury Regulations Section 1.707-5(b), as applicable.

1.6 Definitions. As used in this Agreement, the following terms have the following meanings:

"Contributor's Percentage Interest" means, with respect to each Contributed Entity, the percentage set forth on Exhibit A hereto under the heading "Contributed Entity/Contributed Interest", which reflects Contributor's percentage ownership interest in each Contributed Entity pursuant to and in accordance with the applicable Governing Agreement (as defined herein) of the Contributed Entity.

"IPO" means the underwritten initial public offering of common stock of the REIT.

"IPO Price" means the public offering price set forth on the front cover of the final prospectus for the IPO, as filed with the U.S. Securities and Exchange Commission (the "SEC").

"Property Entity" means an entity owning a Property, as set forth on Exhibit A hereto.

"Prorations" means those proration and adjustment amounts that are customarily applied to closings of commercial real estate transactions in the county in which the Property is located, which amounts shall be calculated as of midnight (Eastern time) of the day immediately preceding the Closing Date and shall include:

(A) Taxes. All real estate and personal property taxes and special assessments, if any, with respect to each Property shall be prorated at Closing;

(B) Utilities. All telephone, electric, sewer, water and other utility bills, trash removal bills, janitorial and maintenance service bills and all other expenses relating to a Property that are obligations of the Property Entity and which are allocable to the period prior to the Closing Date shall be determined and paid, or caused to be paid, by the Property Entity or Contributed Entity before Closing, if possible, or if such is not determinable before Closing, then the Parties shall use their

commercially reasonable efforts to determine and pay such amounts as promptly as possible following Closing and the Operating Partnership may withhold from any cash amount of the Consideration payable at Closing hereunder an amount of cash reasonably estimated to cover any estimated Proration for the items described in this subsection (B);

(C) Rents. All rents, including, without limitation, base rents, operating expense payments or common area maintenance charges and all other forms of additional rents, payable under the leases of the Property and all other income from the Property shall be prorated at Closing; and

(D) Other Items. Any other items of revenue, operating expenses or other items which are customarily prorated between a transferor and transferee of real estate in the county in which the Property is located shall be prorated at Closing.

"Representation, Warranty and Indemnity Agreement" means the Representation, Warranty and Indemnity Agreement by and among the REIT, the Operating Partnership and Daniel A. Hoffler.

ARTICLE II

REPRESENTATIONS AND WARRANTIES

2.1 Representations by the Operating Partnership. The Operating Partnership hereby represents and warrants to Contributor that the following statements are true, correct, and complete as of the date of this Agreement and will be true, correct and complete as of the Closing Date (as defined herein):

(a) Organization and Power. The Operating Partnership is duly organized, validly existing, and in good standing under the laws of the Commonwealth of Virginia, and has full right, power, and authority to enter into this Agreement and to assume and perform all of its obligations under this Agreement. The execution and delivery of this Agreement and the performance by the Operating Partnership of its obligations hereunder have been duly authorized by all requisite action of the Operating Partnership and require no further action or approval of the Operating Partnership's partners or of any other individuals or entities in order to constitute this Agreement as a binding and enforceable obligation of the Operating Partnership.

(b) OP Units Validly Issued. The OP Units, when issued in accordance with the terms of this Agreement and the Partnership Agreement, will have been duly and validly authorized and issued, free of any preemptive or similar rights, and will be fully paid, without any obligation to restore capital, except as required by the Virginia Revised Uniform Limited Partnership Act (the "Limited Partnership Act").

2.2 Representations by Contributor. Contributor hereby represents and warrants to the Operating Partnership that the following statements are true, correct, and complete as of the date of this Agreement and will be true, correct, and complete as of the Closing Date:

(a) Organization and Power; Due Authorization. Contributor, if an entity or trust, is duly incorporated, formed or organized, validly existing, and in good standing under the laws of its state of incorporation, formation or organization. Contributor has full right, power, and authority to enter into this Agreement and to assume and perform all of its obligations under this Agreement; and the execution and delivery of this Agreement and the performance by Contributor of its obligations hereunder have been duly authorized by all requisite action of Contributor and require no further action or approval of Contributor's members, partners, stockholders, managers, board of directors, trustees or of any other individuals or entities, as applicable, in order to constitute this Agreement as a binding and enforceable obligation of Contributor. No person has any community property rights, by virtue of marriage or otherwise, with respect to the Contributed Interests. This Agreement and each agreement, document and instrument executed and delivered by or on behalf of Contributor pursuant to this Agreement constitutes, or when executed and delivered will constitute, the legal, valid and binding obligation of Contributor, each enforceable against Contributor in accordance with its terms, except as such enforceability may be limited by bankruptcy or the application of equitable principles.

(b) Noncontravention. Neither the entry into nor the performance of, or compliance with, this Agreement by Contributor has resulted, or will result, in any violation of, or default under, or result in the acceleration of, any obligation under any charter, bylaws, limited liability company agreement, partnership agreement, declaration of trust, mortgage indenture, lien agreement, note, contract, agreement, permit, judgment, decree, order, restrictive covenant, statute, rule, or regulation applicable to Contributor or to any Contributed Interests, any Contributed Entity, Subsidiary Interests or Property Entity.

(c) Litigation. There is no action, suit, or proceeding, pending or known to be threatened, against or affecting Contributor in any court or before any arbitrator or before any federal, state, municipal, or other governmental department, commission, board, bureau, agency or instrumentality which (1) in any manner raises any question affecting the validity or enforceability of this Agreement, (2) could materially and adversely affect the business, financial position, or results of operations of Contributor, any Contributed Entity, Subsidiary Interests, Property Entity or Property, (3) could adversely affect the ability of Contributor to perform its obligations hereunder, or under any document to be delivered pursuant hereto, (4) could create a lien on the Contributed Interests, any part thereof, or any interest therein, or (5) could adversely affect the Contributed Interests, any part thereof, or any interest therein.

(d) Good Title. Exhibit A hereto accurately sets forth Contributor's Percentage Interest. Contributor is the sole record and beneficial owner of the Contributed Interests and has full power and authority to convey the Contributed Interests pursuant to the terms of this Agreement. Contributor has good and marketable title to the Contributed Interests. Except as set forth on Schedule 2.1(d), the Contributed Interests are free and clear of all liens, encumbrances, security interests, pledges, voting agreements, prior assignments or conveyances, conditions, restrictions, claims or any other matters affecting title thereto and at the Closing will be contributed to the Operating Partnership free and clear of all liens, encumbrances, security interests, pledges, voting agreements, prior assignments or conveyances, conditions, restrictions, claims or other matters affecting title thereto. No other person or entity has an option to purchase or a right of first refusal to purchase the Contributed Interests nor are there any

agreements or understandings with respect to the voting, ownership or disposition of the Contributed Interests that could adversely affect Contributor's ability to perform its obligations hereunder or the Operating Partnership's rights to the Contributed Interests following the Closing.

(e) Contributed Interests. There are no rights to purchase, subscriptions, warrants, options, conversion rights or preemptive rights relating to the Contributed Interests or any equity interest in any Contributed Entity that will be in effect as of the Closing.

(f) No Consents. Each consent, approval, authorization, order, license, certificate, permit, registration, designation, or filing by or with any governmental agency or body necessary for the execution, delivery and performance of this Agreement or the transactions contemplated hereby by Contributor has been obtained or will be obtained on or before the Closing Date. Each consent or approval required under any Governing Agreement (as defined herein), contract or agreement of any Contributed Entity, or among the partners, members or stockholders of any Contributed Entity, Subsidiary Entity or Property Entity to which Contributor is a party, relating to indebtedness or otherwise, necessary for the execution, delivery and performance of this Agreement and the contribution, acquisition and transfer of the Contributed Interests has been obtained or will be obtained on or before the Closing Date.

(g) Actions Prior to Closing. From the date hereof until the Closing Date, Contributor shall not take any action or fail to take any action the result of which would (1) have a material adverse effect on the Contributed Interests or the Operating Partnership's ownership thereof, or any material adverse effect on the assets, business, condition (financial or otherwise), results or operation of any Property, any Contributed Entity, Subsidiary Entity or Property Entity after the Closing Date or (2) cause any of the representations and warranties contained in this Section 2.2 to be untrue as of the Closing Date.

(h) Governing Documents. Contributor has performed all of its obligations under the Limited Partnership Agreement, Limited Liability Company Agreement, Operating Agreement, Charter and Bylaws, as such may have been amended from time to time, as applicable, of each Contributed Entity in which it owns an interest, (each a "Governing Agreement" and collectively, the "Governing Agreements").

(i) Securities Law Matters.

(1) In deciding to engage in the transaction contemplated by this Agreement, including, if applicable, acquiring OP Units, neither Contributor nor any equity holder thereof is relying upon any representations made to it by the Operating Partnership, or any of its partners, officers, employees, or agents that are not contained herein. Contributor is aware of the risks involved in investing in the OP Units and in the securities issuable upon redemption of such OP Units. Contributor is knowledgeable, sophisticated and experienced in business and financial matters and fully understands the limitations on transfer imposed by the federal securities laws and as described in this Agreement and the PPM and related materials, including the Partnership Agreement. Contributor has received the PPM and related materials, including the Partnership Agreement, has reviewed all documents and has had an opportunity to ask questions of,

and to receive answers from, the Operating Partnership and the REIT or a person or persons authorized to act on their behalf, concerning the terms and conditions of an investment in the OP Units and the financial condition, affairs, and business of the Operating Partnership and the REIT. Contributor confirms that all documents, records, and information pertaining to its investment in OP Units that have been requested by Contributor have been made available or delivered to Contributor prior to the date hereof.

(2) Contributor understands and acknowledges that (i) certain of the information contained in the PPM is incomplete or may be revised, amended or supplemented in the registration statement to be filed by the REIT with the SEC in connection with the IPO and (ii) the financial information included in the PPM has not been audited, but will be audited prior to the REIT's filing of the registration statement with the SEC, and such information could change upon audit, and any such changes could be material.

(3) Contributor and each equity holder thereof understands that the offer and sale of OP Units have not been registered under the Securities Act or any state securities laws and are instead being offered and sold in reliance on an exemption from such registration requirements and that the Operating Partnership's reliance on such exemption is predicated in part on the accuracy and completeness of the representations and warranties of Contributor contained herein. The OP Units issuable to Contributor are being acquired by Contributor solely for its own account, for investment, and are not being acquired with a view to, or for resale in connection with, any distribution, subdivision, or fractionalization thereof, in violation of such laws, and Contributor does not have any present intention to enter into any contract, undertaking, agreement, or arrangement with respect to any such resale.

(4) Contributor is able to bear the economic risk of holding the OP Units for an indefinite period and is able to afford the complete loss of its investment in the OP Units.

(5) Contributor understands that no federal agency (including the SEC) or state agency has made or will make any finding or determination as to the fairness of an investment in the OP Units (including as to the value of the Consideration payable in OP Units in accordance with Section 1.2 hereof).

(6) Contributor understands that there is no established public, private or other market for the OP Units to be acquired by Contributor hereunder and it is not anticipated that there will be any public, private or other market for such OP Units in the foreseeable future.

(7) Contributor understands that Rule 144 promulgated under the Securities Act is not currently available with respect to the sale of OP Units.

(j) Accredited Investor. If Contributor is electing to receive OP Units as some or all of the Consideration, Contributor is an "accredited investor", as that term is defined in Rule 501 of Regulation D under the Securities Act, and has previously provided the Operating

Partnership and the REIT with a duly executed questionnaire confirming Contributor's accredited investor status. No event or circumstance has occurred since delivery of such questionnaire to make the statements therein false or misleading.

(k) Tax Matters. Contributor represents and warrants that it has obtained from its own counsel advice regarding the tax consequences of (i) the transfer of the Contributed Interests to the Operating Partnership and the receipt of OP Units and/or cash as the Consideration therefor, (ii) its admission as a limited partner of the Operating Partnership, if applicable and (iii) any other transaction contemplated by this Agreement. Neither the Operating Partnership nor the REIT has made any representation to Contributor regarding the tax treatment of the transactions contemplated by this Agreement, and Contributor further represents and warrants that it has not relied on the Operating Partnership or the Operating Partnership's representatives or counsel for any tax advice.

(l) Bankruptcy with respect to Contributor. No Act of Bankruptcy has occurred with respect to Contributor. As used herein, "Act of Bankruptcy" means if Contributor or any equity holder, partner, manager or director thereof shall (A) apply for or consent to the appointment of, or the taking of possession by, a receiver, custodian, trustee or liquidator of itself or of all or a substantial part of its property, (B) admit in writing its inability to pay its debts as they become due, (C) make a general assignment for the benefit of its creditors, (D) file a voluntary petition or commence a voluntary case or proceeding under the Federal Bankruptcy Code (as now or hereafter in effect), (E) be adjudicated bankrupt or insolvent, (F) file a petition seeking to take advantage of any other law relating to bankruptcy, insolvency, reorganization, receivership, dissolution, winding-up or composition or adjustment of debts, (G) fail to controvert in a timely and appropriate manner, or acquiesce in writing to, any petition filed against it in an involuntary case or proceeding under the Federal Bankruptcy Code (as now or hereafter in effect), or (H) take any entity action for the purpose of effecting any of the foregoing.

(m) Brokerage Commission. Contributor has not engaged the services of any real estate agent, broker, finder or any other person or entity for any brokerage or finder's fee, commission or other amount with respect to the transactions described herein.

(n) No Other Equity Interests. Except for the Contributed Interests, neither Contributor nor any of its affiliates owns, directly or indirectly, any equity interest in any partnership, limited liability company, corporation, trust or other entity owning a Property being acquired by the Operating Partnership as part of the formation transactions described in the PPM and does not own any interest in any Property other than through the Contributed Interests.

ARTICLE III

INDEMNIFICATION

3.1 Survival of Representations and Warranties; Remedy for Breach.

(a) Subject to Section 3.5 hereof, all representations and warranties of Contributor contained in this Agreement or in any Schedule, Exhibit, certificate or affidavit delivered pursuant to this Agreement shall survive the Closing.

(b) Subject to Section 3.4 hereof, following the Closing, Contributor shall be liable under this Agreement for monetary damages (or otherwise) for breach of any of its representations, warranties, covenants and obligations contained in this Agreement or in any Schedule, Exhibit, certificate or affidavit delivered by Contributor pursuant thereto.

3.2 General Indemnification.

(a) From and after the Closing Date, Contributor shall indemnify, hold harmless and defend the Operating Partnership and the REIT, and their respective officers, directors, employees, stockholders, partners, agents and affiliates (each of which is an "Indemnified Party"), from and against any and all claims, losses, damages, liabilities and expenses, including, without limitation, interest, penalties, amounts paid in settlement, reasonable attorneys' fees, costs of investigation, judicial or administrative proceedings or appeals therefrom and costs of attachment or similar bonds (collectively, "Losses") asserted against, imposed upon or incurred by the Indemnified Party, to the extent resulting from any breach of a representation, warranty or covenant of Contributor contained in this Agreement, or in any Schedule, Exhibit, certificate or affidavit delivered by Contributor pursuant thereto. In each case, Contributor shall only bear the fees, costs or expenses in connection with the employment of one counsel (regardless of the number of Indemnified Parties).

(b) Contributor shall also indemnify and hold harmless the Indemnified Parties from and against any and all Losses asserted against, imposed upon or incurred by the Indemnified Parties to the extent resulting from an unrelated third-party claim relating to the Contributed Interests arising from matters that occurred prior to Closing.

(c) With respect to any claim of an Indemnified Party pursuant to this Section 3.2, to the extent available, the Operating Partnership agrees to use diligent good faith efforts to pursue and collect any and all available proceeds and benefits of any right to defense under any insurance policy that covers the matter which is the subject of the indemnification prior to seeking indemnification from Contributor until all proceeds and benefits, if any, to which the Operating Partnership or the Indemnified Party is entitled pursuant to such insurance policy have been exhausted; provided, however, that the Operating Partnership may make a claim under this Section 3.2 even if an insurance coverage dispute is pending, in which case, if the Indemnified Party later receives insurance proceeds with respect to any Losses paid by either Contributor for the benefit of any Indemnified Party, then the Indemnified Party shall reimburse Contributor in an amount equivalent to such proceeds in excess of any deductible amount pursuant to Section 3.2(a) hereof up to the amount actually paid (or deemed paid) by Contributor to the Indemnified Party in connection with such indemnification (it being understood that all costs and expenses incurred by Contributor with respect to insurance coverage disputes shall constitute Losses paid by Contributor for purposes of Section 3.2(a) hereof).

3.3 Notice and Defense of Claims. As soon as reasonably practicable after receipt by the Indemnified Party of notice of any liability or claim incurred by or asserted against the

Indemnified Party that is subject to indemnification under this Article III, the Indemnified Party shall give notice thereof to Contributor, including liabilities or claims to be applied against the indemnification deductible established pursuant to Section 3.4 hereof; provided that failure to give notice to Contributor will not relieve Contributor from any liability that it may have to any Indemnified Party, unless, and only to the extent that, such failure (a) shall have caused prejudice to the defense of such claim or (b) shall have materially increased the costs or potential liability of Contributor by reason of the inability or failure of Contributor (due to such lack of prompt notice) to be involved in any investigations or negotiations regarding any such claim. Such notice shall describe in reasonable detail the facts known to such Indemnified Party giving rise to such claim, and the amount or good faith estimate of the amount of Losses arising therefrom. Unless prohibited by law, such Indemnified Party shall deliver to Contributor, promptly after such Indemnified Party's receipt thereof, copies of all notices and documents received by such Indemnified Party relating to such claim. The Indemnified Party shall permit Contributor, at Contributor's option and expense, to assume the defense of any such claim by counsel selected by Contributor and reasonably satisfactory to the Indemnified Party, and to settle or otherwise dispose of the same; provided, however, that the Indemnified Party may at all times participate in such defense at its sole expense; and provided further, however, that Contributor shall not, in defense of any such claim, except with the prior written consent of the Indemnified Party in its sole and absolute discretion, consent to the entry of any judgment or enter into any settlement that does not include as an unconditional term thereof the giving by the claimant or plaintiff in question to all Indemnified Parties a full and complete release of all liabilities in respect of such claims, or that does not result only in the payment of money damages which are paid (or deemed paid) in full by Contributor. If Contributor shall not have undertaken such defense within 20 days after such notice, or within such shorter time as may be reasonable under the circumstances to the extent required by applicable law, then the Indemnified Party shall have the right to undertake the defense, compromise or settlement of such liability or claim on behalf of and for the account of Contributor and at Contributor's sole cost and expense (subject to the limitations in Section 3.4 hereof).

3.4 Limitations on Indemnification Under Section 3.2(a).

(a) Contributor shall not be liable under Section 3.2(a) hereof unless and until the total amount recoverable by the Indemnified Parties under Section 3.2(a) exceeds one percent (1%) of the value of the aggregate Consideration (valuing OP Units at the IPO Price) and then only to the extent of such excess.

(b) Notwithstanding anything contained herein to the contrary, before taking recourse against any assets of Contributor and subject to the limitations set forth in the following sentence, the Indemnified Parties shall look, first to available insurance proceeds (including without limitation any title insurance proceeds, if applicable) pursuant to Section 3.2(c) above, and then to indemnification under this Article III, (and agree to treat any return of OP Units in satisfaction of indemnification obligations hereunder as an adjustment to the consideration delivered to Contributor pursuant to the Formation Transactions). Notwithstanding anything to the contrary in this Agreement, except in the case of fraud or in the event of Losses relating to a third-party claim, Contributor shall not be liable to the Indemnified Parties for any indirect, special or consequential damages, loss of profits, taxes relating to tax years beginning on or after Closing, loss of value or other similar speculative damages asserted or claimed by the Indemnified Parties.

(c) The limitations in this Section 3.4 shall not apply to any obligations of Contributor with respect to Prorations under this Agreement.

3.5 Limitation Period.

(a) Any claim for indemnification under Section 3.2 hereof must be asserted in writing by the Indemnified Party, stating the nature of the Losses and the basis for indemnification therefor on or prior to the fifth (5th) anniversary of the Closing.

(b) If asserted in writing on or prior to the date specified in Section 3.5(a) hereof for the applicable claim, any claims for indemnification pursuant to Section 3.2 hereof shall survive until resolved by mutual agreement between Contributor and the Indemnified Party or by arbitration or court proceeding.

3.6 Delivery of Indemnity Amounts. Indemnity payments may be made by Contributor in the form of cash or OP Units. To the extent indemnification is made through delivery by Contributor of OP Units, such OP Units shall be valued at an amount per OP Unit equal to the IPO Price. Contributor hereby authorizes the REIT, as general partner of the Operating Partnership, to take all such action as may be necessary to amend the Partnership Agreement, and any exhibits or schedules thereto, to reflect the delivery of any OP Units by Contributor to the Operating Partnership as an indemnification payment hereunder and to reflect that Contributor has no further right, title or interest with respect to any such OP Units.

ARTICLE IV

COVENANTS

4.1 Covenants of the Contributor.

(a) Satisfaction of Conditions. Contributor hereby covenants that Contributor shall: (A) use commercially reasonable efforts and diligence in order to satisfy all of the conditions to Closing set forth herein, and (B) cooperate and assist in the Operating Partnership's efforts to satisfy all of the conditions to Closing set forth herein, and agrees that the Operating Partnership shall not have any obligation to consummate the Closing hereunder unless and until such conditions have been satisfied or waived by the Operating Partnership in writing.

(b) Consent to Transfers. Contributor hereby consents to the transfer of, and waives any rights of first refusal, right of first offer, buy-sell agreements, put, option or similar parallel or dissenter rights or similar rights afforded to Contributor under the Governing Agreements or otherwise with respect to any equity ownership interest in any Contributed Entity, Subsidiary Entity, Property Entity or Property or any other company or property being contributed or transferred to the Operating Partnership pursuant to a separate contribution or other agreement or as otherwise described in the PPM.

(c) No Disposition or Encumbrance of Contributed Interests. From the date hereof through the Closing, except as specifically contemplated by this Agreement, Contributor shall not, without the prior written consent of the Operating Partnership: (i) sell, transfer (or agree to sell or transfer) or otherwise dispose of, or cause the sale, transfer or disposition of (or agree to do any of the foregoing) all or any portion of its interest in the Contributed Interests or all or any portion of its interest in any Subsidiary Entity, Property Entity or Property; or (ii) mortgage, assign, pledge or otherwise encumber in any manner the Contributed Interests or Subsidiary Interests.

(d) Ordinary Course of Business. From the date hereof through the Closing, and except as specifically contemplated by this Agreement, Contributor shall, to the extent within its control, cause each Contributed Entity, Subsidiary Entity and Property Entity to conduct its business in the ordinary course of business consistent with past practice, and shall, to the extent within its control, not permit any Contributed Entity, any Subsidiary Entity or any Property Entity without the prior written consent of the Operating Partnership, to: (i) enter into any material transaction not in the ordinary course of business; (ii) mortgage, pledge or encumber any assets of the Contributed Entity, any Subsidiary Entity, any Property Entity or any Property, (iii) cause or permit any Property Entity to change the existing use of any Property; (iv) cause or take any action that would render any of the representations or warranties set forth herein untrue; (v) file an entity classification election pursuant to Treasury Regulations Section 301.7701-3(c) on Internal Revenue Service Form 8832 (Entity Classification Election) to treat the Contributed Entity as an association taxable as a corporation for federal income tax purposes; (vi) make or change any other tax elections; (vii) settle or compromise any claim, notice, audit report or assessment in respect of taxes; (viii) change any annual tax accounting period; (ix) adopt or change any method of tax accounting; (x) file any amended return, report or form (including an election, declaration, amendment, schedule, information return or attachment thereto) required to be filed with a governmental authority with respect to taxes (each, a "Tax Return"); (xi) enter into any tax allocation agreement, tax sharing agreement, tax indemnity agreement or closing agreement relating to any tax; (xii) surrender of any right to claim a tax refund; (xiii) consent to any extension or waiver of the statute of limitations period applicable to any tax claim or assessment; or (xiv) make any distribution to its partners or members, except for cash distributions in the ordinary course of business consistent with past practices or as permitted by this Agreement.

4.2 Tax Covenants.

(a) Contributor and the Operating Partnership shall provide each other with such cooperation and information relating to any of the Contributed Interests, the Contributed Entities, the Subsidiary Entities, the Property Entities or the Properties as the parties reasonably may request in (i) filing any Tax Return, amended Tax Return or claim for tax refund, (ii) determining any liability for taxes or a right to a tax refund, (iii) conducting or defending any proceeding in respect of taxes, or (iv) performing tax diligence, including with respect to the impact of this transaction on the REIT's tax status as a REIT. Such reasonable cooperation shall include making employees available on a mutually convenient basis to provide additional information and explanation of any material provided hereunder. The Operating Partnership shall promptly notify Contributor upon receipt by the Operating Partnership or any of its affiliates of notice of (i) any pending or threatened tax audits or assessments with respect to the

income, properties or operations of any of the Contributed Entities, the Subsidiary Entities, the Property Entities or their subsidiaries or with respect to any Property and (ii) any pending or threatened federal, state, local or foreign tax audits or assessments of the Operating Partnership or any of its affiliates, in each case, which may affect the liabilities for taxes of Contributor with respect to any tax period ending before or as a result of the Closing. Contributor shall promptly notify the Operating Partnership in writing upon receipt by Contributor or any of its affiliates of notice of any pending or threatened federal, state, local or foreign tax audits or assessments relating to the income, properties or operations of any of the Contributed Entities, the Property Entities or the Subsidiary Entities or with respect to any Property. Each of the Operating Partnership and Contributor may participate at its own expense in the prosecution of any claim or audit with respect to taxes attributable to any taxable period ending on or before the Closing Date; provided, that Contributor shall have the right to control the conduct of any such audit or proceeding or portion thereof for which Contributor has acknowledged liability (except as a partner of the Operating Partnership) for the payment of any additional tax liability, and the Operating Partnership shall have the right to control any other audits and proceedings. Notwithstanding the foregoing, neither the Operating Partnership nor Contributor may settle or otherwise resolve any such claim, suit or proceeding which could have an adverse tax effect on the other party or its affiliates (other than on Contributor or any of its affiliates as a partner of the Operating Partnership) without the consent of the other party, such consent not to be unreasonably withheld. Contributor and the Operating Partnership shall retain all Tax Returns, schedules and work papers with respect to the Contributed Entities, the Property Entities, the Subsidiary Entities, and the Properties, and all material records and other documents relating thereto, until the expiration of the statute of limitations (and, to the extent notified by any party, any extensions thereof) of the taxable years to which such Tax Returns and other documents relate and until the final determination of any tax in respect of such years.

(b) The Operating Partnership shall prepare or cause to be prepared and file or cause to be filed all Tax Returns of the Contributed Entities, the Property Entities or the Subsidiary Entities that are due after the Closing Date. To the extent such returns relate to a period ending on or prior to the Closing Date, such Tax Returns (including, for the avoidance of doubt, any amended Tax Returns) shall be prepared in a manner consistent with past practice, except as otherwise required by applicable law.

(c) For purposes of allocating items of income, gain, loss and deduction with respect to the Property and/or the Contributed Interests in the manner required by Section 704(c) of the Code, the Operating Partnership shall employ, and shall cause any entity controlled by the Operating Partnership which holds title to the Property or the Contributed Interests to employ, the “traditional method” (without curative allocations) as set forth in Treasury Regulations section 1.704-3(b)(1).

4.3 Relationship to Contributed Entities. Contributor and the Operating Partnership acknowledge and agree that, from and after the Closing (as defined herein), Contributor shall no longer be a member, partner, stockholder or equity owner, or, if applicable, managing member or general partner, of any Contributed Entity, Subsidiary Entity or Property Entity and shall have no rights or benefits under any Governing Agreement.

ARTICLE V

CONDITIONS PRECEDENT TO THE CLOSING

5.1 Conditions to the Operating Partnership's Obligation. In addition to any other conditions set forth in this Agreement, the Operating Partnership's obligation to consummate the Closing is subject to the timely satisfaction of each and every one of the conditions and requirements set forth in this Section 5.1, all of which shall be conditions precedent to the Operating Partnership's obligations under this Agreement.

(a) IPO. The IPO, in such form and substance as the REIT, in its sole and absolute discretion, shall have determined to be acceptable, shall have been completed (or be completed simultaneously with the Closing).

(b) Formation Transactions. The formation transactions described in the PPM shall have occurred or be scheduled to occur contemporaneously with the Closing hereunder.

(c) Representations and Warranties. The representations and warranties made by Contributor pursuant to this Agreement, as well as those contained in the Representation, Warranty and Indemnity Agreement, shall be true and correct as of the Closing as though such representations and warranties were made at the Closing and, if requested by the Operating Partnership, Contributor shall have delivered a certificate to the Operating Partnership to such effect in regard to Contributor's representations and warranties set forth in this Agreement.

(d) Performance. Contributor shall have performed and complied with all agreements and covenants that it is required to perform or comply with pursuant to this Agreement prior to the Closing, including having delivered each of the items set forth in Section 5.2 hereof.

(e) Legal Proceedings. No order, statute, rule, regulation, executive order, injunction, stay, decree, or restraining order shall have been enacted, entered, promulgated or enforced by any court of competent jurisdiction or governmental entity that restrains, prohibits or otherwise invalidates the consummation of the transactions contemplated by this Agreement, and no litigation or governmental proceeding seeking such an order shall be pending or threatened.

(f) Consents and Approvals. All necessary approvals and consents of governmental and private parties, including, without limitation, all ground lessors, tenants, other parties to service contracts, lenders and ratings agencies, partners, members or stockholders of any Contributed Entity, Property Entity or their subsidiaries, to effect the transactions contemplated by this Agreement, shall have been obtained.

(g) Reliance on Regulation D. If Contributor has elected to receive OP Units, the Operating Partnership shall, based on the advice of its counsel and the representations made by Contributor in Contributor's Investor Questionnaire, be reasonably satisfied that the issuance of OP Units to Contributor may be made without registration under the Securities Act in reliance on Regulation D under the Securities Act.

(h) Representation, Warranty and Indemnity Agreement. Daniel A. Hoffler and each other party thereto shall have entered into the Representation, Warranty and Indemnity Agreement.

(i) No Material Adverse Change. There shall have not occurred between the date hereof and the Closing Date any material adverse change with respect to any of the Contributed Interests or any material adverse change in any of the assets, business, condition (financial or otherwise), results of operation or prospects of any Subsidiary Entity, Property, Property Entity or Contributed Entity.

(j) Tenant and Lender Estoppels. The Operating Partnership shall have received tenant and lender estoppels in form and substance satisfactory to the Operating Partnership and its counsel.

5.2 Conditions to Contributor's Obligation. In addition to any other conditions set forth in this Agreement, Contributor's obligation to consummate the Closing is subject to the timely satisfaction of each and every one of the conditions and requirements set forth in this Section 5.2, all of which shall be conditions precedent to Contributor's obligations under this Agreement.

(a) Representations and Warranties. The representations and warranties made by the Operating Partnership pursuant to this Agreement shall be true and correct as of the Closing as though such representations and warranties were made at the Closing.

(b) Performance. The Operating Partnership shall have performed and complied in all material respects with all agreements and covenants that it is required to perform or comply with pursuant to this Agreement prior to the Closing.

(c) Legal Proceedings. No order, statute, rule, regulation, executive order, injunction, stay, decree, or restraining order shall have been enacted, entered, promulgated or enforced by any court of competent jurisdiction or governmental entity that prohibits the consummation of the transactions contemplated by this Agreement, and no litigation or governmental proceeding seeking such an order shall be pending or threatened.

ARTICLE VI

CLOSING AND CLOSING DOCUMENTS

6.1 Closing. The consummation and closing (the "Closing") of the transactions contemplated pursuant to this Agreement shall take place at the offices of Hunton & Williams LLP in Richmond, Virginia, or such other place as the Operating Partnership may designate, promptly following satisfaction of the conditions to Closing set forth herein (the "Closing Date"), or as otherwise set by agreement of the parties; provided, however, termination shall not relieve any party from a breach occurring prior to that date.

6.2 Contributor's Deliveries. At the Closing, Contributor shall deliver the following to the Operating Partnership in addition to all other items required to be delivered to the Operating Partnership by Contributor:

(a) Assignment of Contributed Interests. Contributor shall have executed and delivered an Assignment, in substantially the form of Exhibit B attached hereto.

(b) Execution of Partnership Agreement. If Contributor has elected to receive OP Units, signature pages of the Partnership Agreement (which Partnership Agreement shall be in substantially the form attached as an exhibit to the PPM) duly executed by Contributor, as limited partner.

(c) FIRPTA Certificate. An affidavit from Contributor certifying pursuant to Section 1445 of the Internal Revenue Code that Contributor is not a foreign corporation, foreign partnership, foreign trust, foreign estate or foreign person (as those terms are defined in the Code and the Treasury Regulations promulgated thereunder).

(d) Other Documents. Any other document or instrument reasonably requested by the Operating Partnership or required hereby.

6.3 Default Remedies. If Contributor defaults in performing any of Contributor's obligations under this Agreement, the Operating Partnership shall have all rights and remedies available to it at law or in equity resulting from Contributor's default, including without limitation, the right to seek specific performance of this Agreement and Contributor's obligation to convey the Contributed Interests to the Operating Partnership hereunder. The parties acknowledge and agree that the failure of a condition precedent to occur, notwithstanding the good faith and commercially reasonable efforts of the applicable party, shall not be a default hereunder.

ARTICLE VII

MISCELLANEOUS

7.1 Notices. Any notice provided for by this Agreement and any other notice, demand, or communication required hereunder shall be in writing and either delivered in person (including by confirmed facsimile transmission) or sent by hand delivered against receipt or sent by recognized overnight delivery service or by certified or registered mail, postage prepaid, with return receipt requested. All notices shall be addressed as follows:

Operating Partnership:

c/o Armada Hoffler Properties, Inc.
222 Central Park Avenue, Suite 2100
Virginia Beach, Virginia 23462
Attention: A. Russell Kirk
Fax No.: 757-424-2513

with a copy to (which shall not constitute notice):

Hunton & Williams LLP
Riverfront Plaza, East Tower
951 E. Byrd Street

Richmond, Virginia 23219
Attention: David C. Wright
Fax No.: 804-343-4580

and

Faggert & Frieden, P.C.
222 Central Park Avenue, Suite 1300
Virginia Beach, Virginia 23462
Attention: David Y. Faggert
Fax No.: 757-424-0102

Contributor:

Daniel A. Hoffler
222 Central Park Avenue, Suite 2100
Virginia Beach, Virginia 23462
Fax No.: 757-424-2513

Any address or name specified above may be changed by a notice given by the addressee to the other party. Any notice, demand or other communication shall be deemed given and effective as of the date of delivery in person or set forth on the return receipt. The inability to deliver because of changed address of which no notice was given, or rejection or other refusal to accept any notice, demand or other communication, shall be deemed to be receipt of the notice, demand or other communication as of the date of such attempt to deliver or rejection or refusal to accept.

7.2 Entire Agreement; Third-Party Beneficiaries. This Agreement, including, without limitation, the exhibits hereto and thereto, constitute the entire agreement and supersede each prior agreement and understanding, whether written or oral, among the parties regarding the subject matter of this Agreement. This Agreement is not intended to confer any rights or remedies on any Person other than the parties hereto.

7.3 Amendment. This Agreement may not be amended except by an instrument in writing signed on behalf of each of the parties hereto.

7.4 Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the Commonwealth of Virginia, without regard to the conflicts of law rules thereof.

7.5 Counterparts. This Agreement may be executed by the parties hereto in separate counterparts, each of which when so executed and delivered shall be an original, but all such counterparts shall together constitute one and the same instrument. Each counterpart may consist of a number of copies hereof, each signed by less than all, but together signed by all of the parties hereto. Each party may rely upon the facsimile or electronic pdf email signature of any other party as if such signature were an original signature.

7.6 Headings. Headings of the Articles and Sections of this Agreement are for the convenience of the parties only, and shall be given no substantive or interpretive effect whatsoever.

7.7 Incorporation. All Exhibits attached hereto and referred to herein are hereby incorporated herein and made a part hereof for all purposes as if fully set forth herein.

7.8 Severability. Any term or provision of this Agreement which is invalid or unenforceable in any jurisdiction shall, as to that jurisdiction, be ineffective to the extent of such invalidity or unenforceability without rendering invalid or unenforceable the remaining terms and provisions of this Agreement or affecting the validity or enforceability of any of the terms or provisions of this Agreement in any other jurisdiction. If any provision of this Agreement is so broad as to be unenforceable, the provision shall be interpreted to be only so broad as is enforceable.

7.9 Waiver of Conditions. The conditions to each party's obligations hereunder are for the sole benefit of such party and may be waived by such party in whole or in part to the extent permitted by applicable law.

7.10 Dispute Resolution. The parties intend that this Section 7.1010 will be valid, binding, enforceable, exclusive and irrevocable and that it shall survive any termination of this Agreement.

(a) Upon any dispute, controversy or claim arising out of or relating to this Agreement or the enforcement, breach, termination or validity thereof ("Dispute"), the party raising the Dispute will give written notice to the other parties to the Dispute describing the nature of the Dispute following which the parties to such Dispute shall attempt for a period of ten (10) Business Days from receipt by the parties of notice of such Dispute to resolve such Dispute by negotiation between representatives of the parties hereto who have authority to settle such Dispute. All such negotiations shall be confidential and any statements or offers made therein shall be treated as compromise and settlement negotiations for purposes of any applicable rules of evidence and shall not be admissible as evidence in any subsequent proceeding for any purpose. The statute of limitations applicable to the commencement of a lawsuit shall apply to the commencement of an arbitration hereunder, except that no defense based on the running of the statute of limitations will be available based upon the passage of time during any such negotiation. Regardless of the foregoing, a party shall have the right to seek immediate injunctive relief pursuant to clause (c) below without regard to any such ten (10) Business Day negotiation period.

(b) Any Dispute (including the determination of the scope or applicability of this Agreement to arbitrate) that is not resolved pursuant to clause (a) above shall be submitted to final and binding arbitration in Virginia Beach, Virginia before one neutral and impartial arbitrator, in accordance with the laws of the Commonwealth of Virginia for agreements made in and to be performed in Virginia. The arbitration shall be administered by JAMS, Inc. ("JAMS") pursuant to its Comprehensive Arbitration Rules and Procedures, as in effect on the date hereof. The parties hereto shall appoint one arbitrator within fifteen (15) days of a demand for arbitration. If an arbitrator is not appointed within such 15-day period, the arbitrator shall be

appointed by JAMS in accordance with its Comprehensive Arbitration Rules and Procedures, as in effect on the date hereof. The arbitrator shall designate the place and time of the hearing. The hearing shall be scheduled to begin as soon as practicable and no later than sixty (60) days after the appointment of the arbitrator (unless such period is extended by the arbitrator for good cause shown) and shall be conducted as expeditiously as possible. The award, which shall set forth the arbitrator's findings of fact and conclusions of law, shall be filed with JAMS and mailed to the parties no later than thirty (30) days after the close of the arbitration hearing. The arbitration award shall be final and binding on the parties and not subject to collateral attack. Judgment upon the arbitration award may be entered in any federal or state court having jurisdiction thereof.

(c) Notwithstanding the parties' agreement to submit all Disputes to final and binding arbitration before JAMS, the parties shall have the right to seek and obtain temporary or preliminary injunctive relief in any court having jurisdiction thereof. Such courts shall have authority to, among other things, grant temporary or provisional injunctive relief in order to protect any party's rights under this Agreement. Without prejudice to such provisional remedies as may be available under the jurisdiction of a court, the arbitral tribunal shall have full authority to grant provisional remedies and to direct the parties to request that any court modify or vacate any temporary or preliminary relief issued by such court, and to award damages for the failure of any party to respect the arbitral tribunal's orders to that effect.

(d) The prevailing party shall be entitled to recover its costs and reasonable attorneys' fees, and the non-prevailing party shall pay all expenses and fees of JAMS, all costs of the stenographic record, all expenses of witnesses or proofs that may have been produced at the direction of the arbitrator, and the fees, costs and expenses of the arbitrator. The arbitrator shall allocate such costs and designate the prevailing party or parties for these purposes.

[*Signature Page Follows.*]

IN WITNESS WHEREOF, this Agreement has been entered into effective as of the date first written above.

CONTRIBUTOR:

DANIEL A. HOFFLER

/s/ Daniel A. Hoffler
Daniel A. Hoffler

OPERATING PARTNERSHIP:

ARMADA HOFFLER, L.P., a Virginia limited partnership

By: Armada Hoffler Properties, Inc.,
its general partner

By: /s/ Louis S. Haddad
Name: Louis S. Haddad
Title: Chief Executive Officer and President

REIT:

ARMADA HOFFLER PROPERTIES, INC., a Maryland corporation

By: /s/ Louis S. Haddad
Name: Louis S. Haddad
Title: Chief Executive Officer and President

EXHIBIT A

Contributor – Daniel A. Hoffler

CONTRIBUTED ENTITY/ CONTRIBUTED INTEREST	SUBSIDIARY INTEREST	PROPERTY	PROPERTY ENTITY
New Armada Hoffler Properties I, LLC[1] (all interests owned by Contributor)	25.71354% interest in Bermuda Shopping Center, L.L.C.	Bermuda Shopping Center Chesterfield County, VA	Bermuda Shopping Center, L.L.C.
	12.6668% interest in BSE/AH Blacksburg Apartments, LLC	Apartments at Smith's Landing Blacksburg, VA	BSE/AH Blacksburg Apartments, LLC
	57.92771% interest in Broad Creek PH. I, L.L.C.	Broad Creek Shopping Center Norfolk, VA	Broad Creek PH. I, L.L.C.
	31.0% interest in Broad Creek PH. III, L.L.C.	Broad Creek Shopping Center Norfolk, VA	Broad Creek PH. III, L.L.C.
	41.91011% interest in Columbus Tower, L.L.C.	Town Center Block 5-A1 Virginia Beach, VA	Columbus Tower, L.L.C.
	40.536% interest in Columbus Tower Block 5-A2 Associates, L.L.C.	Town Center Block 5-A2 Virginia Beach, VA	Columbus Tower Block 5-A2 Associates, L.L.C.
	25.336% interest in AH Columbus II, L.L.C.	Leasehold Interest in Block 5-A2, Town Center Virginia Beach, VA	AH Columbus II, L.L.C.
	23.25% interest in HT Tyre Neck, L.L.C.	Harris Teeter Portsmouth, VA	HT Tyre Neck, L.L.C.
	32.64324% interest in Hanbury Village II, L.L.C.	Hanbury Village Shopping Center Chesapeake, VA	Hanbury Village II, L.L.C.
	Interest equal to 57.24007% of the first $356,090 and 32.36272% thereafter in Hoffler and Associates EAT, LLC	Hanbury Village, Outparcel 3A Chesapeake, VA	Hoffler and Associates EAT, LLC
	54.40552% interest in Armada/Hoffler Charleston Associates, L.P.	Gainsborough Square Chesapeake, VA	Armada/Hoffler Charleston Associates, L.P.

[1] Prior to the Closing, pursuant to the Master Contribution and Distribution Agreement, Armada/Hoffler Properties, LLC ("AHP") will contribute to New Armada Hoffler Properties I, LLC ("New AHP I") the interests in the subsidiary entities described below and will distribute to Daniel A. Hoffler ("Hoffler") an interest in New AHP I. At Closing, pursuant to the Contribution Agreement, Hoffler will contribute his interest in New AHP I to the Operating Partnership.

CONTRIBUTED ENTITY/ CONTRIBUTED INTEREST	SUBSIDIARY INTEREST	PROPERTY	PROPERTY ENTITY
	37.61512% interest in North Pointe PH. 1 Limited Partnership	Lots 2, 3, and 4, Phase I, North Pointe Shopping Center Durham, NC	North Pointe PH. 1 Limited Partnership
	35.47793% interest in North Pointe-CGL, L.L.C.	Lot 2, Phase II, North Pointe Shopping Center Durham, NC	North Pointe-CGL, L.L.C.
	34.47813% interest in North Point Development Associates, L.P.	Lot I, Phase III Durham, NC	North Point Development Associates, L.P.
	34.69119% interest in North Pointe Outparcels, L.L.C.	Lot 1, North Pointe Shopping Center Durham, NC	North Pointe Outparcels, L.L.C.
	32.54768% interest in North Pointe VW4, L.L.C.	Lot 1 A North Pointe Durham, NC	North Pointe VW4, L.L.C.
	55.10116% interest in Ferrell Parkway Associates, L.L.C.	Parkway Marketplace Virginia Beach, VA	Ferrell Parkway Associates, L.L.C.
	32.368% interest in TCA Block 4 Retail, L.L.C.	South Retail Unit, Town Center Condominium 4 Virginia Beach, VA	TCA Block 4 Retail, L.L.C.
	32.93315% interest in Armada/Hoffler Tower 4, L.L.C.	Office Tower Unit, North Office Unit and West Retail Unit, Town Center Condominium 4 Virginia Beach, VA	Armada/Hoffler Tower 4, L.L.C.
	40.5336% interest in Town Center Associates 7, L.L.C.	East and West A Retail Units, Town Center Condominium 7 Virginia Beach, VA	Town Center Associates 7, L.L.C.
	35.42825% interest in Town Center Associates 12, L.L.C.	Anchor Unit and Commercial Unit, Town Center Condominium 12 Virginia Beach, VA	Town Center Associates 12, L.L.C.
	31.0% interest in Lake View AH-VNG, LLC	Virginia Natural Gas Headquarters Building Virginia Beach, VA	Lake View AH-VNG, LLC
	31.0% Interest in Williamsburg Medical Building, LLC	Williamsburg Sentara Medical Building Williamsburg, VA	Williamsburg Medical Building, LLC
	50.67% interest in AH Sandbridge, L.L.C.	Sandbridge Commons Virginia Beach, VA	AH Sandbridge, L.L.C.

CONTRIBUTED ENTITY/ CONTRIBUTED INTEREST	SUBSIDIARY INTEREST	PROPERTY	PROPERTY ENTITY
New Armada Hoffler Properties II, LLC[2] (all interests owned by Contributor)	43.42309% interest in Courthouse Marketplace Outparcels, L.L.C.	Parcel A-1-B, A-1-C, A-1-D Virginia Beach, VA	Courthouse Marketplace Outparcels, L.L.C
	26.59% interest in Greenbrier Technology Center II Associates, L.L.C.	Town Center Block 3 Virginia Beach, VA	Greenbrier Technology Center II Associates, L.L.C.
	25.3336% interest in Town Center Associates 6, L.L.C.	Retail Unit, 56 Condominium Virginia Beach, VA	Town Center Associates 6, L.L.C.
	26.59% interest in Armada/Hoffler Block 8 Associates, L.L.C.	Town Center Block 8B Virginia Beach, VA	Armada/Hoffler Block 8 Associates, L.L.C.
	29.83% interest in AH Richmond Tower I, L.L.C.	Richmond Tower Richmond, VA	AH Richmond Tower I, L.L.C.
	39.464% interest in Town Center Associates 11, L.L.C.	Block 11 Town Center Project Virginia Beach, VA	TCA Block 11 Office, LLC TCA Block 11 Apartments, LLC
	50.67% interest in AH Durham Apartments, L.L.C.	Jackson Street Apartments Durham, NC	AH Durham Apartments, L.L.C.
	50.67% interest in AH Southeast Commerce Center, L.L.C.	Brooks Crossing Newport News, VA	AH Southeast Commerce Center, L.L.C.
	50.67% interest in AH Greentree, L.L.C.	Greentree Shopping Center Chesapeake, VA	AH Greentree, L.L.C.
31.0% interest in Bermuda Marketplace, Inc.	—	Bermuda Shopping Center Chesterfield County, VA	Bermuda Shopping Center, L.L.C.
0.15% interest in Broad Creek PH. I, L.L.C.	—	Broad Creek Shopping Center Norfolk, VA	Broad Creek PH. I, L.L.C.
51.60026% interest in Broad Creek PH. II, L.L.C.	—	Broad Creek Shopping Center Norfolk, VA	Broad Creek PH. II, L.L.C.

[2] Prior to the Closing, pursuant to the Master Contribution and Distribution Agreement, Armada/Hoffler Properties II, LLC ("AHP II") will contribute to New Armada Hoffler Properties II, LLC ("New AHP II") the interests in the subsidiary entities described below and will distribute to Hoffler an interest in New AHP II. At Closing, pursuant to the Contribution Agreement, Hoffler will contribute his interest in New AHP II to the Operating Partnership.

CONTRIBUTED ENTITY/ CONTRIBUTED INTEREST	SUBSIDIARY INTEREST	PROPERTY	PROPERTY ENTITY
75.0% Interest in BC PH. II, LLC		Manager of Broad Creek Ph .II, LLC Broad Creek Shopping Center Norfolk, VA	BC PH. II, LLC
74.16% interest in FBJ Investors, Inc.	__	North Pointe Shopping Center; IHOP & Texas Roadhouse; Verizon Wireless Durham, NC	North Pointe Ph. I Limited Partnership North Pointe Outparcels, L.L.C. Northpointe VW4, L.L.C.
75.0% interest in Gateway Centre, L.L.C.	__	Gainsborough Square Chesapeake, VA	Armada/Hoffler Charleston Associates, L.P.
74.0% interest in A/H North Pointe, Inc.	__	North Point Shopping Center (Home Depot, Kroger, PetSmart and Small Shoppes) Durham, NC	North Pointe Ph. I Limited Partnership
35.63435% interest in North Point Development Associates, L.L.C.	__	North Point Shopping Center Durham, NC	North Point Development Associates, L.P.
52% interest in TCA Block 3, Inc.	__	Town Center Block 3 Virginia Beach, VA	Greenbrier Technology Center II Associates, L.L.C.
52% interest in TCA Block 8, Inc.	__	Town Center Block 8B Virginia Beach, VA	Armada/Hoffler Block 8 Associates, L.L.C.
41.13519% interest in A/H Harrisonburg Regal L.L.C.	__	Regal Cinemas Harrisonburg, VA	A/H Harrisonburg Regal L.L.C.
22.0111% interest in Town Center Block 10 Apartments, L.P.	__	Apartment Units and Retail Unit Town Center Condominium 10 Virginia Beach, VA	Town Center Block 10 Apartments, L.P.
56.2943% interest in TCA 10 GP, LLC	__	Apartment Units and Retail Unit Town Center Condominium 10 Virginia Beach, VA	Town Center Block 10 Apartments, L.P.

Cash[3] - $14,780,775

OP Units: Determined as set forth below.
Total AH Partners' OP Unit Allocation Percentage - 53.446%

The cash portion of the Consideration that Contributor will receive shall be fixed at the amount shown above. The number of OP Units that Contributor will receive as part of the Consideration is not known as of the date of this Agreement, but shall be calculated as follows:

1. Prior to commencement of marketing of the IPO, the REIT and the managing underwriters for the IPO shall determine a valuation range for the combined equity interests (after deduction of debt) of all of the properties, assets and businesses that will be contributed to the OP and its subsidiaries pursuant to the transactions described in the PPM (the "Formation Transactions"). From the midpoint of this range, there will be deducted the amount of cash that will be paid by the OP as consideration to all of the contributors in connection with the Formation Transactions, with the resulting amount after such deduction being herein referred to as the "Total OP Unit Valuation".

2. The Total OP Unit Valuation shall be divided by the midpoint of the price range for the shares of the REIT's common stock in the IPO (the "IPO Price Range") as set forth on the front cover of the REIT's preliminary prospectus for the IPO filed with the SEC (the "Preliminary Prospectus") to determine a fixed number of OP Units issuable to all the contributors in connection with the Formation Transactions (the "Total OP Units") and the number of Total OP Units shall be reflected in the Preliminary Prospectus.

3. The Total OP Units will be allocated among contributors who are not officers, employees or affiliates of Armada Hoffler Holding Company and its affiliates (collectively, the "Non-AH Partners") and the contributors who are officers, employees or affiliates of Armada Hoffler Holding Company and its affiliates, including certain trusts established by such officers and employees (collectively, the "AH Partners"), including Contributor.

4. Each Non-AH Partner will receive a number of OP Units equal to the amount of consideration set forth in such Non-AH Partner's contribution agreement with the OP as allocable to OP Units, divided by the IPO Price (the "Total Non-AH Partners' OP Units"). To the extent the IPO Price is greater or less than the mid-point of the IPO Price Range, the number of OP Units issuable to each Non-AH Partner (as described and set forth in the Preliminary Prospectus) will decrease or increase, respectively, in an amount sufficient to cause the value of the OP Units issuable to the Non-AH Partner to equal the amount of the consideration set forth in such Non-AH Partner's contribution agreement (utilizing a value per OP Unit equal to the IPO Price).

5. The aggregate number of OP Units issuable to the AH Partners (the "Total AH Partners' OP Units") will be equal to the difference between (a) the Total OP Units and (b) the Total Non-AH Partners' OP Units.

6. The number of OP Units issuable as Consideration to Contributor pursuant to this Agreement will be determined by the difference between (i) the product of (a) the Total AH Partners' OP Units and (b) the percentage set forth above under the heading "Total AH Partners' OP Unit Allocation Percentage" and (ii) the quotient obtained by dividing (a) $10,533,694 by (b) the IPO Price.

[3] In the event that, at or prior to Closing, the OP has not arranged financing in the form of a credit facility or other debt financing in an amount sufficient to pay to Contributor at Closing the full amount of the cash consideration amount shown above, the OP may deliver to Contributor at Closing a promissory note payable by the OP to Contributor in a principal amount up to $2,620,680. The promissory note shall not bear interest, shall mature on the first anniversary of the date of issuance and may be prepaid by the OP at any time.

The undersigned hereby agrees that this Exhibit A represents the definitive Exhibit A to the Contribution Agreement and supersedes any and all prior versions.

CONTRIBUTOR:

DANIEL A. HOFFLER

/s/ Daniel A. Hoffler
Daniel A. Hoffler

OPERATING PARTNERSHIP:

ARMADA HOFFLER, L.P., a Virginia limited partnership

By: Armada Hoffler Properties, Inc.,
its general partner

By: /s/ Louis S. Haddad
Name: Louis S. Haddad
Title: Chief Executive Officer and President

REIT:

ARMADA HOFFLER PROPERTIES, INC., a Maryland corporation

By: /s/ Louis S. Haddad
Name: Louis S. Haddad
Title: Chief Executive Officer and President

Exhibit B

Assignment

The undersigned, for good and valuable consideration paid to the Assignor by ARMADA HOFFLER, L.P., a Virginia limited partnership ("Assignee"), pursuant to the Contribution Agreement dated as of , 2012, by and between Assignor and Assignee (the "Agreement") and for other good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, does hereby sell, assign, transfer, convey and deliver to the Assignee, its successors and assigns, good and indefeasible right, title and interest to the **[partnership or limited liability company interests/shares of common stock]** described on *Schedule A* hereto, including, without limitation, all right, title and interest, if any, of the undersigned in and to the assets of each such **[partnership/limited liability company/corporation]** and the right to receive distributions of money, profits and other assets from each such partnership, presently existing or hereafter at any time arising or accruing, free and clear of all liens, encumbrances, security interests, pledges, voting agreements, prior assignments or conveyances, conditions, restrictions, claims, and any other matters affecting title thereto.

The undersigned, for itself, its successors and assigns, hereby covenants and agrees that, at any time and from time to time after the date hereof, upon the written request of Assignee, the undersigned will, without further consideration, do, execute, acknowledge, and deliver or cause to be done, executed, acknowledged and delivered, each of and all of such further acts, deeds, assignments, transfers, conveyances and assurances as may reasonably be required by Assignee in order to assign, transfer, set over, convey, assure and confirm unto and vest in Assignee, its successors and assigns, title to the interests described in *Schedule A* hereto

Capitalized terms used but not defined herein shall have the respective meanings ascribed to them in the Agreement.

IN WITNESS WHEREOF, the parties hereto have caused this Assignment to be signed by a duly authorized officer this day of , 201 .

, a

By: _____
Name:
Title:

CONTRIBUTION AGREEMENT

A. Russell Kirk

This CONTRIBUTION AGREEMENT (this "Agreement") is made as of February 12, 2013, by and among A. Russell Kirk ("Contributor"), Armada Hoffler, L.P., a Virginia limited partnership (the "Operating Partnership") and Armada Hoffler Properties, Inc., a Maryland corporation (the "REIT").

RECITALS

WHEREAS, Contributor is the record and beneficial owner of equity interests in the amount or percentage described on Exhibit A hereto (the "Contributed Interests") in each of the entities described in Exhibit A hereto (each, a "Contributed Entity" and collectively, the "Contributed Entities"), which are the direct or indirect owners of the respective properties or property entities described on Exhibit A hereto (each a "Property" and collectively, the "Properties"). Entities in which certain of the Contributed Entities own interests (each, a "Subsidiary Entity") are set forth on Exhibit A as "Subsidiary Interests". Contributor desires to contribute the Contributed Interests to the Operating Partnership, and the Operating Partnership desires to acquire the Contributed Interests from Contributor, on the terms and conditions hereinafter set forth.

NOW, THEREFORE, for and in consideration of the foregoing, and the representations, warranties and other terms contained in this Agreement, and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties hereto, intending to be legally bound hereby, agree as follows:

ARTICLE I

THE CONTRIBUTION

1.1 Contribution of Contributed Interests. Contributor irrevocably agrees to contribute, transfer and assign at Closing (as defined herein) the Contributed Interests set forth opposite Contributor's name on Exhibit A hereto, together with any other interests Contributor may have in any of the Contributed Entities and any other properties or entities being acquired by the Operating Partnership as described in the draft Confidential Private Placement Memorandum for the Offering of Limited Partnership Interests of the Operating Partnership (the "PPM"), to the Operating Partnership, and the Operating Partnership agrees to accept transfer of the Contributed Interests and any such other interests pursuant to the terms and subject to the conditions set forth in this Agreement. The Contributed Interests shall be transferred to the Operating Partnership free and clear of all liens, encumbrances, security interests, pledges, voting agreements, prior assignments or conveyances, conditions, restrictions, claims, and any other matters affecting title thereto.

1.2 Consideration.

(a) Consideration Amount. The total consideration (the "Consideration") for which Contributor agrees to contribute, transfer and assign the Contributed Interests to the

Operating Partnership, and for which the Operating Partnership agrees to pay, issue or deliver to Contributor, subject to the terms of this Agreement, at Closing (as defined herein) shall be determined in the manner set forth on Exhibit A hereto. The Consideration may be adjusted, upward or downward, by the amount of any adjustments arising from the Prorations (as defined herein). Any decrease to the amount of the Consideration will be deducted first from the cash portion of the Consideration, if any, and the balance, if any, will be deducted from the OP Units. Any increase in the Consideration as a result of the Prorations will be paid in OP Units. In addition to the Consideration set forth on Exhibit A hereto, Contributor shall be entitled to receive in cash, at Closing or shortly thereafter, Contributor's pro rata share (based on Contributor's direct or indirect ownership interest in each Property Entity) of any tenant improvement, leasing commission and replacement reserves held by lenders with respect to each Property in which Contributor owns an interest.

(b) Election Form. The Consideration shall be payable in accordance with the election made by Contributor in the Consideration Election Form ("Election Form") accompanying the PPM, the results of which election are set forth on Exhibit A hereto. If, pursuant to the Election Form, Contributor (A) elected all or part of Contributor's consideration payable hereunder to be in the form of units of limited partnership interests of the Operating Partnership ("OP Units") and (B) submitted to the Operating Partnership (x) an executed Investor Questionnaire representing and warranting to the Operating Partnership that Contributor is an "accredited investor" as defined in the Investor Questionnaire and (y) any other documentation required by the Operating Partnership, including, but not limited to, a signature page to the Partnership Agreement (as hereinafter defined), Contributor shall receive OP Units in an amount determined in the manner described on Exhibit A hereto. The portion of the Consideration, if any, payable in cash is set forth on Exhibit A. Contributor agrees that the cash payment shall be made and the OP Units shall be registered in the name of the persons or entities set forth on the Election Form. OP Units will only be delivered to Contributor if Contributor has represented to the Operating Partnership that Contributor is an "accredited investor". No fractional OP Units will be issued and OP Units will be rounded to the nearest whole number. The Consideration payable to Contributor, whether in cash, in OP Units or a combination thereof, may be reduced by the amount the Operating Partnership reasonably determines must be withheld for tax purposes. The rights and obligations of holders of OP Units as of the Closing will be as set forth in the First Amended and Restated Agreement of Limited Partnership of the Operating Partnership (the "Partnership Agreement"), a draft copy of which is included as an exhibit to the PPM.

1.3 OP Units. Although initially the OP Units will not be certificated, certificates, if any, subsequently evidencing the OP Units will bear appropriate legends (i) indicating that the OP Units have not been registered under the Securities Act of 1933, as amended ("Securities Act"), (ii) indicating that the Partnership Agreement will restrict the transfer of the OP Units, and (iii) describing the ownership limitations and transfer restrictions imposed by the charter of the REIT with respect to shares of the REIT's common stock.

1.4 No Further Interest. Contributor acknowledges and agrees that effective upon the Closing, and without any further action by Contributor, the Contributed Interests shall be transferred, assigned and conveyed to the Operating Partnership, or a subsidiary thereof, and Contributor shall no longer be an equity holder of any of the Contributed Entities, shall no longer

be entitled to receive any distributions from any of the Contributed Entities, and shall have no further right, title or interest in any of the Contributed Interests, the Contributed Entities or the Property Entities.

1.5 Tax Consequences to Contributor. Notwithstanding anything to the contrary contained in this Agreement, including without limitation the use of words and phrases such as "sell," "sale," "purchase," and "pay," the parties hereto acknowledge, agree and consent that the transactions contemplated hereby will be treated for federal income tax purposes (i) in accordance with Section 721 of the Internal Revenue Code of 1986, as amended (the "Code") with respect to any portion of the Consideration that is payable in OP Units; (ii) as an "assets over form" of transaction pursuant to Treasury Regulations Section 1.708-1(c)(3)(i); and (iii) as a sale of the Contributor's Contributed Interests to the Operating Partnership under Treasury Regulations Section 1.708-1(c)(4) to the extent of the Contributor's receipt of cash Consideration pursuant to Section 1.2(a), except to the extent that such cash Consideration is treated as (a) the reimbursement of "preformation expenditures" under Treasury Regulations Section 1.707-4(d); and/or (b) a "debt financed transfer of consideration" by the Operating Partnership under Treasury Regulations Section 1.707-5(b), as applicable.

1.6 Definitions. As used in this Agreement, the following terms have the following meanings:

"Contributor's Percentage Interest" means, with respect to each Contributed Entity, the percentage set forth on Exhibit A hereto under the heading "Contributed Entity/Contributed Interest", which reflects Contributor's percentage ownership interest in each Contributed Entity pursuant to and in accordance with the applicable Governing Agreement (as defined herein) of the Contributed Entity.

"IPO" means the underwritten initial public offering of common stock of the REIT.

"IPO Price" means the public offering price set forth on the front cover of the final prospectus for the IPO, as filed with the U.S. Securities and Exchange Commission (the "SEC").

"Property Entity" means an entity owning a Property, as set forth on Exhibit A hereto.

"Prorations" means those proration and adjustment amounts that are customarily applied to closings of commercial real estate transactions in the county in which the Property is located, which amounts shall be calculated as of midnight (Eastern time) of the day immediately preceding the Closing Date and shall include:

(A) Taxes. All real estate and personal property taxes and special assessments, if any, with respect to each Property shall be prorated at Closing;

(B) Utilities. All telephone, electric, sewer, water and other utility bills, trash removal bills, janitorial and maintenance service bills and all other expenses relating to a Property that are obligations of the Property Entity and which are allocable to the period prior to the Closing Date shall be determined and paid, or caused to be paid, by the Property Entity or Contributed Entity before Closing, if possible, or if such is not determinable before Closing, then the Parties shall use their

commercially reasonable efforts to determine and pay such amounts as promptly as possible following Closing and the Operating Partnership may withhold from any cash amount of the Consideration payable at Closing hereunder an amount of cash reasonably estimated to cover any estimated Proration for the items described in this subsection (B);

(C) Rents. All rents, including, without limitation, base rents, operating expense payments or common area maintenance charges and all other forms of additional rents, payable under the leases of the Property and all other income from the Property shall be prorated at Closing; and

(D) Other Items. Any other items of revenue, operating expenses or other items which are customarily prorated between a transferor and transferee of real estate in the county in which the Property is located shall be prorated at Closing.

"Representation, Warranty and Indemnity Agreement" means the Representation, Warranty and Indemnity Agreement by and among the REIT, the Operating Partnership and Daniel A. Hoffler.

ARTICLE II

REPRESENTATIONS AND WARRANTIES

2.1 Representations by the Operating Partnership. The Operating Partnership hereby represents and warrants to Contributor that the following statements are true, correct, and complete as of the date of this Agreement and will be true, correct and complete as of the Closing Date (as defined herein):

(a) Organization and Power. The Operating Partnership is duly organized, validly existing, and in good standing under the laws of the Commonwealth of Virginia, and has full right, power, and authority to enter into this Agreement and to assume and perform all of its obligations under this Agreement. The execution and delivery of this Agreement and the performance by the Operating Partnership of its obligations hereunder have been duly authorized by all requisite action of the Operating Partnership and require no further action or approval of the Operating Partnership's partners or of any other individuals or entities in order to constitute this Agreement as a binding and enforceable obligation of the Operating Partnership.

(b) OP Units Validly Issued. The OP Units, when issued in accordance with the terms of this Agreement and the Partnership Agreement, will have been duly and validly authorized and issued, free of any preemptive or similar rights, and will be fully paid, without any obligation to restore capital, except as required by the Virginia Revised Uniform Limited Partnership Act (the "Limited Partnership Act").

2.2 Representations by Contributor. Contributor hereby represents and warrants to the Operating Partnership that the following statements are true, correct, and complete as of the date of this Agreement and will be true, correct, and complete as of the Closing Date:

(a) Organization and Power; Due Authorization. Contributor, if an entity or trust, is duly incorporated, formed or organized, validly existing, and in good standing under the laws of its state of incorporation, formation or organization. Contributor has full right, power, and authority to enter into this Agreement and to assume and perform all of its obligations under this Agreement; and the execution and delivery of this Agreement and the performance by Contributor of its obligations hereunder have been duly authorized by all requisite action of Contributor and require no further action or approval of Contributor's members, partners, stockholders, managers, board of directors, trustees or of any other individuals or entities, as applicable, in order to constitute this Agreement as a binding and enforceable obligation of Contributor. No person has any community property rights, by virtue of marriage or otherwise, with respect to the Contributed Interests. This Agreement and each agreement, document and instrument executed and delivered by or on behalf of Contributor pursuant to this Agreement constitutes, or when executed and delivered will constitute, the legal, valid and binding obligation of Contributor, each enforceable against Contributor in accordance with its terms, except as such enforceability may be limited by bankruptcy or the application of equitable principles.

(b) Noncontravention. Neither the entry into nor the performance of, or compliance with, this Agreement by Contributor has resulted, or will result, in any violation of, or default under, or result in the acceleration of, any obligation under any charter, bylaws, limited liability company agreement, partnership agreement, declaration of trust, mortgage indenture, lien agreement, note, contract, agreement, permit, judgment, decree, order, restrictive covenant, statute, rule, or regulation applicable to Contributor or to any Contributed Interests, any Contributed Entity, Subsidiary Interests or Property Entity.

(c) Litigation. There is no action, suit, or proceeding, pending or known to be threatened, against or affecting Contributor in any court or before any arbitrator or before any federal, state, municipal, or other governmental department, commission, board, bureau, agency or instrumentality which (1) in any manner raises any question affecting the validity or enforceability of this Agreement, (2) could materially and adversely affect the business, financial position, or results of operations of Contributor, any Contributed Entity, Subsidiary Interests, Property Entity or Property, (3) could adversely affect the ability of Contributor to perform its obligations hereunder, or under any document to be delivered pursuant hereto, (4) could create a lien on the Contributed Interests, any part thereof, or any interest therein, or (5) could adversely affect the Contributed Interests, any part thereof, or any interest therein.

(d) Good Title. Exhibit A hereto accurately sets forth Contributor's Percentage Interest. Contributor is the sole record and beneficial owner of the Contributed Interests and has full power and authority to convey the Contributed Interests pursuant to the terms of this Agreement. Contributor has good and marketable title to the Contributed Interests. Except as set forth on Schedule 2.1(d), the Contributed Interests are free and clear of all liens, encumbrances, security interests, pledges, voting agreements, prior assignments or conveyances, conditions, restrictions, claims or any other matters affecting title thereto and at the Closing will be contributed to the Operating Partnership free and clear of all liens, encumbrances, security interests, pledges, voting agreements, prior assignments or conveyances, conditions, restrictions, claims or other matters affecting title thereto. No other person or entity has an option to purchase or a right of first refusal to purchase the Contributed Interests nor are there any

agreements or understandings with respect to the voting, ownership or disposition of the Contributed Interests that could adversely affect Contributor's ability to perform its obligations hereunder or the Operating Partnership's rights to the Contributed Interests following the Closing.

(e) Contributed Interests. There are no rights to purchase, subscriptions, warrants, options, conversion rights or preemptive rights relating to the Contributed Interests or any equity interest in any Contributed Entity that will be in effect as of the Closing.

(f) No Consents. Each consent, approval, authorization, order, license, certificate, permit, registration, designation, or filing by or with any governmental agency or body necessary for the execution, delivery and performance of this Agreement or the transactions contemplated hereby by Contributor has been obtained or will be obtained on or before the Closing Date. Each consent or approval required under any Governing Agreement (as defined herein), contract or agreement of any Contributed Entity, or among the partners, members or stockholders of any Contributed Entity, Subsidiary Entity or Property Entity to which Contributor is a party, relating to indebtedness or otherwise, necessary for the execution, delivery and performance of this Agreement and the contribution, acquisition and transfer of the Contributed Interests has been obtained or will be obtained on or before the Closing Date.

(g) Actions Prior to Closing. From the date hereof until the Closing Date, Contributor shall not take any action or fail to take any action the result of which would (1) have a material adverse effect on the Contributed Interests or the Operating Partnership's ownership thereof, or any material adverse effect on the assets, business, condition (financial or otherwise), results or operation of any Property, any Contributed Entity, Subsidiary Entity or Property Entity after the Closing Date or (2) cause any of the representations and warranties contained in this Section 2.2 to be untrue as of the Closing Date.

(h) Governing Documents. Contributor has performed all of its obligations under the Limited Partnership Agreement, Limited Liability Company Agreement, Operating Agreement, Charter and Bylaws, as such may have been amended from time to time, as applicable, of each Contributed Entity in which it owns an interest, (each a "Governing Agreement" and collectively, the "Governing Agreements").

(i) Securities Law Matters.

(1) In deciding to engage in the transaction contemplated by this Agreement, including, if applicable, acquiring OP Units, neither Contributor nor any equity holder thereof is relying upon any representations made to it by the Operating Partnership, or any of its partners, officers, employees, or agents that are not contained herein. Contributor is aware of the risks involved in investing in the OP Units and in the securities issuable upon redemption of such OP Units. Contributor is knowledgeable, sophisticated and experienced in business and financial matters and fully understands the limitations on transfer imposed by the federal securities laws and as described in this Agreement and the PPM and related materials, including the Partnership Agreement. Contributor has received the PPM and related materials, including the Partnership Agreement, has reviewed all documents and has had an opportunity to ask questions of,

and to receive answers from, the Operating Partnership and the REIT or a person or persons authorized to act on their behalf, concerning the terms and conditions of an investment in the OP Units and the financial condition, affairs, and business of the Operating Partnership and the REIT. Contributor confirms that all documents, records, and information pertaining to its investment in OP Units that have been requested by Contributor have been made available or delivered to Contributor prior to the date hereof.

(2) Contributor understands and acknowledges that (i) certain of the information contained in the PPM is incomplete or may be revised, amended or supplemented in the registration statement to be filed by the REIT with the SEC in connection with the IPO and (ii) the financial information included in the PPM has not been audited, but will be audited prior to the REIT's filing of the registration statement with the SEC, and such information could change upon audit, and any such changes could be material.

(3) Contributor and each equity holder thereof understands that the offer and sale of OP Units have not been registered under the Securities Act or any state securities laws and are instead being offered and sold in reliance on an exemption from such registration requirements and that the Operating Partnership's reliance on such exemption is predicated in part on the accuracy and completeness of the representations and warranties of Contributor contained herein. The OP Units issuable to Contributor are being acquired by Contributor solely for its own account, for investment, and are not being acquired with a view to, or for resale in connection with, any distribution, subdivision, or fractionalization thereof, in violation of such laws, and Contributor does not have any present intention to enter into any contract, undertaking, agreement, or arrangement with respect to any such resale.

(4) Contributor is able to bear the economic risk of holding the OP Units for an indefinite period and is able to afford the complete loss of its investment in the OP Units.

(5) Contributor understands that no federal agency (including the SEC) or state agency has made or will make any finding or determination as to the fairness of an investment in the OP Units (including as to the value of the Consideration payable in OP Units in accordance with Section 1.2 hereof).

(6) Contributor understands that there is no established public, private or other market for the OP Units to be acquired by Contributor hereunder and it is not anticipated that there will be any public, private or other market for such OP Units in the foreseeable future.

(7) Contributor understands that Rule 144 promulgated under the Securities Act is not currently available with respect to the sale of OP Units.

(j) Accredited Investor. If Contributor is electing to receive OP Units as some or all of the Consideration, Contributor is an "accredited investor", as that term is defined in Rule 501 of Regulation D under the Securities Act, and has previously provided the Operating

Partnership and the REIT with a duly executed questionnaire confirming Contributor's accredited investor status. No event or circumstance has occurred since delivery of such questionnaire to make the statements therein false or misleading.

(k) Tax Matters. Contributor represents and warrants that it has obtained from its own counsel advice regarding the tax consequences of (i) the transfer of the Contributed Interests to the Operating Partnership and the receipt of OP Units and/or cash as the Consideration therefor, (ii) its admission as a limited partner of the Operating Partnership, if applicable and (iii) any other transaction contemplated by this Agreement. Neither the Operating Partnership nor the REIT has made any representation to Contributor regarding the tax treatment of the transactions contemplated by this Agreement, and Contributor further represents and warrants that it has not relied on the Operating Partnership or the Operating Partnership's representatives or counsel for any tax advice.

(l) Bankruptcy with respect to Contributor. No Act of Bankruptcy has occurred with respect to Contributor. As used herein, "Act of Bankruptcy" means if Contributor or any equity holder, partner, manager or director thereof shall (A) apply for or consent to the appointment of, or the taking of possession by, a receiver, custodian, trustee or liquidator of itself or of all or a substantial part of its property, (B) admit in writing its inability to pay its debts as they become due, (C) make a general assignment for the benefit of its creditors, (D) file a voluntary petition or commence a voluntary case or proceeding under the Federal Bankruptcy Code (as now or hereafter in effect), (E) be adjudicated bankrupt or insolvent, (F) file a petition seeking to take advantage of any other law relating to bankruptcy, insolvency, reorganization, receivership, dissolution, winding-up or composition or adjustment of debts, (G) fail to controvert in a timely and appropriate manner, or acquiesce in writing to, any petition filed against it in an involuntary case or proceeding under the Federal Bankruptcy Code (as now or hereafter in effect), or (H) take any entity action for the purpose of effecting any of the foregoing.

(m) Brokerage Commission. Contributor has not engaged the services of any real estate agent, broker, finder or any other person or entity for any brokerage or finder's fee, commission or other amount with respect to the transactions described herein.

(n) No Other Equity Interests. Except for the Contributed Interests, neither Contributor nor any of its affiliates owns, directly or indirectly, any equity interest in any partnership, limited liability company, corporation, trust or other entity owning a Property being acquired by the Operating Partnership as part of the formation transactions described in the PPM and does not own any interest in any Property other than through the Contributed Interests.

ARTICLE III

INDEMNIFICATION

3.1 Survival of Representations and Warranties; Remedy for Breach.

(a) Subject to Section 3.5 hereof, all representations and warranties of Contributor contained in this Agreement or in any Schedule, Exhibit, certificate or affidavit delivered pursuant to this Agreement shall survive the Closing.

(b) Subject to Section 3.4 hereof, following the Closing, Contributor shall be liable under this Agreement for monetary damages (or otherwise) for breach of any of its representations, warranties, covenants and obligations contained in this Agreement or in any Schedule, Exhibit, certificate or affidavit delivered by Contributor pursuant thereto.

3.2 General Indemnification.

(a) From and after the Closing Date, Contributor shall indemnify, hold harmless and defend the Operating Partnership and the REIT, and their respective officers, directors, employees, stockholders, partners, agents and affiliates (each of which is an "Indemnified Party"), from and against any and all claims, losses, damages, liabilities and expenses, including, without limitation, interest, penalties, amounts paid in settlement, reasonable attorneys' fees, costs of investigation, judicial or administrative proceedings or appeals therefrom and costs of attachment or similar bonds (collectively, "Losses") asserted against, imposed upon or incurred by the Indemnified Party, to the extent resulting from any breach of a representation, warranty or covenant of Contributor contained in this Agreement, or in any Schedule, Exhibit, certificate or affidavit delivered by Contributor pursuant thereto. In each case, Contributor shall only bear the fees, costs or expenses in connection with the employment of one counsel (regardless of the number of Indemnified Parties).

(b) Contributor shall also indemnify and hold harmless the Indemnified Parties from and against any and all Losses asserted against, imposed upon or incurred by the Indemnified Parties to the extent resulting from an unrelated third-party claim relating to the Contributed Interests arising from matters that occurred prior to Closing.

(c) With respect to any claim of an Indemnified Party pursuant to this Section 3.2, to the extent available, the Operating Partnership agrees to use diligent good faith efforts to pursue and collect any and all available proceeds and benefits of any right to defense under any insurance policy that covers the matter which is the subject of the indemnification prior to seeking indemnification from Contributor until all proceeds and benefits, if any, to which the Operating Partnership or the Indemnified Party is entitled pursuant to such insurance policy have been exhausted; provided, however, that the Operating Partnership may make a claim under this Section 3.2 even if an insurance coverage dispute is pending, in which case, if the Indemnified Party later receives insurance proceeds with respect to any Losses paid by either Contributor for the benefit of any Indemnified Party, then the Indemnified Party shall reimburse Contributor in an amount equivalent to such proceeds in excess of any deductible amount pursuant to Section 3.2(a) hereof up to the amount actually paid (or deemed paid) by Contributor

to the Indemnified Party in connection with such indemnification (it being understood that all costs and expenses incurred by Contributor with respect to insurance coverage disputes shall constitute Losses paid by Contributor for purposes of Section 3.2(a) hereof).

3.3 Notice and Defense of Claims. As soon as reasonably practicable after receipt by the Indemnified Party of notice of any liability or claim incurred by or asserted against the Indemnified Party that is subject to indemnification under this Article III, the Indemnified Party shall give notice thereof to Contributor, including liabilities or claims to be applied against the indemnification deductible established pursuant to Section 3.4 hereof; provided that failure to give notice to Contributor will not relieve Contributor from any liability that it may have to any Indemnified Party, unless, and only to the extent that, such failure (a) shall have caused prejudice to the defense of such claim or (b) shall have materially increased the costs or potential liability of Contributor by reason of the inability or failure of Contributor (due to such lack of prompt notice) to be involved in any investigations or negotiations regarding any such claim. Such notice shall describe in reasonable detail the facts known to such Indemnified Party giving rise to such claim, and the amount or good faith estimate of the amount of Losses arising therefrom. Unless prohibited by law, such Indemnified Party shall deliver to Contributor, promptly after such Indemnified Party's receipt thereof, copies of all notices and documents received by such Indemnified Party relating to such claim. The Indemnified Party shall permit Contributor, at Contributor's option and expense, to assume the defense of any such claim by counsel selected by Contributor and reasonably satisfactory to the Indemnified Party, and to settle or otherwise dispose of the same; provided, however, that the Indemnified Party may at all times participate in such defense at its sole expense; and provided further, however, that Contributor shall not, in defense of any such claim, except with the prior written consent of the Indemnified Party in its sole and absolute discretion, consent to the entry of any judgment or enter into any settlement that does not include as an unconditional term thereof the giving by the claimant or plaintiff in question to all Indemnified Parties a full and complete release of all liabilities in respect of such claims, or that does not result only in the payment of money damages which are paid (or deemed paid) in full by Contributor. If Contributor shall not have undertaken such defense within 20 days after such notice, or within such shorter time as may be reasonable under the circumstances to the extent required by applicable law, then the Indemnified Party shall have the right to undertake the defense, compromise or settlement of such liability or claim on behalf of and for the account of Contributor and at Contributor's sole cost and expense (subject to the limitations in Section 3.4 hereof).

3.4 Limitations on Indemnification Under Section 3.2(a).

(a) Contributor shall not be liable under Section 3.2(a) hereof unless and until the total amount recoverable by the Indemnified Parties under Section 3.2(a) exceeds one percent (1%) of the value of the aggregate Consideration (valuing OP Units at the IPO Price) and then only to the extent of such excess.

(b) Notwithstanding anything contained herein to the contrary, before taking recourse against any assets of Contributor and subject to the limitations set forth in the following sentence, the Indemnified Parties shall look, first to available insurance proceeds (including without limitation any title insurance proceeds, if applicable) pursuant to Section 3.2(c) above, and then to indemnification under this Article III, (and agree to treat any return of OP Units in

satisfaction of indemnification obligations hereunder as an adjustment to the consideration delivered to Contributor pursuant to the Formation Transactions). Notwithstanding anything to the contrary in this Agreement, except in the case of fraud or in the event of Losses relating to a third-party claim, Contributor shall not be liable to the Indemnified Parties for any indirect, special or consequential damages, loss of profits, taxes relating to tax years beginning on or after Closing, loss of value or other similar speculative damages asserted or claimed by the Indemnified Parties.

(c) The limitations in this Section 3.4 shall not apply to any obligations of Contributor with respect to Prorations under this Agreement.

3.5 Limitation Period.

(a) Any claim for indemnification under Section 3.2 hereof must be asserted in writing by the Indemnified Party, stating the nature of the Losses and the basis for indemnification therefor on or prior to the fifth (5th) anniversary of the Closing.

(b) If asserted in writing on or prior to the date specified in Section 3.5(a) hereof for the applicable claim, any claims for indemnification pursuant to Section 3.2 hereof shall survive until resolved by mutual agreement between Contributor and the Indemnified Party or by arbitration or court proceeding.

3.6 Delivery of Indemnity Amounts. Indemnity payments may be made by Contributor in the form of cash or OP Units. To the extent indemnification is made through delivery by Contributor of OP Units, such OP Units shall be valued at an amount per OP Unit equal to the IPO Price. Contributor hereby authorizes the REIT, as general partner of the Operating Partnership, to take all such action as may be necessary to amend the Partnership Agreement, and any exhibits or schedules thereto, to reflect the delivery of any OP Units by Contributor to the Operating Partnership as an indemnification payment hereunder and to reflect that Contributor has no further right, title or interest with respect to any such OP Units.

ARTICLE IV

COVENANTS

4.1 Covenants of the Contributor.

(a) Satisfaction of Conditions. Contributor hereby covenants that Contributor shall: (A) use commercially reasonable efforts and diligence in order to satisfy all of the conditions to Closing set forth herein, and (B) cooperate and assist in the Operating Partnership's efforts to satisfy all of the conditions to Closing set forth herein, and agrees that the Operating Partnership shall not have any obligation to consummate the Closing hereunder unless and until such conditions have been satisfied or waived by the Operating Partnership in writing.

(b) Consent to Transfers. Contributor hereby consents to the transfer of, and waives any rights of first refusal, right of first offer, buy-sell agreements, put, option or similar parallel or dissenter rights or similar rights afforded to Contributor under the Governing Agreements or otherwise with respect to any equity ownership interest in any Contributed Entity,

Subsidiary Entity, Property Entity or Property or any other company or property being contributed or transferred to the Operating Partnership pursuant to a separate contribution or other agreement or as otherwise described in the PPM.

(c) No Disposition or Encumbrance of Contributed Interests. From the date hereof through the Closing, except as specifically contemplated by this Agreement, Contributor shall not, without the prior written consent of the Operating Partnership: (i) sell, transfer (or agree to sell or transfer) or otherwise dispose of, or cause the sale, transfer or disposition of (or agree to do any of the foregoing) all or any portion of its interest in the Contributed Interests or all or any portion of its interest in any Subsidiary Entity, Property Entity or Property; or (ii) mortgage, assign, pledge or otherwise encumber in any manner the Contributed Interests or Subsidiary Interests.

(d) Ordinary Course of Business. From the date hereof through the Closing, and except as specifically contemplated by this Agreement, Contributor shall, to the extent within its control, cause each Contributed Entity, Subsidiary Entity and Property Entity to conduct its business in the ordinary course of business consistent with past practice, and shall, to the extent within its control, not permit any Contributed Entity, any Subsidiary Entity or any Property Entity without the prior written consent of the Operating Partnership, to: (i) enter into any material transaction not in the ordinary course of business; (ii) mortgage, pledge or encumber any assets of the Contributed Entity, any Subsidiary Entity, any Property Entity or any Property, (iii) cause or permit any Property Entity to change the existing use of any Property; (iv) cause or take any action that would render any of the representations or warranties set forth herein untrue; (v) file an entity classification election pursuant to Treasury Regulations Section 301.7701-3(c) on Internal Revenue Service Form 8832 (Entity Classification Election) to treat the Contributed Entity as an association taxable as a corporation for federal income tax purposes; (vi) make or change any other tax elections; (vii) settle or compromise any claim, notice, audit report or assessment in respect of taxes; (viii) change any annual tax accounting period; (ix) adopt or change any method of tax accounting; (x) file any amended return, report or form (including an election, declaration, amendment, schedule, information return or attachment thereto) required to be filed with a governmental authority with respect to taxes (each, a "Tax Return"); (xi) enter into any tax allocation agreement, tax sharing agreement, tax indemnity agreement or closing agreement relating to any tax; (xii) surrender of any right to claim a tax refund; (xiii) consent to any extension or waiver of the statute of limitations period applicable to any tax claim or assessment; or (xiv) make any distribution to its partners or members, except for cash distributions in the ordinary course of business consistent with past practices or as permitted by this Agreement.

4.2 Tax Covenants.

(a) Contributor and the Operating Partnership shall provide each other with such cooperation and information relating to any of the Contributed Interests, the Contributed Entities, the Subsidiary Entities, the Property Entities or the Properties as the parties reasonably may request in (i) filing any Tax Return, amended Tax Return or claim for tax refund, (ii) determining any liability for taxes or a right to a tax refund, (iii) conducting or defending any proceeding in respect of taxes, or (iv) performing tax diligence, including with respect to the impact of this transaction on the REIT's tax status as a REIT. Such reasonable cooperation shall

include making employees available on a mutually convenient basis to provide additional information and explanation of any material provided hereunder. The Operating Partnership shall promptly notify Contributor upon receipt by the Operating Partnership or any of its affiliates of notice of (i) any pending or threatened tax audits or assessments with respect to the income, properties or operations of any of the Contributed Entities, the Subsidiary Entities, the Property Entities or their subsidiaries or with respect to any Property and (ii) any pending or threatened federal, state, local or foreign tax audits or assessments of the Operating Partnership or any of its affiliates, in each case, which may affect the liabilities for taxes of Contributor with respect to any tax period ending before or as a result of the Closing. Contributor shall promptly notify the Operating Partnership in writing upon receipt by Contributor or any of its affiliates of notice of any pending or threatened federal, state, local or foreign tax audits or assessments relating to the income, properties or operations of any of the Contributed Entities, the Property Entities or the Subsidiary Entities or with respect to any Property. Each of the Operating Partnership and Contributor may participate at its own expense in the prosecution of any claim or audit with respect to taxes attributable to any taxable period ending on or before the Closing Date; provided, that Contributor shall have the right to control the conduct of any such audit or proceeding or portion thereof for which Contributor has acknowledged liability (except as a partner of the Operating Partnership) for the payment of any additional tax liability, and the Operating Partnership shall have the right to control any other audits and proceedings. Notwithstanding the foregoing, neither the Operating Partnership nor Contributor may settle or otherwise resolve any such claim, suit or proceeding which could have an adverse tax effect on the other party or its affiliates (other than on Contributor or any of its affiliates as a partner of the Operating Partnership) without the consent of the other party, such consent not to be unreasonably withheld. Contributor and the Operating Partnership shall retain all Tax Returns, schedules and work papers with respect to the Contributed Entities, the Property Entities, the Subsidiary Entities, and the Properties, and all material records and other documents relating thereto, until the expiration of the statute of limitations (and, to the extent notified by any party, any extensions thereof) of the taxable years to which such Tax Returns and other documents relate and until the final determination of any tax in respect of such years.

(b) The Operating Partnership shall prepare or cause to be prepared and file or cause to be filed all Tax Returns of the Contributed Entities, the Property Entities or the Subsidiary Entities that are due after the Closing Date. To the extent such returns relate to a period ending on or prior to the Closing Date, such Tax Returns (including, for the avoidance of doubt, any amended Tax Returns) shall be prepared in a manner consistent with past practice, except as otherwise required by applicable law.

(c) For purposes of allocating items of income, gain, loss and deduction with respect to the Property and/or the Contributed Interests in the manner required by Section 704(c) of the Code, the Operating Partnership shall employ, and shall cause any entity controlled by the Operating Partnership which holds title to the Property or the Contributed Interests to employ, the “traditional method” (without curative allocations) as set forth in Treasury Regulations section 1.704-3(b)(1).

4.3 Relationship to Contributed Entities. Contributor and the Operating Partnership acknowledge and agree that, from and after the Closing (as defined herein), Contributor shall no longer be a member, partner, stockholder or equity owner, or, if applicable, managing member or general partner, of any Contributed Entity, Subsidiary Entity or Property Entity and shall have no rights or benefits under any Governing Agreement.

ARTICLE V

CONDITIONS PRECEDENT TO THE CLOSING

5.1 Conditions to the Operating Partnership's Obligation. In addition to any other conditions set forth in this Agreement, the Operating Partnership's obligation to consummate the Closing is subject to the timely satisfaction of each and every one of the conditions and requirements set forth in this Section 5.1, all of which shall be conditions precedent to the Operating Partnership's obligations under this Agreement.

(a) IPO. The IPO, in such form and substance as the REIT, in its sole and absolute discretion, shall have determined to be acceptable, shall have been completed (or be completed simultaneously with the Closing).

(b) Formation Transactions. The formation transactions described in the PPM shall have occurred or be scheduled to occur contemporaneously with the Closing hereunder.

(c) Representations and Warranties. The representations and warranties made by Contributor pursuant to this Agreement, as well as those contained in the Representation, Warranty and Indemnity Agreement, shall be true and correct as of the Closing as though such representations and warranties were made at the Closing and, if requested by the Operating Partnership, Contributor shall have delivered a certificate to the Operating Partnership to such effect in regard to Contributor's representations and warranties set forth in this Agreement.

(d) Performance. Contributor shall have performed and complied with all agreements and covenants that it is required to perform or comply with pursuant to this Agreement prior to the Closing, including having delivered each of the items set forth in Section 5.2 hereof.

(e) Legal Proceedings. No order, statute, rule, regulation, executive order, injunction, stay, decree, or restraining order shall have been enacted, entered, promulgated or enforced by any court of competent jurisdiction or governmental entity that restrains, prohibits or otherwise invalidates the consummation of the transactions contemplated by this Agreement, and no litigation or governmental proceeding seeking such an order shall be pending or threatened.

(f) Consents and Approvals. All necessary approvals and consents of governmental and private parties, including, without limitation, all ground lessors, tenants, other parties to service contracts, lenders and ratings agencies, partners, members or stockholders of any Contributed Entity, Property Entity or their subsidiaries, to effect the transactions contemplated by this Agreement, shall have been obtained.

(g) Reliance on Regulation D. If Contributor has elected to receive OP Units, the Operating Partnership shall, based on the advice of its counsel and the representations made by Contributor in Contributor's Investor Questionnaire, be reasonably satisfied that the issuance of OP Units to Contributor may be made without registration under the Securities Act in reliance on Regulation D under the Securities Act.

(h) Representation, Warranty and Indemnity Agreement. Daniel A. Hoffler and each other party thereto shall have entered into the Representation, Warranty and Indemnity Agreement.

(i) No Material Adverse Change. There shall have not occurred between the date hereof and the Closing Date any material adverse change with respect to any of the Contributed Interests or any material adverse change in any of the assets, business, condition (financial or otherwise), results of operation or prospects of any Subsidiary Entity, Property, Property Entity or Contributed Entity.

(j) Tenant and Lender Estoppels. The Operating Partnership shall have received tenant and lender estoppels in form and substance satisfactory to the Operating Partnership and its counsel.

5.2 Conditions to Contributor's Obligation. In addition to any other conditions set forth in this Agreement, Contributor's obligation to consummate the Closing is subject to the timely satisfaction of each and every one of the conditions and requirements set forth in this Section 5.2, all of which shall be conditions precedent to Contributor's obligations under this Agreement.

(a) Representations and Warranties. The representations and warranties made by the Operating Partnership pursuant to this Agreement shall be true and correct as of the Closing as though such representations and warranties were made at the Closing.

(b) Performance. The Operating Partnership shall have performed and complied in all material respects with all agreements and covenants that it is required to perform or comply with pursuant to this Agreement prior to the Closing.

(c) Legal Proceedings. No order, statute, rule, regulation, executive order, injunction, stay, decree, or restraining order shall have been enacted, entered, promulgated or enforced by any court of competent jurisdiction or governmental entity that prohibits the consummation of the transactions contemplated by this Agreement, and no litigation or governmental proceeding seeking such an order shall be pending or threatened.

ARTICLE VI

CLOSING AND CLOSING DOCUMENTS

6.1 Closing. The consummation and closing (the "Closing") of the transactions contemplated pursuant to this Agreement shall take place at the offices of Hunton & Williams LLP in Richmond, Virginia, or such other place as the Operating Partnership may designate, promptly following satisfaction of the conditions to Closing set forth herein (the "Closing Date"), or as otherwise set by agreement of the parties; provided, however, termination shall not relieve any party from a breach occurring prior to that date.

6.2 Contributor's Deliveries. At the Closing, Contributor shall deliver the following to the Operating Partnership in addition to all other items required to be delivered to the Operating Partnership by Contributor:

(a) Assignment of Contributed Interests. Contributor shall have executed and delivered an Assignment, in substantially the form of Exhibit B attached hereto.

(b) Execution of Partnership Agreement. If Contributor has elected to receive OP Units, signature pages of the Partnership Agreement (which Partnership Agreement shall be in substantially the form attached as an exhibit to the PPM) duly executed by Contributor, as limited partner.

(c) FIRPTA Certificate. An affidavit from Contributor certifying pursuant to Section 1445 of the Internal Revenue Code that Contributor is not a foreign corporation, foreign partnership, foreign trust, foreign estate or foreign person (as those terms are defined in the Code and the Treasury Regulations promulgated thereunder).

(d) Other Documents. Any other document or instrument reasonably requested by the Operating Partnership or required hereby.

6.3 Default Remedies. If Contributor defaults in performing any of Contributor's obligations under this Agreement, the Operating Partnership shall have all rights and remedies available to it at law or in equity resulting from Contributor's default, including without limitation, the right to seek specific performance of this Agreement and Contributor's obligation to convey the Contributed Interests to the Operating Partnership hereunder. The parties acknowledge and agree that the failure of a condition precedent to occur, notwithstanding the good faith and commercially reasonable efforts of the applicable party, shall not be a default hereunder.

ARTICLE VII

MISCELLANEOUS

7.1 Notices. Any notice provided for by this Agreement and any other notice, demand, or communication required hereunder shall be in writing and either delivered in person (including by confirmed facsimile transmission) or sent by hand delivered against receipt or sent by recognized overnight delivery service or by certified or registered mail, postage prepaid, with return receipt requested. All notices shall be addressed as follows:

Operating Partnership:

c/o Armada Hoffler Properties, Inc.
222 Central Park Avenue, Suite 2100
Virginia Beach, Virginia 23462
Attention: A. Russell Kirk
Fax No.: 757-424-2513

with a copy to (which shall not constitute notice):

Hunton & Williams LLP
Riverfront Plaza, East Tower
951 E. Byrd Street
Richmond, Virginia 23219
Attention: David C. Wright
Fax No.: 804-343-4580

and

Faggert & Frieden, P.C.
222 Central Park Avenue, Suite 1300
Virginia Beach, Virginia 23462
Attention: David Y. Faggert
Fax No.: 757-424-0102

Contributor:

A. Russell Kirk
222 Central Park Avenue, Suite 2100
Virginia Beach, Virginia 23462
Fax No.: 757-424-2513

Any address or name specified above may be changed by a notice given by the addressee to the other party. Any notice, demand or other communication shall be deemed given and effective as of the date of delivery in person or set forth on the return receipt. The inability to deliver because of changed address of which no notice was given, or rejection or other refusal to accept any notice, demand or other communication, shall be deemed to be receipt of the notice, demand or other communication as of the date of such attempt to deliver or rejection or refusal to accept.

7.2 Entire Agreement; Third-Party Beneficiaries. This Agreement, including, without limitation, the exhibits hereto and thereto, constitute the entire agreement and supersede each prior agreement and understanding, whether written or oral, among the parties regarding the subject matter of this Agreement. This Agreement is not intended to confer any rights or remedies on any Person other than the parties hereto.

7.3 Amendment. This Agreement may not be amended except by an instrument in writing signed on behalf of each of the parties hereto.

7.4 Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the Commonwealth of Virginia, without regard to the conflicts of law rules thereof.

7.5 Counterparts. This Agreement may be executed by the parties hereto in separate counterparts, each of which when so executed and delivered shall be an original, but all such counterparts shall together constitute one and the same instrument. Each counterpart may consist of a number of copies hereof, each signed by less than all, but together signed by all of the parties hereto. Each party may rely upon the facsimile or electronic pdf email signature of any other party as if such signature were an original signature.

7.6 Headings. Headings of the Articles and Sections of this Agreement are for the convenience of the parties only, and shall be given no substantive or interpretive effect whatsoever.

7.7 Incorporation. All Exhibits attached hereto and referred to herein are hereby incorporated herein and made a part hereof for all purposes as if fully set forth herein.

7.8 Severability. Any term or provision of this Agreement which is invalid or unenforceable in any jurisdiction shall, as to that jurisdiction, be ineffective to the extent of such invalidity or unenforceability without rendering invalid or unenforceable the remaining terms and provisions of this Agreement or affecting the validity or enforceability of any of the terms or provisions of this Agreement in any other jurisdiction. If any provision of this Agreement is so broad as to be unenforceable, the provision shall be interpreted to be only so broad as is enforceable.

7.9 Waiver of Conditions. The conditions to each party's obligations hereunder are for the sole benefit of such party and may be waived by such party in whole or in part to the extent permitted by applicable law.

7.10 Dispute Resolution. The parties intend that this Section 7.1010 will be valid, binding, enforceable, exclusive and irrevocable and that it shall survive any termination of this Agreement.

(a) Upon any dispute, controversy or claim arising out of or relating to this Agreement or the enforcement, breach, termination or validity thereof ("Dispute"), the party raising the Dispute will give written notice to the other parties to the Dispute describing the nature of the Dispute following which the parties to such Dispute shall attempt for a period of ten (10) Business Days from receipt by the parties of notice of such Dispute to resolve such Dispute by negotiation between representatives of the parties hereto who have authority to settle such Dispute. All such negotiations shall be confidential and any statements or offers made therein shall be treated as compromise and settlement negotiations for purposes of any applicable rules of evidence and shall not be admissible as evidence in any subsequent proceeding for any purpose. The statute of limitations applicable to the commencement of a lawsuit shall apply to the commencement of an arbitration hereunder, except that no defense based on the running of the statute of limitations will be available based upon the passage of time during any such negotiation. Regardless of the foregoing, a party shall have the right to seek immediate injunctive relief pursuant to clause (c) below without regard to any such ten (10) Business Day negotiation period.

(b) Any Dispute (including the determination of the scope or applicability of this Agreement to arbitrate) that is not resolved pursuant to clause (a) above shall be submitted to final and binding arbitration in Virginia Beach, Virginia before one neutral and impartial arbitrator, in accordance with the laws of the Commonwealth of Virginia for agreements made in and to be performed in Virginia. The arbitration shall be administered by JAMS, Inc. ("JAMS")

pursuant to its Comprehensive Arbitration Rules and Procedures, as in effect on the date hereof. The parties hereto shall appoint one arbitrator within fifteen (15) days of a demand for arbitration. If an arbitrator is not appointed within such 15-day period, the arbitrator shall be appointed by JAMS in accordance with its Comprehensive Arbitration Rules and Procedures, as in effect on the date hereof. The arbitrator shall designate the place and time of the hearing. The hearing shall be scheduled to begin as soon as practicable and no later than sixty (60) days after the appointment of the arbitrator (unless such period is extended by the arbitrator for good cause shown) and shall be conducted as expeditiously as possible. The award, which shall set forth the arbitrator's findings of fact and conclusions of law, shall be filed with JAMS and mailed to the parties no later than thirty (30) days after the close of the arbitration hearing. The arbitration award shall be final and binding on the parties and not subject to collateral attack. Judgment upon the arbitration award may be entered in any federal or state court having jurisdiction thereof.

(c) Notwithstanding the parties' agreement to submit all Disputes to final and binding arbitration before JAMS, the parties shall have the right to seek and obtain temporary or preliminary injunctive relief in any court having jurisdiction thereof. Such courts shall have authority to, among other things, grant temporary or provisional injunctive relief in order to protect any party's rights under this Agreement. Without prejudice to such provisional remedies as may be available under the jurisdiction of a court, the arbitral tribunal shall have full authority to grant provisional remedies and to direct the parties to request that any court modify or vacate any temporary or preliminary relief issued by such court, and to award damages for the failure of any party to respect the arbitral tribunal's orders to that effect.

(d) The prevailing party shall be entitled to recover its costs and reasonable attorneys' fees, and the non-prevailing party shall pay all expenses and fees of JAMS, all costs of the stenographic record, all expenses of witnesses or proofs that may have been produced at the direction of the arbitrator, and the fees, costs and expenses of the arbitrator. The arbitrator shall allocate such costs and designate the prevailing party or parties for these purposes.

[*Signature Page Follows.*]

IN WITNESS WHEREOF, this Agreement has been entered into effective as of the date first written above.

CONTRIBUTOR:

A. RUSSELL KIRK

/s/ A. Russell Kirk
By: A. Russell Kirk

OPERATING PARTNERSHIP:

ARMADA HOFFLER, L.P., a Virginia limited partnership

By: Armada Hoffler Properties, Inc.,
its general partner

By: /s/ Louis S. Haddad
Name: Louis S. Haddad
Title: Chief Executive Officer and President

REIT:

ARMADA HOFFLER PROPERTIES, INC., a Maryland corporation

By: /s/ Louis S. Haddad
Name: Louis S. Haddad
Title: Chief Executive Officer and President

EXHIBIT A

Contributor – A. Russell Kirk

CONTRIBUTED ENTITY/ CONTRIBUTED INTEREST	SUBSIDIARY INTEREST	PROPERTY	PROPERTY ENTITY
New Armada Hoffler Properties I, LLC[1] (all interests owned by Contributor)	9.07233% interest in Bermuda Shopping Center, L.L.C.	Bermuda Shopping Center Chesterfield County, VA	Bermuda Shopping Center, L.L.C.
	20.32230% interest in Broad Creek PH. I, L.L.C.	Broad Creek Shopping Center Norfolk, VA	Broad Creek PH. I, L.L.C.
	15.27972% interest in Columbus Tower, L.L.C.	Town Center Block 5-A1 Virginia Beach, VA	Columbus Tower, L.L.C.
	8.0% interest in Columbus Tower Block 5-A2 Associates, L.L.C.	Town Center Block 5-A2 Virginia Beach, VA	Columbus Tower Block 5-A2 Associates, L.L.C.
	8.0% interest in AH Columbus II, L.L.C.	Leasehold Interest in Block 5-A2, Town Center Virginia Beach, VA	AH Columbus II, L.L.C.
	5.25% interest in HT Tyre Neck, L.L.C.	Harris Teeter Portsmouth, VA	HT Tyre Neck, L.L.C.
	Interest equal to 20.08618% of the first $356,090 in Hoffler and Associates EAT, LLC	Hanbury Village, Outparcel 3A Chesapeake, VA	Hoffler and Associates EAT, LLC
	13.25028% interest in North Pointe PH. 1 Limited Partnership	Lots 2, 3, and 4, Phase I, North Pointe Shopping Center Durham, NC	North Pointe PH. 1 Limited Partnership
	12.28664% interest in North Pointe-CGL, L.L.C.	Lot 2, Phase II, North Pointe Shopping Center Durham, NC	North Pointe-CGL, L.L.C.
	12.28664% interest in North Point Development Associates, L.P.	Lot I, Phase III Durham, NC	North Point Development Associates, L.P.
	13.33525% interest in North Pointe Outparcels, L.L.C.	Lot 1, North Pointe Shopping Center Durham, MC	North Pointe Outparcels, L.L.C.
	5.33186% interest in North Pointe VW4, L.L.C.	Lot 1 A North Pointe Durham, NC	North Pointe VW4, L.L.C.
	19.28645% interest in Ferrell Parkway Associates, L.L.C.	Parkway Marketplace Virginia Beach, VA	Ferrell Parkway Associates, L.L.C.
	0.27043% interest in Armada/Hoffler Charleston Associates, L.P.	Gainsborough Square Chesapeake, VA	Armada/Hoffler Charleston Associates, L.P.

[1] Prior to the Closing, pursuant to the Master Contribution and Distribution Agreement, Armada/Hoffler Properties, LLC ("AHP") will contribute to New Armada Hoffler Properties I, LLC ("New AHP I") the interests in the subsidiary entities described below and will distribute to A. Russell Kirk ("Kirk") an interest in New AHP I. At Closing, pursuant to the Contribution Agreement, Kirk will contribute his interest in New AHP I to the Operating Partnership.

CONTRIBUTED ENTITY/ CONTRIBUTED INTEREST	SUBSIDIARY INTEREST	PROPERTY	PROPERTY ENTITY
	7.296% interest in TCA Block 4 Retail, L.L.C.	South Retail Unit, Town Center Condominium 4 Virginia Beach, VA	TCA Block 4 Retail, L.L.C.
	7.549% interest in Armada/Hoffler Tower 4, L.L.C.	Office Tower Unit, North Office Unit and West Retail Unit, Town Center Condominium 4 Virginia Beach, VA	Armada/Hoffler Tower 4, L.L.C.
	8.0% interest in Town Center Associates 7, L.L.C.	East and West A Retail Units, Town Center Condominium 7 Virginia Beach, VA	Town Center Associates 7, L.L.C.
	14.96246% interest in Town Center Associates 12, L.L.C.	Anchor Unit and Commercial Unit, Town Center Condominium 12 Virginia Beach, VA	Town Center Associates 12, L.L.C.
	7.0% interest in Lake View AH-VNG, LLC	Virginia Natural Gas Headquarters Building Virginia Beach, VA	Lake View AH-VNG, LLC
	5.0% interest in AH Sandbridge, L.L.C.	Sandbridge Commons Virginia Beach, VA	AH Sandbridge, L.L.C.
New Armada Hoffler Properties II, LLC[2] (all interests owned by Contributor)	8.0731% interest in Courthouse Marketplace Outparcels, L.L.C.	Parcel A-1-B, A-1-C, A-1-D Virginia Beach, VA	Courthouse Marketplace Outparcels, L.L.C
	0.1% interest in Armada/Hoffler Block 8 Associates, L.L.C.	Town Center Block 8B Virginia Beach, VA	Armada/Hoffler Block 8 Associates, L.L.C.
	0.1% interest in Greenbrier Technology Center II Associates, L.L.C.	Town Center Block 3 Virginia Beach, VA	Greenbrier Technology Center II Associates, L.L.C.
	10.0% interest in AH Richmond Tower I, L.L.C.	Richmond Tower Richmond, VA	AH Richmond Tower I, L.L.C.
	5.6% interest in Town Center Associates 11, L.L.C.	Block 11 Town Center Project Virginia Beach, VA	TCA Block 11 Office LLC TCA Block 11 Apartments LLC
	5.0% interest in AH Durham Apartments, L.L.C.	Jackson Street Apartments Durham, NC	AH Durham Apartments, L.L.C.
	5.0% interest in AH Southeast Commerce Center, L.L.C.	Brooks Crossing Newport News, VA	AH Southeast Commerce Center, L.L.C.
	5.0% interest in AH Greentree, L.L.C.	Greentree Shopping Center Chesapeake, VA	AH Greentree, L.L.C.

[2] Prior to the Closing, pursuant to the Master Contribution and Distribution Agreement, Armada/Hoffler Properties II, LLC ("AHP II") will contribute to New Armada Hoffler Properties II, LLC ("New AHP II") the interests in the subsidiary entities described below and will distribute to Kirk an interest in New AHP II. At Closing, pursuant to the Contribution Agreement, Kirk will contribute his interest in New AHP II to the Operating Partnership.

CONTRIBUTED ENTITY/ CONTRIBUTED INTEREST	SUBSIDIARY INTEREST	PROPERTY	PROPERTY ENTITY
11.0% interest in Bermuda Marketplace, Inc.	—	Bermuda Shopping Center Chesterfield County, VA	Bermuda Shopping Center, L.L.C.
18.17078% interest in Broad Creek PH. II, L.L.C.	—	Broad Creek Shopping Center Norfolk, VA	Broad Creek PH. II, L.L.C.
25.0% interest in BC PH. II, L.L.C.	—	Manager of Broad Creek PH. II, L.L.C. Broad Creek Shopping Center Norfolk, VA	BC PH. II, L.L.C.
25.84% interest in FBJ Investors, Inc.	—	North Pointe Shopping Center; IHOP & Texas Roadhouse; Verizon Wireless Durham, NC	North Pointe Ph. I Limited Partnership North Pointe Outparcels, L.L.C. Northpointe VW4, L.L.C.
25.0% interest in Gateway Centre, L.L.C.	—	Gainsborough Square Chesapeake, VA	Armada/Hoffler Charleston Associates, L.P.
26.0% interest in A/H North Pointe, Inc.	—	North Point Shopping Center (Home Depot, Kroger, PetSmart and Small Shoppes) Durham, NC	North Pointe Ph. I Limited Partnership
12.56315% interest in North Point Development Associates, L.L.C.	—	North Point Shopping Center Durham, NC	North Point Development Associates, L.P.
10% interest in TCA Block 3, Inc.	—	Town Center Block 3 Virginia Beach, VA	Greenbrier Technology Center II Associates, L.L.C.
10% interest in TCA Block 8, Inc.	—	Town Center Block 8B Virginia Beach, VA	Armada/Hoffler Block 8 Associates, L.L.C.
10.66717% interest in A/H Harrisonburg Regal L.L.C.	—	Regal Cinemas Harrisonburg, VA	A/H Harrisonburg Regal L.L.C.
9.29109% interest in Town Center Block 10 Apartments, L.P.	—	Apartment Units and Retail Unit Town Center Condominium 10 Virginia Beach, VA	Town Center Block 10 Apartments, L.P.
23.28612% interest in TCA 10 GP, LLC	—	Apartment Units and Retail Unit Town Center Condominium 10 Virginia Beach, VA	Town Center Block 10 Apartments, L.P.

Cash[3] - $3,671,440

OP Units: Determined as set forth below.
Total AH Partners' OP Unit Allocation Percentage: 14.007%

The cash portion of the Consideration that Contributor will receive shall be fixed at the amount shown above. The number of OP Units that Contributor will receive as part of the Consideration is not known as of the date of this Agreement, but shall be calculated as follows:

1. Prior to commencement of marketing of the IPO, the REIT and the managing underwriters for the IPO shall determine a valuation range for the combined equity interests (after deduction of debt) of all of the properties, assets and businesses that will be contributed to the OP and its subsidiaries pursuant to the transactions described in the PPM (the "Formation Transactions"). From the midpoint of this range, there will be deducted the amount of cash that will be paid by the OP as consideration to all of the contributors in connection with the Formation Transactions, with the resulting amount after such deduction being herein referred to as the "Total OP Unit Valuation".

2. The Total OP Unit Valuation shall be divided by the midpoint of the price range for the shares of the REIT's common stock in the IPO (the "IPO Price Range") as set forth on the front cover of the REIT's preliminary prospectus for the IPO filed with the SEC (the "Preliminary Prospectus") to determine a fixed number of OP Units issuable to all the contributors in connection with the Formation Transactions (the "Total OP Units") and the number of Total OP Units shall be reflected in the Preliminary Prospectus.

3. The Total OP Units will be allocated among contributors who are not officers, employees or affiliates of Armada Hoffler Holding Company and its affiliates (collectively, the "Non-AH Partners") and the contributors who are officers, employees or affiliates of Armada Hoffler Holding Company and its affiliates, including certain trusts established by such officers and employees (collectively, the "AH Partners"), including Contributor.

4. Each Non-AH Partners will receive a number of OP Units equal to the amount of consideration set forth in such Non-AH Partner's contribution agreement with the OP as allocable to OP Units, divided by the IPO Price (the "Total Non-AH Partners' OP Units"). To the extent the IPO Price is greater or less than the mid-point of the IPO Price Range, the number of OP Units issuable to each Non-AH Partner (as described and set forth in the Preliminary Prospectus) will decrease or increase, respectively, in an amount sufficient to cause the value of the OP Units issuable to the Non-AH Partner to equal the amount of the consideration set forth in such Non-AH Partner's contribution agreement (utilizing a value per OP Unit equal to the IPO Price).

5. The aggregate number of OP Units issuable to the AH Partners (the "Total AH Partners' OP Units") will be equal to the difference between (a) the Total OP Units and (b) the Total Non-AH Partners' OP Units.

6. The number of OP Units issuable as Consideration to Contributor pursuant to this Agreement will be determined by the difference between (i) the product of (a) the Total AH Partners' OP Units and (b) the percentage set forth above under the heading "Total AH Partners' OP Unit Allocation Percentage" and (ii) the quotient obtained by dividing (a) $5,002,291 by (b) the IPO Price.

[3] In the event that, at or prior to Closing, the OP has not arranged financing in the form of a credit facility or other debt financing in an amount sufficient to pay to Contributor at Closing the full amount of the cash consideration amount shown above, the OP may deliver to Contributor at Closing a promissory note payable by the OP to Contributor in a principal amount up to $365,800. The promissory note shall not bear interest, shall mature on the first anniversary of the date of issuance and may be prepaid by the OP at any time.

The undersigned hereby agrees that this Exhibit A represents the definitive Exhibit A to the Contribution Agreement and supersedes any and all prior versions.

CONTRIBUTOR:

A. RUSSELL KIRK

/s/ A. Russell Kirk
By: A. Russell Kirk

OPERATING PARTNERSHIP:

ARMADA HOFFLER, L.P., a Virginia limited partnership

By: Armada Hoffler Properties, Inc.,
its general partner

By: /s/ Louis S. Haddad
Name: Louis S. Haddad
Title: Chief Executive Officer and President

REIT:

ARMADA HOFFLER PROPERTIES, INC., a
Maryland corporation

By: /s/ Louis S. Haddad
Name: Louis S. Haddad
Title: Chief Executive Officer and President

Exhibit B

Assignment

The undersigned, for good and valuable consideration paid to the Assignor by ARMADA HOFFLER, L.P., a Virginia limited partnership ("Assignee"), pursuant to the Contribution Agreement dated as of , 2012, by and between Assignor and Assignee (the "Agreement") and for other good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, does hereby sell, assign, transfer, convey and deliver to the Assignee, its successors and assigns, good and indefeasible right, title and interest to the **[partnership or limited liability company interests/shares of common stock]** described on *Schedule A* hereto, including, without limitation, all right, title and interest, if any, of the undersigned in and to the assets of each such **[partnership/limited liability company/corporation]** and the right to receive distributions of money, profits and other assets from each such partnership, presently existing or hereafter at any time arising or accruing, free and clear of all liens, encumbrances, security interests, pledges, voting agreements, prior assignments or conveyances, conditions, restrictions, claims, and any other matters affecting title thereto.

The undersigned, for itself, its successors and assigns, hereby covenants and agrees that, at any time and from time to time after the date hereof, upon the written request of Assignee, the undersigned will, without further consideration, do, execute, acknowledge, and deliver or cause to be done, executed, acknowledged and delivered, each of and all of such further acts, deeds, assignments, transfers, conveyances and assurances as may reasonably be required by Assignee in order to assign, transfer, set over, convey, assure and confirm unto and vest in Assignee, its successors and assigns, title to the interests described in *Schedule A* hereto

Capitalized terms used but not defined herein shall have the respective meanings ascribed to them in the Agreement.

IN WITNESS WHEREOF, the parties hereto have caused this Assignment to be signed by a duly authorized officer this day of , 201 .

, a

By: _____
Name:
Title:

Exhibit 10.10

CONTRIBUTION AGREEMENT

Louis S. Haddad

This CONTRIBUTION AGREEMENT (this "Agreement") is made as of February 11, 2013, by and among Louis S. Haddad ("Contributor"), Armada Hoffler, L.P., a Virginia limited partnership (the "Operating Partnership") and Armada Hoffler Properties, Inc., a Maryland corporation (the "REIT").

RECITALS

WHEREAS, Contributor is the record and beneficial owner of equity interests in the amount or percentage described on Exhibit A hereto (the "Contributed Interests") in each of the entities described in Exhibit A hereto (each, a "Contributed Entity" and collectively, the "Contributed Entities"), which are the direct or indirect owners of the respective properties or property entities described on Exhibit A hereto (each a "Property" and collectively, the "Properties"). Entities in which certain of the Contributed Entities own interests (each, a "Subsidiary Entity") are set forth on Exhibit A as "Subsidiary Interests". Contributor desires to contribute the Contributed Interests to the Operating Partnership, and the Operating Partnership desires to acquire the Contributed Interests from Contributor, on the terms and conditions hereinafter set forth.

NOW, THEREFORE, for and in consideration of the foregoing, and the representations, warranties and other terms contained in this Agreement, and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties hereto, intending to be legally bound hereby, agree as follows:

ARTICLE I

THE CONTRIBUTION

1.1 Contribution of Contributed Interests. Contributor irrevocably agrees to contribute, transfer and assign at Closing (as defined herein) the Contributed Interests set forth opposite Contributor's name on Exhibit A hereto, together with any other interests Contributor may have in any of the Contributed Entities and any other properties or entities being acquired by the Operating Partnership as described in the draft Confidential Private Placement Memorandum for the Offering of Limited Partnership Interests of the Operating Partnership (the "PPM"), to the Operating Partnership, and the Operating Partnership agrees to accept transfer of the Contributed Interests and any such other interests pursuant to the terms and subject to the conditions set forth in this Agreement. The Contributed Interests shall be transferred to the Operating Partnership free and clear of all liens, encumbrances, security interests, pledges, voting agreements, prior assignments or conveyances, conditions, restrictions, claims, and any other matters affecting title thereto.

1.2 Consideration.

(a) Consideration Amount. The total consideration (the "Consideration") for which Contributor agrees to contribute, transfer and assign the Contributed Interests to the

Operating Partnership, and for which the Operating Partnership agrees to pay, issue or deliver to Contributor, subject to the terms of this Agreement, at Closing (as defined herein) shall be determined in the manner set forth on Exhibit A hereto. The Consideration may be adjusted, upward or downward, by the amount of any adjustments arising from the Prorations (as defined herein). Any decrease to the amount of the Consideration will be deducted first from the cash portion of the Consideration, if any, and the balance, if any, will be deducted from the OP Units. Any increase in the Consideration as a result of the Prorations will be paid in OP Units. In addition to the Consideration set forth on Exhibit A hereto, Contributor shall be entitled to receive in cash, at Closing or shortly thereafter, Contributor's pro rata share (based on Contributor's direct or indirect ownership interest in each Property Entity) of any tenant improvement, leasing commission and replacement reserves held by lenders with respect to each Property in which Contributor owns an interest.

(b) Election Form. The Consideration shall be payable in accordance with the election made by Contributor in the Consideration Election Form ("Election Form") accompanying the PPM, the results of which election are set forth on Exhibit A hereto. If, pursuant to the Election Form, Contributor (A) elected all or part of Contributor's consideration payable hereunder to be in the form of units of limited partnership interests of the Operating Partnership ("OP Units") and (B) submitted to the Operating Partnership (x) an executed Investor Questionnaire representing and warranting to the Operating Partnership that Contributor is an "accredited investor" as defined in the Investor Questionnaire and (y) any other documentation required by the Operating Partnership, including, but not limited to, a signature page to the Partnership Agreement (as hereinafter defined), Contributor shall receive OP Units in an amount determined in the manner described on Exhibit A hereto. The portion of the Consideration, if any, payable in cash is set forth on Exhibit A. Contributor agrees that the cash payment shall be made and the OP Units shall be registered in the name of the persons or entities set forth on the Election Form. OP Units will only be delivered to Contributor if Contributor has represented to the Operating Partnership that Contributor is an "accredited investor". No fractional OP Units will be issued and OP Units will be rounded to the nearest whole number. The Consideration payable to Contributor, whether in cash, in OP Units or a combination thereof, may be reduced by the amount the Operating Partnership reasonably determines must be withheld for tax purposes. The rights and obligations of holders of OP Units as of the Closing will be as set forth in the First Amended and Restated Agreement of Limited Partnership of the Operating Partnership (the "Partnership Agreement"), a draft copy of which is included as an exhibit to the PPM.

1.3 OP Units. Although initially the OP Units will not be certificated, certificates, if any, subsequently evidencing the OP Units will bear appropriate legends (i) indicating that the OP Units have not been registered under the Securities Act of 1933, as amended ("Securities Act"), (ii) indicating that the Partnership Agreement will restrict the transfer of the OP Units, and (iii) describing the ownership limitations and transfer restrictions imposed by the charter of the REIT with respect to shares of the REIT's common stock.

1.4 No Further Interest. Contributor acknowledges and agrees that effective upon the Closing, and without any further action by Contributor, the Contributed Interests shall be transferred, assigned and conveyed to the Operating Partnership, or a subsidiary thereof, and Contributor shall no longer be an equity holder of any of the Contributed Entities, shall no longer

be entitled to receive any distributions from any of the Contributed Entities, and shall have no further right, title or interest in any of the Contributed Interests, the Contributed Entities or the Property Entities.

1.5 Tax Consequences to Contributor. Notwithstanding anything to the contrary contained in this Agreement, including without limitation the use of words and phrases such as "sell," "sale," "purchase," and "pay," the parties hereto acknowledge, agree and consent that the transactions contemplated hereby will be treated for federal income tax purposes (i) in accordance with Section 721 of the Internal Revenue Code of 1986, as amended (the "Code") with respect to any portion of the Consideration that is payable in OP Units; (ii) as an "assets over form" of transaction pursuant to Treasury Regulations Section 1.708-1(c)(3)(i); and (iii) as a sale of the Contributor's Contributed Interests to the Operating Partnership under Treasury Regulations Section 1.708-1(c)(4) to the extent of the Contributor's receipt of cash Consideration pursuant to Section 1.2(a), except to the extent that such cash Consideration is treated as (a) the reimbursement of "preformation expenditures" under Treasury Regulations Section 1.707-4(d); and/or (b) a "debt financed transfer of consideration" by the Operating Partnership under Treasury Regulations Section 1.707-5(b), as applicable.

1.6 Definitions. As used in this Agreement, the following terms have the following meanings:

"Contributor's Percentage Interest" means, with respect to each Contributed Entity, the percentage set forth on Exhibit A hereto under the heading "Contributed Entity/Contributed Interest", which reflects Contributor's percentage ownership interest in each Contributed Entity pursuant to and in accordance with the applicable Governing Agreement (as defined herein) of the Contributed Entity.

"IPO" means the underwritten initial public offering of common stock of the REIT.

"IPO Price" means the public offering price set forth on the front cover of the final prospectus for the IPO, as filed with the U.S. Securities and Exchange Commission (the "SEC").

"Property Entity" means an entity owning a Property, as set forth on Exhibit A hereto.

"Prorations" means those proration and adjustment amounts that are customarily applied to closings of commercial real estate transactions in the county in which the Property is located, which amounts shall be calculated as of midnight (Eastern time) of the day immediately preceding the Closing Date and shall include:

(A) Taxes. All real estate and personal property taxes and special assessments, if any, with respect to each Property shall be prorated at Closing;

(B) Utilities. All telephone, electric, sewer, water and other utility bills, trash removal bills, janitorial and maintenance service bills and all other expenses relating to a Property that are obligations of the Property Entity and which are allocable to the period prior to the Closing Date shall be determined and paid, or caused to be paid, by the Property Entity or Contributed Entity before Closing, if possible, or if such is not determinable before Closing, then the Parties shall use their

commercially reasonable efforts to determine and pay such amounts as promptly as possible following Closing and the Operating Partnership may withhold from any cash amount of the Consideration payable at Closing hereunder an amount of cash reasonably estimated to cover any estimated Proration for the items described in this subsection (B);

(C) Rents. All rents, including, without limitation, base rents, operating expense payments or common area maintenance charges and all other forms of additional rents, payable under the leases of the Property and all other income from the Property shall be prorated at Closing; and

(D) Other Items. Any other items of revenue, operating expenses or other items which are customarily prorated between a transferor and transferee of real estate in the county in which the Property is located shall be prorated at Closing.

"Representation, Warranty and Indemnity Agreement" means the Representation, Warranty and Indemnity Agreement by and among the REIT, the Operating Partnership and Daniel A. Hoffler.

ARTICLE II

REPRESENTATIONS AND WARRANTIES

2.1 Representations by the Operating Partnership. The Operating Partnership hereby represents and warrants to Contributor that the following statements are true, correct, and complete as of the date of this Agreement and will be true, correct and complete as of the Closing Date (as defined herein):

(a) Organization and Power. The Operating Partnership is duly organized, validly existing, and in good standing under the laws of the Commonwealth of Virginia, and has full right, power, and authority to enter into this Agreement and to assume and perform all of its obligations under this Agreement. The execution and delivery of this Agreement and the performance by the Operating Partnership of its obligations hereunder have been duly authorized by all requisite action of the Operating Partnership and require no further action or approval of the Operating Partnership's partners or of any other individuals or entities in order to constitute this Agreement as a binding and enforceable obligation of the Operating Partnership.

(b) OP Units Validly Issued. The OP Units, when issued in accordance with the terms of this Agreement and the Partnership Agreement, will have been duly and validly authorized and issued, free of any preemptive or similar rights, and will be fully paid, without any obligation to restore capital, except as required by the Virginia Revised Uniform Limited Partnership Act (the "Limited Partnership Act").

2.2 Representations by Contributor. Contributor hereby represents and warrants to the Operating Partnership that the following statements are true, correct, and complete as of the date of this Agreement and will be true, correct, and complete as of the Closing Date:

(a) Organization and Power; Due Authorization. Contributor, if an entity or trust, is duly incorporated, formed or organized, validly existing, and in good standing under the laws of its state of incorporation, formation or organization. Contributor has full right, power, and authority to enter into this Agreement and to assume and perform all of its obligations under this Agreement; and the execution and delivery of this Agreement and the performance by Contributor of its obligations hereunder have been duly authorized by all requisite action of Contributor and require no further action or approval of Contributor's members, partners, stockholders, managers, board of directors, trustees or of any other individuals or entities, as applicable, in order to constitute this Agreement as a binding and enforceable obligation of Contributor. No person has any community property rights, by virtue of marriage or otherwise, with respect to the Contributed Interests. This Agreement and each agreement, document and instrument executed and delivered by or on behalf of Contributor pursuant to this Agreement constitutes, or when executed and delivered will constitute, the legal, valid and binding obligation of Contributor, each enforceable against Contributor in accordance with its terms, except as such enforceability may be limited by bankruptcy or the application of equitable principles.

(b) Noncontravention. Neither the entry into nor the performance of, or compliance with, this Agreement by Contributor has resulted, or will result, in any violation of, or default under, or result in the acceleration of, any obligation under any charter, bylaws, limited liability company agreement, partnership agreement, declaration of trust, mortgage indenture, lien agreement, note, contract, agreement, permit, judgment, decree, order, restrictive covenant, statute, rule, or regulation applicable to Contributor or to any Contributed Interests, any Contributed Entity, Subsidiary Interests or Property Entity.

(c) Litigation. There is no action, suit, or proceeding, pending or known to be threatened, against or affecting Contributor in any court or before any arbitrator or before any federal, state, municipal, or other governmental department, commission, board, bureau, agency or instrumentality which (1) in any manner raises any question affecting the validity or enforceability of this Agreement, (2) could materially and adversely affect the business, financial position, or results of operations of Contributor, any Contributed Entity, Subsidiary Interests, Property Entity or Property, (3) could adversely affect the ability of Contributor to perform its obligations hereunder, or under any document to be delivered pursuant hereto, (4) could create a lien on the Contributed Interests, any part thereof, or any interest therein, or (5) could adversely affect the Contributed Interests, any part thereof, or any interest therein.

(d) Good Title. Exhibit A hereto accurately sets forth Contributor's Percentage Interest. Contributor is the sole record and beneficial owner of the Contributed Interests and has full power and authority to convey the Contributed Interests pursuant to the terms of this Agreement. Contributor has good and marketable title to the Contributed Interests. Except as set forth on Schedule 2.1(d), the Contributed Interests are free and clear of all liens, encumbrances, security interests, pledges, voting agreements, prior assignments or conveyances, conditions, restrictions, claims or any other matters affecting title thereto and at the Closing will be contributed to the Operating Partnership free and clear of all liens, encumbrances, security interests, pledges, voting agreements, prior assignments or conveyances, conditions, restrictions, claims or other matters affecting title thereto. No other person or entity has an option to purchase or a right of first refusal to purchase the Contributed Interests nor are there any

agreements or understandings with respect to the voting, ownership or disposition of the Contributed Interests that could adversely affect Contributor's ability to perform its obligations hereunder or the Operating Partnership's rights to the Contributed Interests following the Closing.

(e) Contributed Interests. There are no rights to purchase, subscriptions, warrants, options, conversion rights or preemptive rights relating to the Contributed Interests or any equity interest in any Contributed Entity that will be in effect as of the Closing.

(f) No Consents. Each consent, approval, authorization, order, license, certificate, permit, registration, designation, or filing by or with any governmental agency or body necessary for the execution, delivery and performance of this Agreement or the transactions contemplated hereby by Contributor has been obtained or will be obtained on or before the Closing Date. Each consent or approval required under any Governing Agreement (as defined herein), contract or agreement of any Contributed Entity, or among the partners, members or stockholders of any Contributed Entity, Subsidiary Entity or Property Entity to which Contributor is a party, relating to indebtedness or otherwise, necessary for the execution, delivery and performance of this Agreement and the contribution, acquisition and transfer of the Contributed Interests has been obtained or will be obtained on or before the Closing Date.

(g) Actions Prior to Closing. From the date hereof until the Closing Date, Contributor shall not take any action or fail to take any action the result of which would (1) have a material adverse effect on the Contributed Interests or the Operating Partnership's ownership thereof, or any material adverse effect on the assets, business, condition (financial or otherwise), results or operation of any Property, any Contributed Entity, Subsidiary Entity or Property Entity after the Closing Date or (2) cause any of the representations and warranties contained in this Section 2.2 to be untrue as of the Closing Date.

(h) Governing Documents. Contributor has performed all of its obligations under the Limited Partnership Agreement, Limited Liability Company Agreement, Operating Agreement, Charter and Bylaws, as such may have been amended from time to time, as applicable, of each Contributed Entity in which it owns an interest, (each a "Governing Agreement" and collectively, the "Governing Agreements").

(i) Securities Law Matters.

(1) In deciding to engage in the transaction contemplated by this Agreement, including, if applicable, acquiring OP Units, neither Contributor nor any equity holder thereof is relying upon any representations made to it by the Operating Partnership, or any of its partners, officers, employees, or agents that are not contained herein. Contributor is aware of the risks involved in investing in the OP Units and in the securities issuable upon redemption of such OP Units. Contributor is knowledgeable, sophisticated and experienced in business and financial matters and fully understands the limitations on transfer imposed by the federal securities laws and as described in this Agreement and the PPM and related materials, including the Partnership Agreement. Contributor has received the PPM and related materials, including the Partnership Agreement, has reviewed all documents and has had an opportunity to ask questions of,

and to receive answers from, the Operating Partnership and the REIT or a person or persons authorized to act on their behalf, concerning the terms and conditions of an investment in the OP Units and the financial condition, affairs, and business of the Operating Partnership and the REIT. Contributor confirms that all documents, records, and information pertaining to its investment in OP Units that have been requested by Contributor have been made available or delivered to Contributor prior to the date hereof.

(2) Contributor understands and acknowledges that (i) certain of the information contained in the PPM is incomplete or may be revised, amended or supplemented in the registration statement to be filed by the REIT with the SEC in connection with the IPO and (ii) the financial information included in the PPM has not been audited, but will be audited prior to the REIT's filing of the registration statement with the SEC, and such information could change upon audit, and any such changes could be material.

(3) Contributor and each equity holder thereof understands that the offer and sale of OP Units have not been registered under the Securities Act or any state securities laws and are instead being offered and sold in reliance on an exemption from such registration requirements and that the Operating Partnership's reliance on such exemption is predicated in part on the accuracy and completeness of the representations and warranties of Contributor contained herein. The OP Units issuable to Contributor are being acquired by Contributor solely for its own account, for investment, and are not being acquired with a view to, or for resale in connection with, any distribution, subdivision, or fractionalization thereof, in violation of such laws, and Contributor does not have any present intention to enter into any contract, undertaking, agreement, or arrangement with respect to any such resale.

(4) Contributor is able to bear the economic risk of holding the OP Units for an indefinite period and is able to afford the complete loss of its investment in the OP Units.

(5) Contributor understands that no federal agency (including the SEC) or state agency has made or will make any finding or determination as to the fairness of an investment in the OP Units (including as to the value of the Consideration payable in OP Units in accordance with Section 1.2 hereof).

(6) Contributor understands that there is no established public, private or other market for the OP Units to be acquired by Contributor hereunder and it is not anticipated that there will be any public, private or other market for such OP Units in the foreseeable future.

(7) Contributor understands that Rule 144 promulgated under the Securities Act is not currently available with respect to the sale of OP Units.

(j) Accredited Investor. If Contributor is electing to receive OP Units as some or all of the Consideration, Contributor is an "accredited investor", as that term is defined in Rule 501 of Regulation D under the Securities Act, and has previously provided the Operating

Partnership and the REIT with a duly executed questionnaire confirming Contributor's accredited investor status. No event or circumstance has occurred since delivery of such questionnaire to make the statements therein false or misleading.

(k) Tax Matters. Contributor represents and warrants that it has obtained from its own counsel advice regarding the tax consequences of (i) the transfer of the Contributed Interests to the Operating Partnership and the receipt of OP Units and/or cash as the Consideration therefor, (ii) its admission as a limited partner of the Operating Partnership, if applicable and (iii) any other transaction contemplated by this Agreement. Neither the Operating Partnership nor the REIT has made any representation to Contributor regarding the tax treatment of the transactions contemplated by this Agreement, and Contributor further represents and warrants that it has not relied on the Operating Partnership or the Operating Partnership's representatives or counsel for any tax advice.

(l) Bankruptcy with respect to Contributor. No Act of Bankruptcy has occurred with respect to Contributor. As used herein, "Act of Bankruptcy" means if Contributor or any equity holder, partner, manager or director thereof shall (A) apply for or consent to the appointment of, or the taking of possession by, a receiver, custodian, trustee or liquidator of itself or of all or a substantial part of its property, (B) admit in writing its inability to pay its debts as they become due, (C) make a general assignment for the benefit of its creditors, (D) file a voluntary petition or commence a voluntary case or proceeding under the Federal Bankruptcy Code (as now or hereafter in effect), (E) be adjudicated bankrupt or insolvent, (F) file a petition seeking to take advantage of any other law relating to bankruptcy, insolvency, reorganization, receivership, dissolution, winding-up or composition or adjustment of debts, (G) fail to controvert in a timely and appropriate manner, or acquiesce in writing to, any petition filed against it in an involuntary case or proceeding under the Federal Bankruptcy Code (as now or hereafter in effect), or (H) take any entity action for the purpose of effecting any of the foregoing.

(m) Brokerage Commission. Contributor has not engaged the services of any real estate agent, broker, finder or any other person or entity for any brokerage or finder's fee, commission or other amount with respect to the transactions described herein.

(n) No Other Equity Interests. Except for the Contributed Interests, neither Contributor nor any of its affiliates owns, directly or indirectly, any equity interest in any partnership, limited liability company, corporation, trust or other entity owning a Property being acquired by the Operating Partnership as part of the formation transactions described in the PPM and does not own any interest in any Property other than through the Contributed Interests.

ARTICLE III

INDEMNIFICATION

3.1 Survival of Representations and Warranties; Remedy for Breach.

(a) Subject to Section 3.5 hereof, all representations and warranties of Contributor contained in this Agreement or in any Schedule, Exhibit, certificate or affidavit delivered pursuant to this Agreement shall survive the Closing.

(b) Subject to Section 3.4 hereof, following the Closing, Contributor shall be liable under this Agreement for monetary damages (or otherwise) for breach of any of its representations, warranties, covenants and obligations contained in this Agreement or in any Schedule, Exhibit, certificate or affidavit delivered by Contributor pursuant thereto.

3.2 General Indemnification.

(a) From and after the Closing Date, Contributor shall indemnify, hold harmless and defend the Operating Partnership and the REIT, and their respective officers, directors, employees, stockholders, partners, agents and affiliates (each of which is an "Indemnified Party"), from and against any and all claims, losses, damages, liabilities and expenses, including, without limitation, interest, penalties, amounts paid in settlement, reasonable attorneys' fees, costs of investigation, judicial or administrative proceedings or appeals therefrom and costs of attachment or similar bonds (collectively, "Losses") asserted against, imposed upon or incurred by the Indemnified Party, to the extent resulting from any breach of a representation, warranty or covenant of Contributor contained in this Agreement, or in any Schedule, Exhibit, certificate or affidavit delivered by Contributor pursuant thereto. In each case, Contributor shall only bear the fees, costs or expenses in connection with the employment of one counsel (regardless of the number of Indemnified Parties).

(b) Contributor shall also indemnify and hold harmless the Indemnified Parties from and against any and all Losses asserted against, imposed upon or incurred by the Indemnified Parties to the extent resulting from an unrelated third-party claim relating to the Contributed Interests arising from matters that occurred prior to Closing.

(c) With respect to any claim of an Indemnified Party pursuant to this Section 3.2, to the extent available, the Operating Partnership agrees to use diligent good faith efforts to pursue and collect any and all available proceeds and benefits of any right to defense under any insurance policy that covers the matter which is the subject of the indemnification prior to seeking indemnification from Contributor until all proceeds and benefits, if any, to which the Operating Partnership or the Indemnified Party is entitled pursuant to such insurance policy have been exhausted; provided, however, that the Operating Partnership may make a claim under this Section 3.2 even if an insurance coverage dispute is pending, in which case, if the Indemnified Party later receives insurance proceeds with respect to any Losses paid by either Contributor for the benefit of any Indemnified Party, then the Indemnified Party shall reimburse Contributor in an amount equivalent to such proceeds in excess of any deductible amount pursuant to Section 3.2(a) hereof up to the amount actually paid (or deemed paid) by Contributor

to the Indemnified Party in connection with such indemnification (it being understood that all costs and expenses incurred by Contributor with respect to insurance coverage disputes shall constitute Losses paid by Contributor for purposes of Section 3.2(a) hereof).

3.3 Notice and Defense of Claims. As soon as reasonably practicable after receipt by the Indemnified Party of notice of any liability or claim incurred by or asserted against the Indemnified Party that is subject to indemnification under this Article III, the Indemnified Party shall give notice thereof to Contributor, including liabilities or claims to be applied against the indemnification deductible established pursuant to Section 3.4 hereof; provided that failure to give notice to Contributor will not relieve Contributor from any liability that it may have to any Indemnified Party, unless, and only to the extent that, such failure (a) shall have caused prejudice to the defense of such claim or (b) shall have materially increased the costs or potential liability of Contributor by reason of the inability or failure of Contributor (due to such lack of prompt notice) to be involved in any investigations or negotiations regarding any such claim. Such notice shall describe in reasonable detail the facts known to such Indemnified Party giving rise to such claim, and the amount or good faith estimate of the amount of Losses arising therefrom. Unless prohibited by law, such Indemnified Party shall deliver to Contributor, promptly after such Indemnified Party's receipt thereof, copies of all notices and documents received by such Indemnified Party relating to such claim. The Indemnified Party shall permit Contributor, at Contributor's option and expense, to assume the defense of any such claim by counsel selected by Contributor and reasonably satisfactory to the Indemnified Party, and to settle or otherwise dispose of the same; provided, however, that the Indemnified Party may at all times participate in such defense at its sole expense; and provided further, however, that Contributor shall not, in defense of any such claim, except with the prior written consent of the Indemnified Party in its sole and absolute discretion, consent to the entry of any judgment or enter into any settlement that does not include as an unconditional term thereof the giving by the claimant or plaintiff in question to all Indemnified Parties a full and complete release of all liabilities in respect of such claims, or that does not result only in the payment of money damages which are paid (or deemed paid) in full by Contributor. If Contributor shall not have undertaken such defense within 20 days after such notice, or within such shorter time as may be reasonable under the circumstances to the extent required by applicable law, then the Indemnified Party shall have the right to undertake the defense, compromise or settlement of such liability or claim on behalf of and for the account of Contributor and at Contributor's sole cost and expense (subject to the limitations in Section 3.4 hereof).

3.4 Limitations on Indemnification Under Section 3.2(a).

(a) Contributor shall not be liable under Section 3.2(a) hereof unless and until the total amount recoverable by the Indemnified Parties under Section 3.2(a) exceeds one percent (1%) of the value of the aggregate Consideration (valuing OP Units at the IPO Price) and then only to the extent of such excess.

(b) Notwithstanding anything contained herein to the contrary, before taking recourse against any assets of Contributor and subject to the limitations set forth in the following sentence, the Indemnified Parties shall look, first to available insurance proceeds (including without limitation any title insurance proceeds, if applicable) pursuant to Section 3.2(c) above, and then to indemnification under this Article III, (and agree to treat any return of OP Units in

satisfaction of indemnification obligations hereunder as an adjustment to the consideration delivered to Contributor pursuant to the Formation Transactions). Notwithstanding anything to the contrary in this Agreement, except in the case of fraud or in the event of Losses relating to a third-party claim, Contributor shall not be liable to the Indemnified Parties for any indirect, special or consequential damages, loss of profits, taxes relating to tax years beginning on or after Closing, loss of value or other similar speculative damages asserted or claimed by the Indemnified Parties.

(c) The limitations in this Section 3.4 shall not apply to any obligations of Contributor with respect to Prorations under this Agreement.

3.5 Limitation Period.

(a) Any claim for indemnification under Section 3.2 hereof must be asserted in writing by the Indemnified Party, stating the nature of the Losses and the basis for indemnification therefor on or prior to the fifth (5th) anniversary of the Closing.

(b) If asserted in writing on or prior to the date specified in Section 3.5(a) hereof for the applicable claim, any claims for indemnification pursuant to Section 3.2 hereof shall survive until resolved by mutual agreement between Contributor and the Indemnified Party or by arbitration or court proceeding.

3.6 Delivery of Indemnity Amounts. Indemnity payments may be made by Contributor in the form of cash or OP Units. To the extent indemnification is made through delivery by Contributor of OP Units, such OP Units shall be valued at an amount per OP Unit equal to the IPO Price. Contributor hereby authorizes the REIT, as general partner of the Operating Partnership, to take all such action as may be necessary to amend the Partnership Agreement, and any exhibits or schedules thereto, to reflect the delivery of any OP Units by Contributor to the Operating Partnership as an indemnification payment hereunder and to reflect that Contributor has no further right, title or interest with respect to any such OP Units.

ARTICLE IV

COVENANTS

4.1 Covenants of the Contributor.

(a) Satisfaction of Conditions. Contributor hereby covenants that Contributor shall: (A) use commercially reasonable efforts and diligence in order to satisfy all of the conditions to Closing set forth herein, and (B) cooperate and assist in the Operating Partnership's efforts to satisfy all of the conditions to Closing set forth herein, and agrees that the Operating Partnership shall not have any obligation to consummate the Closing hereunder unless and until such conditions have been satisfied or waived by the Operating Partnership in writing.

(b) Consent to Transfers. Contributor hereby consents to the transfer of, and waives any rights of first refusal, right of first offer, buy-sell agreements, put, option or similar parallel or dissenter rights or similar rights afforded to Contributor under the Governing Agreements or otherwise with respect to any equity ownership interest in any Contributed Entity,

Subsidiary Entity, Property Entity or Property or any other company or property being contributed or transferred to the Operating Partnership pursuant to a separate contribution or other agreement or as otherwise described in the PPM.

(c) No Disposition or Encumbrance of Contributed Interests. From the date hereof through the Closing, except as specifically contemplated by this Agreement, Contributor shall not, without the prior written consent of the Operating Partnership: (i) sell, transfer (or agree to sell or transfer) or otherwise dispose of, or cause the sale, transfer or disposition of (or agree to do any of the foregoing) all or any portion of its interest in the Contributed Interests or all or any portion of its interest in any Subsidiary Entity, Property Entity or Property; or (ii) mortgage, assign, pledge or otherwise encumber in any manner the Contributed Interests or Subsidiary Interests.

(d) Ordinary Course of Business. From the date hereof through the Closing, and except as specifically contemplated by this Agreement, Contributor shall, to the extent within its control, cause each Contributed Entity, Subsidiary Entity and Property Entity to conduct its business in the ordinary course of business consistent with past practice, and shall, to the extent within its control, not permit any Contributed Entity, any Subsidiary Entity or any Property Entity without the prior written consent of the Operating Partnership, to: (i) enter into any material transaction not in the ordinary course of business; (ii) mortgage, pledge or encumber any assets of the Contributed Entity, any Subsidiary Entity, any Property Entity or any Property, (iii) cause or permit any Property Entity to change the existing use of any Property; (iv) cause or take any action that would render any of the representations or warranties set forth herein untrue; (v) file an entity classification election pursuant to Treasury Regulations Section 301.7701-3(c) on Internal Revenue Service Form 8832 (Entity Classification Election) to treat the Contributed Entity as an association taxable as a corporation for federal income tax purposes; (vi) make or change any other tax elections; (vii) settle or compromise any claim, notice, audit report or assessment in respect of taxes; (viii) change any annual tax accounting period; (ix) adopt or change any method of tax accounting; (x) file any amended return, report or form (including an election, declaration, amendment, schedule, information return or attachment thereto) required to be filed with a governmental authority with respect to taxes (each, a "Tax Return"); (xi) enter into any tax allocation agreement, tax sharing agreement, tax indemnity agreement or closing agreement relating to any tax; (xii) surrender of any right to claim a tax refund; (xiii) consent to any extension or waiver of the statute of limitations period applicable to any tax claim or assessment; or (xiv) make any distribution to its partners or members, except for cash distributions in the ordinary course of business consistent with past practices or as permitted by this Agreement.

4.2 Tax Covenants.

(a) Contributor and the Operating Partnership shall provide each other with such cooperation and information relating to any of the Contributed Interests, the Contributed Entities, the Subsidiary Entities, the Property Entities or the Properties as the parties reasonably may request in (i) filing any Tax Return, amended Tax Return or claim for tax refund, (ii) determining any liability for taxes or a right to a tax refund, (iii) conducting or defending any proceeding in respect of taxes, or (iv) performing tax diligence, including with respect to the impact of this transaction on the REIT's tax status as a REIT. Such reasonable cooperation shall

include making employees available on a mutually convenient basis to provide additional information and explanation of any material provided hereunder. The Operating Partnership shall promptly notify Contributor upon receipt by the Operating Partnership or any of its affiliates of notice of (i) any pending or threatened tax audits or assessments with respect to the income, properties or operations of any of the Contributed Entities, the Subsidiary Entities, the Property Entities or their subsidiaries or with respect to any Property and (ii) any pending or threatened federal, state, local or foreign tax audits or assessments of the Operating Partnership or any of its affiliates, in each case, which may affect the liabilities for taxes of Contributor with respect to any tax period ending before or as a result of the Closing. Contributor shall promptly notify the Operating Partnership in writing upon receipt by Contributor or any of its affiliates of notice of any pending or threatened federal, state, local or foreign tax audits or assessments relating to the income, properties or operations of any of the Contributed Entities, the Property Entities or the Subsidiary Entities or with respect to any Property. Each of the Operating Partnership and Contributor may participate at its own expense in the prosecution of any claim or audit with respect to taxes attributable to any taxable period ending on or before the Closing Date; provided, that Contributor shall have the right to control the conduct of any such audit or proceeding or portion thereof for which Contributor has acknowledged liability (except as a partner of the Operating Partnership) for the payment of any additional tax liability, and the Operating Partnership shall have the right to control any other audits and proceedings. Notwithstanding the foregoing, neither the Operating Partnership nor Contributor may settle or otherwise resolve any such claim, suit or proceeding which could have an adverse tax effect on the other party or its affiliates (other than on Contributor or any of its affiliates as a partner of the Operating Partnership) without the consent of the other party, such consent not to be unreasonably withheld. Contributor and the Operating Partnership shall retain all Tax Returns, schedules and work papers with respect to the Contributed Entities, the Property Entities, the Subsidiary Entities, and the Properties, and all material records and other documents relating thereto, until the expiration of the statute of limitations (and, to the extent notified by any party, any extensions thereof) of the taxable years to which such Tax Returns and other documents relate and until the final determination of any tax in respect of such years.

(b) The Operating Partnership shall prepare or cause to be prepared and file or cause to be filed all Tax Returns of the Contributed Entities, the Property Entities or the Subsidiary Entities that are due after the Closing Date. To the extent such returns relate to a period ending on or prior to the Closing Date, such Tax Returns (including, for the avoidance of doubt, any amended Tax Returns) shall be prepared in a manner consistent with past practice, except as otherwise required by applicable law.

(c) For purposes of allocating items of income, gain, loss and deduction with respect to the Property and/or the Contributed Interests in the manner required by Section 704(c) of the Code, the Operating Partnership shall employ, and shall cause any entity controlled by the Operating Partnership which holds title to the Property or the Contributed Interests to employ, the “traditional method” (without curative allocations) as set forth in Treasury Regulations section 1.704-3(b)(1).

4.3 Relationship to Contributed Entities. Contributor and the Operating Partnership acknowledge and agree that, from and after the Closing (as defined herein), Contributor shall no longer be a member, partner, stockholder or equity owner, or, if applicable, managing member or general partner, of any Contributed Entity, Subsidiary Entity or Property Entity and shall have no rights or benefits under any Governing Agreement.

ARTICLE V

CONDITIONS PRECEDENT TO THE CLOSING

5.1 Conditions to the Operating Partnership's Obligation. In addition to any other conditions set forth in this Agreement, the Operating Partnership's obligation to consummate the Closing is subject to the timely satisfaction of each and every one of the conditions and requirements set forth in this Section 5.1, all of which shall be conditions precedent to the Operating Partnership's obligations under this Agreement.

(a) IPO. The IPO, in such form and substance as the REIT, in its sole and absolute discretion, shall have determined to be acceptable, shall have been completed (or be completed simultaneously with the Closing).

(b) Formation Transactions. The formation transactions described in the PPM shall have occurred or be scheduled to occur contemporaneously with the Closing hereunder.

(c) Representations and Warranties. The representations and warranties made by Contributor pursuant to this Agreement, as well as those contained in the Representation, Warranty and Indemnity Agreement, shall be true and correct as of the Closing as though such representations and warranties were made at the Closing and, if requested by the Operating Partnership, Contributor shall have delivered a certificate to the Operating Partnership to such effect in regard to Contributor's representations and warranties set forth in this Agreement.

(d) Performance. Contributor shall have performed and complied with all agreements and covenants that it is required to perform or comply with pursuant to this Agreement prior to the Closing, including having delivered each of the items set forth in Section 5.2 hereof.

(e) Legal Proceedings. No order, statute, rule, regulation, executive order, injunction, stay, decree, or restraining order shall have been enacted, entered, promulgated or enforced by any court of competent jurisdiction or governmental entity that restrains, prohibits or otherwise invalidates the consummation of the transactions contemplated by this Agreement, and no litigation or governmental proceeding seeking such an order shall be pending or threatened.

(f) Consents and Approvals. All necessary approvals and consents of governmental and private parties, including, without limitation, all ground lessors, tenants, other parties to service contracts, lenders and ratings agencies, partners, members or stockholders of any Contributed Entity, Property Entity or their subsidiaries, to effect the transactions contemplated by this Agreement, shall have been obtained.

(g) Reliance on Regulation D. If Contributor has elected to receive OP Units, the Operating Partnership shall, based on the advice of its counsel and the representations made by Contributor in Contributor's Investor Questionnaire, be reasonably satisfied that the issuance of OP Units to Contributor may be made without registration under the Securities Act in reliance on Regulation D under the Securities Act.

(h) Representation, Warranty and Indemnity Agreement. Daniel A. Hoffler and each other party thereto shall have entered into the Representation, Warranty and Indemnity Agreement.

(i) No Material Adverse Change. There shall have not occurred between the date hereof and the Closing Date any material adverse change with respect to any of the Contributed Interests or any material adverse change in any of the assets, business, condition (financial or otherwise), results of operation or prospects of any Subsidiary Entity, Property, Property Entity or Contributed Entity.

(j) Tenant and Lender Estoppels. The Operating Partnership shall have received tenant and lender estoppels in form and substance satisfactory to the Operating Partnership and its counsel.

5.2 Conditions to Contributor's Obligation. In addition to any other conditions set forth in this Agreement, Contributor's obligation to consummate the Closing is subject to the timely satisfaction of each and every one of the conditions and requirements set forth in this Section 5.2, all of which shall be conditions precedent to Contributor's obligations under this Agreement.

(a) Representations and Warranties. The representations and warranties made by the Operating Partnership pursuant to this Agreement shall be true and correct as of the Closing as though such representations and warranties were made at the Closing.

(b) Performance. The Operating Partnership shall have performed and complied in all material respects with all agreements and covenants that it is required to perform or comply with pursuant to this Agreement prior to the Closing.

(c) Legal Proceedings. No order, statute, rule, regulation, executive order, injunction, stay, decree, or restraining order shall have been enacted, entered, promulgated or enforced by any court of competent jurisdiction or governmental entity that prohibits the consummation of the transactions contemplated by this Agreement, and no litigation or governmental proceeding seeking such an order shall be pending or threatened.

ARTICLE VI

CLOSING AND CLOSING DOCUMENTS

6.1 Closing. The consummation and closing (the "Closing") of the transactions contemplated pursuant to this Agreement shall take place at the offices of Hunton & Williams LLP in Richmond, Virginia, or such other place as the Operating Partnership may designate, promptly following satisfaction of the conditions to Closing set forth herein (the "Closing Date"), or as otherwise set by agreement of the parties; provided, however, termination shall not relieve any party from a breach occurring prior to that date.

6.2 Contributor's Deliveries. At the Closing, Contributor shall deliver the following to the Operating Partnership in addition to all other items required to be delivered to the Operating Partnership by Contributor:

(a) Assignment of Contributed Interests. Contributor shall have executed and delivered an Assignment, in substantially the form of Exhibit B attached hereto.

(b) Execution of Partnership Agreement. If Contributor has elected to receive OP Units, signature pages of the Partnership Agreement (which Partnership Agreement shall be in substantially the form attached as an exhibit to the PPM) duly executed by Contributor, as limited partner.

(c) FIRPTA Certificate. An affidavit from Contributor certifying pursuant to Section 1445 of the Internal Revenue Code that Contributor is not a foreign corporation, foreign partnership, foreign trust, foreign estate or foreign person (as those terms are defined in the Code and the Treasury Regulations promulgated thereunder).

(d) Other Documents. Any other document or instrument reasonably requested by the Operating Partnership or required hereby.

6.3 Default Remedies. If Contributor defaults in performing any of Contributor's obligations under this Agreement, the Operating Partnership shall have all rights and remedies available to it at law or in equity resulting from Contributor's default, including without limitation, the right to seek specific performance of this Agreement and Contributor's obligation to convey the Contributed Interests to the Operating Partnership hereunder. The parties acknowledge and agree that the failure of a condition precedent to occur, notwithstanding the good faith and commercially reasonable efforts of the applicable party, shall not be a default hereunder.

ARTICLE VII

MISCELLANEOUS

7.1 Notices. Any notice provided for by this Agreement and any other notice, demand, or communication required hereunder shall be in writing and either delivered in person (including by confirmed facsimile transmission) or sent by hand delivered against receipt or sent by recognized overnight delivery service or by certified or registered mail, postage prepaid, with return receipt requested. All notices shall be addressed as follows:

Operating Partnership:

c/o Armada Hoffler Properties, Inc.
222 Central Park Avenue, Suite 2100
Virginia Beach, Virginia 23462
Attention: A. Russell Kirk
Fax No.: 757-424-2513

with a copy to (which shall not constitute notice):

Hunton & Williams LLP
Riverfront Plaza, East Tower
951 E. Byrd Street
Richmond, Virginia 23219
Attention: David C. Wright
Fax No.: 804-343-4580

and

Faggert & Frieden, P.C.
222 Central Park Avenue, Suite 1300
Virginia Beach, Virginia 23462
Attention: David Y. Faggert
Fax No.: 757-424-0102

Contributor:

Louis S. Haddad
222 Central Park Avenue, Suite 2100
Virginia Beach, Virginia 23462
Fax No.: 757-424-2513

Any address or name specified above may be changed by a notice given by the addressee to the other party. Any notice, demand or other communication shall be deemed given and effective as of the date of delivery in person or set forth on the return receipt. The inability to deliver because of changed address of which no notice was given, or rejection or other refusal to accept any notice, demand or other communication, shall be deemed to be receipt of the notice, demand or other communication as of the date of such attempt to deliver or rejection or refusal to accept.

7.2 Entire Agreement; Third-Party Beneficiaries. This Agreement, including, without limitation, the exhibits hereto and thereto, constitute the entire agreement and supersede each prior agreement and understanding, whether written or oral, among the parties regarding the subject matter of this Agreement. This Agreement is not intended to confer any rights or remedies on any Person other than the parties hereto.

7.3 Amendment. This Agreement may not be amended except by an instrument in writing signed on behalf of each of the parties hereto.

7.4 Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the Commonwealth of Virginia, without regard to the conflicts of law rules thereof.

7.5 Counterparts. This Agreement may be executed by the parties hereto in separate counterparts, each of which when so executed and delivered shall be an original, but all such counterparts shall together constitute one and the same instrument. Each counterpart may consist of a number of copies hereof, each signed by less than all, but together signed by all of the parties hereto. Each party may rely upon the facsimile or electronic pdf email signature of any other party as if such signature were an original signature.

7.6 Headings. Headings of the Articles and Sections of this Agreement are for the convenience of the parties only, and shall be given no substantive or interpretive effect whatsoever.

7.7 Incorporation. All Exhibits attached hereto and referred to herein are hereby incorporated herein and made a part hereof for all purposes as if fully set forth herein.

7.8 Severability. Any term or provision of this Agreement which is invalid or unenforceable in any jurisdiction shall, as to that jurisdiction, be ineffective to the extent of such invalidity or unenforceability without rendering invalid or unenforceable the remaining terms and provisions of this Agreement or affecting the validity or enforceability of any of the terms or provisions of this Agreement in any other jurisdiction. If any provision of this Agreement is so broad as to be unenforceable, the provision shall be interpreted to be only so broad as is enforceable.

7.9 Waiver of Conditions. The conditions to each party's obligations hereunder are for the sole benefit of such party and may be waived by such party in whole or in part to the extent permitted by applicable law.

7.10 Dispute Resolution. The parties intend that this Section 7.1010 will be valid, binding, enforceable, exclusive and irrevocable and that it shall survive any termination of this Agreement.

(a) Upon any dispute, controversy or claim arising out of or relating to this Agreement or the enforcement, breach, termination or validity thereof ("Dispute"), the party raising the Dispute will give written notice to the other parties to the Dispute describing the nature of the Dispute following which the parties to such Dispute shall attempt for a period of ten (10) Business Days from receipt by the parties of notice of such Dispute to resolve such Dispute by negotiation between representatives of the parties hereto who have authority to settle such Dispute. All such negotiations shall be confidential and any statements or offers made therein shall be treated as compromise and settlement negotiations for purposes of any applicable rules of evidence and shall not be admissible as evidence in any subsequent proceeding for any purpose. The statute of limitations applicable to the commencement of a lawsuit shall apply to the commencement of an arbitration hereunder, except that no defense based on the running of the statute of limitations will be available based upon the passage of time during any such negotiation. Regardless of the foregoing, a party shall have the right to seek immediate injunctive relief pursuant to clause (c) below without regard to any such ten (10) Business Day negotiation period.

(b) Any Dispute (including the determination of the scope or applicability of this Agreement to arbitrate) that is not resolved pursuant to clause (a) above shall be submitted to final and binding arbitration in Virginia Beach, Virginia before one neutral and impartial arbitrator, in accordance with the laws of the Commonwealth of Virginia for agreements made in and to be performed in Virginia. The arbitration shall be administered by JAMS, Inc. ("JAMS")

pursuant to its Comprehensive Arbitration Rules and Procedures, as in effect on the date hereof. The parties hereto shall appoint one arbitrator within fifteen (15) days of a demand for arbitration. If an arbitrator is not appointed within such 15-day period, the arbitrator shall be appointed by JAMS in accordance with its Comprehensive Arbitration Rules and Procedures, as in effect on the date hereof. The arbitrator shall designate the place and time of the hearing. The hearing shall be scheduled to begin as soon as practicable and no later than sixty (60) days after the appointment of the arbitrator (unless such period is extended by the arbitrator for good cause shown) and shall be conducted as expeditiously as possible. The award, which shall set forth the arbitrator's findings of fact and conclusions of law, shall be filed with JAMS and mailed to the parties no later than thirty (30) days after the close of the arbitration hearing. The arbitration award shall be final and binding on the parties and not subject to collateral attack. Judgment upon the arbitration award may be entered in any federal or state court having jurisdiction thereof.

(c) Notwithstanding the parties' agreement to submit all Disputes to final and binding arbitration before JAMS, the parties shall have the right to seek and obtain temporary or preliminary injunctive relief in any court having jurisdiction thereof. Such courts shall have authority to, among other things, grant temporary or provisional injunctive relief in order to protect any party's rights under this Agreement. Without prejudice to such provisional remedies as may be available under the jurisdiction of a court, the arbitral tribunal shall have full authority to grant provisional remedies and to direct the parties to request that any court modify or vacate any temporary or preliminary relief issued by such court, and to award damages for the failure of any party to respect the arbitral tribunal's orders to that effect.

(d) The prevailing party shall be entitled to recover its costs and reasonable attorneys' fees, and the non-prevailing party shall pay all expenses and fees of JAMS, all costs of the stenographic record, all expenses of witnesses or proofs that may have been produced at the direction of the arbitrator, and the fees, costs and expenses of the arbitrator. The arbitrator shall allocate such costs and designate the prevailing party or parties for these purposes.

[*Signature Page Follows.*]

IN WITNESS WHEREOF, this Agreement has been entered into effective as of the date first written above.

CONTRIBUTOR:

LOUIS S. HADDAD

/s/ Louis S. Haddad
Louis S. Haddad

OPERATING PARTNERSHIP:

ARMADA HOFFLER, L.P., a Virginia limited partnership

By: Armada Hoffler Properties, Inc.,
its general partner

By: /s/ Louis S. Haddad
Name: Louis S. Haddad
Title: Chief Executive Officer and President

REIT:

ARMADA HOFFLER PROPERTIES, INC., a Maryland corporation

By: /s/ Louis S. Haddad
Name: Louis S. Haddad
Title: Chief Executive Officer and President

EXHIBIT A

Contributor - Louis A. Haddad

CONTRIBUTED ENTITY/ CONTRIBUTED INTEREST	SUBSIDIARY INTEREST	PROPERTY	PROPERTY ENTITY
New Armada Hoffler Properties I, LLC[1] (all interests owned by Contributor)	6.62588% interest in Bermuda Shopping Center, L.L.C.	Bermuda Shopping Center Chesterfield County, VA	Bermuda Shopping Center, L.L.C.
	8.1332% interest in BSE/AH Blacksburg Apartments, LLC	Apartments at Smith's Landing Blacksburg, VA	BSE/AH Blacksburg Apartments, LLC
	11.99999% interest in Broad Creek PH. I, L.L.C.	Broad Creek Shopping Center Norfolk, VA	Broad Creek PH. I, L.L.C.
	20.0% interest in Broad Creek PH. III, L.L.C.	Broad Creek Shopping Center Norfolk, VA	Broad Creek PH. III, L.L.C.
	11.01017% interest in Columbus Tower, L.L.C.	Town Center Block 5-A1 Virginia Beach, VA	Columbus Tower, L.L.C.
	16.264% interest in Columbus Tower Block 5-A2 Associates, L.L.C.	Town Center Block 5-A2 Virginia Beach, VA	Columbus Tower Block 5-A2 Associates, L.L.C.
	16.264% interest in AH Columbus II, L.L.C.	Leasehold Interest in Block 5-A2, Town Center Virginia Beach, VA	AH Columbus II, L.L.C.
	15.0% interest in HT Tyre Neck, L.L.C.	Harris Teeter Portsmouth, VA	HT Tyre Neck, L.L.C.
	15.80842% interest in Hanbury Village II, L.L.C. ***Springing Member*	Hanbury Village Shopping Center (Parcel 7) and Outparcel 1A (7-Eleven) Chesapeake, VA	Hanbury Village II, L.L.C.
	Interest equal to 12.02898% of first $356,090 and 15.81% thereafter in Hoffler and Associates EAT, LLC	Hanbury Village, Outparcel 3A Chesapeake, VA	Hoffler and Associates EAT, LLC
	11.92953% interest in Armada/Hoffler Charleston Associates, L.P.	Gainsborough Square Chesapeake, VA	Armada/Hoffler Charleston Associates, L.P.

[1] Prior to the Closing, pursuant to the Master Contribution and Distribution Agreement, Armada/Hoffler Properties, LLC ("AHP") will contribute to New Armada Hoffler Properties I, LLC ("New AHP I") the interests in the subsidiary entities described below and will distribute to Louis A. Haddad ("Haddad") an interest in New AHP I. At Closing, pursuant to the Contribution Agreement, Haddad will contribute his interest in New AHP I to the Operating Partnership.

CONTRIBUTED ENTITY/ CONTRIBUTED INTEREST	SUBSIDIARY INTEREST	PROPERTY	PROPERTY ENTITY
	7.8% interest in North Pointe PH. 1 Limited Partnership	Lots 2, 3, and 4, Phase I, North Pointe Shopping Center Durham, NC	North Pointe Ph. 1 Limited Partnership
	9.09717% interest in North Pointe-CGL, L.L.C.	Lot 2, Phase II, North Pointe Shopping Center Durham, NC	North Pointe-CGL, L.L.C.
	9.09717% interest in North Point Development Associates, L.P.	Lot I, Phase III Durham, NC	North Point Development Associates, L.P.
	7.6102% interest in North Pointe Outparcels, L.L.C.	Lot 1, North Pointe Shopping Center Durham, MC	North Pointe Outparcels, L.L.C.
	12.68366% interest in North Pointe VW4, L.L.C.	Lot 1 A North Pointe Durham, NC	North Pointe VW4, L.L.C.
	11.86244% interest in Ferrell Parkway Associates, L.L.C.	Parkway Marketplace Virginia Beach, VA	Ferrell Parkway Associates, L.L.C.
	10.88% interest in TCA Block 4 Retail, L.L.C.	South Retail Unit, Town Center Condominium 4 Virginia Beach, VA	TCA Block 4 Retail, L.L.C.
	11.09419% interest in Armada/Hoffler Tower 4, L.L.C.	Office Tower Unit, North Office Unit and West Retail Unit, Town Center Condominium 4 Virginia Beach, VA	Armada/Hoffler Tower 4, L.L.C.
	16.2664% interest in Town Center Associates 7, L.L.C.	East and West A Retail Units, Town Center Condominium 7 Virginia Beach, VA	Town Center Associates 7, L.L.C.
	13.58139% interest in Town Center Associates 12, L.L.C.	Anchor Unit and Commercial Unit, Town Center Condominium 12 Virginia Beach, VA	Town Center Associates 12, L.L.C.
	20.0% interest in Lake View AH-VNG, LLC	Virginia Natural Gas Headquarters Building Virginia Beach, VA	Lake View AH-VNG, LLC
	20.0% interest in Williamsburg Medical Building, LLC	Williamsburg Sentara Medical Building Williamsburg, VA	Williamsburg Medical Building, LLC
	20.33% interest in AH Sandbridge, L.L.C.	Sandbridge Commons Virginia Beach, VA	AH Sandbridge, L.L.C.

CONTRIBUTED ENTITY/ CONTRIBUTED INTEREST	SUBSIDIARY INTEREST	PROPERTY	PROPERTY ENTITY
New Armada Hoffler Properties II, LLC[2] (all interests owned by Contributor)	17.20819% interest in Courthouse Marketplace Outparcels, L.L.C.	Parcel A-1-B, A-1-C, A-1-D Virginia Beach, VA	Courthouse Marketplace Outparcels, L.L.C.
	16.0% interest in Greenbrier Technology Center II Associates, L.L.C.	Town Center Block 3 Virginia Beach, VA	Greenbrier Technology Center II Associates, L.L.C.
	16.2664% interest in Town Center Associates 6, L.L.C.	Retail Unit, 56 Condominium Virginia Beach, VA	Town Center Associates 6, L.L.C.
	16.0% interest in Armada/Hoffler Block 8 Associates, L.L.C.	Town Center Block 8B Virginia Beach, VA	Armada/Hoffler Block 8 Associates, L.L.C.
	19.17% interest in AH Richmond Tower I, LLC	Richmond Tower Richmond, VA	AH Richmond Tower I, L.L.C.
	15.736% interest in Town Center Associates 11, L.L.C.	Block 11 Town Center Project Virginia Beach, VA	TCA Block 11 Office LLC TCA Block 11 Apartments LLC
	20.33% interest in AH Durham Apartments, L.L.C.	Jackson Street Apartments Durham, NC	AH Durham Apartments, L.L.C.
	20.33% interest in AH Southeast Commerce Center, L.L.C.	Brooks Crossing Newport News, VA	AH Southeast Commerce Center, L.L.C.
	20.33% interest in AH Greentree, L.L.C.	Greentree Shopping Center Chesapeake, VA	AH Greentree, L.L.C.
8.0% interest in Bermuda Marketplace, Inc.	—	Bermuda Shopping Center Chesterfield County, VA	Bermuda Shopping Center, L.L.C
9.1% interest in North Pointe Development Associates, LLC	—	North Point Shopping Center (Costco) *and* North Point Shopping Center (Bed Bath & Beyond and others) Durham, NC	North Point Development Associates, L.P.
20% interest in TCA Block 3, Inc.	—	Town Center Block 3 Virginia Beach, VA	Greenbrier Technology Center II Associates, L.L.C.
20% interest in TCA Block 8, Inc.	—	Town Center Block 8B Virginia Beach, VA	Armada/Hoffler Block B Associates, L.L.C.

[2] Prior to the Closing, pursuant to the Master Contribution and Distribution Agreement, Armada/Hoffler Properties II, LLC ("AHP II") will contribute to New Armada Hoffler Properties II, LLC ("New AHP II") the interests in the subsidiary entities described below and will distribute to Haddad an interest in New AHP II. At Closing, pursuant to the Contribution Agreement, Haddad will contribute his interest in New AHP II to the Operating Partnership.

CONTRIBUTED ENTITY/ CONTRIBUTED INTEREST	SUBSIDIARY INTEREST	PROPERTY	PROPERTY ENTITY
13.12896% interest in Broad Creek PH. II, L.L.C.	—	Broad Creek Shopping Center Norfolk, VA	Broad Creek PH. II, L.L.C.
8.97658% interest in A/H Harrisonburg Regal, L.L.C.	—	Regal Cinemas Harrisonburg, VA	A/H Harrisonburg Regal L.L.C.
8.42633% interest in Town Center Block 10 Apartments, L.P.	—	Apartment Units and Retail Unit Town Center Condominium 10 Virginia Beach, VA	Town Center Block 10 Apartments, L.P.
20.41958% interest in TCA 10 GP, LLC	—	Apartment Units and Retail Unit Town Center Condominium 10 Virginia Beach, VA	Town Center Block 10 Apartments, L.P.

Cash[3] - $5,534,885

OP Units: Determined as set forth below.
Total AH Partners' OP Unit Allocation Percentage: 19.528%

The cash portion of the Consideration that Contributor will receive shall be fixed at the amount shown above. The number of OP Units that Contributor will receive as part of the Consideration is not known as of the date of this Agreement, but shall be calculated as follows:

1. Prior to commencement of marketing of the IPO, the REIT and the managing underwriters for the IPO shall determine a valuation range for the combined equity interests (after deduction of debt) of all of the properties, assets and businesses that will be contributed to the OP and its subsidiaries pursuant to the transactions described in the PPM (the "Formation Transactions"). From the midpoint of this range, there will be deducted the amount of cash that will be paid by the OP as consideration to all of the contributors in connection with the Formation Transactions, with the resulting amount after such deduction being herein referred to as the "Total OP Unit Valuation".

2. The Total OP Unit Valuation shall be divided by the midpoint of the price range for the shares of the REIT's common stock in the IPO (the "IPO Price Range") as set forth on the front cover of the REIT's preliminary prospectus for the IPO filed with the SEC (the "Preliminary Prospectus") to determine a fixed number of OP Units issuable to all the contributors in connection with the Formation Transactions (the "Total OP Units") and the number of Total OP Units shall be reflected in the Preliminary Prospectus.

3. The Total OP Units will be allocated among contributors who are not officers, employees or affiliates of Armada Hoffler Holding Company and its affiliates (collectively, the "Non-AH Partners") and the contributors who are officers, employees or affiliates of Armada Hoffler Holding Company and its affiliates, including certain trusts established by such officers and employees (collectively, the "AH Partners"), including Contributor.

[3] In the event that, at or prior to Closing, the OP has not arranged financing in the form of a credit facility or other debt financing in an amount sufficient to pay to Contributor at Closing the full amount of the cash consideration amount shown above, the OP may deliver to Contributor at Closing a promissory note payable by the OP to Contributor in a principal amount up to $1,041,500. The promissory note shall not bear interest, shall mature on the first anniversary of the date of issuance and may be prepaid by the OP at any time.

4. Each Non-AH Partners will receive a number of OP Units equal to the amount of consideration set forth in such Non-AH Partner's contribution agreement with the OP as allocable to OP Units, divided by the IPO Price (the "Total Non-AH Partners' OP Units"). To the extent the IPO Price is greater or less than the mid-point of the IPO Price Range, the number of OP Units issuable to each Non-AH Partner (as described and set forth in the Preliminary Prospectus) will decrease or increase, respectively, in an amount sufficient to cause the value of the OP Units issuable to the Non-AH Partner to equal the amount of the consideration set forth in such Non-AH Partner's contribution agreement (utilizing a value per OP Unit equal to the IPO Price).

5. The aggregate number of OP Units issuable to the AH Partners (the "Total AH Partners' OP Units") will be equal to the difference between (a) the Total OP Units and (b) the Total Non-AH Partners' OP Units.

6. The number of OP Units issuable as Consideration to Contributor pursuant to this Agreement will be determined by multiplying (a) the Total AH Partners' OP Units by (b) the percentage set forth above under the heading "Total AH Partners' OP Unit Allocation Percentage" divided by the IPO Price.

[*Signature Page Follows*]

The undersigned hereby agrees that this Exhibit A represents the definitive Exhibit A to the Contribution Agreement and supersedes any and all prior versions.

CONTRIBUTOR:

LOUIS A. HADDAD

/s/ Louis A. Haddad
By: Louis A. Haddad

OPERATING PARTNERSHIP:

ARMADA HOFFLER, L.P., a Virginia limited partnership

By: Armada Hoffler Properties, Inc.,
its general partner

By: /s/ Louis S. Haddad
Name: Louis S. Haddad
Title: Chief Executive Officer and President

REIT:

ARMADA HOFFLER PROPERTIES, INC., a Maryland corporation

By: /s/ Louis S. Haddad
Name: Louis S. Haddad
Title: Chief Executive Officer and President

Exhibit B

Assignment

The undersigned, for good and valuable consideration paid to the Assignor by ARMADA HOFFLER, L.P., a Virginia limited partnership ("Assignee"), pursuant to the Contribution Agreement dated as of , 2012, by and between Assignor and Assignee (the "Agreement") and for other good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, does hereby sell, assign, transfer, convey and deliver to the Assignee, its successors and assigns, good and indefeasible right, title and interest to the **[partnership or limited liability company interests/shares of common stock]** described on *Schedule A* hereto, including, without limitation, all right, title and interest, if any, of the undersigned in and to the assets of each such **[partnership/limited liability company/corporation]** and the right to receive distributions of money, profits and other assets from each such partnership, presently existing or hereafter at any time arising or accruing, free and clear of all liens, encumbrances, security interests, pledges, voting agreements, prior assignments or conveyances, conditions, restrictions, claims, and any other matters affecting title thereto.

The undersigned, for itself, its successors and assigns, hereby covenants and agrees that, at any time and from time to time after the date hereof, upon the written request of Assignee, the undersigned will, without further consideration, do, execute, acknowledge, and deliver or cause to be done, executed, acknowledged and delivered, each of and all of such further acts, deeds, assignments, transfers, conveyances and assurances as may reasonably be required by Assignee in order to assign, transfer, set over, convey, assure and confirm unto and vest in Assignee, its successors and assigns, title to the interests described in *Schedule A* hereto

Capitalized terms used but not defined herein shall have the respective meanings ascribed to them in the Agreement.

IN WITNESS WHEREOF, the parties hereto have caused this Assignment to be signed by a duly authorized officer this day of , 201 .

, a

By: _____
Name:
Title:

Exhibit 10.11

CONTRIBUTION AGREEMENT

Anthony P. Nero

This CONTRIBUTION AGREEMENT (this "Agreement") is made as of February 12, 2013 by and among Anthony P. Nero ("Contributor"), Armada Hoffler, L.P., a Virginia limited partnership (the "Operating Partnership") and Armada Hoffler Properties, Inc., a Maryland corporation (the "REIT").

RECITALS

WHEREAS, Contributor is or may become the record and beneficial owner of equity interests in the amount or percentage described on Exhibit A hereto (the "Contributed Interests") in each of the entities described in Exhibit A hereto (each, a "Contributed Entity" and collectively, the "Contributed Entities"), which are the direct or indirect owners of the respective properties or property entities described on Exhibit A hereto (each a "Property" and collectively, the "Properties"). Entities in which certain of the Contributed Entities own interests (each, a "Subsidiary Entity") are set forth on Exhibit A as "Subsidiary Interests". Contributor desires to contribute any and all interests that he may now or hereafter own in the Contributed Interests to the Operating Partnership, and the Operating Partnership desires to acquire the Contributed Interests from Contributor, on the terms and conditions hereinafter set forth.

NOW, THEREFORE, for and in consideration of the foregoing, and the representations, warranties and other terms contained in this Agreement, and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties hereto, intending to be legally bound hereby, agree as follows:

ARTICLE I

THE CONTRIBUTION

1.1 Contribution of Contributed Interests. Contributor irrevocably agrees to contribute, transfer and assign at Closing (as defined herein) any and all interests that he may now or hereafter own in the Contributed Interests set forth opposite Contributor's name on Exhibit A hereto, together with any other interests Contributor may have in any of the Contributed Entities and any other properties or entities being acquired by the Operating Partnership as described in the Confidential Private Placement Memorandum for the Offering of Limited Partnership Interests of the Operating Partnership dated January 16, 2013 (the "PPM"), to the Operating Partnership, and the Operating Partnership agrees to accept transfer of the Contributed Interests and any such other interests pursuant to the terms and subject to the conditions set forth in this Agreement. The Contributed Interests shall be transferred to the Operating Partnership free and clear of all liens, encumbrances, security interests, pledges, voting agreements, prior assignments or conveyances, conditions, restrictions, claims, and any other matters affecting title thereto.

1.2 Consideration.

(a) Consideration Amount. The total consideration (the "Consideration") for which Contributor agrees to contribute, transfer and assign the Contributed Interests to the Operating Partnership, and for which the Operating Partnership agrees to pay, issue or deliver to Contributor, subject to the terms of this Agreement, at Closing (as defined herein) shall be determined in the manner set forth on Exhibit A hereto. The Consideration may be adjusted, upward or downward, by the amount of any adjustments arising from the Prorations (as defined herein). Any decrease to the amount of the Consideration will be deducted first from the cash portion of the Consideration, if any, and the balance, if any, will be deducted from the OP Units. Any increase in the Consideration as a result of the Prorations will be paid in OP Units. In addition to the Consideration set forth on Exhibit A hereto, Contributor shall be entitled to receive in cash, at Closing or shortly thereafter, Contributor's pro rata share (based on Contributor's direct or indirect ownership interest in each Property Entity) of any tenant improvement, leasing commission and replacement reserves held by lenders with respect to each Property in which Contributor owns an interest.

(b) Election Form. The Consideration shall be payable in accordance with the election made by Contributor in the Consideration Election Form ("Election Form") accompanying the PPM, the results of which election are set forth on Exhibit A hereto. If, pursuant to the Election Form, Contributor (A) elected all or part of Contributor's consideration payable hereunder to be in the form of units of limited partnership interests of the Operating Partnership ("OP Units") and (B) submitted to the Operating Partnership (x) an executed Investor Questionnaire representing and warranting to the Operating Partnership that Contributor is an "accredited investor" as defined in the Investor Questionnaire and (y) any other documentation required by the Operating Partnership, including, but not limited to, a signature page to the Partnership Agreement (as hereinafter defined), Contributor shall receive OP Units in an amount determined in the manner described on Exhibit A hereto. The portion of the Consideration, if any, payable in cash is set forth on Exhibit A. Contributor agrees that the cash payment shall be made and the OP Units shall be registered in the name of the persons or entities set forth on the Election Form. OP Units will only be delivered to Contributor if Contributor has represented to the Operating Partnership that Contributor is an "accredited investor". No fractional OP Units will be issued and OP Units will be rounded to the nearest whole number. The Consideration payable to Contributor, whether in cash, in OP Units or a combination thereof, may be reduced by the amount the Operating Partnership reasonably determines must be withheld for tax purposes. The rights and obligations of holders of OP Units as of the Closing will be as set forth in the First Amended and Restated Agreement of Limited Partnership of the Operating Partnership (the "Partnership Agreement"), a draft copy of which is included as an exhibit to the PPM.

1.3 OP Units. Although initially the OP Units will not be certificated, certificates, if any, subsequently evidencing the OP Units will bear appropriate legends (i) indicating that the OP Units have not been registered under the Securities Act of 1933, as amended ("Securities Act"), (ii) indicating that the Partnership Agreement will restrict the transfer of the OP Units, and (iii) describing the ownership limitations and transfer restrictions imposed by the charter of the REIT with respect to shares of the REIT's common stock.

1.4 No Further Interest. Contributor acknowledges and agrees that effective upon the Closing, and without any further action by Contributor, the Contributed Interests shall be transferred, assigned and conveyed to the Operating Partnership, or a subsidiary thereof, and Contributor shall no longer be an equity holder of any of the Contributed Entities, shall no longer be entitled to receive any distributions from any of the Contributed Entities, and shall have no further right, title or interest in any of the Contributed Interests, the Contributed Entities or the Property Entities.

1.5 Tax Consequences to Contributor. Notwithstanding anything to the contrary contained in this Agreement, including without limitation the use of words and phrases such as "sell," "sale," "purchase," and "pay," the parties hereto acknowledge, agree and consent that the transactions contemplated hereby will be treated for federal income tax purposes (i) in accordance with Section 721 of the Internal Revenue Code of 1986, as amended (the "Code") with respect to any portion of the Consideration that is payable in OP Units; (ii) as an "assets over form" of transaction pursuant to Treasury Regulations Section 1.708-1(c)(3)(i); and (iii) as a sale of the Contributor's Contributed Interests to the Operating Partnership under Treasury Regulations Section 1.708-1(c)(4) to the extent of the Contributor's receipt of cash Consideration pursuant to Section 1.2(a), except to the extent that such cash Consideration is treated as (a) the reimbursement of "preformation expenditures" under Treasury Regulations Section 1.707-4(d); and/or (b) a "debt financed transfer of consideration" by the Operating Partnership under Treasury Regulations Section 1.707-5(b), as applicable.

1.6 Definitions. As used in this Agreement, the following terms have the following meanings:

"Contributor's Percentage Interest" means, with respect to each Contributed Entity, the percentage set forth on Exhibit A hereto under the heading "Contributed Entity/Contributed Interest", which reflects Contributor's percentage ownership interest in each Contributed Entity pursuant to and in accordance with the applicable Governing Agreement (as defined herein) of the Contributed Entity.

"IPO" means the underwritten initial public offering of common stock of the REIT.

"IPO Price" means the public offering price set forth on the front cover of the final prospectus for the IPO, as filed with the U.S. Securities and Exchange Commission (the "SEC").

"Property Entity" means an entity owning a Property, as set forth on Exhibit A hereto.

"Prorations" means those proration and adjustment amounts that are customarily applied to closings of commercial real estate transactions in the county in which the Property is located, which amounts shall be calculated as of midnight (Eastern time) of the day immediately preceding the Closing Date and shall include:

(A) Taxes. All real estate and personal property taxes and special assessments, if any, with respect to each Property shall be prorated at Closing;

(B) Utilities. All telephone, electric, sewer, water and other utility bills, trash removal bills, janitorial and maintenance service bills and all other expenses relating to a

Property that are obligations of the Property Entity and which are allocable to the period prior to the Closing Date shall be determined and paid, or caused to be paid, by the Property Entity or Contributed Entity before Closing, if possible, or if such is not determinable before Closing, then the Parties shall use their commercially reasonable efforts to determine and pay such amounts as promptly as possible following Closing and the Operating Partnership may withhold from any cash amount of the Consideration payable at Closing hereunder an amount of cash reasonably estimated to cover any estimated Proration for the items described in this subsection (B);

(C) Rents. All rents, including, without limitation, base rents, operating expense payments or common area maintenance charges and all other forms of additional rents, payable under the leases of the Property and all other income from the Property shall be prorated at Closing; and

(D) Other Items. Any other items of revenue, operating expenses or other items which are customarily prorated between a transferor and transferee of real estate in the county in which the Property is located shall be prorated at Closing.

"Representation, Warranty and Indemnity Agreement" means the Representation, Warranty and Indemnity Agreement by and among the REIT, the Operating Partnership and Daniel A. Hoffler.

ARTICLE II

REPRESENTATIONS AND WARRANTIES

2.1 Representations by the Operating Partnership. The Operating Partnership hereby represents and warrants to Contributor that the following statements are true, correct, and complete as of the date of this Agreement and will be true, correct and complete as of the Closing Date (as defined herein):

(a) Organization and Power. The Operating Partnership is duly organized, validly existing, and in good standing under the laws of the Commonwealth of Virginia, and has full right, power, and authority to enter into this Agreement and to assume and perform all of its obligations under this Agreement. The execution and delivery of this Agreement and the performance by the Operating Partnership of its obligations hereunder have been duly authorized by all requisite action of the Operating Partnership and require no further action or approval of the Operating Partnership's partners or of any other individuals or entities in order to constitute this Agreement as a binding and enforceable obligation of the Operating Partnership.

(b) OP Units Validly Issued. The OP Units, when issued in accordance with the terms of this Agreement and the Partnership Agreement, will have been duly and validly authorized and issued, free of any preemptive or similar rights, and will be fully paid, without any obligation to restore capital, except as required by the Virginia Revised Uniform Limited Partnership Act (the "Limited Partnership Act").

2.2 Representations by Contributor. Contributor hereby represents and warrants to the Operating Partnership that the following statements are true, correct, and complete as of the date of this Agreement and will be true, correct, and complete as of the Closing Date:

(a) Organization and Power; Due Authorization. Contributor, if an entity or trust, is duly incorporated, formed or organized, validly existing, and in good standing under the laws of its state of incorporation, formation or organization. Contributor has full right, power, and authority to enter into this Agreement and to assume and perform all of its obligations under this Agreement; and the execution and delivery of this Agreement and the performance by Contributor of its obligations hereunder have been duly authorized by all requisite action of Contributor and require no further action or approval of Contributor's members, partners, stockholders, managers, board of directors, trustees or of any other individuals or entities, as applicable, in order to constitute this Agreement as a binding and enforceable obligation of Contributor. No person has any community property rights, by virtue of marriage or otherwise, with respect to the Contributed Interests. This Agreement and each agreement, document and instrument executed and delivered by or on behalf of Contributor pursuant to this Agreement constitutes, or when executed and delivered will constitute, the legal, valid and binding obligation of Contributor, each enforceable against Contributor in accordance with its terms, except as such enforceability may be limited by bankruptcy or the application of equitable principles.

(b) Noncontravention. Neither the entry into nor the performance of, or compliance with, this Agreement by Contributor has resulted, or will result, in any violation of, or default under, or result in the acceleration of, any obligation under any charter, bylaws, limited liability company agreement, partnership agreement, declaration of trust, mortgage indenture, lien agreement, note, contract, agreement, permit, judgment, decree, order, restrictive covenant, statute, rule, or regulation applicable to Contributor or to any Contributed Interests, any Contributed Entity, Subsidiary Interests or Property Entity.

(c) Litigation. There is no action, suit, or proceeding, pending or known to be threatened, against or affecting Contributor in any court or before any arbitrator or before any federal, state, municipal, or other governmental department, commission, board, bureau, agency or instrumentality which (1) in any manner raises any question affecting the validity or enforceability of this Agreement, (2) could materially and adversely affect the business, financial position, or results of operations of Contributor, any Contributed Entity, Subsidiary Interests, Property Entity or Property, (3) could adversely affect the ability of Contributor to perform its obligations hereunder, or under any document to be delivered pursuant hereto, (4) could create a lien on the Contributed Interests, any part thereof, or any interest therein, or (5) could adversely affect the Contributed Interests, any part thereof, or any interest therein.

(d) Good Title. Exhibit A hereto accurately sets forth Contributor's Percentage Interest. Contributor is the sole record and beneficial owner of the Contributed Interests and has full power and authority to convey the Contributed Interests pursuant to the terms of this Agreement. Contributor has good and marketable title to the Contributed Interests. Except as set forth on Schedule 2.1(d), the Contributed Interests are free and clear of all liens, encumbrances, security interests, pledges, voting agreements, prior assignments or conveyances, conditions, restrictions, claims or any other matters affecting title thereto and at the Closing will

be contributed to the Operating Partnership free and clear of all liens, encumbrances, security interests, pledges, voting agreements, prior assignments or conveyances, conditions, restrictions, claims or other matters affecting title thereto. No other person or entity has an option to purchase or a right of first refusal to purchase the Contributed Interests nor are there any agreements or understandings with respect to the voting, ownership or disposition of the Contributed Interests that could adversely affect Contributor's ability to perform its obligations hereunder or the Operating Partnership's rights to the Contributed Interests following the Closing.

(e) Contributed Interests. There are no rights to purchase, subscriptions, warrants, options, conversion rights or preemptive rights relating to the Contributed Interests or any equity interest in any Contributed Entity that will be in effect as of the Closing.

(f) No Consents. Each consent, approval, authorization, order, license, certificate, permit, registration, designation, or filing by or with any governmental agency or body necessary for the execution, delivery and performance of this Agreement or the transactions contemplated hereby by Contributor has been obtained or will be obtained on or before the Closing Date. Each consent or approval required under any Governing Agreement (as defined herein), contract or agreement of any Contributed Entity, or among the partners, members or stockholders of any Contributed Entity, Subsidiary Entity or Property Entity to which Contributor is a party, relating to indebtedness or otherwise, necessary for the execution, delivery and performance of this Agreement and the contribution, acquisition and transfer of the Contributed Interests has been obtained or will be obtained on or before the Closing Date.

(g) Actions Prior to Closing. From the date hereof until the Closing Date, Contributor shall not take any action or fail to take any action the result of which would (1) have a material adverse effect on the Contributed Interests or the Operating Partnership's ownership thereof, or any material adverse effect on the assets, business, condition (financial or otherwise), results or operation of any Property, any Contributed Entity, Subsidiary Entity or Property Entity after the Closing Date or (2) cause any of the representations and warranties contained in this Section 2.2 to be untrue as of the Closing Date.

(h) Governing Documents. Contributor has performed all of its obligations under the Limited Partnership Agreement, Limited Liability Company Agreement, Operating Agreement, Charter and Bylaws, as such may have been amended from time to time, as applicable, of each Contributed Entity in which it owns an interest, (each a "Governing Agreement" and collectively, the "Governing Agreements").

(i) Securities Law Matters.

(1) In deciding to engage in the transaction contemplated by this Agreement, including, if applicable, acquiring OP Units, neither Contributor nor any equity holder thereof is relying upon any representations made to it by the Operating Partnership, or any of its partners, officers, employees, or agents that are not contained herein. Contributor is aware of the risks involved in investing in the OP Units and in the securities issuable upon redemption of such OP Units. Contributor is knowledgeable, sophisticated and experienced in business and financial matters and fully understands the

limitations on transfer imposed by the federal securities laws and as described in this Agreement and the PPM and related materials, including the Partnership Agreement. Contributor has received the PPM and related materials, including the Partnership Agreement, has reviewed all documents and has had an opportunity to ask questions of, and to receive answers from, the Operating Partnership and the REIT or a person or persons authorized to act on their behalf, concerning the terms and conditions of an investment in the OP Units and the financial condition, affairs, and business of the Operating Partnership and the REIT. Contributor confirms that all documents, records, and information pertaining to its investment in OP Units that have been requested by Contributor have been made available or delivered to Contributor prior to the date hereof.

(2) Contributor understands and acknowledges that (i) certain of the information contained in the PPM is incomplete or may be revised, amended or supplemented in the registration statement to be filed by the REIT with the SEC in connection with the IPO and (ii) the financial information included in the PPM has not been audited, but will be audited prior to the REIT's filing of the registration statement with the SEC, and such information could change upon audit, and any such changes could be material.

(3) Contributor and each equity holder thereof understands that the offer and sale of OP Units have not been registered under the Securities Act or any state securities laws and are instead being offered and sold in reliance on an exemption from such registration requirements and that the Operating Partnership's reliance on such exemption is predicated in part on the accuracy and completeness of the representations and warranties of Contributor contained herein. The OP Units issuable to Contributor are being acquired by Contributor solely for its own account, for investment, and are not being acquired with a view to, or for resale in connection with, any distribution, subdivision, or fractionalization thereof, in violation of such laws, and Contributor does not have any present intention to enter into any contract, undertaking, agreement, or arrangement with respect to any such resale.

(4) Contributor is able to bear the economic risk of holding the OP Units for an indefinite period and is able to afford the complete loss of its investment in the OP Units.

(5) Contributor understands that no federal agency (including the SEC) or state agency has made or will make any finding or determination as to the fairness of an investment in the OP Units (including as to the value of the Consideration payable in OP Units in accordance with Section 1.2 hereof).

(6) Contributor understands that there is no established public, private or other market for the OP Units to be acquired by Contributor hereunder and it is not anticipated that there will be any public, private or other market for such OP Units in the foreseeable future.

(7) Contributor understands that Rule 144 promulgated under the Securities Act is not currently available with respect to the sale of OP Units.

(j) Accredited Investor. If Contributor is electing to receive OP Units as some or all of the Consideration, Contributor is an "accredited investor", as that term is defined in Rule 501 of Regulation D under the Securities Act, and has previously provided the Operating Partnership and the REIT with a duly executed questionnaire confirming Contributor's accredited investor status. No event or circumstance has occurred since delivery of such questionnaire to make the statements therein false or misleading.

(k) Tax Matters. Contributor represents and warrants that it has obtained from its own counsel advice regarding the tax consequences of (i) the transfer of the Contributed Interests to the Operating Partnership and the receipt of OP Units and/or cash as the Consideration therefor, (ii) its admission as a limited partner of the Operating Partnership, if applicable and (iii) any other transaction contemplated by this Agreement. Neither the Operating Partnership nor the REIT has made any representation to Contributor regarding the tax treatment of the transactions contemplated by this Agreement, and Contributor further represents and warrants that it has not relied on the Operating Partnership or the Operating Partnership's representatives or counsel for any tax advice.

(l) Bankruptcy with respect to Contributor. No Act of Bankruptcy has occurred with respect to Contributor. As used herein, "Act of Bankruptcy" means if Contributor or any equity holder, partner, manager or director thereof shall (A) apply for or consent to the appointment of, or the taking of possession by, a receiver, custodian, trustee or liquidator of itself or of all or a substantial part of its property, (B) admit in writing its inability to pay its debts as they become due, (C) make a general assignment for the benefit of its creditors, (D) file a voluntary petition or commence a voluntary case or proceeding under the Federal Bankruptcy Code (as now or hereafter in effect), (E) be adjudicated bankrupt or insolvent, (F) file a petition seeking to take advantage of any other law relating to bankruptcy, insolvency, reorganization, receivership, dissolution, winding-up or composition or adjustment of debts, (G) fail to controvert in a timely and appropriate manner, or acquiesce in writing to, any petition filed against it in an involuntary case or proceeding under the Federal Bankruptcy Code (as now or hereafter in effect), or (H) take any entity action for the purpose of effecting any of the foregoing.

(m) Brokerage Commission. Contributor has not engaged the services of any real estate agent, broker, finder or any other person or entity for any brokerage or finder's fee, commission or other amount with respect to the transactions described herein.

(n) No Other Equity Interests. Except for the Contributed Interests, neither Contributor nor any of its affiliates owns, directly or indirectly, any equity interest in any partnership, limited liability company, corporation, trust or other entity owning a Property being acquired by the Operating Partnership as part of the formation transactions described in the PPM and does not own any interest in any Property other than through the Contributed Interests.

ARTICLE III

INDEMNIFICATION

3.1 Survival of Representations and Warranties; Remedy for Breach.

(a) Subject to Section 3.5 hereof, all representations and warranties of Contributor contained in this Agreement or in any Schedule, Exhibit, certificate or affidavit delivered pursuant to this Agreement shall survive the Closing.

(b) Subject to Section 3.4 hereof, following the Closing, Contributor shall be liable under this Agreement for monetary damages (or otherwise) for breach of any of its representations, warranties, covenants and obligations contained in this Agreement or in any Schedule, Exhibit, certificate or affidavit delivered by Contributor pursuant thereto.

3.2 General Indemnification.

(a) From and after the Closing Date, Contributor shall indemnify, hold harmless and defend the Operating Partnership and the REIT, and their respective officers, directors, employees, stockholders, partners, agents and affiliates (each of which is an "Indemnified Party"), from and against any and all claims, losses, damages, liabilities and expenses, including, without limitation, interest, penalties, amounts paid in settlement, reasonable attorneys' fees, costs of investigation, judicial or administrative proceedings or appeals therefrom and costs of attachment or similar bonds (collectively, "Losses") asserted against, imposed upon or incurred by the Indemnified Party, to the extent resulting from any breach of a representation, warranty or covenant of Contributor contained in this Agreement, or in any Schedule, Exhibit, certificate or affidavit delivered by Contributor pursuant thereto. In each case, Contributor shall only bear the fees, costs or expenses in connection with the employment of one counsel (regardless of the number of Indemnified Parties).

(b) Contributor shall also indemnify and hold harmless the Indemnified Parties from and against any and all Losses asserted against, imposed upon or incurred by the Indemnified Parties to the extent resulting from an unrelated third-party claim relating to the Contributed Interests arising from matters that occurred prior to Closing.

(c) With respect to any claim of an Indemnified Party pursuant to this Section 3.2, to the extent available, the Operating Partnership agrees to use diligent good faith efforts to pursue and collect any and all available proceeds and benefits of any right to defense under any insurance policy that covers the matter which is the subject of the indemnification prior to seeking indemnification from Contributor until all proceeds and benefits, if any, to which the Operating Partnership or the Indemnified Party is entitled pursuant to such insurance policy have been exhausted; provided, however, that the Operating Partnership may make a claim under this Section 3.2 even if an insurance coverage dispute is pending, in which case, if the Indemnified Party later receives insurance proceeds with respect to any Losses paid by either Contributor for the benefit of any Indemnified Party, then the Indemnified Party shall reimburse Contributor in an amount equivalent to such proceeds in excess of any deductible amount pursuant to Section 3.2(a) hereof up to the amount actually paid (or deemed paid) by Contributor

to the Indemnified Party in connection with such indemnification (it being understood that all costs and expenses incurred by Contributor with respect to insurance coverage disputes shall constitute Losses paid by Contributor for purposes of Section 3.2(a) hereof).

3.3 Notice and Defense of Claims. As soon as reasonably practicable after receipt by the Indemnified Party of notice of any liability or claim incurred by or asserted against the Indemnified Party that is subject to indemnification under this Article III, the Indemnified Party shall give notice thereof to Contributor, including liabilities or claims to be applied against the indemnification deductible established pursuant to Section 3.4 hereof; provided that failure to give notice to Contributor will not relieve Contributor from any liability that it may have to any Indemnified Party, unless, and only to the extent that, such failure (a) shall have caused prejudice to the defense of such claim or (b) shall have materially increased the costs or potential liability of Contributor by reason of the inability or failure of Contributor (due to such lack of prompt notice) to be involved in any investigations or negotiations regarding any such claim. Such notice shall describe in reasonable detail the facts known to such Indemnified Party giving rise to such claim, and the amount or good faith estimate of the amount of Losses arising therefrom. Unless prohibited by law, such Indemnified Party shall deliver to Contributor, promptly after such Indemnified Party's receipt thereof, copies of all notices and documents received by such Indemnified Party relating to such claim. The Indemnified Party shall permit Contributor, at Contributor's option and expense, to assume the defense of any such claim by counsel selected by Contributor and reasonably satisfactory to the Indemnified Party, and to settle or otherwise dispose of the same; provided, however, that the Indemnified Party may at all times participate in such defense at its sole expense; and provided further, however, that Contributor shall not, in defense of any such claim, except with the prior written consent of the Indemnified Party in its sole and absolute discretion, consent to the entry of any judgment or enter into any settlement that does not include as an unconditional term thereof the giving by the claimant or plaintiff in question to all Indemnified Parties a full and complete release of all liabilities in respect of such claims, or that does not result only in the payment of money damages which are paid (or deemed paid) in full by Contributor. If Contributor shall not have undertaken such defense within 20 days after such notice, or within such shorter time as may be reasonable under the circumstances to the extent required by applicable law, then the Indemnified Party shall have the right to undertake the defense, compromise or settlement of such liability or claim on behalf of and for the account of Contributor and at Contributor's sole cost and expense (subject to the limitations in Section 3.4 hereof).

3.4 Limitations on Indemnification Under Section 3.2(a).

(a) Contributor shall not be liable under Section 3.2(a) hereof unless and until the total amount recoverable by the Indemnified Parties under Section 3.2(a) exceeds one percent (1%) of the value of the aggregate Consideration (valuing OP Units at the IPO Price) and then only to the extent of such excess.

(b) Notwithstanding anything contained herein to the contrary, before taking recourse against any assets of Contributor and subject to the limitations set forth in the following sentence, the Indemnified Parties shall look, first to available insurance proceeds (including without limitation any title insurance proceeds, if applicable) pursuant to Section 3.2(c) above, and then to indemnification under this Article III, (and agree to treat any return of OP Units in

satisfaction of indemnification obligations hereunder as an adjustment to the consideration delivered to Contributor pursuant to the Formation Transactions). Notwithstanding anything to the contrary in this Agreement, except in the case of fraud or in the event of Losses relating to a third-party claim, Contributor shall not be liable to the Indemnified Parties for any indirect, special or consequential damages, loss of profits, taxes relating to tax years beginning on or after Closing, loss of value or other similar speculative damages asserted or claimed by the Indemnified Parties.

(c) The limitations in this Section 3.4 shall not apply to any obligations of Contributor with respect to Prorations under this Agreement.

3.5 Limitation Period.

(a) Any claim for indemnification under Section 3.2 hereof must be asserted in writing by the Indemnified Party, stating the nature of the Losses and the basis for indemnification therefor on or prior to the fifth (5th) anniversary of the Closing.

(b) If asserted in writing on or prior to the date specified in Section 3.5(a) hereof for the applicable claim, any claims for indemnification pursuant to Section 3.2 hereof shall survive until resolved by mutual agreement between Contributor and the Indemnified Party or by arbitration or court proceeding.

3.6 Delivery of Indemnity Amounts. Indemnity payments may be made by Contributor in the form of cash or OP Units. To the extent indemnification is made through delivery by Contributor of OP Units, such OP Units shall be valued at an amount per OP Unit equal to the IPO Price. Contributor hereby authorizes the REIT, as general partner of the Operating Partnership, to take all such action as may be necessary to amend the Partnership Agreement, and any exhibits or schedules thereto, to reflect the delivery of any OP Units by Contributor to the Operating Partnership as an indemnification payment hereunder and to reflect that Contributor has no further right, title or interest with respect to any such OP Units.

ARTICLE IV

COVENANTS

4.1 Covenants of the Contributor.

(a) Satisfaction of Conditions. Contributor hereby covenants that Contributor shall: (A) use commercially reasonable efforts and diligence in order to satisfy all of the conditions to Closing set forth herein, and (B) cooperate and assist in the Operating Partnership's efforts to satisfy all of the conditions to Closing set forth herein, and agrees that the Operating Partnership shall not have any obligation to consummate the Closing hereunder unless and until such conditions have been satisfied or waived by the Operating Partnership in writing.

(b) Consent to Transfers. Contributor hereby consents to the transfer of, and waives any rights of first refusal, right of first offer, buy-sell agreements, put, option or similar parallel or dissenter rights or similar rights afforded to Contributor under the Governing Agreements or otherwise with respect to any equity ownership interest in any Contributed Entity,

Subsidiary Entity, Property Entity or Property or any other company or property being contributed or transferred to the Operating Partnership pursuant to a separate contribution or other agreement or as otherwise described in the PPM.

(c) No Disposition or Encumbrance of Contributed Interests. From the date hereof through the Closing, except as specifically contemplated by this Agreement, Contributor shall not, without the prior written consent of the Operating Partnership: (i) sell, transfer (or agree to sell or transfer) or otherwise dispose of, or cause the sale, transfer or disposition of (or agree to do any of the foregoing) all or any portion of its interest in the Contributed Interests or all or any portion of its interest in any Subsidiary Entity, Property Entity or Property; or (ii) mortgage, assign, pledge or otherwise encumber in any manner the Contributed Interests or Subsidiary Interests.

(d) Ordinary Course of Business. From the date hereof through the Closing, and except as specifically contemplated by this Agreement, Contributor shall, to the extent within its control, cause each Contributed Entity, Subsidiary Entity and Property Entity to conduct its business in the ordinary course of business consistent with past practice, and shall, to the extent within its control, not permit any Contributed Entity, any Subsidiary Entity or any Property Entity without the prior written consent of the Operating Partnership, to: (i) enter into any material transaction not in the ordinary course of business; (ii) mortgage, pledge or encumber any assets of the Contributed Entity, any Subsidiary Entity, any Property Entity or any Property, (iii) cause or permit any Property Entity to change the existing use of any Property; (iv) cause or take any action that would render any of the representations or warranties set forth herein untrue; (v) file an entity classification election pursuant to Treasury Regulations Section 301.7701-3(c) on Internal Revenue Service Form 8832 (Entity Classification Election) to treat the Contributed Entity as an association taxable as a corporation for federal income tax purposes; (vi) make or change any other tax elections; (vii) settle or compromise any claim, notice, audit report or assessment in respect of taxes; (viii) change any annual tax accounting period; (ix) adopt or change any method of tax accounting; (x) file any amended return, report or form (including an election, declaration, amendment, schedule, information return or attachment thereto) required to be filed with a governmental authority with respect to taxes (each, a "Tax Return"); (xi) enter into any tax allocation agreement, tax sharing agreement, tax indemnity agreement or closing agreement relating to any tax; (xii) surrender of any right to claim a tax refund; (xiii) consent to any extension or waiver of the statute of limitations period applicable to any tax claim or assessment; or (xiv) make any distribution to its partners or members, except for cash distributions in the ordinary course of business consistent with past practices or as permitted by this Agreement.

4.2 Tax Covenants.

(a) Contributor and the Operating Partnership shall provide each other with such cooperation and information relating to any of the Contributed Interests, the Contributed Entities, the Subsidiary Entities, the Property Entities or the Properties as the parties reasonably may request in (i) filing any Tax Return, amended Tax Return or claim for tax refund, (ii) determining any liability for taxes or a right to a tax refund, (iii) conducting or defending any proceeding in respect of taxes, or (iv) performing tax diligence, including with respect to the impact of this transaction on the REIT's tax status as a REIT. Such reasonable cooperation shall

include making employees available on a mutually convenient basis to provide additional information and explanation of any material provided hereunder. The Operating Partnership shall promptly notify Contributor upon receipt by the Operating Partnership or any of its affiliates of notice of (i) any pending or threatened tax audits or assessments with respect to the income, properties or operations of any of the Contributed Entities, the Subsidiary Entities, the Property Entities or their subsidiaries or with respect to any Property and (ii) any pending or threatened federal, state, local or foreign tax audits or assessments of the Operating Partnership or any of its affiliates, in each case, which may affect the liabilities for taxes of Contributor with respect to any tax period ending before or as a result of the Closing. Contributor shall promptly notify the Operating Partnership in writing upon receipt by Contributor or any of its affiliates of notice of any pending or threatened federal, state, local or foreign tax audits or assessments relating to the income, properties or operations of any of the Contributed Entities, the Property Entities or the Subsidiary Entities or with respect to any Property. Each of the Operating Partnership and Contributor may participate at its own expense in the prosecution of any claim or audit with respect to taxes attributable to any taxable period ending on or before the Closing Date; provided, that Contributor shall have the right to control the conduct of any such audit or proceeding or portion thereof for which Contributor has acknowledged liability (except as a partner of the Operating Partnership) for the payment of any additional tax liability, and the Operating Partnership shall have the right to control any other audits and proceedings. Notwithstanding the foregoing, neither the Operating Partnership nor Contributor may settle or otherwise resolve any such claim, suit or proceeding which could have an adverse tax effect on the other party or its affiliates (other than on Contributor or any of its affiliates as a partner of the Operating Partnership) without the consent of the other party, such consent not to be unreasonably withheld. Contributor and the Operating Partnership shall retain all Tax Returns, schedules and work papers with respect to the Contributed Entities, the Property Entities, the Subsidiary Entities, and the Properties, and all material records and other documents relating thereto, until the expiration of the statute of limitations (and, to the extent notified by any party, any extensions thereof) of the taxable years to which such Tax Returns and other documents relate and until the final determination of any tax in respect of such years.

(b) The Operating Partnership shall prepare or cause to be prepared and file or cause to be filed all Tax Returns of the Contributed Entities, the Property Entities or the Subsidiary Entities that are due after the Closing Date. To the extent such returns relate to a period ending on or prior to the Closing Date, such Tax Returns (including, for the avoidance of doubt, any amended Tax Returns) shall be prepared in a manner consistent with past practice, except as otherwise required by applicable law.

(c) For purposes of allocating items of income, gain, loss and deduction with respect to the Property and/or the Contributed Interests in the manner required by Section 704(c) of the Code, the Operating Partnership shall employ, and shall cause any entity controlled by the Operating Partnership which holds title to the Property or the Contributed Interests to employ, the “traditional method” (without curative allocations) as set forth in Treasury Regulations section 1.704-3(b)(1).

4.3 Relationship to Contributed Entities. Contributor and the Operating Partnership acknowledge and agree that, from and after the Closing (as defined herein), Contributor shall no longer be a member, partner, stockholder or equity owner, or, if applicable, managing member or general partner, of any Contributed Entity, Subsidiary Entity or Property Entity and shall have no rights or benefits under any Governing Agreement.

ARTICLE V

CONDITIONS PRECEDENT TO THE CLOSING

5.1 Conditions to the Operating Partnership's Obligation. In addition to any other conditions set forth in this Agreement, the Operating Partnership's obligation to consummate the Closing is subject to the timely satisfaction of each and every one of the conditions and requirements set forth in this Section 5.1, all of which shall be conditions precedent to the Operating Partnership's obligations under this Agreement.

(a) IPO. The IPO, in such form and substance as the REIT, in its sole and absolute discretion, shall have determined to be acceptable, shall have been completed (or be completed simultaneously with the Closing).

(b) Formation Transactions. The formation transactions described in the PPM shall have occurred or be scheduled to occur contemporaneously with the Closing hereunder.

(c) Representations and Warranties. The representations and warranties made by Contributor pursuant to this Agreement, as well as those contained in the Representation, Warranty and Indemnity Agreement, shall be true and correct as of the Closing as though such representations and warranties were made at the Closing and, if requested by the Operating Partnership, Contributor shall have delivered a certificate to the Operating Partnership to such effect in regard to Contributor's representations and warranties set forth in this Agreement.

(d) Performance. Contributor shall have performed and complied with all agreements and covenants that it is required to perform or comply with pursuant to this Agreement prior to the Closing, including having delivered each of the items set forth in Section 5.2 hereof.

(e) Legal Proceedings. No order, statute, rule, regulation, executive order, injunction, stay, decree, or restraining order shall have been enacted, entered, promulgated or enforced by any court of competent jurisdiction or governmental entity that restrains, prohibits or otherwise invalidates the consummation of the transactions contemplated by this Agreement, and no litigation or governmental proceeding seeking such an order shall be pending or threatened.

(f) Consents and Approvals. All necessary approvals and consents of governmental and private parties, including, without limitation, all ground lessors, tenants, other parties to service contracts, lenders and ratings agencies, partners, members or stockholders of any Contributed Entity, Property Entity or their subsidiaries, to effect the transactions contemplated by this Agreement, shall have been obtained.

(g) Reliance on Regulation D. If Contributor has elected to receive OP Units, the Operating Partnership shall, based on the advice of its counsel and the representations made

by Contributor in Contributor's Investor Questionnaire, be reasonably satisfied that the issuance of OP Units to Contributor may be made without registration under the Securities Act in reliance on Regulation D under the Securities Act.

(h) Representation, Warranty and Indemnity Agreement. Daniel A. Hoffler and each other party thereto shall have entered into the Representation, Warranty and Indemnity Agreement.

(i) No Material Adverse Change. There shall have not occurred between the date hereof and the Closing Date any material adverse change with respect to any of the Contributed Interests or any material adverse change in any of the assets, business, condition (financial or otherwise), results of operation or prospects of any Subsidiary Entity, Property, Property Entity or Contributed Entity.

(j) Tenant and Lender Estoppels. The Operating Partnership shall have received tenant and lender estoppels in form and substance satisfactory to the Operating Partnership and its counsel.

5.2 Conditions to Contributor's Obligation. In addition to any other conditions set forth in this Agreement, Contributor's obligation to consummate the Closing is subject to the timely satisfaction of each and every one of the conditions and requirements set forth in this Section 5.2, all of which shall be conditions precedent to Contributor's obligations under this Agreement.

(a) Representations and Warranties. The representations and warranties made by the Operating Partnership pursuant to this Agreement shall be true and correct as of the Closing as though such representations and warranties were made at the Closing.

(b) Performance. The Operating Partnership shall have performed and complied in all material respects with all agreements and covenants that it is required to perform or comply with pursuant to this Agreement prior to the Closing.

(c) Legal Proceedings. No order, statute, rule, regulation, executive order, injunction, stay, decree, or restraining order shall have been enacted, entered, promulgated or enforced by any court of competent jurisdiction or governmental entity that prohibits the consummation of the transactions contemplated by this Agreement, and no litigation or governmental proceeding seeking such an order shall be pending or threatened.

ARTICLE VI

CLOSING AND CLOSING DOCUMENTS

6.1 Closing. The consummation and closing (the "Closing") of the transactions contemplated pursuant to this Agreement shall take place at the offices of Hunton & Williams LLP in Richmond, Virginia, or such other place as the Operating Partnership may designate, promptly following satisfaction of the conditions to Closing set forth herein (the "Closing Date"), or as otherwise set by agreement of the parties; provided, however, termination shall not relieve any party from a breach occurring prior to that date.

6.2 Contributor's Deliveries. At the Closing, Contributor shall deliver the following to the Operating Partnership in addition to all other items required to be delivered to the Operating Partnership by Contributor:

(a) Assignment of Contributed Interests. Contributor shall have executed and delivered an Assignment, in substantially the form of Exhibit B attached hereto.

(b) Execution of Partnership Agreement. If Contributor has elected to receive OP Units, signature pages of the Partnership Agreement (which Partnership Agreement shall be in substantially the form attached as an exhibit to the PPM) duly executed by Contributor, as limited partner.

(c) FIRPTA Certificate. An affidavit from Contributor certifying pursuant to Section 1445 of the Internal Revenue Code that Contributor is not a foreign corporation, foreign partnership, foreign trust, foreign estate or foreign person (as those terms are defined in the Code and the Treasury Regulations promulgated thereunder).

(d) Other Documents. Any other document or instrument reasonably requested by the Operating Partnership or required hereby.

6.3 Default Remedies. If Contributor defaults in performing any of Contributor's obligations under this Agreement, the Operating Partnership shall have all rights and remedies available to it at law or in equity resulting from Contributor's default, including without limitation, the right to seek specific performance of this Agreement and Contributor's obligation to convey the Contributed Interests to the Operating Partnership hereunder. The parties acknowledge and agree that the failure of a condition precedent to occur, notwithstanding the good faith and commercially reasonable efforts of the applicable party, shall not be a default hereunder.

ARTICLE VII

MISCELLANEOUS

7.1 Notices. Any notice provided for by this Agreement and any other notice, demand, or communication required hereunder shall be in writing and either delivered in person (including by confirmed facsimile transmission) or sent by hand delivered against receipt or sent by recognized overnight delivery service or by certified or registered mail, postage prepaid, with return receipt requested. All notices shall be addressed as follows:

Operating Partnership:

c/o Armada Hoffler Properties, Inc.
222 Central Park Avenue, Suite 2100,
Virginia Beach, Virginia 23462
Attention: A. Russell Kirk
Fax No.: 757-424-2513

with a copy to (which shall not constitute notice):

Hunton & Williams LLP
Riverfront Plaza, East Tower
951 E. Byrd Street
Richmond, Virginia 23219
Attention: David C. Wright
Fax No.: 804-343-4580

and

Faggert & Frieden, P.C.
222 Central Park Avenue, Suite 1300
Virginia Beach, Virginia 23462
Attention: David Y. Faggert
Fax No.: 757-424-0102

Contributor:

Anthony P. Nero
222 Central Park Avenue
Suite 2100
Virginia Beach, Virginia 23462

Any address or name specified above may be changed by a notice given by the addressee to the other party. Any notice, demand or other communication shall be deemed given and effective as of the date of delivery in person or set forth on the return receipt. The inability to deliver because of changed address of which no notice was given, or rejection or other refusal to accept any notice, demand or other communication, shall be deemed to be receipt of the notice, demand or other communication as of the date of such attempt to deliver or rejection or refusal to accept.

7.2 Entire Agreement; Third-Party Beneficiaries. This Agreement, including, without limitation, the exhibits hereto and thereto, constitute the entire agreement and supersede each prior agreement and understanding, whether written or oral, among the parties regarding the subject matter of this Agreement. This Agreement is not intended to confer any rights or remedies on any Person other than the parties hereto.

7.3 Amendment. This Agreement may not be amended except by an instrument in writing signed on behalf of each of the parties hereto.

7.4 Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the Commonwealth of Virginia, without regard to the conflicts of law rules thereof.

7.5 Counterparts. This Agreement may be executed by the parties hereto in separate counterparts, each of which when so executed and delivered shall be an original, but all such counterparts shall together constitute one and the same instrument. Each counterpart may consist of a number of copies hereof, each signed by less than all, but together signed by all of the parties hereto. Each party may rely upon the facsimile or electronic pdf email signature of any other party as if such signature were an original signature.

7.6 Headings. Headings of the Articles and Sections of this Agreement are for the convenience of the parties only, and shall be given no substantive or interpretive effect whatsoever.

7.7 Incorporation. All Exhibits attached hereto and referred to herein are hereby incorporated herein and made a part hereof for all purposes as if fully set forth herein.

7.8 Severability. Any term or provision of this Agreement which is invalid or unenforceable in any jurisdiction shall, as to that jurisdiction, be ineffective to the extent of such invalidity or unenforceability without rendering invalid or unenforceable the remaining terms and provisions of this Agreement or affecting the validity or enforceability of any of the terms or provisions of this Agreement in any other jurisdiction. If any provision of this Agreement is so broad as to be unenforceable, the provision shall be interpreted to be only so broad as is enforceable.

7.9 Waiver of Conditions. The conditions to each party's obligations hereunder are for the sole benefit of such party and may be waived by such party in whole or in part to the extent permitted by applicable law.

7.10 Dispute Resolution. The parties intend that this Section 7.1010 will be valid, binding, enforceable, exclusive and irrevocable and that it shall survive any termination of this Agreement.

(a) Upon any dispute, controversy or claim arising out of or relating to this Agreement or the enforcement, breach, termination or validity thereof ("Dispute"), the party raising the Dispute will give written notice to the other parties to the Dispute describing the nature of the Dispute following which the parties to such Dispute shall attempt for a period of ten (10) Business Days from receipt by the parties of notice of such Dispute to resolve such Dispute by negotiation between representatives of the parties hereto who have authority to settle such Dispute. All such negotiations shall be confidential and any statements or offers made therein shall be treated as compromise and settlement negotiations for purposes of any applicable rules of evidence and shall not be admissible as evidence in any subsequent proceeding for any purpose. The statute of limitations applicable to the commencement of a lawsuit shall apply to the commencement of an arbitration hereunder, except that no defense based on the running of the statute of limitations will be available based upon the passage of time during any such negotiation. Regardless of the foregoing, a party shall have the right to seek immediate injunctive relief pursuant to clause (c) below without regard to any such ten (10) Business Day negotiation period.

(b) Any Dispute (including the determination of the scope or applicability of this Agreement to arbitrate) that is not resolved pursuant to clause (a) above shall be submitted to final and binding arbitration in Virginia Beach, Virginia before one neutral and impartial arbitrator, in accordance with the laws of the Commonwealth of Virginia for agreements made in and to be performed in Virginia. The arbitration shall be administered by JAMS, Inc. ("JAMS")

pursuant to its Comprehensive Arbitration Rules and Procedures, as in effect on the date hereof. The parties hereto shall appoint one arbitrator within fifteen (15) days of a demand for arbitration. If an arbitrator is not appointed within such 15-day period, the arbitrator shall be appointed by JAMS in accordance with its Comprehensive Arbitration Rules and Procedures, as in effect on the date hereof. The arbitrator shall designate the place and time of the hearing. The hearing shall be scheduled to begin as soon as practicable and no later than sixty (60) days after the appointment of the arbitrator (unless such period is extended by the arbitrator for good cause shown) and shall be conducted as expeditiously as possible. The award, which shall set forth the arbitrator's findings of fact and conclusions of law, shall be filed with JAMS and mailed to the parties no later than thirty (30) days after the close of the arbitration hearing. The arbitration award shall be final and binding on the parties and not subject to collateral attack. Judgment upon the arbitration award may be entered in any federal or state court having jurisdiction thereof.

(c) Notwithstanding the parties' agreement to submit all Disputes to final and binding arbitration before JAMS, the parties shall have the right to seek and obtain temporary or preliminary injunctive relief in any court having jurisdiction thereof. Such courts shall have authority to, among other things, grant temporary or provisional injunctive relief in order to protect any party's rights under this Agreement. Without prejudice to such provisional remedies as may be available under the jurisdiction of a court, the arbitral tribunal shall have full authority to grant provisional remedies and to direct the parties to request that any court modify or vacate any temporary or preliminary relief issued by such court, and to award damages for the failure of any party to respect the arbitral tribunal's orders to that effect.

(d) The prevailing party shall be entitled to recover its costs and reasonable attorneys' fees, and the non-prevailing party shall pay all expenses and fees of JAMS, all costs of the stenographic record, all expenses of witnesses or proofs that may have been produced at the direction of the arbitrator, and the fees, costs and expenses of the arbitrator. The arbitrator shall allocate such costs and designate the prevailing party or parties for these purposes.

[*Signature Page Follows.*]

IN WITNESS WHEREOF, this Agreement has been entered into effective as of the date first written above.

CONTRIBUTOR:

ANTHONY P. NERO

By: Anthony P. Nero

OPERATING PARTNERSHIP:

ARMADA HOFFLER, L.P., a Virginia limited partnership

By: Armada Hoffler Properties, Inc.,
its general partner

By: /s/ Louis S. Haddad
Name: Louis S. Haddad
Title: Chief Executive Officer and President

REIT:

ARMADA HOFFLER PROPERTIES, INC., a Maryland corporation

By: /s/ Louis S. Haddad
Name: Louis S. Haddad
Title: Chief Executive Officer and President

EXHIBIT A

Contributor – Anthony P. Nero

CONTRIBUTED ENTITY/ CONTRIBUTED INTEREST	SUBSIDIARY INTERESTS	PROPERTY	PROPERTY ENTITY
New Armada Hoffler Properties I, LLC[1] (all interests owned by Contributor)	2.35125% interest in Bermuda Shopping Center, L.L.C.	Bermuda Shopping Center Chesterfield County, VA	Bermuda Shopping Center, L.L.C.
	4.0% interest in BSE/AH Blacksburg Apartments, LLC	Apartments at Smith's Landing Blacksburg, VA	BSE/AH Blacksburg Apartments, LLC
	4.0% interest in Broad Creek PH. I, L.L.C.	Broad Creek Shopping Center Norfolk, VA	Broad Creek PH. I, L.L.C.
	10.0% interest in Broad Creek PH. III, L.L.C.	Broad Creek Shopping Center Norfolk, VA	Broad Creek PH. III, L.L.C.
	8.0% interest in Columbus Tower Block 5-A2 Associates, L.L.C.	Town Center Block 5-A2 Virginia Beach, VA	Columbus Tower Block 5-A2 Associates, L.L.C.
	7.5% interest in HT Tyre Neck, L.L.C.	Harris Teeter Portsmouth, VA	HT Tyre Neck, L.L.C.
	7.57924% interest in Hanbury Village II, L.L.C.	Hanbury Village Shopping Center Chesapeake, VA	Hanbury Village II, L.L.C.
	Interest equal to 4.56204% for the first $356,090, and 7.58% thereafter in Hoffler and Associates EAT, LLC	Hanbury Village, Outparcel 3A Chesapeake, VA	Hoffler and Associates EAT, LLC
	4.50001% interest in Armada/Hoffler Charleston Associates, L.P.	Gainsborough Square Chesapeake, VA	Armada/Hoffler Charleston Associates, L.P.
	2.6% interest in North Pointe PH. 1 Limited Partnership	Lots 2, 3, and 4, Phase I, North Pointe Shopping Center Durham, NC	North Pointe Ph. 1 Limited Partnership
	3.65671% interest in North Pointe-CGL, L.L.C.	Lot 2, Phase II, North Pointe Shopping Center Durham, NC	North Pointe-CGL, L.L.C.
	3.65671% interest in North Point Development Associates, L.P.	Lot I, Phase III Durham, NC	North Point Development Associates, L.P.

[1] Prior to the Closing, pursuant to the Master Contribution and Distribution Agreement, Armada/Hoffler Properties, LLC ("AHP") will contribute to New Armada Hoffler Properties I, LLC ("New AHP I") the interests in the subsidiary entities described below and will distribute to Anthony P. Nero ("Nero") an interest in New AHP I. At Closing, pursuant to the Contribution Agreement, Nero will contribute his interest in New AHP I to the Operating Partnership.

CONTRIBUTED ENTITY/ CONTRIBUTED INTEREST	SUBSIDIARY INTERESTS	PROPERTY	PROPERTY ENTITY
	2.53673% interest in North Pointe Outparcels, L.L.C.	Lot 1, North Pointe Shopping Center Durham, MC	North Pointe Outparcels, L.L.C.
	6.34183% interest in North Pointe VW4, L.L.C.	Lot 1 A North Pointe Durham, NC	North Pointe VW4, L.L.C
	3.99996% interest in Ferrell Parkway Associates, L.L.C.	Parkway Marketplace Virginia Beach, VA	Ferrell Parkway Associates, L.L.C.
	4.8% interest in TCA Block 4 Retail, L.L.C.	South Retail Unit, Town Center Condominium 4 Virginia Beach, VA	TCA Block 4 Retail, L.L.C.
	5.07857% interest in Armada/Hoffler Tower 4, L.L.C.	Office Tower Unit, North Office Unit and West Retail Unit, Town Center Condominium 4 Virginia Beach, VA	Armada/Hoffler Tower 4, L.L.C.
	10.0% interest in Lake View AH-VNG, LLC	Virginia Natural Gas Headquarters Building Virginia Beach, VA	Lake View AH-VNG, LLC
	10.0% interest in Williamsburg Medical Building, L.L.C.	Williamsburg Sentara Medical Building Williamsburg, VA	Williamsburg Medical Building, LLC
	10.0% interest in AH Sandbridge, L.L.C.	Sandbridge Commons Virginia Beach, VA	AH Sandbridge, L.L.C.
New Armada Hoffler Properties II, LLC[2] (all interests owned by Contributor)	8.45855% interest in Courthouse Marketplace Outparcels, L.L.C.	Parcel A-1-B, A-1-C, A-1-D Virginia Beach, VA	Courthouse Marketplace Outparcels, L.L.C.
	8.0% interest in Greenbrier Technology Center II Associates, L.L.C.	Town Center Block 3 Virginia Beach, VA	Greenbrier Technology Center II Associates, L.L.C.
	8.0% interest in Town Center Associates 6, L.L.C.	Retail Unit, 56 Condominium Virginia Beach, VA	Town Center Associates 6, L.L.C.
	8.0% interest in Armada/Hoffler Block 8 Associates, L.L.C.	Town Center Block 8B Virginia Beach, VA	Armada/Hoffler Block 8 Associates, L.L.C.
	10.0% interest in AH Richmond Tower I, L.L.C.	Richmond Tower Richmond, VA	AH Richmond Tower I, L.L.C.

[2] Prior to the Closing, pursuant to the Master Contribution and Distribution Agreement, Armada/Hoffler Properties II, LLC (“AHP II”) will contribute to New Armada Hoffler Properties II, LLC (“New AHP II”) the interests in the subsidiary entities described below and will distribute to Nero an interest in New AHP II. At Closing, pursuant to the Contribution Agreement, Nero will contribute his interest in New AHP II to the Operating Partnership.

CONTRIBUTED ENTITY/ CONTRIBUTED INTEREST	SUBSIDIARY INTERESTS	PROPERTY	PROPERTY ENTITY
	8.0% interest in Town Center Associates 11, L.L.C.	Block 11 Town Center Project Virginia Beach, VA	TCA Block 11 Office LLC TCA Block 11 Apartments LLC
	10.0% interest in AH Durham Apartments, L.L.C.	Jackson Street Apartments Durham, NC	AH Durham Apartments, L.L.C.
	10.0% interest in AH Southeast Commerce Center, L.L.C.	Brooks Crossing Newport News, VA	AH Southeast Commerce Center, L.L.C.
	10.0% interest in AH Greentree, L.L.C.	Greentree Shopping Center Chesapeake, VA	AH Greentree, L.L.C.
3.25% interest in North Pointe Development Associates, L.L.C.	–	North Point Shopping Center (Costco) *and* North Point Shopping Center (Bed Bath & Beyond and others) Durham, NC	North Point Development Associates, L.P.
10.0% interest in TCA Block 3, Inc.	–	Town Center Block 3 Virginia Beach, VA	Greenbrier Technology Center II Associates, L.L.C.
10.0% interest in TCA Block 8, Inc.	–	Town Center Block 8B Virginia Beach, VA	Armada/Hoffler Block B Associates, L.L.C.
5.0% interest in Broad Creek Ph. II, L.L.C.	–	Broad Creek Shopping Center Norfolk, VA	Broad Creek Ph. II, L.L.C.
3.03158% interest in A/H Harrisonburg Regal, L.L.C.	–	Regal Cinemas Harrisonburg, VA	A/H Harrisonburg Regal L.L.C.
4.37093% interest in Town Center Block 10 Apartments, L.P.	–	Apartments and Retail Unit, Town Center Condominium 10 Virginia Beach, VA	Town Center Block 10 Apartments, L.P.

Cash[3] - $2,014,805

OP Units: Determined as set forth below.
Total AH Partners' OP Unit Allocation Percentage: 6.657%

[3] In the event that, at or prior to Closing, the OP has not arranged financing in the form of a credit facility or other debt financing in an amount sufficient to pay to Contributor at Closing the full amount of the cash consideration amount shown above, the OP may deliver to Contributor at Closing a promissory note payable by the OP to Contributor in a principal amount up to $515,800. The promissory note shall not bear interest, shall mature on the first anniversary of the date of issuance and may be prepaid by the OP at any time.

The cash portion of the Consideration that Contributor will receive shall be fixed at the amount shown above. The number of OP Units that Contributor will receive as part of the Consideration is not known as of the date of this Agreement, but shall be calculated as follows:

1. Prior to commencement of marketing of the IPO, the REIT and the managing underwriters for the IPO shall determine a valuation range for the combined equity interests (after deduction of debt) of all of the properties, assets and businesses that will be contributed to the OP and its subsidiaries pursuant to the transactions described in the PPM (the "Formation Transactions"). From the midpoint of this range, there will be deducted the amount of cash that will be paid by the OP as consideration to all of the contributors in connection with the Formation Transactions, with the resulting amount after such deduction being herein referred to as the "Total OP Unit Valuation".

2. The Total OP Unit Valuation shall be divided by the midpoint of the price range for the shares of the REIT's common stock in the IPO (the "IPO Price Range") as set forth on the front cover of the REIT's preliminary prospectus for the IPO filed with the SEC (the "Preliminary Prospectus") to determine a fixed number of OP Units issuable to all the contributors in connection with the Formation Transactions (the "Total OP Units") and the number of Total OP Units shall be reflected in the Preliminary Prospectus.

3. The Total OP Units will be allocated among contributors who are not officers, employees or affiliates of Armada Hoffler Holding Company and its affiliates (collectively, the "Non-AH Partners") and the contributors who are officers, employees or affiliates of Armada Hoffler Holding Company and its affiliates, including certain trusts established by such officers and employees (collectively, the "AH Partners"), including Contributor.

4. Each Non-AH Partners will receive a number of OP Units equal to the amount of consideration set forth in such Non-AH Partner's contribution agreement with the OP as allocable to OP Units, divided by the IPO Price (the "Total Non-AH Partners' OP Units"). To the extent the IPO Price is greater or less than the mid-point of the IPO Price Range, the number of OP Units issuable to each Non-AH Partner (as described and set forth in the Preliminary Prospectus) will decrease or increase, respectively, in an amount sufficient to cause the value of the OP Units issuable to the Non-AH Partner to equal the amount of the consideration set forth in such Non-AH Partner's contribution agreement (utilizing a value per OP Unit equal to the IPO Price).

5. The aggregate number of OP Units issuable to the AH Partners (the "Total AH Partners' OP Units") will be equal to the difference between (a) the Total OP Units and (b) the Total Non-AH Partners' OP Units.

6. The number of OP Units issuable as Consideration to Contributor pursuant to this Agreement will be determined by the difference between (i) the product of (a) the Total AH Partners' OP Units and (b) the percentage set forth above under the heading "Total AH Partners' OP Unit Allocation Percentage" and (ii) the quotient obtained by dividing (a) $346,084 by (b) the IPO Price.

[*Signature Page Follows*]

The undersigned hereby agrees that this Exhibit A represents the definitive Exhibit A to the Contribution Agreement and supersedes any and all prior versions.

CONTRIBUTOR:

ANTHONY P. NERO

/s/ Anthony P. Nero
By: Anthony P. Nero

OPERATING PARTNERSHIP:

ARMADA HOFFLER, L.P., a Virginia limited partnership

By: Armada Hoffler Properties, Inc.,
its general partner

By: /s/ Louis S. Haddad
Name: Louis S. Haddad
Title: Chief Executive Officer and President

REIT:

ARMADA HOFFLER PROPERTIES, INC., a Maryland corporation

By: /s/ Louis S. Haddad
Name: Louis S. Haddad
Title: Chief Executive Officer and President

Exhibit B

Assignment

The undersigned, for good and valuable consideration paid to the Assignor by ARMADA HOFFLER, L.P., a Virginia limited partnership ("Assignee"), pursuant to the Contribution Agreement dated as of , 2012, by and between Assignor and Assignee (the "Agreement") and for other good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, does hereby sell, assign, transfer, convey and deliver to the Assignee, its successors and assigns, good and indefeasible right, title and interest to the **[partnership or limited liability company interests/shares of common stock]** described on *Schedule A* hereto, including, without limitation, all right, title and interest, if any, of the undersigned in and to the assets of each such **[partnership/limited liability company/corporation]** and the right to receive distributions of money, profits and other assets from each such partnership, presently existing or hereafter at any time arising or accruing, free and clear of all liens, encumbrances, security interests, pledges, voting agreements, prior assignments or conveyances, conditions, restrictions, claims, and any other matters affecting title thereto.

The undersigned, for itself, its successors and assigns, hereby covenants and agrees that, at any time and from time to time after the date hereof, upon the written request of Assignee, the undersigned will, without further consideration, do, execute, acknowledge, and deliver or cause to be done, executed, acknowledged and delivered, each of and all of such further acts, deeds, assignments, transfers, conveyances and assurances as may reasonably be required by Assignee in order to assign, transfer, set over, convey, assure and confirm unto and vest in Assignee, its successors and assigns, title to the interests described in *Schedule A* hereto

Capitalized terms used but not defined herein shall have the respective meanings ascribed to them in the Agreement.

IN WITNESS WHEREOF, the parties hereto have caused this Assignment to be signed by a duly authorized officer this day of , 201 .

, a

By: _____
Name:
Title:

Exhibit 10.12

CONTRIBUTION AGREEMENT

Eric E. Apperson

This CONTRIBUTION AGREEMENT (this "Agreement") is made as of February 11, 2013 by and among Eric E. Apperson ("Contributor"), Armada Hoffler, L.P., a Virginia limited partnership (the "Operating Partnership") and Armada Hoffler Properties, Inc., a Maryland corporation (the "REIT").

RECITALS

WHEREAS, Contributor is or may become the record and beneficial owner of equity interests in the amount or percentage described on Exhibit A hereto (the "Contributed Interests") in each of the entities described in Exhibit A hereto (each, a "Contributed Entity" and collectively, the "Contributed Entities"), which are the direct or indirect owners of the respective properties or property entities described on Exhibit A hereto (each a "Property" and collectively, the "Properties"). Entities in which certain of the Contributed Entities own interests (each, a "Subsidiary Entity") are set forth on Exhibit A as "Subsidiary Interests". Contributor desires to contribute any and all interests that he may now or hereafter own in the Contributed Interests to the Operating Partnership, and the Operating Partnership desires to acquire the Contributed Interests from Contributor, on the terms and conditions hereinafter set forth.

NOW, THEREFORE, for and in consideration of the foregoing, and the representations, warranties and other terms contained in this Agreement, and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties hereto, intending to be legally bound hereby, agree as follows:

ARTICLE I

THE CONTRIBUTION

1.1 Contribution of Contributed Interests. Contributor irrevocably agrees to contribute, transfer and assign at Closing (as defined herein) any and all interests that he may now or hereafter own in the Contributed Interests set forth opposite Contributor's name on Exhibit A hereto, together with any other interests Contributor may have in any of the Contributed Entities and any other properties or entities being acquired by the Operating Partnership as described in the Confidential Private Placement Memorandum for the Offering of Limited Partnership Interests of the Operating Partnership dated January 16, 2013 (the "PPM"), to the Operating Partnership, and the Operating Partnership agrees to accept transfer of the Contributed Interests and any such other interests pursuant to the terms and subject to the conditions set forth in this Agreement. The Contributed Interests shall be transferred to the Operating Partnership free and clear of all liens, encumbrances, security interests, pledges, voting agreements, prior assignments or conveyances, conditions, restrictions, claims, and any other matters affecting title thereto.

1.2 Consideration.

(a) Consideration Amount. The total consideration (the "Consideration") for which Contributor agrees to contribute, transfer and assign the Contributed Interests to the Operating Partnership, and for which the Operating Partnership agrees to pay, issue or deliver to Contributor, subject to the terms of this Agreement, at Closing (as defined herein) shall be determined in the manner set forth on Exhibit A hereto. The Consideration may be adjusted, upward or downward, by the amount of any adjustments arising from the Prorations (as defined herein). Any decrease to the amount of the Consideration will be deducted first from the cash portion of the Consideration, if any, and the balance, if any, will be deducted from the OP Units. Any increase in the Consideration as a result of the Prorations will be paid in OP Units. In addition to the Consideration set forth on Exhibit A hereto, Contributor shall be entitled to receive in cash, at Closing or shortly thereafter, Contributor's pro rata share (based on Contributor's direct or indirect ownership interest in each Property Entity) of any tenant improvement, leasing commission and replacement reserves held by lenders with respect to each Property in which Contributor owns an interest.

(b) Election Form. The Consideration shall be payable in accordance with the election made by Contributor in the Consideration Election Form ("Election Form") accompanying the PPM, the results of which election are set forth on Exhibit A hereto. If, pursuant to the Election Form, Contributor (A) elected all or part of Contributor's consideration payable hereunder to be in the form of units of limited partnership interests of the Operating Partnership ("OP Units") and (B) submitted to the Operating Partnership (x) an executed Investor Questionnaire representing and warranting to the Operating Partnership that Contributor is an "accredited investor" as defined in the Investor Questionnaire and (y) any other documentation required by the Operating Partnership, including, but not limited to, a signature page to the Partnership Agreement (as hereinafter defined), Contributor shall receive OP Units in an amount determined in the manner described on Exhibit A hereto. The portion of the Consideration, if any, payable in cash is set forth on Exhibit A. Contributor agrees that the cash payment shall be made and the OP Units shall be registered in the name of the persons or entities set forth on the Election Form. OP Units will only be delivered to Contributor if Contributor has represented to the Operating Partnership that Contributor is an "accredited investor". No fractional OP Units will be issued and OP Units will be rounded to the nearest whole number. The Consideration payable to Contributor, whether in cash, in OP Units or a combination thereof, may be reduced by the amount the Operating Partnership reasonably determines must be withheld for tax purposes. The rights and obligations of holders of OP Units as of the Closing will be as set forth in the First Amended and Restated Agreement of Limited Partnership of the Operating Partnership (the "Partnership Agreement"), a draft copy of which is included as an exhibit to the PPM.

1.3 OP Units. Although initially the OP Units will not be certificated, certificates, if any, subsequently evidencing the OP Units will bear appropriate legends (i) indicating that the OP Units have not been registered under the Securities Act of 1933, as amended ("Securities Act"), (ii) indicating that the Partnership Agreement will restrict the transfer of the OP Units, and (iii) describing the ownership limitations and transfer restrictions imposed by the charter of the REIT with respect to shares of the REIT's common stock.

1.4 No Further Interest. Contributor acknowledges and agrees that effective upon the Closing, and without any further action by Contributor, the Contributed Interests shall be transferred, assigned and conveyed to the Operating Partnership, or a subsidiary thereof, and Contributor shall no longer be an equity holder of any of the Contributed Entities, shall no longer be entitled to receive any distributions from any of the Contributed Entities, and shall have no further right, title or interest in any of the Contributed Interests, the Contributed Entities or the Property Entities.

1.5 Tax Consequences to Contributor. Notwithstanding anything to the contrary contained in this Agreement, including without limitation the use of words and phrases such as "sell," "sale," "purchase," and "pay," the parties hereto acknowledge, agree and consent that the transactions contemplated hereby will be treated for federal income tax purposes (i) in accordance with Section 721 of the Internal Revenue Code of 1986, as amended (the "Code") with respect to any portion of the Consideration that is payable in OP Units; (ii) as an "assets over form" of transaction pursuant to Treasury Regulations Section 1.708-1(c)(3)(i); and (iii) as a sale of the Contributor's Contributed Interests to the Operating Partnership under Treasury Regulations Section 1.708-1(c)(4) to the extent of the Contributor's receipt of cash Consideration pursuant to Section 1.2(a), except to the extent that such cash Consideration is treated as (a) the reimbursement of "preformation expenditures" under Treasury Regulations Section 1.707-4(d); and/or (b) a "debt financed transfer of consideration" by the Operating Partnership under Treasury Regulations Section 1.707-5(b), as applicable.

1.6 Definitions. As used in this Agreement, the following terms have the following meanings:

"Contributor's Percentage Interest" means, with respect to each Contributed Entity, the percentage set forth on Exhibit A hereto under the heading "Contributed Entity/Contributed Interest", which reflects Contributor's percentage ownership interest in each Contributed Entity pursuant to and in accordance with the applicable Governing Agreement (as defined herein) of the Contributed Entity.

"IPO" means the underwritten initial public offering of common stock of the REIT.

"IPO Price" means the public offering price set forth on the front cover of the final prospectus for the IPO, as filed with the U.S. Securities and Exchange Commission (the "SEC").

"Property Entity" means an entity owning a Property, as set forth on Exhibit A hereto.

"Prorations" means those proration and adjustment amounts that are customarily applied to closings of commercial real estate transactions in the county in which the Property is located, which amounts shall be calculated as of midnight (Eastern time) of the day immediately preceding the Closing Date and shall include:

(A) Taxes. All real estate and personal property taxes and special assessments, if any, with respect to each Property shall be prorated at Closing;

(B) Utilities. All telephone, electric, sewer, water and other utility bills, trash removal bills, janitorial and maintenance service bills and all other expenses relating to a

Property that are obligations of the Property Entity and which are allocable to the period prior to the Closing Date shall be determined and paid, or caused to be paid, by the Property Entity or Contributed Entity before Closing, if possible, or if such is not determinable before Closing, then the Parties shall use their commercially reasonable efforts to determine and pay such amounts as promptly as possible following Closing and the Operating Partnership may withhold from any cash amount of the Consideration payable at Closing hereunder an amount of cash reasonably estimated to cover any estimated Proration for the items described in this subsection (B);

(C) Rents. All rents, including, without limitation, base rents, operating expense payments or common area maintenance charges and all other forms of additional rents, payable under the leases of the Property and all other income from the Property shall be prorated at Closing; and

(D) Other Items. Any other items of revenue, operating expenses or other items which are customarily prorated between a transferor and transferee of real estate in the county in which the Property is located shall be prorated at Closing.

"Representation, Warranty and Indemnity Agreement" means the Representation, Warranty and Indemnity Agreement by and among the REIT, the Operating Partnership and Daniel A. Hoffler.

ARTICLE II

REPRESENTATIONS AND WARRANTIES

2.1 Representations by the Operating Partnership. The Operating Partnership hereby represents and warrants to Contributor that the following statements are true, correct, and complete as of the date of this Agreement and will be true, correct and complete as of the Closing Date (as defined herein):

(a) Organization and Power. The Operating Partnership is duly organized, validly existing, and in good standing under the laws of the Commonwealth of Virginia, and has full right, power, and authority to enter into this Agreement and to assume and perform all of its obligations under this Agreement. The execution and delivery of this Agreement and the performance by the Operating Partnership of its obligations hereunder have been duly authorized by all requisite action of the Operating Partnership and require no further action or approval of the Operating Partnership's partners or of any other individuals or entities in order to constitute this Agreement as a binding and enforceable obligation of the Operating Partnership.

(b) OP Units Validly Issued. The OP Units, when issued in accordance with the terms of this Agreement and the Partnership Agreement, will have been duly and validly authorized and issued, free of any preemptive or similar rights, and will be fully paid, without any obligation to restore capital, except as required by the Virginia Revised Uniform Limited Partnership Act (the "Limited Partnership Act").

2.2 Representations by Contributor. Contributor hereby represents and warrants to the Operating Partnership that the following statements are true, correct, and complete as of the date of this Agreement and will be true, correct, and complete as of the Closing Date:

(a) Organization and Power; Due Authorization. Contributor, if an entity or trust, is duly incorporated, formed or organized, validly existing, and in good standing under the laws of its state of incorporation, formation or organization. Contributor has full right, power, and authority to enter into this Agreement and to assume and perform all of its obligations under this Agreement; and the execution and delivery of this Agreement and the performance by Contributor of its obligations hereunder have been duly authorized by all requisite action of Contributor and require no further action or approval of Contributor's members, partners, stockholders, managers, board of directors, trustees or of any other individuals or entities, as applicable, in order to constitute this Agreement as a binding and enforceable obligation of Contributor. No person has any community property rights, by virtue of marriage or otherwise, with respect to the Contributed Interests. This Agreement and each agreement, document and instrument executed and delivered by or on behalf of Contributor pursuant to this Agreement constitutes, or when executed and delivered will constitute, the legal, valid and binding obligation of Contributor, each enforceable against Contributor in accordance with its terms, except as such enforceability may be limited by bankruptcy or the application of equitable principles.

(b) Noncontravention. Neither the entry into nor the performance of, or compliance with, this Agreement by Contributor has resulted, or will result, in any violation of, or default under, or result in the acceleration of, any obligation under any charter, bylaws, limited liability company agreement, partnership agreement, declaration of trust, mortgage indenture, lien agreement, note, contract, agreement, permit, judgment, decree, order, restrictive covenant, statute, rule, or regulation applicable to Contributor or to any Contributed Interests, any Contributed Entity, Subsidiary Interests or Property Entity.

(c) Litigation. There is no action, suit, or proceeding, pending or known to be threatened, against or affecting Contributor in any court or before any arbitrator or before any federal, state, municipal, or other governmental department, commission, board, bureau, agency or instrumentality which (1) in any manner raises any question affecting the validity or enforceability of this Agreement, (2) could materially and adversely affect the business, financial position, or results of operations of Contributor, any Contributed Entity, Subsidiary Interests, Property Entity or Property, (3) could adversely affect the ability of Contributor to perform its obligations hereunder, or under any document to be delivered pursuant hereto, (4) could create a lien on the Contributed Interests, any part thereof, or any interest therein, or (5) could adversely affect the Contributed Interests, any part thereof, or any interest therein.

(d) Good Title. Exhibit A hereto accurately sets forth Contributor's Percentage Interest. Contributor is the sole record and beneficial owner of the Contributed Interests and has full power and authority to convey the Contributed Interests pursuant to the terms of this Agreement. Contributor has good and marketable title to the Contributed Interests. Except as set forth on Schedule 2.1(d), the Contributed Interests are free and clear of all liens, encumbrances, security interests, pledges, voting agreements, prior assignments or conveyances, conditions, restrictions, claims or any other matters affecting title thereto and at the Closing will

be contributed to the Operating Partnership free and clear of all liens, encumbrances, security interests, pledges, voting agreements, prior assignments or conveyances, conditions, restrictions, claims or other matters affecting title thereto. No other person or entity has an option to purchase or a right of first refusal to purchase the Contributed Interests nor are there any agreements or understandings with respect to the voting, ownership or disposition of the Contributed Interests that could adversely affect Contributor's ability to perform its obligations hereunder or the Operating Partnership's rights to the Contributed Interests following the Closing.

(e) Contributed Interests. There are no rights to purchase, subscriptions, warrants, options, conversion rights or preemptive rights relating to the Contributed Interests or any equity interest in any Contributed Entity that will be in effect as of the Closing.

(f) No Consents. Each consent, approval, authorization, order, license, certificate, permit, registration, designation, or filing by or with any governmental agency or body necessary for the execution, delivery and performance of this Agreement or the transactions contemplated hereby by Contributor has been obtained or will be obtained on or before the Closing Date. Each consent or approval required under any Governing Agreement (as defined herein), contract or agreement of any Contributed Entity, or among the partners, members or stockholders of any Contributed Entity, Subsidiary Entity or Property Entity to which Contributor is a party, relating to indebtedness or otherwise, necessary for the execution, delivery and performance of this Agreement and the contribution, acquisition and transfer of the Contributed Interests has been obtained or will be obtained on or before the Closing Date.

(g) Actions Prior to Closing. From the date hereof until the Closing Date, Contributor shall not take any action or fail to take any action the result of which would (1) have a material adverse effect on the Contributed Interests or the Operating Partnership's ownership thereof, or any material adverse effect on the assets, business, condition (financial or otherwise), results or operation of any Property, any Contributed Entity, Subsidiary Entity or Property Entity after the Closing Date or (2) cause any of the representations and warranties contained in this Section 2.2 to be untrue as of the Closing Date.

(h) Governing Documents. Contributor has performed all of its obligations under the Limited Partnership Agreement, Limited Liability Company Agreement, Operating Agreement, Charter and Bylaws, as such may have been amended from time to time, as applicable, of each Contributed Entity in which it owns an interest, (each a "Governing Agreement" and collectively, the "Governing Agreements").

(i) Securities Law Matters.

(1) In deciding to engage in the transaction contemplated by this Agreement, including, if applicable, acquiring OP Units, neither Contributor nor any equity holder thereof is relying upon any representations made to it by the Operating Partnership, or any of its partners, officers, employees, or agents that are not contained herein. Contributor is aware of the risks involved in investing in the OP Units and in the securities issuable upon redemption of such OP Units. Contributor is knowledgeable, sophisticated and experienced in business and financial matters and fully understands the

limitations on transfer imposed by the federal securities laws and as described in this Agreement and the PPM and related materials, including the Partnership Agreement. Contributor has received the PPM and related materials, including the Partnership Agreement, has reviewed all documents and has had an opportunity to ask questions of, and to receive answers from, the Operating Partnership and the REIT or a person or persons authorized to act on their behalf, concerning the terms and conditions of an investment in the OP Units and the financial condition, affairs, and business of the Operating Partnership and the REIT. Contributor confirms that all documents, records, and information pertaining to its investment in OP Units that have been requested by Contributor have been made available or delivered to Contributor prior to the date hereof.

(2) Contributor understands and acknowledges that (i) certain of the information contained in the PPM is incomplete or may be revised, amended or supplemented in the registration statement to be filed by the REIT with the SEC in connection with the IPO and (ii) the financial information included in the PPM has not been audited, but will be audited prior to the REIT's filing of the registration statement with the SEC, and such information could change upon audit, and any such changes could be material.

(3) Contributor and each equity holder thereof understands that the offer and sale of OP Units have not been registered under the Securities Act or any state securities laws and are instead being offered and sold in reliance on an exemption from such registration requirements and that the Operating Partnership's reliance on such exemption is predicated in part on the accuracy and completeness of the representations and warranties of Contributor contained herein. The OP Units issuable to Contributor are being acquired by Contributor solely for its own account, for investment, and are not being acquired with a view to, or for resale in connection with, any distribution, subdivision, or fractionalization thereof, in violation of such laws, and Contributor does not have any present intention to enter into any contract, undertaking, agreement, or arrangement with respect to any such resale.

(4) Contributor is able to bear the economic risk of holding the OP Units for an indefinite period and is able to afford the complete loss of its investment in the OP Units.

(5) Contributor understands that no federal agency (including the SEC) or state agency has made or will make any finding or determination as to the fairness of an investment in the OP Units (including as to the value of the Consideration payable in OP Units in accordance with Section 1.2 hereof).

(6) Contributor understands that there is no established public, private or other market for the OP Units to be acquired by Contributor hereunder and it is not anticipated that there will be any public, private or other market for such OP Units in the foreseeable future.

(7) Contributor understands that Rule 144 promulgated under the Securities Act is not currently available with respect to the sale of OP Units.

(j) Accredited Investor. If Contributor is electing to receive OP Units as some or all of the Consideration, Contributor is an "accredited investor", as that term is defined in Rule 501 of Regulation D under the Securities Act, and has previously provided the Operating Partnership and the REIT with a duly executed questionnaire confirming Contributor's accredited investor status. No event or circumstance has occurred since delivery of such questionnaire to make the statements therein false or misleading.

(k) Tax Matters. Contributor represents and warrants that it has obtained from its own counsel advice regarding the tax consequences of (i) the transfer of the Contributed Interests to the Operating Partnership and the receipt of OP Units and/or cash as the Consideration therefor, (ii) its admission as a limited partner of the Operating Partnership, if applicable and (iii) any other transaction contemplated by this Agreement. Neither the Operating Partnership nor the REIT has made any representation to Contributor regarding the tax treatment of the transactions contemplated by this Agreement, and Contributor further represents and warrants that it has not relied on the Operating Partnership or the Operating Partnership's representatives or counsel for any tax advice.

(l) Bankruptcy with respect to Contributor. No Act of Bankruptcy has occurred with respect to Contributor. As used herein, "Act of Bankruptcy" means if Contributor or any equity holder, partner, manager or director thereof shall (A) apply for or consent to the appointment of, or the taking of possession by, a receiver, custodian, trustee or liquidator of itself or of all or a substantial part of its property, (B) admit in writing its inability to pay its debts as they become due, (C) make a general assignment for the benefit of its creditors, (D) file a voluntary petition or commence a voluntary case or proceeding under the Federal Bankruptcy Code (as now or hereafter in effect), (E) be adjudicated bankrupt or insolvent, (F) file a petition seeking to take advantage of any other law relating to bankruptcy, insolvency, reorganization, receivership, dissolution, winding-up or composition or adjustment of debts, (G) fail to controvert in a timely and appropriate manner, or acquiesce in writing to, any petition filed against it in an involuntary case or proceeding under the Federal Bankruptcy Code (as now or hereafter in effect), or (H) take any entity action for the purpose of effecting any of the foregoing.

(m) Brokerage Commission. Contributor has not engaged the services of any real estate agent, broker, finder or any other person or entity for any brokerage or finder's fee, commission or other amount with respect to the transactions described herein.

(n) No Other Equity Interests. Except for the Contributed Interests, neither Contributor nor any of its affiliates owns, directly or indirectly, any equity interest in any partnership, limited liability company, corporation, trust or other entity owning a Property being acquired by the Operating Partnership as part of the formation transactions described in the PPM and does not own any interest in any Property other than through the Contributed Interests.

ARTICLE III

INDEMNIFICATION

3.1 Survival of Representations and Warranties; Remedy for Breach.

(a) Subject to Section 3.5 hereof, all representations and warranties of Contributor contained in this Agreement or in any Schedule, Exhibit, certificate or affidavit delivered pursuant to this Agreement shall survive the Closing.

(b) Subject to Section 3.4 hereof, following the Closing, Contributor shall be liable under this Agreement for monetary damages (or otherwise) for breach of any of its representations, warranties, covenants and obligations contained in this Agreement or in any Schedule, Exhibit, certificate or affidavit delivered by Contributor pursuant thereto.

3.2 General Indemnification.

(a) From and after the Closing Date, Contributor shall indemnify, hold harmless and defend the Operating Partnership and the REIT, and their respective officers, directors, employees, stockholders, partners, agents and affiliates (each of which is an "Indemnified Party"), from and against any and all claims, losses, damages, liabilities and expenses, including, without limitation, interest, penalties, amounts paid in settlement, reasonable attorneys' fees, costs of investigation, judicial or administrative proceedings or appeals therefrom and costs of attachment or similar bonds (collectively, "Losses") asserted against, imposed upon or incurred by the Indemnified Party, to the extent resulting from any breach of a representation, warranty or covenant of Contributor contained in this Agreement, or in any Schedule, Exhibit, certificate or affidavit delivered by Contributor pursuant thereto. In each case, Contributor shall only bear the fees, costs or expenses in connection with the employment of one counsel (regardless of the number of Indemnified Parties).

(b) Contributor shall also indemnify and hold harmless the Indemnified Parties from and against any and all Losses asserted against, imposed upon or incurred by the Indemnified Parties to the extent resulting from an unrelated third-party claim relating to the Contributed Interests arising from matters that occurred prior to Closing.

(c) With respect to any claim of an Indemnified Party pursuant to this Section 3.2, to the extent available, the Operating Partnership agrees to use diligent good faith efforts to pursue and collect any and all available proceeds and benefits of any right to defense under any insurance policy that covers the matter which is the subject of the indemnification prior to seeking indemnification from Contributor until all proceeds and benefits, if any, to which the Operating Partnership or the Indemnified Party is entitled pursuant to such insurance policy have been exhausted; provided, however, that the Operating Partnership may make a claim under this Section 3.2 even if an insurance coverage dispute is pending, in which case, if the Indemnified Party later receives insurance proceeds with respect to any Losses paid by either Contributor for the benefit of any Indemnified Party, then the Indemnified Party shall reimburse Contributor in an amount equivalent to such proceeds in excess of any deductible amount pursuant to Section 3.2(a) hereof up to the amount actually paid (or deemed paid) by Contributor

to the Indemnified Party in connection with such indemnification (it being understood that all costs and expenses incurred by Contributor with respect to insurance coverage disputes shall constitute Losses paid by Contributor for purposes of Section 3.2(a) hereof).

3.3 Notice and Defense of Claims. As soon as reasonably practicable after receipt by the Indemnified Party of notice of any liability or claim incurred by or asserted against the Indemnified Party that is subject to indemnification under this Article III, the Indemnified Party shall give notice thereof to Contributor, including liabilities or claims to be applied against the indemnification deductible established pursuant to Section 3.4 hereof; provided that failure to give notice to Contributor will not relieve Contributor from any liability that it may have to any Indemnified Party, unless, and only to the extent that, such failure (a) shall have caused prejudice to the defense of such claim or (b) shall have materially increased the costs or potential liability of Contributor by reason of the inability or failure of Contributor (due to such lack of prompt notice) to be involved in any investigations or negotiations regarding any such claim. Such notice shall describe in reasonable detail the facts known to such Indemnified Party giving rise to such claim, and the amount or good faith estimate of the amount of Losses arising therefrom. Unless prohibited by law, such Indemnified Party shall deliver to Contributor, promptly after such Indemnified Party's receipt thereof, copies of all notices and documents received by such Indemnified Party relating to such claim. The Indemnified Party shall permit Contributor, at Contributor's option and expense, to assume the defense of any such claim by counsel selected by Contributor and reasonably satisfactory to the Indemnified Party, and to settle or otherwise dispose of the same; provided, however, that the Indemnified Party may at all times participate in such defense at its sole expense; and provided further, however, that Contributor shall not, in defense of any such claim, except with the prior written consent of the Indemnified Party in its sole and absolute discretion, consent to the entry of any judgment or enter into any settlement that does not include as an unconditional term thereof the giving by the claimant or plaintiff in question to all Indemnified Parties a full and complete release of all liabilities in respect of such claims, or that does not result only in the payment of money damages which are paid (or deemed paid) in full by Contributor. If Contributor shall not have undertaken such defense within 20 days after such notice, or within such shorter time as may be reasonable under the circumstances to the extent required by applicable law, then the Indemnified Party shall have the right to undertake the defense, compromise or settlement of such liability or claim on behalf of and for the account of Contributor and at Contributor's sole cost and expense (subject to the limitations in Section 3.4 hereof).

3.4 Limitations on Indemnification Under Section 3.2(a).

(a) Contributor shall not be liable under Section 3.2(a) hereof unless and until the total amount recoverable by the Indemnified Parties under Section 3.2(a) exceeds one percent (1%) of the value of the aggregate Consideration (valuing OP Units at the IPO Price) and then only to the extent of such excess.

(b) Notwithstanding anything contained herein to the contrary, before taking recourse against any assets of Contributor and subject to the limitations set forth in the following sentence, the Indemnified Parties shall look, first to available insurance proceeds (including without limitation any title insurance proceeds, if applicable) pursuant to Section 3.2(c) above, and then to indemnification under this Article III, (and agree to treat any return of OP Units in

satisfaction of indemnification obligations hereunder as an adjustment to the consideration delivered to Contributor pursuant to the Formation Transactions). Notwithstanding anything to the contrary in this Agreement, except in the case of fraud or in the event of Losses relating to a third-party claim, Contributor shall not be liable to the Indemnified Parties for any indirect, special or consequential damages, loss of profits, taxes relating to tax years beginning on or after Closing, loss of value or other similar speculative damages asserted or claimed by the Indemnified Parties.

(c) The limitations in this Section 3.4 shall not apply to any obligations of Contributor with respect to Prorations under this Agreement.

3.5 Limitation Period.

(a) Any claim for indemnification under Section 3.2 hereof must be asserted in writing by the Indemnified Party, stating the nature of the Losses and the basis for indemnification therefor on or prior to the fifth (5th) anniversary of the Closing.

(b) If asserted in writing on or prior to the date specified in Section 3.5(a) hereof for the applicable claim, any claims for indemnification pursuant to Section 3.2 hereof shall survive until resolved by mutual agreement between Contributor and the Indemnified Party or by arbitration or court proceeding.

3.6 Delivery of Indemnity Amounts. Indemnity payments may be made by Contributor in the form of cash or OP Units. To the extent indemnification is made through delivery by Contributor of OP Units, such OP Units shall be valued at an amount per OP Unit equal to the IPO Price. Contributor hereby authorizes the REIT, as general partner of the Operating Partnership, to take all such action as may be necessary to amend the Partnership Agreement, and any exhibits or schedules thereto, to reflect the delivery of any OP Units by Contributor to the Operating Partnership as an indemnification payment hereunder and to reflect that Contributor has no further right, title or interest with respect to any such OP Units.

ARTICLE IV

COVENANTS

4.1 Covenants of the Contributor.

(a) Satisfaction of Conditions. Contributor hereby covenants that Contributor shall: (A) use commercially reasonable efforts and diligence in order to satisfy all of the conditions to Closing set forth herein, and (B) cooperate and assist in the Operating Partnership's efforts to satisfy all of the conditions to Closing set forth herein, and agrees that the Operating Partnership shall not have any obligation to consummate the Closing hereunder unless and until such conditions have been satisfied or waived by the Operating Partnership in writing.

(b) Consent to Transfers. Contributor hereby consents to the transfer of, and waives any rights of first refusal, right of first offer, buy-sell agreements, put, option or similar parallel or dissenter rights or similar rights afforded to Contributor under the Governing Agreements or otherwise with respect to any equity ownership interest in any Contributed Entity,

Subsidiary Entity, Property Entity or Property or any other company or property being contributed or transferred to the Operating Partnership pursuant to a separate contribution or other agreement or as otherwise described in the PPM.

(c) No Disposition or Encumbrance of Contributed Interests. From the date hereof through the Closing, except as specifically contemplated by this Agreement, Contributor shall not, without the prior written consent of the Operating Partnership: (i) sell, transfer (or agree to sell or transfer) or otherwise dispose of, or cause the sale, transfer or disposition of (or agree to do any of the foregoing) all or any portion of its interest in the Contributed Interests or all or any portion of its interest in any Subsidiary Entity, Property Entity or Property; or (ii) mortgage, assign, pledge or otherwise encumber in any manner the Contributed Interests or Subsidiary Interests.

(d) Ordinary Course of Business. From the date hereof through the Closing, and except as specifically contemplated by this Agreement, Contributor shall, to the extent within its control, cause each Contributed Entity, Subsidiary Entity and Property Entity to conduct its business in the ordinary course of business consistent with past practice, and shall, to the extent within its control, not permit any Contributed Entity, any Subsidiary Entity or any Property Entity without the prior written consent of the Operating Partnership, to: (i) enter into any material transaction not in the ordinary course of business; (ii) mortgage, pledge or encumber any assets of the Contributed Entity, any Subsidiary Entity, any Property Entity or any Property, (iii) cause or permit any Property Entity to change the existing use of any Property; (iv) cause or take any action that would render any of the representations or warranties set forth herein untrue; (v) file an entity classification election pursuant to Treasury Regulations Section 301.7701-3(c) on Internal Revenue Service Form 8832 (Entity Classification Election) to treat the Contributed Entity as an association taxable as a corporation for federal income tax purposes; (vi) make or change any other tax elections; (vii) settle or compromise any claim, notice, audit report or assessment in respect of taxes; (viii) change any annual tax accounting period; (ix) adopt or change any method of tax accounting; (x) file any amended return, report or form (including an election, declaration, amendment, schedule, information return or attachment thereto) required to be filed with a governmental authority with respect to taxes (each, a "Tax Return"); (xi) enter into any tax allocation agreement, tax sharing agreement, tax indemnity agreement or closing agreement relating to any tax; (xii) surrender of any right to claim a tax refund; (xiii) consent to any extension or waiver of the statute of limitations period applicable to any tax claim or assessment; or (xiv) make any distribution to its partners or members, except for cash distributions in the ordinary course of business consistent with past practices or as permitted by this Agreement.

4.2 Tax Covenants.

(a) Contributor and the Operating Partnership shall provide each other with such cooperation and information relating to any of the Contributed Interests, the Contributed Entities, the Subsidiary Entities, the Property Entities or the Properties as the parties reasonably may request in (i) filing any Tax Return, amended Tax Return or claim for tax refund, (ii) determining any liability for taxes or a right to a tax refund, (iii) conducting or defending any proceeding in respect of taxes, or (iv) performing tax diligence, including with respect to the impact of this transaction on the REIT's tax status as a REIT. Such reasonable cooperation shall

include making employees available on a mutually convenient basis to provide additional information and explanation of any material provided hereunder. The Operating Partnership shall promptly notify Contributor upon receipt by the Operating Partnership or any of its affiliates of notice of (i) any pending or threatened tax audits or assessments with respect to the income, properties or operations of any of the Contributed Entities, the Subsidiary Entities, the Property Entities or their subsidiaries or with respect to any Property and (ii) any pending or threatened federal, state, local or foreign tax audits or assessments of the Operating Partnership or any of its affiliates, in each case, which may affect the liabilities for taxes of Contributor with respect to any tax period ending before or as a result of the Closing. Contributor shall promptly notify the Operating Partnership in writing upon receipt by Contributor or any of its affiliates of notice of any pending or threatened federal, state, local or foreign tax audits or assessments relating to the income, properties or operations of any of the Contributed Entities, the Property Entities or the Subsidiary Entities or with respect to any Property. Each of the Operating Partnership and Contributor may participate at its own expense in the prosecution of any claim or audit with respect to taxes attributable to any taxable period ending on or before the Closing Date; provided, that Contributor shall have the right to control the conduct of any such audit or proceeding or portion thereof for which Contributor has acknowledged liability (except as a partner of the Operating Partnership) for the payment of any additional tax liability, and the Operating Partnership shall have the right to control any other audits and proceedings. Notwithstanding the foregoing, neither the Operating Partnership nor Contributor may settle or otherwise resolve any such claim, suit or proceeding which could have an adverse tax effect on the other party or its affiliates (other than on Contributor or any of its affiliates as a partner of the Operating Partnership) without the consent of the other party, such consent not to be unreasonably withheld. Contributor and the Operating Partnership shall retain all Tax Returns, schedules and work papers with respect to the Contributed Entities, the Property Entities, the Subsidiary Entities, and the Properties, and all material records and other documents relating thereto, until the expiration of the statute of limitations (and, to the extent notified by any party, any extensions thereof) of the taxable years to which such Tax Returns and other documents relate and until the final determination of any tax in respect of such years.

(b) The Operating Partnership shall prepare or cause to be prepared and file or cause to be filed all Tax Returns of the Contributed Entities, the Property Entities or the Subsidiary Entities that are due after the Closing Date. To the extent such returns relate to a period ending on or prior to the Closing Date, such Tax Returns (including, for the avoidance of doubt, any amended Tax Returns) shall be prepared in a manner consistent with past practice, except as otherwise required by applicable law.

(c) For purposes of allocating items of income, gain, loss and deduction with respect to the Property and/or the Contributed Interests in the manner required by Section 704(c) of the Code, the Operating Partnership shall employ, and shall cause any entity controlled by the Operating Partnership which holds title to the Property or the Contributed Interests to employ, the “traditional method” (without curative allocations) as set forth in Treasury Regulations section 1.704-3(b)(1).

4.3 Relationship to Contributed Entities. Contributor and the Operating Partnership acknowledge and agree that, from and after the Closing (as defined herein), Contributor shall no longer be a member, partner, stockholder or equity owner, or, if applicable, managing member or general partner, of any Contributed Entity, Subsidiary Entity or Property Entity and shall have no rights or benefits under any Governing Agreement.

ARTICLE V

CONDITIONS PRECEDENT TO THE CLOSING

5.1 Conditions to the Operating Partnership's Obligation. In addition to any other conditions set forth in this Agreement, the Operating Partnership's obligation to consummate the Closing is subject to the timely satisfaction of each and every one of the conditions and requirements set forth in this Section 5.1, all of which shall be conditions precedent to the Operating Partnership's obligations under this Agreement.

(a) IPO. The IPO, in such form and substance as the REIT, in its sole and absolute discretion, shall have determined to be acceptable, shall have been completed (or be completed simultaneously with the Closing).

(b) Formation Transactions. The formation transactions described in the PPM shall have occurred or be scheduled to occur contemporaneously with the Closing hereunder.

(c) Representations and Warranties. The representations and warranties made by Contributor pursuant to this Agreement, as well as those contained in the Representation, Warranty and Indemnity Agreement, shall be true and correct as of the Closing as though such representations and warranties were made at the Closing and, if requested by the Operating Partnership, Contributor shall have delivered a certificate to the Operating Partnership to such effect in regard to Contributor's representations and warranties set forth in this Agreement.

(d) Performance. Contributor shall have performed and complied with all agreements and covenants that it is required to perform or comply with pursuant to this Agreement prior to the Closing, including having delivered each of the items set forth in Section 5.2 hereof.

(e) Legal Proceedings. No order, statute, rule, regulation, executive order, injunction, stay, decree, or restraining order shall have been enacted, entered, promulgated or enforced by any court of competent jurisdiction or governmental entity that restrains, prohibits or otherwise invalidates the consummation of the transactions contemplated by this Agreement, and no litigation or governmental proceeding seeking such an order shall be pending or threatened.

(f) Consents and Approvals. All necessary approvals and consents of governmental and private parties, including, without limitation, all ground lessors, tenants, other parties to service contracts, lenders and ratings agencies, partners, members or stockholders of any Contributed Entity, Property Entity or their subsidiaries, to effect the transactions contemplated by this Agreement, shall have been obtained.

(g) Reliance on Regulation D. If Contributor has elected to receive OP Units, the Operating Partnership shall, based on the advice of its counsel and the representations made by Contributor in Contributor's Investor Questionnaire, be reasonably satisfied that the issuance of OP Units to Contributor may be made without registration under the Securities Act in reliance on Regulation D under the Securities Act.

(h) Representation, Warranty and Indemnity Agreement. Daniel A. Hoffler and each other party thereto shall have entered into the Representation, Warranty and Indemnity Agreement.

(i) No Material Adverse Change. There shall have not occurred between the date hereof and the Closing Date any material adverse change with respect to any of the Contributed Interests or any material adverse change in any of the assets, business, condition (financial or otherwise), results of operation or prospects of any Subsidiary Entity, Property, Property Entity or Contributed Entity.

(j) Tenant and Lender Estoppels. The Operating Partnership shall have received tenant and lender estoppels in form and substance satisfactory to the Operating Partnership and its counsel.

5.2 Conditions to Contributor's Obligation. In addition to any other conditions set forth in this Agreement, Contributor's obligation to consummate the Closing is subject to the timely satisfaction of each and every one of the conditions and requirements set forth in this Section 5.2, all of which shall be conditions precedent to Contributor's obligations under this Agreement.

(a) Representations and Warranties. The representations and warranties made by the Operating Partnership pursuant to this Agreement shall be true and correct as of the Closing as though such representations and warranties were made at the Closing.

(b) Performance. The Operating Partnership shall have performed and complied in all material respects with all agreements and covenants that it is required to perform or comply with pursuant to this Agreement prior to the Closing.

(c) Legal Proceedings. No order, statute, rule, regulation, executive order, injunction, stay, decree, or restraining order shall have been enacted, entered, promulgated or enforced by any court of competent jurisdiction or governmental entity that prohibits the consummation of the transactions contemplated by this Agreement, and no litigation or governmental proceeding seeking such an order shall be pending or threatened.

ARTICLE VI

CLOSING AND CLOSING DOCUMENTS

6.1 Closing. The consummation and closing (the "Closing") of the transactions contemplated pursuant to this Agreement shall take place at the offices of Hunton & Williams LLP in Richmond, Virginia, or such other place as the Operating Partnership may designate, promptly following satisfaction of the conditions to Closing set forth herein (the "Closing Date"), or as otherwise set by agreement of the parties; provided, however, termination shall not relieve any party from a breach occurring prior to that date.

6.2 Contributor's Deliveries. At the Closing, Contributor shall deliver the following to the Operating Partnership in addition to all other items required to be delivered to the Operating Partnership by Contributor:

(a) Assignment of Contributed Interests. Contributor shall have executed and delivered an Assignment, in substantially the form of Exhibit B attached hereto.

(b) Execution of Partnership Agreement. If Contributor has elected to receive OP Units, signature pages of the Partnership Agreement (which Partnership Agreement shall be in substantially the form attached as an exhibit to the PPM) duly executed by Contributor, as limited partner.

(c) FIRPTA Certificate. An affidavit from Contributor certifying pursuant to Section 1445 of the Internal Revenue Code that Contributor is not a foreign corporation, foreign partnership, foreign trust, foreign estate or foreign person (as those terms are defined in the Code and the Treasury Regulations promulgated thereunder).

(d) Other Documents. Any other document or instrument reasonably requested by the Operating Partnership or required hereby.

6.3 Default Remedies. If Contributor defaults in performing any of Contributor's obligations under this Agreement, the Operating Partnership shall have all rights and remedies available to it at law or in equity resulting from Contributor's default, including without limitation, the right to seek specific performance of this Agreement and Contributor's obligation to convey the Contributed Interests to the Operating Partnership hereunder. The parties acknowledge and agree that the failure of a condition precedent to occur, notwithstanding the good faith and commercially reasonable efforts of the applicable party, shall not be a default hereunder.

ARTICLE VII

MISCELLANEOUS

7.1 Notices. Any notice provided for by this Agreement and any other notice, demand, or communication required hereunder shall be in writing and either delivered in person (including by confirmed facsimile transmission) or sent by hand delivered against receipt or sent by recognized overnight delivery service or by certified or registered mail, postage prepaid, with return receipt requested. All notices shall be addressed as follows:

Operating Partnership:

c/o Armada Hoffler Properties, Inc.
222 Central Park Avenue, Suite 2100,
Virginia Beach, Virginia 23462
Attention: A. Russell Kirk
Fax No.: 757-424-2513

with a copy to (which shall not constitute notice):

Hunton & Williams LLP
Riverfront Plaza, East Tower
951 E. Byrd Street
Richmond, Virginia 23219
Attention: David C. Wright
Fax No.: 804-343-4580

and

Faggert & Frieden, P.C.
222 Central Park Avenue, Suite 1300
Virginia Beach, Virginia 23462
Attention: David Y. Faggert
Fax No.: 757-424-0102

Contributor:

Eric E. Apperson
222 Central Park Avenue
Suite 2100
Virginia Beach, Virginia 23462

Any address or name specified above may be changed by a notice given by the addressee to the other party. Any notice, demand or other communication shall be deemed given and effective as of the date of delivery in person or set forth on the return receipt. The inability to deliver because of changed address of which no notice was given, or rejection or other refusal to accept any notice, demand or other communication, shall be deemed to be receipt of the notice, demand or other communication as of the date of such attempt to deliver or rejection or refusal to accept.

7.2 Entire Agreement; Third-Party Beneficiaries. This Agreement, including, without limitation, the exhibits hereto and thereto, constitute the entire agreement and supersede each prior agreement and understanding, whether written or oral, among the parties regarding the subject matter of this Agreement. This Agreement is not intended to confer any rights or remedies on any Person other than the parties hereto.

7.3 Amendment. This Agreement may not be amended except by an instrument in writing signed on behalf of each of the parties hereto.

7.4 Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the Commonwealth of Virginia, without regard to the conflicts of law rules thereof.

7.5 Counterparts. This Agreement may be executed by the parties hereto in separate counterparts, each of which when so executed and delivered shall be an original, but all such counterparts shall together constitute one and the same instrument. Each counterpart may consist of a number of copies hereof, each signed by less than all, but together signed by all of the parties hereto. Each party may rely upon the facsimile or electronic pdf email signature of any other party as if such signature were an original signature.

7.6 Headings. Headings of the Articles and Sections of this Agreement are for the convenience of the parties only, and shall be given no substantive or interpretive effect whatsoever.

7.7 Incorporation. All Exhibits attached hereto and referred to herein are hereby incorporated herein and made a part hereof for all purposes as if fully set forth herein.

7.8 Severability. Any term or provision of this Agreement which is invalid or unenforceable in any jurisdiction shall, as to that jurisdiction, be ineffective to the extent of such invalidity or unenforceability without rendering invalid or unenforceable the remaining terms and provisions of this Agreement or affecting the validity or enforceability of any of the terms or provisions of this Agreement in any other jurisdiction. If any provision of this Agreement is so broad as to be unenforceable, the provision shall be interpreted to be only so broad as is enforceable.

7.9 Waiver of Conditions. The conditions to each party's obligations hereunder are for the sole benefit of such party and may be waived by such party in whole or in part to the extent permitted by applicable law.

7.10 Dispute Resolution. The parties intend that this Section 7.1010 will be valid, binding, enforceable, exclusive and irrevocable and that it shall survive any termination of this Agreement.

(a) Upon any dispute, controversy or claim arising out of or relating to this Agreement or the enforcement, breach, termination or validity thereof ("Dispute"), the party raising the Dispute will give written notice to the other parties to the Dispute describing the nature of the Dispute following which the parties to such Dispute shall attempt for a period of ten (10) Business Days from receipt by the parties of notice of such Dispute to resolve such Dispute by negotiation between representatives of the parties hereto who have authority to settle such Dispute. All such negotiations shall be confidential and any statements or offers made therein shall be treated as compromise and settlement negotiations for purposes of any applicable rules of evidence and shall not be admissible as evidence in any subsequent proceeding for any purpose. The statute of limitations applicable to the commencement of a lawsuit shall apply to the commencement of an arbitration hereunder, except that no defense based on the running of the statute of limitations will be available based upon the passage of time during any such negotiation. Regardless of the foregoing, a party shall have the right to seek immediate injunctive relief pursuant to clause (c) below without regard to any such ten (10) Business Day negotiation period.

(b) Any Dispute (including the determination of the scope or applicability of this Agreement to arbitrate) that is not resolved pursuant to clause (a) above shall be submitted to final and binding arbitration in Virginia Beach, Virginia before one neutral and impartial arbitrator, in accordance with the laws of the Commonwealth of Virginia for agreements made in and to be performed in Virginia. The arbitration shall be administered by JAMS, Inc. ("JAMS")

pursuant to its Comprehensive Arbitration Rules and Procedures, as in effect on the date hereof. The parties hereto shall appoint one arbitrator within fifteen (15) days of a demand for arbitration. If an arbitrator is not appointed within such 15-day period, the arbitrator shall be appointed by JAMS in accordance with its Comprehensive Arbitration Rules and Procedures, as in effect on the date hereof. The arbitrator shall designate the place and time of the hearing. The hearing shall be scheduled to begin as soon as practicable and no later than sixty (60) days after the appointment of the arbitrator (unless such period is extended by the arbitrator for good cause shown) and shall be conducted as expeditiously as possible. The award, which shall set forth the arbitrator's findings of fact and conclusions of law, shall be filed with JAMS and mailed to the parties no later than thirty (30) days after the close of the arbitration hearing. The arbitration award shall be final and binding on the parties and not subject to collateral attack. Judgment upon the arbitration award may be entered in any federal or state court having jurisdiction thereof.

(c) Notwithstanding the parties' agreement to submit all Disputes to final and binding arbitration before JAMS, the parties shall have the right to seek and obtain temporary or preliminary injunctive relief in any court having jurisdiction thereof. Such courts shall have authority to, among other things, grant temporary or provisional injunctive relief in order to protect any party's rights under this Agreement. Without prejudice to such provisional remedies as may be available under the jurisdiction of a court, the arbitral tribunal shall have full authority to grant provisional remedies and to direct the parties to request that any court modify or vacate any temporary or preliminary relief issued by such court, and to award damages for the failure of any party to respect the arbitral tribunal's orders to that effect.

(d) The prevailing party shall be entitled to recover its costs and reasonable attorneys' fees, and the non-prevailing party shall pay all expenses and fees of JAMS, all costs of the stenographic record, all expenses of witnesses or proofs that may have been produced at the direction of the arbitrator, and the fees, costs and expenses of the arbitrator. The arbitrator shall allocate such costs and designate the prevailing party or parties for these purposes.

[*Signature Page Follows.*]

IN WITNESS WHEREOF, this Agreement has been entered into effective as of the date first written above.

CONTRIBUTOR:

ERIC E. APPERSON

/s/ Eric E. Apperson
By: Eric E. Apperson

OPERATING PARTNERSHIP:

ARMADA HOFFLER, L.P., a Virginia limited partnership

By: Armada Hoffler Properties, Inc.,
its general partner

By: /s/ Louis S. Haddad
Name: Louis S. Haddad
Title: Chief Executive Officer and President

REIT:

ARMADA HOFFLER PROPERTIES, INC., a Maryland corporation

By: /s/ Louis S. Haddad
Name: Louis S. Haddad
Title: Chief Executive Officer and President

EXHIBIT A

Contributor – Eric E. Apperson

CONTRIBUTED ENTITY/ CONTRIBUTED INTEREST	SUBSIDIARY INTERESTS	PROPERTY	PROPERTY ENTITY
New Armada Hoffler Properties I, LLC[1] (all interests owned by Contributor)	0.47025% interest in Bermuda Shopping Center, L.L.C.	Bermuda Shopping Center Chesterfield County, VA	Bermuda Shopping Center, L.L.C.
	2.0% interest in BSE/AH Blacksburg Apartments, LLC	Apartments at Smith's Landing Blacksburg, VA	BSE/AH Blacksburg Apartments, LLC
	5.0% interest in Broad Creek PH. III, L.L.C.	Broad Creek Shopping Center Norfolk, VA	Broad Creek PH. III, L.L.C.
	1.0% interest in Columbus Tower, L.L.C.	Town Center Block 5-A1 Virginia Beach, VA	Columbus Tower, L.L.C.
	4.0% interest in Columbus Tower Block 5-A2 Associates, L.L.C.	Town Center Block 5-A2 Virginia Beach, VA	Columbus Tower Block 5-A2 Associates, L.L.C.
	4.0% interest in AH Columbus II, L.L.C.	Leasehold Interest in Block 5-A2, Town Center Virginia Beach, VA	AH Columbus II, L.L.C.
	3.75% interest in HT Tyre Neck, L.L.C.	Harris Teeter Portsmouth, VA	HT Tyre Neck, L.L.C.
	1.89981% interest in Hanbury Village II, L.L.C.	Hanbury Village Shopping Center Chesapeake, VA	Hanbury Village II, L.L.C.
	Interest equal to 1.9% after the first $356,090 in Hoffler and Associates EAT, LLC	Hanbury Village, Outparcel 3A Chesapeake, VA	Hoffler and Associates EAT, LLC
	0.6498% interest in North Point Development Associates, L.P.	Lot I, Phase III Durham, NC	North Point Development Associates, L.P.
	0.63418% interest in North Pointe Outparcels, L.L.C.	Lot 1, North Pointe Shopping Center Durham, MC	North Pointe Outparcels, L.L.C.
	3.17092% interest in North Pointe VW4, L.L.C.	Lot 1 A North Pointe Durham, NC	North Pointe VW4, L.L.C.
	0.8% interest in TCA Block 4 Retail, L.L.C.	South Retail Unit, Town Center Condominium 4 Virginia Beach, VA	TCA Block 4 Retail, L.L.C.

[1] Prior to the Closing, pursuant to the Master Contribution and Distribution Agreement, Armada/Hoffler Properties, LLC ("AHP") will contribute to New Armada Hoffler Properties I, LLC ("New AHP I") the interests in the subsidiary entities described below and will distribute to Eric E. Apperson ("Apperson") an interest in New AHP I. At Closing, pursuant to the Contribution Agreement, Apperson will contribute his interest in New AHP I to the Operating Partnership.

CONTRIBUTED ENTITY/ CONTRIBUTED INTEREST	SUBSIDIARY INTERESTS	PROPERTY	PROPERTY ENTITY
	0.84643% interest in Armada/Hoffler Tower 4, L.L.C.	Office Tower Unit, North Office Unit and West Retail Unit, Town Center Condominium 4 Virginia Beach, VA	Armada/Hoffler Tower 4, L.L.C.
	4.0% interest in Town Center Associates 7, L.L.C.	East and West A Retail Units, Town Center Condominium 7 Virginia Beach, VA	Town Center Associates 7, L.L.C.
	2.03721% interest in Town Center Associates 12, L.L.C.	Anchor Unit and Commercial Unit, Town Center Condominium 12 Virginia Beach, VA	Town Center Associates 12, L.L.C.
	5.0% interest in Lake View AH-VNG, LLC	Virginia Natural Gas Headquarters Building Virginia Beach, VA	Lake View AH-VNG, LLC
	5.0% interest in Williamsburg Medical Building, LLC	Williamsburg Sentara Medical Building Williamsburg, VA	Williamsburg Medical Building, LLC
	5.0% interest in AH Sandbridge, L.L.C.	Sandbridge Commons Virginia Beach, VA	AH Sandbridge, L.L.C.
New Armada Hoffler Properties II, LLC[2] (all interests owned by Contributor)	2.53858% interest in Courthouse Marketplace Outparcels, L.L.C.	Parcel A-1-B, A-1-C, A-1-D Virginia Beach, VA	Courthouse Marketplace Outparcels, L.L.C.
	2.4% interest in Greenbrier Technology Center II Associates, L.L.C.	Town Center Block 3 Virginia Beach, VA	Greenbrier Technology Center II Associates, L.L.C.
	4.0% interest in Town Center Associates 6, L.L.C.	Retail Unit, 56 Condominium Virginia Beach, VA	Town Center Associates 6, L.L.C.
	2.4% interest in Armada/Hoffler Block 8 Associates, L.L.C.	Town Center Block 8B Virginia Beach, VA	Armada/Hoffler Block 8 Associates, L.L.C.
	5.0% interest in AH Richmond Tower I, L.L.C.	Richmond Tower Richmond, VA	AH Richmond Tower I, L.L.C.

[2] Prior to the Closing, pursuant to the Master Contribution and Distribution Agreement, Armada/Hoffler Properties II, LLC ("AHP II") will contribute to New Armada Hoffler Properties II, LLC ("New AHP II") the interests in the subsidiary entities described below and will distribute to Apperson an interest in New AHP II. At Closing, pursuant to the Contribution Agreement, Apperson will contribute his interest in New AHP II to the Operating Partnership.

CONTRIBUTED ENTITY/ CONTRIBUTED INTEREST	SUBSIDIARY INTERESTS	PROPERTY	PROPERTY ENTITY
	4.0% interest in Town Center Associates 11, L.L.C.	Block 11 Town Center Project Virginia Beach, VA	TCA Block 11 Office, LLC TCA Block 11 Apartments, LLC
	4.0% interest in AH Durham Apartments, L.L.C.	Jackson Street Apartments Durham, NC	AH Durham Apartments, L.L.C.
	5.0% interest in AH Southeast Commerce Center, L.L.C.	Brooks Crossing Newport News, VA	AH Southeast Commerce Center, L.L.C.
	5.0% interest in AH Greentree, L.L.C.	Greentree Shopping Center Chesapeake, VA	AH Greentree, L.L.C.
3.0% interest in TCA Block 3, Inc.	–	Town Center Block 3 Virginia Beach, VA	Greenbrier Technology Center II Associates, L.L.C.
3.0% interest in TCA Block 8, Inc.	–	Town Center Block 8B Virginia Beach, VA	Armada/Hoffler Block B Associates, L.L.C.
1.31128% interest in Town Center Block 10 Apartments, L.P.	–	Apartments and Retail Unit, Town Center Condominium 10 Virginia Beach, VA	Town Center Block 10 Apartments, L.P.

Cash[3] - $1,248,310

OP Units: Determined as set forth below.
Total AH Partners' OP Unit Allocation Percentage: 2.093%

The cash portion of the Consideration that Contributor will receive shall be fixed at the amount shown above. The number of OP Units that Contributor will receive as part of the Consideration is not known as of the date of this Agreement, but shall be calculated as follows:

1. Prior to commencement of marketing of the IPO, the REIT and the managing underwriters for the IPO shall determine a valuation range for the combined equity interests (after deduction of debt) of all of the properties, assets and businesses that will be contributed to the OP and its subsidiaries pursuant to the transactions described in the PPM (the "Formation Transactions"). From the midpoint of this range, there will be deducted the amount of cash that will be paid by the OP as consideration to all of the contributors in connection with the Formation Transactions, with the resulting amount after such deduction being herein referred to as the "Total OP Unit Valuation".

[3] In the event that, at or prior to Closing, the OP has not arranged financing in the form of a credit facility or other debt financing in an amount sufficient to pay to Contributor at Closing the full amount of the cash consideration amount shown above, the OP may deliver to Contributor at Closing a promissory note payable by the OP to Contributor in a principal amount up to $257,900. The promissory note shall not bear interest, shall mature on the first anniversary of the date of issuance and may be prepaid by the OP at any time.

2. The Total OP Unit Valuation shall be divided by the midpoint of the price range for the shares of the REIT's common stock in the IPO (the "IPO Price Range") as set forth on the front cover of the REIT's preliminary prospectus for the IPO filed with the SEC (the "Preliminary Prospectus") to determine a fixed number of OP Units issuable to all the contributors in connection with the Formation Transactions (the "Total OP Units") and the number of Total OP Units shall be reflected in the Preliminary Prospectus.

3. The Total OP Units will be allocated among contributors who are not officers, employees or affiliates of Armada Hoffler Holding Company and its affiliates (collectively, the "Non-AH Partners") and the contributors who are officers, employees or affiliates of Armada Hoffler Holding Company and its affiliates, including certain trusts established by such officers and employees (collectively, the "AH Partners"), including Contributor.

4. Each Non-AH Partners will receive a number of OP Units equal to the amount of consideration set forth in such Non-AH Partner's contribution agreement with the OP as allocable to OP Units, divided by the IPO Price (the "Total Non-AH Partners' OP Units"). To the extent the IPO Price is greater or less than the mid-point of the IPO Price Range, the number of OP Units issuable to each Non-AH Partner (as described and set forth in the Preliminary Prospectus) will decrease or increase, respectively, in an amount sufficient to cause the value of the OP Units issuable to the Non-AH Partner to equal the amount of the consideration set forth in such Non-AH Partner's contribution agreement (utilizing a value per OP Unit equal to the IPO Price).

5. The aggregate number of OP Units issuable to the AH Partners (the "Total AH Partners' OP Units") will be equal to the difference between (a) the Total OP Units and (b) the Total Non-AH Partners' OP Units.

6. The number of OP Units issuable as Consideration to Contributor pursuant to this Agreement will be determined by multiplying (a) the Total AH Partners' OP Units by (b) the percentage set forth above under the heading "Total AH Partners' OP Unit Allocation Percentage" divided by the IPO Price.

[*Signature Page Follows*]

The undersigned hereby agrees that this Exhibit A represents the definitive Exhibit A to the Contribution Agreement and supersedes any and all prior versions.

CONTRIBUTOR:

ERIC E. APPERSON

/s/ Eric E. Apperson

By: Eric E. Apperson

OPERATING PARTNERSHIP:

ARMADA HOFFLER, L.P., a Virginia limited partnership

By: Armada Hoffler Properties, Inc.,
its general partner

By: /s/ Louis S. Haddad
Name: Louis S. Haddad
Title: Chief Executive Officer and President

REIT:

ARMADA HOFFLER PROPERTIES, INC., a Maryland corporation

By: /s/ Louis S. Haddad
Name: Louis S. Haddad
Title: Chief Executive Officer and President

Exhibit B

Assignment

The undersigned, for good and valuable consideration paid to the Assignor by ARMADA HOFFLER, L.P., a Virginia limited partnership ("Assignee"), pursuant to the Contribution Agreement dated as of , 2012, by and between Assignor and Assignee (the "Agreement") and for other good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, does hereby sell, assign, transfer, convey and deliver to the Assignee, its successors and assigns, good and indefeasible right, title and interest to the **[partnership or limited liability company interests/shares of common stock]** described on *Schedule A* hereto, including, without limitation, all right, title and interest, if any, of the undersigned in and to the assets of each such **[partnership/limited liability company/corporation]** and the right to receive distributions of money, profits and other assets from each such partnership, presently existing or hereafter at any time arising or accruing, free and clear of all liens, encumbrances, security interests, pledges, voting agreements, prior assignments or conveyances, conditions, restrictions, claims, and any other matters affecting title thereto.

The undersigned, for itself, its successors and assigns, hereby covenants and agrees that, at any time and from time to time after the date hereof, upon the written request of Assignee, the undersigned will, without further consideration, do, execute, acknowledge, and deliver or cause to be done, executed, acknowledged and delivered, each of and all of such further acts, deeds, assignments, transfers, conveyances and assurances as may reasonably be required by Assignee in order to assign, transfer, set over, convey, assure and confirm unto and vest in Assignee, its successors and assigns, title to the interests described in *Schedule A* hereto

Capitalized terms used but not defined herein shall have the respective meanings ascribed to them in the Agreement.

IN WITNESS WHEREOF, the parties hereto have caused this Assignment to be signed by a duly authorized officer this day of , 201 .

, a

By: _____
Name:
Title:

Exhibit 10.13

CONTRIBUTION AGREEMENT

Michael P. O'Hara

This CONTRIBUTION AGREEMENT (this "Agreement") is made as of February 11, 2013 by and among Michael P. O'Hara ("Contributor"), Armada Hoffler, L.P., a Virginia limited partnership (the "Operating Partnership") and Armada Hoffler Properties, Inc., a Maryland corporation (the "REIT").

RECITALS

WHEREAS, Contributor is or may become the record and beneficial owner of equity interests in the amount or percentage described on Exhibit A hereto (the "Contributed Interests") in each of the entities described in Exhibit A hereto (each, a "Contributed Entity" and collectively, the "Contributed Entities"), which are the direct or indirect owners of the respective properties or property entities described on Exhibit A hereto (each a "Property" and collectively, the "Properties"). Entities in which certain of the Contributed Entities own interests (each, a "Subsidiary Entity") are set forth on Exhibit A as "Subsidiary Interests". Contributor desires to contribute any and all interests that he may now or hereafter own in the Contributed Interests to the Operating Partnership, and the Operating Partnership desires to acquire the Contributed Interests from Contributor, on the terms and conditions hereinafter set forth.

NOW, THEREFORE, for and in consideration of the foregoing, and the representations, warranties and other terms contained in this Agreement, and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties hereto, intending to be legally bound hereby, agree as follows:

ARTICLE I

THE CONTRIBUTION

1.1 Contribution of Contributed Interests. Contributor irrevocably agrees to contribute, transfer and assign at Closing (as defined herein) any and all interests that he may now or hereafter own in the Contributed Interests set forth opposite Contributor's name on Exhibit A hereto, together with any other interests Contributor may have in any of the Contributed Entities and any other properties or entities being acquired by the Operating Partnership as described in the Confidential Private Placement Memorandum for the Offering of Limited Partnership Interests of the Operating Partnership dated January 16, 2013 (the "PPM"), to the Operating Partnership, and the Operating Partnership agrees to accept transfer of the Contributed Interests and any such other interests pursuant to the terms and subject to the conditions set forth in this Agreement. The Contributed Interests shall be transferred to the Operating Partnership free and clear of all liens, encumbrances, security interests, pledges, voting agreements, prior assignments or conveyances, conditions, restrictions, claims, and any other matters affecting title thereto.

1.2 Consideration.

(a) Consideration Amount. The total consideration (the "Consideration") for which Contributor agrees to contribute, transfer and assign the Contributed Interests to the Operating Partnership, and for which the Operating Partnership agrees to pay, issue or deliver to Contributor, subject to the terms of this Agreement, at Closing (as defined herein) shall be determined in the manner set forth on Exhibit A hereto. The Consideration may be adjusted, upward or downward, by the amount of any adjustments arising from the Prorations (as defined herein). Any decrease to the amount of the Consideration will be deducted first from the cash portion of the Consideration, if any, and the balance, if any, will be deducted from the OP Units. Any increase in the Consideration as a result of the Prorations will be paid in OP Units. In addition to the Consideration set forth on Exhibit A hereto, Contributor shall be entitled to receive in cash, at Closing or shortly thereafter, Contributor's pro rata share (based on Contributor's direct or indirect ownership interest in each Property Entity) of any tenant improvement, leasing commission and replacement reserves held by lenders with respect to each Property in which Contributor owns an interest.

(b) Election Form. The Consideration shall be payable in accordance with the election made by Contributor in the Consideration Election Form ("Election Form") accompanying the PPM, the results of which election are set forth on Exhibit A hereto. If, pursuant to the Election Form, Contributor (A) elected all or part of Contributor's consideration payable hereunder to be in the form of units of limited partnership interests of the Operating Partnership ("OP Units") and (B) submitted to the Operating Partnership (x) an executed Investor Questionnaire representing and warranting to the Operating Partnership that Contributor is an "accredited investor" as defined in the Investor Questionnaire and (y) any other documentation required by the Operating Partnership, including, but not limited to, a signature page to the Partnership Agreement (as hereinafter defined), Contributor shall receive OP Units in an amount determined in the manner described on Exhibit A hereto. The portion of the Consideration, if any, payable in cash is set forth on Exhibit A. Contributor agrees that the cash payment shall be made and the OP Units shall be registered in the name of the persons or entities set forth on the Election Form. OP Units will only be delivered to Contributor if Contributor has represented to the Operating Partnership that Contributor is an "accredited investor". No fractional OP Units will be issued and OP Units will be rounded to the nearest whole number. The Consideration payable to Contributor, whether in cash, in OP Units or a combination thereof, may be reduced by the amount the Operating Partnership reasonably determines must be withheld for tax purposes. The rights and obligations of holders of OP Units as of the Closing will be as set forth in the First Amended and Restated Agreement of Limited Partnership of the Operating Partnership (the "Partnership Agreement"), a draft copy of which is included as an exhibit to the PPM.

1.3 OP Units. Although initially the OP Units will not be certificated, certificates, if any, subsequently evidencing the OP Units will bear appropriate legends (i) indicating that the OP Units have not been registered under the Securities Act of 1933, as amended ("Securities Act"), (ii) indicating that the Partnership Agreement will restrict the transfer of the OP Units, and (iii) describing the ownership limitations and transfer restrictions imposed by the charter of the REIT with respect to shares of the REIT's common stock.

1.4 No Further Interest. Contributor acknowledges and agrees that effective upon the Closing, and without any further action by Contributor, the Contributed Interests shall be transferred, assigned and conveyed to the Operating Partnership, or a subsidiary thereof, and Contributor shall no longer be an equity holder of any of the Contributed Entities, shall no longer be entitled to receive any distributions from any of the Contributed Entities, and shall have no further right, title or interest in any of the Contributed Interests, the Contributed Entities or the Property Entities.

1.5 Tax Consequences to Contributor. Notwithstanding anything to the contrary contained in this Agreement, including without limitation the use of words and phrases such as "sell," "sale," "purchase," and "pay," the parties hereto acknowledge, agree and consent that the transactions contemplated hereby will be treated for federal income tax purposes (i) in accordance with Section 721 of the Internal Revenue Code of 1986, as amended (the "Code") with respect to any portion of the Consideration that is payable in OP Units; (ii) as an "assets over form" of transaction pursuant to Treasury Regulations Section 1.708-1(c)(3)(i); and (iii) as a sale of the Contributor's Contributed Interests to the Operating Partnership under Treasury Regulations Section 1.708-1(c)(4) to the extent of the Contributor's receipt of cash Consideration pursuant to Section 1.2(a), except to the extent that such cash Consideration is treated as (a) the reimbursement of "preformation expenditures" under Treasury Regulations Section 1.707-4(d); and/or (b) a "debt financed transfer of consideration" by the Operating Partnership under Treasury Regulations Section 1.707-5(b), as applicable.

1.6 Definitions. As used in this Agreement, the following terms have the following meanings:

"Contributor's Percentage Interest" means, with respect to each Contributed Entity, the percentage set forth on Exhibit A hereto under the heading "Contributed Entity/Contributed Interest", which reflects Contributor's percentage ownership interest in each Contributed Entity pursuant to and in accordance with the applicable Governing Agreement (as defined herein) of the Contributed Entity.

"IPO" means the underwritten initial public offering of common stock of the REIT.

"IPO Price" means the public offering price set forth on the front cover of the final prospectus for the IPO, as filed with the U.S. Securities and Exchange Commission (the "SEC").

"Property Entity" means an entity owning a Property, as set forth on Exhibit A hereto.

"Prorations" means those proration and adjustment amounts that are customarily applied to closings of commercial real estate transactions in the county in which the Property is located, which amounts shall be calculated as of midnight (Eastern time) of the day immediately preceding the Closing Date and shall include:

(A) Taxes. All real estate and personal property taxes and special assessments, if any, with respect to each Property shall be prorated at Closing;

(B) Utilities. All telephone, electric, sewer, water and other utility bills, trash removal bills, janitorial and maintenance service bills and all other expenses relating to a

Property that are obligations of the Property Entity and which are allocable to the period prior to the Closing Date shall be determined and paid, or caused to be paid, by the Property Entity or Contributed Entity before Closing, if possible, or if such is not determinable before Closing, then the Parties shall use their commercially reasonable efforts to determine and pay such amounts as promptly as possible following Closing and the Operating Partnership may withhold from any cash amount of the Consideration payable at Closing hereunder an amount of cash reasonably estimated to cover any estimated Proration for the items described in this subsection (B);

(C) Rents. All rents, including, without limitation, base rents, operating expense payments or common area maintenance charges and all other forms of additional rents, payable under the leases of the Property and all other income from the Property shall be prorated at Closing; and

(D) Other Items. Any other items of revenue, operating expenses or other items which are customarily prorated between a transferor and transferee of real estate in the county in which the Property is located shall be prorated at Closing.

"Representation, Warranty and Indemnity Agreement" means the Representation, Warranty and Indemnity Agreement by and among the REIT, the Operating Partnership and Daniel A. Hoffler.

ARTICLE II

REPRESENTATIONS AND WARRANTIES

2.1 Representations by the Operating Partnership. The Operating Partnership hereby represents and warrants to Contributor that the following statements are true, correct, and complete as of the date of this Agreement and will be true, correct and complete as of the Closing Date (as defined herein):

(a) Organization and Power. The Operating Partnership is duly organized, validly existing, and in good standing under the laws of the Commonwealth of Virginia, and has full right, power, and authority to enter into this Agreement and to assume and perform all of its obligations under this Agreement. The execution and delivery of this Agreement and the performance by the Operating Partnership of its obligations hereunder have been duly authorized by all requisite action of the Operating Partnership and require no further action or approval of the Operating Partnership's partners or of any other individuals or entities in order to constitute this Agreement as a binding and enforceable obligation of the Operating Partnership.

(b) OP Units Validly Issued. The OP Units, when issued in accordance with the terms of this Agreement and the Partnership Agreement, will have been duly and validly authorized and issued, free of any preemptive or similar rights, and will be fully paid, without any obligation to restore capital, except as required by the Virginia Revised Uniform Limited Partnership Act (the "Limited Partnership Act").

2.2 Representations by Contributor. Contributor hereby represents and warrants to the Operating Partnership that the following statements are true, correct, and complete as of the date of this Agreement and will be true, correct, and complete as of the Closing Date:

(a) Organization and Power; Due Authorization. Contributor, if an entity or trust, is duly incorporated, formed or organized, validly existing, and in good standing under the laws of its state of incorporation, formation or organization. Contributor has full right, power, and authority to enter into this Agreement and to assume and perform all of its obligations under this Agreement; and the execution and delivery of this Agreement and the performance by Contributor of its obligations hereunder have been duly authorized by all requisite action of Contributor and require no further action or approval of Contributor's members, partners, stockholders, managers, board of directors, trustees or of any other individuals or entities, as applicable, in order to constitute this Agreement as a binding and enforceable obligation of Contributor. No person has any community property rights, by virtue of marriage or otherwise, with respect to the Contributed Interests. This Agreement and each agreement, document and instrument executed and delivered by or on behalf of Contributor pursuant to this Agreement constitutes, or when executed and delivered will constitute, the legal, valid and binding obligation of Contributor, each enforceable against Contributor in accordance with its terms, except as such enforceability may be limited by bankruptcy or the application of equitable principles.

(b) Noncontravention. Neither the entry into nor the performance of, or compliance with, this Agreement by Contributor has resulted, or will result, in any violation of, or default under, or result in the acceleration of, any obligation under any charter, bylaws, limited liability company agreement, partnership agreement, declaration of trust, mortgage indenture, lien agreement, note, contract, agreement, permit, judgment, decree, order, restrictive covenant, statute, rule, or regulation applicable to Contributor or to any Contributed Interests, any Contributed Entity, Subsidiary Interests or Property Entity.

(c) Litigation. There is no action, suit, or proceeding, pending or known to be threatened, against or affecting Contributor in any court or before any arbitrator or before any federal, state, municipal, or other governmental department, commission, board, bureau, agency or instrumentality which (1) in any manner raises any question affecting the validity or enforceability of this Agreement, (2) could materially and adversely affect the business, financial position, or results of operations of Contributor, any Contributed Entity, Subsidiary Interests, Property Entity or Property, (3) could adversely affect the ability of Contributor to perform its obligations hereunder, or under any document to be delivered pursuant hereto, (4) could create a lien on the Contributed Interests, any part thereof, or any interest therein, or (5) could adversely affect the Contributed Interests, any part thereof, or any interest therein.

(d) Good Title. Exhibit A hereto accurately sets forth Contributor's Percentage Interest. Contributor is the sole record and beneficial owner of the Contributed Interests and has full power and authority to convey the Contributed Interests pursuant to the terms of this Agreement. Contributor has good and marketable title to the Contributed Interests. Except as set forth on Schedule 2.1(d), the Contributed Interests are free and clear of all liens, encumbrances, security interests, pledges, voting agreements, prior assignments or conveyances, conditions, restrictions, claims or any other matters affecting title thereto and at the Closing will

be contributed to the Operating Partnership free and clear of all liens, encumbrances, security interests, pledges, voting agreements, prior assignments or conveyances, conditions, restrictions, claims or other matters affecting title thereto. No other person or entity has an option to purchase or a right of first refusal to purchase the Contributed Interests nor are there any agreements or understandings with respect to the voting, ownership or disposition of the Contributed Interests that could adversely affect Contributor's ability to perform its obligations hereunder or the Operating Partnership's rights to the Contributed Interests following the Closing.

(e) Contributed Interests. There are no rights to purchase, subscriptions, warrants, options, conversion rights or preemptive rights relating to the Contributed Interests or any equity interest in any Contributed Entity that will be in effect as of the Closing.

(f) No Consents. Each consent, approval, authorization, order, license, certificate, permit, registration, designation, or filing by or with any governmental agency or body necessary for the execution, delivery and performance of this Agreement or the transactions contemplated hereby by Contributor has been obtained or will be obtained on or before the Closing Date. Each consent or approval required under any Governing Agreement (as defined herein), contract or agreement of any Contributed Entity, or among the partners, members or stockholders of any Contributed Entity, Subsidiary Entity or Property Entity to which Contributor is a party, relating to indebtedness or otherwise, necessary for the execution, delivery and performance of this Agreement and the contribution, acquisition and transfer of the Contributed Interests has been obtained or will be obtained on or before the Closing Date.

(g) Actions Prior to Closing. From the date hereof until the Closing Date, Contributor shall not take any action or fail to take any action the result of which would (1) have a material adverse effect on the Contributed Interests or the Operating Partnership's ownership thereof, or any material adverse effect on the assets, business, condition (financial or otherwise), results or operation of any Property, any Contributed Entity, Subsidiary Entity or Property Entity after the Closing Date or (2) cause any of the representations and warranties contained in this Section 2.2 to be untrue as of the Closing Date.

(h) Governing Documents. Contributor has performed all of its obligations under the Limited Partnership Agreement, Limited Liability Company Agreement, Operating Agreement, Charter and Bylaws, as such may have been amended from time to time, as applicable, of each Contributed Entity in which it owns an interest, (each a "Governing Agreement" and collectively, the "Governing Agreements").

(i) Securities Law Matters.

(1) In deciding to engage in the transaction contemplated by this Agreement, including, if applicable, acquiring OP Units, neither Contributor nor any equity holder thereof is relying upon any representations made to it by the Operating Partnership, or any of its partners, officers, employees, or agents that are not contained herein. Contributor is aware of the risks involved in investing in the OP Units and in the securities issuable upon redemption of such OP Units. Contributor is knowledgeable, sophisticated and experienced in business and financial matters and fully understands the

limitations on transfer imposed by the federal securities laws and as described in this Agreement and the PPM and related materials, including the Partnership Agreement. Contributor has received the PPM and related materials, including the Partnership Agreement, has reviewed all documents and has had an opportunity to ask questions of, and to receive answers from, the Operating Partnership and the REIT or a person or persons authorized to act on their behalf, concerning the terms and conditions of an investment in the OP Units and the financial condition, affairs, and business of the Operating Partnership and the REIT. Contributor confirms that all documents, records, and information pertaining to its investment in OP Units that have been requested by Contributor have been made available or delivered to Contributor prior to the date hereof.

(2) Contributor understands and acknowledges that (i) certain of the information contained in the PPM is incomplete or may be revised, amended or supplemented in the registration statement to be filed by the REIT with the SEC in connection with the IPO and (ii) the financial information included in the PPM has not been audited, but will be audited prior to the REIT's filing of the registration statement with the SEC, and such information could change upon audit, and any such changes could be material.

(3) Contributor and each equity holder thereof understands that the offer and sale of OP Units have not been registered under the Securities Act or any state securities laws and are instead being offered and sold in reliance on an exemption from such registration requirements and that the Operating Partnership's reliance on such exemption is predicated in part on the accuracy and completeness of the representations and warranties of Contributor contained herein. The OP Units issuable to Contributor are being acquired by Contributor solely for its own account, for investment, and are not being acquired with a view to, or for resale in connection with, any distribution, subdivision, or fractionalization thereof, in violation of such laws, and Contributor does not have any present intention to enter into any contract, undertaking, agreement, or arrangement with respect to any such resale.

(4) Contributor is able to bear the economic risk of holding the OP Units for an indefinite period and is able to afford the complete loss of its investment in the OP Units.

(5) Contributor understands that no federal agency (including the SEC) or state agency has made or will make any finding or determination as to the fairness of an investment in the OP Units (including as to the value of the Consideration payable in OP Units in accordance with Section 1.2 hereof).

(6) Contributor understands that there is no established public, private or other market for the OP Units to be acquired by Contributor hereunder and it is not anticipated that there will be any public, private or other market for such OP Units in the foreseeable future.

(7) Contributor understands that Rule 144 promulgated under the Securities Act is not currently available with respect to the sale of OP Units.

(j) Accredited Investor. If Contributor is electing to receive OP Units as some or all of the Consideration, Contributor is an "accredited investor", as that term is defined in Rule 501 of Regulation D under the Securities Act, and has previously provided the Operating Partnership and the REIT with a duly executed questionnaire confirming Contributor's accredited investor status. No event or circumstance has occurred since delivery of such questionnaire to make the statements therein false or misleading.

(k) Tax Matters. Contributor represents and warrants that it has obtained from its own counsel advice regarding the tax consequences of (i) the transfer of the Contributed Interests to the Operating Partnership and the receipt of OP Units and/or cash as the Consideration therefor, (ii) its admission as a limited partner of the Operating Partnership, if applicable and (iii) any other transaction contemplated by this Agreement. Neither the Operating Partnership nor the REIT has made any representation to Contributor regarding the tax treatment of the transactions contemplated by this Agreement, and Contributor further represents and warrants that it has not relied on the Operating Partnership or the Operating Partnership's representatives or counsel for any tax advice.

(l) Bankruptcy with respect to Contributor. No Act of Bankruptcy has occurred with respect to Contributor. As used herein, "Act of Bankruptcy" means if Contributor or any equity holder, partner, manager or director thereof shall (A) apply for or consent to the appointment of, or the taking of possession by, a receiver, custodian, trustee or liquidator of itself or of all or a substantial part of its property, (B) admit in writing its inability to pay its debts as they become due, (C) make a general assignment for the benefit of its creditors, (D) file a voluntary petition or commence a voluntary case or proceeding under the Federal Bankruptcy Code (as now or hereafter in effect), (E) be adjudicated bankrupt or insolvent, (F) file a petition seeking to take advantage of any other law relating to bankruptcy, insolvency, reorganization, receivership, dissolution, winding-up or composition or adjustment of debts, (G) fail to controvert in a timely and appropriate manner, or acquiesce in writing to, any petition filed against it in an involuntary case or proceeding under the Federal Bankruptcy Code (as now or hereafter in effect), or (H) take any entity action for the purpose of effecting any of the foregoing.

(m) Brokerage Commission. Contributor has not engaged the services of any real estate agent, broker, finder or any other person or entity for any brokerage or finder's fee, commission or other amount with respect to the transactions described herein.

(n) No Other Equity Interests. Except for the Contributed Interests, neither Contributor nor any of its affiliates owns, directly or indirectly, any equity interest in any partnership, limited liability company, corporation, trust or other entity owning a Property being acquired by the Operating Partnership as part of the formation transactions described in the PPM and does not own any interest in any Property other than through the Contributed Interests.

ARTICLE III

INDEMNIFICATION

3.1 Survival of Representations and Warranties; Remedy for Breach.

(a) Subject to Section 3.5 hereof, all representations and warranties of Contributor contained in this Agreement or in any Schedule, Exhibit, certificate or affidavit delivered pursuant to this Agreement shall survive the Closing.

(b) Subject to Section 3.4 hereof, following the Closing, Contributor shall be liable under this Agreement for monetary damages (or otherwise) for breach of any of its representations, warranties, covenants and obligations contained in this Agreement or in any Schedule, Exhibit, certificate or affidavit delivered by Contributor pursuant thereto.

3.2 General Indemnification.

(a) From and after the Closing Date, Contributor shall indemnify, hold harmless and defend the Operating Partnership and the REIT, and their respective officers, directors, employees, stockholders, partners, agents and affiliates (each of which is an "Indemnified Party"), from and against any and all claims, losses, damages, liabilities and expenses, including, without limitation, interest, penalties, amounts paid in settlement, reasonable attorneys' fees, costs of investigation, judicial or administrative proceedings or appeals therefrom and costs of attachment or similar bonds (collectively, "Losses") asserted against, imposed upon or incurred by the Indemnified Party, to the extent resulting from any breach of a representation, warranty or covenant of Contributor contained in this Agreement, or in any Schedule, Exhibit, certificate or affidavit delivered by Contributor pursuant thereto. In each case, Contributor shall only bear the fees, costs or expenses in connection with the employment of one counsel (regardless of the number of Indemnified Parties).

(b) Contributor shall also indemnify and hold harmless the Indemnified Parties from and against any and all Losses asserted against, imposed upon or incurred by the Indemnified Parties to the extent resulting from an unrelated third-party claim relating to the Contributed Interests arising from matters that occurred prior to Closing.

(c) With respect to any claim of an Indemnified Party pursuant to this Section 3.2, to the extent available, the Operating Partnership agrees to use diligent good faith efforts to pursue and collect any and all available proceeds and benefits of any right to defense under any insurance policy that covers the matter which is the subject of the indemnification prior to seeking indemnification from Contributor until all proceeds and benefits, if any, to which the Operating Partnership or the Indemnified Party is entitled pursuant to such insurance policy have been exhausted; provided, however, that the Operating Partnership may make a claim under this Section 3.2 even if an insurance coverage dispute is pending, in which case, if the Indemnified Party later receives insurance proceeds with respect to any Losses paid by either Contributor for the benefit of any Indemnified Party, then the Indemnified Party shall reimburse Contributor in an amount equivalent to such proceeds in excess of any deductible amount pursuant to Section 3.2(a) hereof up to the amount actually paid (or deemed paid) by Contributor

to the Indemnified Party in connection with such indemnification (it being understood that all costs and expenses incurred by Contributor with respect to insurance coverage disputes shall constitute Losses paid by Contributor for purposes of Section 3.2(a) hereof).

3.3 Notice and Defense of Claims. As soon as reasonably practicable after receipt by the Indemnified Party of notice of any liability or claim incurred by or asserted against the Indemnified Party that is subject to indemnification under this Article III, the Indemnified Party shall give notice thereof to Contributor, including liabilities or claims to be applied against the indemnification deductible established pursuant to Section 3.4 hereof; provided that failure to give notice to Contributor will not relieve Contributor from any liability that it may have to any Indemnified Party, unless, and only to the extent that, such failure (a) shall have caused prejudice to the defense of such claim or (b) shall have materially increased the costs or potential liability of Contributor by reason of the inability or failure of Contributor (due to such lack of prompt notice) to be involved in any investigations or negotiations regarding any such claim. Such notice shall describe in reasonable detail the facts known to such Indemnified Party giving rise to such claim, and the amount or good faith estimate of the amount of Losses arising therefrom. Unless prohibited by law, such Indemnified Party shall deliver to Contributor, promptly after such Indemnified Party's receipt thereof, copies of all notices and documents received by such Indemnified Party relating to such claim. The Indemnified Party shall permit Contributor, at Contributor's option and expense, to assume the defense of any such claim by counsel selected by Contributor and reasonably satisfactory to the Indemnified Party, and to settle or otherwise dispose of the same; provided, however, that the Indemnified Party may at all times participate in such defense at its sole expense; and provided further, however, that Contributor shall not, in defense of any such claim, except with the prior written consent of the Indemnified Party in its sole and absolute discretion, consent to the entry of any judgment or enter into any settlement that does not include as an unconditional term thereof the giving by the claimant or plaintiff in question to all Indemnified Parties a full and complete release of all liabilities in respect of such claims, or that does not result only in the payment of money damages which are paid (or deemed paid) in full by Contributor. If Contributor shall not have undertaken such defense within 20 days after such notice, or within such shorter time as may be reasonable under the circumstances to the extent required by applicable law, then the Indemnified Party shall have the right to undertake the defense, compromise or settlement of such liability or claim on behalf of and for the account of Contributor and at Contributor's sole cost and expense (subject to the limitations in Section 3.4 hereof).

3.4 Limitations on Indemnification Under Section 3.2(a).

(a) Contributor shall not be liable under Section 3.2(a) hereof unless and until the total amount recoverable by the Indemnified Parties under Section 3.2(a) exceeds one percent (1%) of the value of the aggregate Consideration (valuing OP Units at the IPO Price) and then only to the extent of such excess.

(b) Notwithstanding anything contained herein to the contrary, before taking recourse against any assets of Contributor and subject to the limitations set forth in the following sentence, the Indemnified Parties shall look, first to available insurance proceeds (including without limitation any title insurance proceeds, if applicable) pursuant to Section 3.2(c) above, and then to indemnification under this Article III, (and agree to treat any return of OP Units in

satisfaction of indemnification obligations hereunder as an adjustment to the consideration delivered to Contributor pursuant to the Formation Transactions). Notwithstanding anything to the contrary in this Agreement, except in the case of fraud or in the event of Losses relating to a third-party claim, Contributor shall not be liable to the Indemnified Parties for any indirect, special or consequential damages, loss of profits, taxes relating to tax years beginning on or after Closing, loss of value or other similar speculative damages asserted or claimed by the Indemnified Parties.

(c) The limitations in this Section 3.4 shall not apply to any obligations of Contributor with respect to Prorations under this Agreement.

3.5 Limitation Period.

(a) Any claim for indemnification under Section 3.2 hereof must be asserted in writing by the Indemnified Party, stating the nature of the Losses and the basis for indemnification therefor on or prior to the fifth (5th) anniversary of the Closing.

(b) If asserted in writing on or prior to the date specified in Section 3.5(a) hereof for the applicable claim, any claims for indemnification pursuant to Section 3.2 hereof shall survive until resolved by mutual agreement between Contributor and the Indemnified Party or by arbitration or court proceeding.

3.6 Delivery of Indemnity Amounts. Indemnity payments may be made by Contributor in the form of cash or OP Units. To the extent indemnification is made through delivery by Contributor of OP Units, such OP Units shall be valued at an amount per OP Unit equal to the IPO Price. Contributor hereby authorizes the REIT, as general partner of the Operating Partnership, to take all such action as may be necessary to amend the Partnership Agreement, and any exhibits or schedules thereto, to reflect the delivery of any OP Units by Contributor to the Operating Partnership as an indemnification payment hereunder and to reflect that Contributor has no further right, title or interest with respect to any such OP Units.

ARTICLE IV

COVENANTS

4.1 Covenants of the Contributor.

(a) Satisfaction of Conditions. Contributor hereby covenants that Contributor shall: (A) use commercially reasonable efforts and diligence in order to satisfy all of the conditions to Closing set forth herein, and (B) cooperate and assist in the Operating Partnership's efforts to satisfy all of the conditions to Closing set forth herein, and agrees that the Operating Partnership shall not have any obligation to consummate the Closing hereunder unless and until such conditions have been satisfied or waived by the Operating Partnership in writing.

(b) Consent to Transfers. Contributor hereby consents to the transfer of, and waives any rights of first refusal, right of first offer, buy-sell agreements, put, option or similar parallel or dissenter rights or similar rights afforded to Contributor under the Governing Agreements or otherwise with respect to any equity ownership interest in any Contributed Entity,

Subsidiary Entity, Property Entity or Property or any other company or property being contributed or transferred to the Operating Partnership pursuant to a separate contribution or other agreement or as otherwise described in the PPM.

(c) No Disposition or Encumbrance of Contributed Interests. From the date hereof through the Closing, except as specifically contemplated by this Agreement, Contributor shall not, without the prior written consent of the Operating Partnership: (i) sell, transfer (or agree to sell or transfer) or otherwise dispose of, or cause the sale, transfer or disposition of (or agree to do any of the foregoing) all or any portion of its interest in the Contributed Interests or all or any portion of its interest in any Subsidiary Entity, Property Entity or Property; or (ii) mortgage, assign, pledge or otherwise encumber in any manner the Contributed Interests or Subsidiary Interests.

(d) Ordinary Course of Business. From the date hereof through the Closing, and except as specifically contemplated by this Agreement, Contributor shall, to the extent within its control, cause each Contributed Entity, Subsidiary Entity and Property Entity to conduct its business in the ordinary course of business consistent with past practice, and shall, to the extent within its control, not permit any Contributed Entity, any Subsidiary Entity or any Property Entity without the prior written consent of the Operating Partnership, to: (i) enter into any material transaction not in the ordinary course of business; (ii) mortgage, pledge or encumber any assets of the Contributed Entity, any Subsidiary Entity, any Property Entity or any Property, (iii) cause or permit any Property Entity to change the existing use of any Property; (iv) cause or take any action that would render any of the representations or warranties set forth herein untrue; (v) file an entity classification election pursuant to Treasury Regulations Section 301.7701-3(c) on Internal Revenue Service Form 8832 (Entity Classification Election) to treat the Contributed Entity as an association taxable as a corporation for federal income tax purposes; (vi) make or change any other tax elections; (vii) settle or compromise any claim, notice, audit report or assessment in respect of taxes; (viii) change any annual tax accounting period; (ix) adopt or change any method of tax accounting; (x) file any amended return, report or form (including an election, declaration, amendment, schedule, information return or attachment thereto) required to be filed with a governmental authority with respect to taxes (each, a "Tax Return"); (xi) enter into any tax allocation agreement, tax sharing agreement, tax indemnity agreement or closing agreement relating to any tax; (xii) surrender of any right to claim a tax refund; (xiii) consent to any extension or waiver of the statute of limitations period applicable to any tax claim or assessment; or (xiv) make any distribution to its partners or members, except for cash distributions in the ordinary course of business consistent with past practices or as permitted by this Agreement.

4.2 Tax Covenants.

(a) Contributor and the Operating Partnership shall provide each other with such cooperation and information relating to any of the Contributed Interests, the Contributed Entities, the Subsidiary Entities, the Property Entities or the Properties as the parties reasonably may request in (i) filing any Tax Return, amended Tax Return or claim for tax refund, (ii) determining any liability for taxes or a right to a tax refund, (iii) conducting or defending any proceeding in respect of taxes, or (iv) performing tax diligence, including with respect to the impact of this transaction on the REIT's tax status as a REIT. Such reasonable cooperation shall

include making employees available on a mutually convenient basis to provide additional information and explanation of any material provided hereunder. The Operating Partnership shall promptly notify Contributor upon receipt by the Operating Partnership or any of its affiliates of notice of (i) any pending or threatened tax audits or assessments with respect to the income, properties or operations of any of the Contributed Entities, the Subsidiary Entities, the Property Entities or their subsidiaries or with respect to any Property and (ii) any pending or threatened federal, state, local or foreign tax audits or assessments of the Operating Partnership or any of its affiliates, in each case, which may affect the liabilities for taxes of Contributor with respect to any tax period ending before or as a result of the Closing. Contributor shall promptly notify the Operating Partnership in writing upon receipt by Contributor or any of its affiliates of notice of any pending or threatened federal, state, local or foreign tax audits or assessments relating to the income, properties or operations of any of the Contributed Entities, the Property Entities or the Subsidiary Entities or with respect to any Property. Each of the Operating Partnership and Contributor may participate at its own expense in the prosecution of any claim or audit with respect to taxes attributable to any taxable period ending on or before the Closing Date; provided, that Contributor shall have the right to control the conduct of any such audit or proceeding or portion thereof for which Contributor has acknowledged liability (except as a partner of the Operating Partnership) for the payment of any additional tax liability, and the Operating Partnership shall have the right to control any other audits and proceedings. Notwithstanding the foregoing, neither the Operating Partnership nor Contributor may settle or otherwise resolve any such claim, suit or proceeding which could have an adverse tax effect on the other party or its affiliates (other than on Contributor or any of its affiliates as a partner of the Operating Partnership) without the consent of the other party, such consent not to be unreasonably withheld. Contributor and the Operating Partnership shall retain all Tax Returns, schedules and work papers with respect to the Contributed Entities, the Property Entities, the Subsidiary Entities, and the Properties, and all material records and other documents relating thereto, until the expiration of the statute of limitations (and, to the extent notified by any party, any extensions thereof) of the taxable years to which such Tax Returns and other documents relate and until the final determination of any tax in respect of such years.

(b) The Operating Partnership shall prepare or cause to be prepared and file or cause to be filed all Tax Returns of the Contributed Entities, the Property Entities or the Subsidiary Entities that are due after the Closing Date. To the extent such returns relate to a period ending on or prior to the Closing Date, such Tax Returns (including, for the avoidance of doubt, any amended Tax Returns) shall be prepared in a manner consistent with past practice, except as otherwise required by applicable law.

(c) For purposes of allocating items of income, gain, loss and deduction with respect to the Property and/or the Contributed Interests in the manner required by Section 704(c) of the Code, the Operating Partnership shall employ, and shall cause any entity controlled by the Operating Partnership which holds title to the Property or the Contributed Interests to employ, the “traditional method” (without curative allocations) as set forth in Treasury Regulations section 1.704-3(b)(1).

4.3 Relationship to Contributed Entities. Contributor and the Operating Partnership acknowledge and agree that, from and after the Closing (as defined herein), Contributor shall no longer be a member, partner, stockholder or equity owner, or, if applicable, managing member or general partner, of any Contributed Entity, Subsidiary Entity or Property Entity and shall have no rights or benefits under any Governing Agreement.

ARTICLE V

CONDITIONS PRECEDENT TO THE CLOSING

5.1 Conditions to the Operating Partnership's Obligation. In addition to any other conditions set forth in this Agreement, the Operating Partnership's obligation to consummate the Closing is subject to the timely satisfaction of each and every one of the conditions and requirements set forth in this Section 5.1, all of which shall be conditions precedent to the Operating Partnership's obligations under this Agreement.

(a) IPO. The IPO, in such form and substance as the REIT, in its sole and absolute discretion, shall have determined to be acceptable, shall have been completed (or be completed simultaneously with the Closing).

(b) Formation Transactions. The formation transactions described in the PPM shall have occurred or be scheduled to occur contemporaneously with the Closing hereunder.

(c) Representations and Warranties. The representations and warranties made by Contributor pursuant to this Agreement, as well as those contained in the Representation, Warranty and Indemnity Agreement, shall be true and correct as of the Closing as though such representations and warranties were made at the Closing and, if requested by the Operating Partnership, Contributor shall have delivered a certificate to the Operating Partnership to such effect in regard to Contributor's representations and warranties set forth in this Agreement.

(d) Performance. Contributor shall have performed and complied with all agreements and covenants that it is required to perform or comply with pursuant to this Agreement prior to the Closing, including having delivered each of the items set forth in Section 5.2 hereof.

(e) Legal Proceedings. No order, statute, rule, regulation, executive order, injunction, stay, decree, or restraining order shall have been enacted, entered, promulgated or enforced by any court of competent jurisdiction or governmental entity that restrains, prohibits or otherwise invalidates the consummation of the transactions contemplated by this Agreement, and no litigation or governmental proceeding seeking such an order shall be pending or threatened.

(f) Consents and Approvals. All necessary approvals and consents of governmental and private parties, including, without limitation, all ground lessors, tenants, other parties to service contracts, lenders and ratings agencies, partners, members or stockholders of any Contributed Entity, Property Entity or their subsidiaries, to effect the transactions contemplated by this Agreement, shall have been obtained.

(g) Reliance on Regulation D. If Contributor has elected to receive OP Units, the Operating Partnership shall, based on the advice of its counsel and the representations made

by Contributor in Contributor's Investor Questionnaire, be reasonably satisfied that the issuance of OP Units to Contributor may be made without registration under the Securities Act in reliance on Regulation D under the Securities Act.

(h) Representation, Warranty and Indemnity Agreement. Daniel A. Hoffler and each other party thereto shall have entered into the Representation, Warranty and Indemnity Agreement.

(i) No Material Adverse Change. There shall have not occurred between the date hereof and the Closing Date any material adverse change with respect to any of the Contributed Interests or any material adverse change in any of the assets, business, condition (financial or otherwise), results of operation or prospects of any Subsidiary Entity, Property, Property Entity or Contributed Entity.

(j) Tenant and Lender Estoppels. The Operating Partnership shall have received tenant and lender estoppels in form and substance satisfactory to the Operating Partnership and its counsel.

5.2 Conditions to Contributor's Obligation. In addition to any other conditions set forth in this Agreement, Contributor's obligation to consummate the Closing is subject to the timely satisfaction of each and every one of the conditions and requirements set forth in this Section 5.2, all of which shall be conditions precedent to Contributor's obligations under this Agreement.

(a) Representations and Warranties. The representations and warranties made by the Operating Partnership pursuant to this Agreement shall be true and correct as of the Closing as though such representations and warranties were made at the Closing.

(b) Performance. The Operating Partnership shall have performed and complied in all material respects with all agreements and covenants that it is required to perform or comply with pursuant to this Agreement prior to the Closing.

(c) Legal Proceedings. No order, statute, rule, regulation, executive order, injunction, stay, decree, or restraining order shall have been enacted, entered, promulgated or enforced by any court of competent jurisdiction or governmental entity that prohibits the consummation of the transactions contemplated by this Agreement, and no litigation or governmental proceeding seeking such an order shall be pending or threatened.

ARTICLE VI

CLOSING AND CLOSING DOCUMENTS

6.1 Closing. The consummation and closing (the "Closing") of the transactions contemplated pursuant to this Agreement shall take place at the offices of Hunton & Williams LLP in Richmond, Virginia, or such other place as the Operating Partnership may designate, promptly following satisfaction of the conditions to Closing set forth herein (the "Closing Date"), or as otherwise set by agreement of the parties; provided, however, termination shall not relieve any party from a breach occurring prior to that date.

6.2 Contributor's Deliveries. At the Closing, Contributor shall deliver the following to the Operating Partnership in addition to all other items required to be delivered to the Operating Partnership by Contributor:

(a) Assignment of Contributed Interests. Contributor shall have executed and delivered an Assignment, in substantially the form of Exhibit B attached hereto.

(b) Execution of Partnership Agreement. If Contributor has elected to receive OP Units, signature pages of the Partnership Agreement (which Partnership Agreement shall be in substantially the form attached as an exhibit to the PPM) duly executed by Contributor, as limited partner.

(c) FIRPTA Certificate. An affidavit from Contributor certifying pursuant to Section 1445 of the Internal Revenue Code that Contributor is not a foreign corporation, foreign partnership, foreign trust, foreign estate or foreign person (as those terms are defined in the Code and the Treasury Regulations promulgated thereunder).

(d) Other Documents. Any other document or instrument reasonably requested by the Operating Partnership or required hereby.

6.3 Default Remedies. If Contributor defaults in performing any of Contributor's obligations under this Agreement, the Operating Partnership shall have all rights and remedies available to it at law or in equity resulting from Contributor's default, including without limitation, the right to seek specific performance of this Agreement and Contributor's obligation to convey the Contributed Interests to the Operating Partnership hereunder. The parties acknowledge and agree that the failure of a condition precedent to occur, notwithstanding the good faith and commercially reasonable efforts of the applicable party, shall not be a default hereunder.

ARTICLE VII

MISCELLANEOUS

7.1 Notices. Any notice provided for by this Agreement and any other notice, demand, or communication required hereunder shall be in writing and either delivered in person (including by confirmed facsimile transmission) or sent by hand delivered against receipt or sent by recognized overnight delivery service or by certified or registered mail, postage prepaid, with return receipt requested. All notices shall be addressed as follows:

Operating Partnership:

c/o Armada Hoffler Properties, Inc.
222 Central Park Avenue, Suite 2100,
Virginia Beach, Virginia 23462
Attention: A. Russell Kirk
Fax No.: 757-424-2513

with a copy to (which shall not constitute notice):

Hunton & Williams LLP
Riverfront Plaza, East Tower
951 E. Byrd Street
Richmond, Virginia 23219
Attention: David C. Wright
Fax No.: 804-343-4580

and

Faggert & Frieden, P.C.
222 Central Park Avenue, Suite 1300
Virginia Beach, Virginia 23462
Attention: David Y. Faggert
Fax No.: 757-424-0102

Contributor:

Michael P. O'Hara
222 Central Park Avenue
Suite 2100
Virginia Beach, Virginia 23462

Any address or name specified above may be changed by a notice given by the addressee to the other party. Any notice, demand or other communication shall be deemed given and effective as of the date of delivery in person or set forth on the return receipt. The inability to deliver because of changed address of which no notice was given, or rejection or other refusal to accept any notice, demand or other communication, shall be deemed to be receipt of the notice, demand or other communication as of the date of such attempt to deliver or rejection or refusal to accept.

7.2 Entire Agreement; Third-Party Beneficiaries. This Agreement, including, without limitation, the exhibits hereto and thereto, constitute the entire agreement and supersede each prior agreement and understanding, whether written or oral, among the parties regarding the subject matter of this Agreement. This Agreement is not intended to confer any rights or remedies on any Person other than the parties hereto.

7.3 Amendment. This Agreement may not be amended except by an instrument in writing signed on behalf of each of the parties hereto.

7.4 Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the Commonwealth of Virginia, without regard to the conflicts of law rules thereof.

7.5 Counterparts. This Agreement may be executed by the parties hereto in separate counterparts, each of which when so executed and delivered shall be an original, but all such counterparts shall together constitute one and the same instrument. Each counterpart may consist of a number of copies hereof, each signed by less than all, but together signed by all of the parties hereto. Each party may rely upon the facsimile or electronic pdf email signature of any other party as if such signature were an original signature.

7.6 Headings. Headings of the Articles and Sections of this Agreement are for the convenience of the parties only, and shall be given no substantive or interpretive effect whatsoever.

7.7 Incorporation. All Exhibits attached hereto and referred to herein are hereby incorporated herein and made a part hereof for all purposes as if fully set forth herein.

7.8 Severability. Any term or provision of this Agreement which is invalid or unenforceable in any jurisdiction shall, as to that jurisdiction, be ineffective to the extent of such invalidity or unenforceability without rendering invalid or unenforceable the remaining terms and provisions of this Agreement or affecting the validity or enforceability of any of the terms or provisions of this Agreement in any other jurisdiction. If any provision of this Agreement is so broad as to be unenforceable, the provision shall be interpreted to be only so broad as is enforceable.

7.9 Waiver of Conditions. The conditions to each party's obligations hereunder are for the sole benefit of such party and may be waived by such party in whole or in part to the extent permitted by applicable law.

7.10 Dispute Resolution. The parties intend that this Section 7.1010 will be valid, binding, enforceable, exclusive and irrevocable and that it shall survive any termination of this Agreement.

(a) Upon any dispute, controversy or claim arising out of or relating to this Agreement or the enforcement, breach, termination or validity thereof ("Dispute"), the party raising the Dispute will give written notice to the other parties to the Dispute describing the nature of the Dispute following which the parties to such Dispute shall attempt for a period of ten (10) Business Days from receipt by the parties of notice of such Dispute to resolve such Dispute by negotiation between representatives of the parties hereto who have authority to settle such Dispute. All such negotiations shall be confidential and any statements or offers made therein shall be treated as compromise and settlement negotiations for purposes of any applicable rules of evidence and shall not be admissible as evidence in any subsequent proceeding for any purpose. The statute of limitations applicable to the commencement of a lawsuit shall apply to the commencement of an arbitration hereunder, except that no defense based on the running of the statute of limitations will be available based upon the passage of time during any such negotiation. Regardless of the foregoing, a party shall have the right to seek immediate injunctive relief pursuant to clause (c) below without regard to any such ten (10) Business Day negotiation period.

(b) Any Dispute (including the determination of the scope or applicability of this Agreement to arbitrate) that is not resolved pursuant to clause (a) above shall be submitted to final and binding arbitration in Virginia Beach, Virginia before one neutral and impartial arbitrator, in accordance with the laws of the Commonwealth of Virginia for agreements made in and to be performed in Virginia. The arbitration shall be administered by JAMS, Inc. ("JAMS")

pursuant to its Comprehensive Arbitration Rules and Procedures, as in effect on the date hereof. The parties hereto shall appoint one arbitrator within fifteen (15) days of a demand for arbitration. If an arbitrator is not appointed within such 15-day period, the arbitrator shall be appointed by JAMS in accordance with its Comprehensive Arbitration Rules and Procedures, as in effect on the date hereof. The arbitrator shall designate the place and time of the hearing. The hearing shall be scheduled to begin as soon as practicable and no later than sixty (60) days after the appointment of the arbitrator (unless such period is extended by the arbitrator for good cause shown) and shall be conducted as expeditiously as possible. The award, which shall set forth the arbitrator's findings of fact and conclusions of law, shall be filed with JAMS and mailed to the parties no later than thirty (30) days after the close of the arbitration hearing. The arbitration award shall be final and binding on the parties and not subject to collateral attack. Judgment upon the arbitration award may be entered in any federal or state court having jurisdiction thereof.

(c) Notwithstanding the parties' agreement to submit all Disputes to final and binding arbitration before JAMS, the parties shall have the right to seek and obtain temporary or preliminary injunctive relief in any court having jurisdiction thereof. Such courts shall have authority to, among other things, grant temporary or provisional injunctive relief in order to protect any party's rights under this Agreement. Without prejudice to such provisional remedies as may be available under the jurisdiction of a court, the arbitral tribunal shall have full authority to grant provisional remedies and to direct the parties to request that any court modify or vacate any temporary or preliminary relief issued by such court, and to award damages for the failure of any party to respect the arbitral tribunal's orders to that effect.

(d) The prevailing party shall be entitled to recover its costs and reasonable attorneys' fees, and the non-prevailing party shall pay all expenses and fees of JAMS, all costs of the stenographic record, all expenses of witnesses or proofs that may have been produced at the direction of the arbitrator, and the fees, costs and expenses of the arbitrator. The arbitrator shall allocate such costs and designate the prevailing party or parties for these purposes.

[*Signature Page Follows.*]

IN WITNESS WHEREOF, this Agreement has been entered into effective as of the date first written above.

CONTRIBUTOR:

MICHAEL P. O'HARA

/s/ Michael P. O'Hara

By: Michael P. O'Hara

OPERATING PARTNERSHIP:

ARMADA HOFFLER, L.P., a Virginia limited partnership

By: Armada Hoffler Properties, Inc.,
its general partner

By: /s/ Louis S. Haddad
Name: Louis S. Haddad
Title: Chief Executive Officer and President

REIT:

ARMADA HOFFLER PROPERTIES, INC., a Maryland corporation

By: /s/ Louis S. Haddad
Name: Louis S. Haddad
Title: Chief Executive Officer and President

EXHIBIT A

Contributor – Michael P. O'Hara

CONTRIBUTED ENTITY/ CONTRIBUTED INTEREST	SUBSIDIARY INTERESTS	PROPERTY	PROPERTY ENTITY
New Armada Hoffler Properties I, LLC[1] (all interests owned by Contributor)	0.4% interest in BSE/AH Blacksburg Apartments, LLC	Apartments at Smith's Landing Blacksburg, VA	BSE/AH Blacksburg Apartments, LLC
	0.981% interest in Broad Creek PH. I, L.L.C.	Broad Creek Shopping Center Norfolk, VA	Broad Creek PH. I, L.L.C.
	1.0% interest in Broad Creek PH. III, L.L.C.	Broad Creek Shopping Center Norfolk, VA	Broad Creek PH. III, L.L.C.
	0.8% interest in Columbus Tower Block 5-A2 Associates, L.L.C.	Town Center Block 5-A2 Virginia Beach, VA	Columbus Tower Block 5-A2 Associates, L.L.C.
	0.8% interest in AH Columbus II, L.L.C.	Leasehold Interest in Block 5-A2, Town Center Virginia Beach, VA	AH Columbus II, L.L.C.
	1.5% interest in HT Tyre Neck, L.L.C.	Harris Teeter Portsmouth, VA	HT Tyre Neck, L.L.C.
	0.79% interest in Hanbury Village II, L.L.C.	Hanbury Village Shopping Center (Parcel 7) and Outparcel 1A (7-Eleven) Chesapeake, VA	Hanbury Village II, L.L.C.
	Interest equal to 0.79% after first $356,090 in Hoffler and Associates EAT, LLC	Hanbury Village, Outparcel 3A Chesapeake, VA	Hoffler and Associates EAT, LLC
	0.63418% interest in North Pointe Outparcels, L.L.C.	Lot 1, North Pointe Shopping Center Durham, MC	North Pointe Outparcels, L.L.C.
	1.26837% interest in North Pointe VW4, L.L.C.	Lot 1 A North Pointe Durham, NC	North Pointe VW4, L.L.C.
	0.8% interest in TCA Block 4 Retail, L.L.C.	South Retail Unit, Town Center Condominium 4 Virginia Beach, VA	TCA Block 4 Retail, L.L.C.
	0.8% interest in Town Center Associates 7, L.L.C.	East and West A Retail Units, Town Center Condominium 7 Virginia Beach, VA	Town Center Associates 7, L.L.C.

[1] Prior to the Closing, pursuant to the Master Contribution and Distribution Agreement, Armada/Hoffler Properties, LLC ("AHP") will contribute to New Armada Hoffler Properties I, LLC ("New AHP I") the interests in the subsidiary entities described below and will distribute to Michael P. O'Hara ("O'Hara") an interest in New AHP I. At Closing, pursuant to the Contribution Agreement, O'Hara will contribute his interest in New AHP I to the Operating Partnership.

CONTRIBUTED ENTITY/ CONTRIBUTED INTEREST	SUBSIDIARY INTERESTS	PROPERTY	PROPERTY ENTITY
	0.8% interest in Town Center Associates 12, L.L.C.	Anchor Unit and Commercial Unit, Town Center Condominium 12 Virginia Beach, VA	Town Center Associates 12, L.L.C.
	2.0% interest in Lake View AH-VNG, LLC	Virginia Natural Gas Headquarters Building Virginia Beach, VA	Lake View AH-VNG, LLC
	1.0% interest in Williamsburg Medical Building, LLC	Williamsburg Sentara Medical Building Williamsburg, VA	Williamsburg Medical Building, LLC
	2.0% interest in AH Sandbridge, L.L.C.	Sandbridge Commons Virginia Beach, VA	AH Sandbridge, L.L.C.
New Armada Hoffler Properties II, LLC[2] (all interests owned by Contributor)	0.84281% interest in Courthouse Marketplace Outparcels, L.L.C.	Parcel A-1-B, A-1-C, A-1-D Virginia Beach, VA	Courthouse Marketplace Outparcels, L.L.C.
	0.8% interest in Greenbrier Technology Center II Associates, L.L.C.	Town Center Block 3 Virginia Beach, VA	Greenbrier Technology Center II Associates, L.L.C.
	0.8% interest in Town Center Associates 6, L.L.C.	Retail Unit, 56 Condominium Virginia Beach, VA	Town Center Associates 6, L.L.C.
	0.8% interest in Armada/Hoffler Block 8 Associates, L.L.C.	Town Center Block 8B Virginia Beach, VA	Armada/Hoffler Block 8 Associates, L.L.C.
	2.0% interest in AH Richmond Tower I, L.L.C.	Richmond Tower Richmond, VA	AH Richmond Tower I, L.L.C.
	1.6% interest in Town Center Associates 11, L.L.C.	Block 11 Town Center Project Virginia Beach, VA	TCA Block 11 Office, LLC TCA Block 11 Apartments, LLC
	2.0% interest in AH Durham Apartments, L.L.C.	Jackson Street Apartments Durham, NC	AH Durham Apartments, L.L.C.
	2.0% interest in AH Southeast Commerce Center, L.L.C.	Brooks Crossing Newport News, VA	AH Southeast Commerce Center, L.L.C.
	2.0% interest in AH Greentree, L.L.C.	Greentree Shopping Center Chesapeake, VA	AH Greentree, L.L.C.

[2] Prior to the Closing, pursuant to the Master Contribution and Distribution Agreement, Armada/Hoffler Properties II, LLC ("AHP II") will contribute to New Armada Hoffler Properties II, LLC ("New AHP II") the interests in the subsidiary entities described below and will distribute to O'Hara an interest in New AHP II. At Closing, pursuant to the Contribution Agreement, O'Hara will contribute his interest in New AHP II to the Operating Partnership.

CONTRIBUTED ENTITY/ CONTRIBUTED INTEREST	SUBSIDIARY INTERESTS	PROPERTY	PROPERTY ENTITY
1.0% interest in TCA Block 3, Inc.	–	Town Center Block 3 Virginia Beach, VA	Greenbrier Technology Center II Associates, L.L.C.
1.0% interest in TCA Block 8, Inc.	–	Town Center Block 8B Virginia Beach, VA	Armada/Hoffler Block B Associates, L.L.C.
0.51493% interest in Town Center Block 10 Apartments, L.P.	–	Apartments and Retail Unit, Town Center Condominium 10 Virginia Beach, VA	Town Center Block 10 Apartments, L.P.

Cash[3] - $581,190

OP Units: Determined as set forth below.
Total AH Partners' OP Unit Allocation Percentage: 1.032%

The cash portion of the Consideration that Contributor will receive shall be fixed at the amount shown above. The number of OP Units that Contributor will receive as part of the Consideration is not known as of the date of this Agreement, but shall be calculated as follows:

1. Prior to commencement of marketing of the IPO, the REIT and the managing underwriters for the IPO shall determine a valuation range for the combined equity interests (after deduction of debt) of all of the properties, assets and businesses that will be contributed to the OP and its subsidiaries pursuant to the transactions described in the PPM (the "Formation Transactions"). From the midpoint of this range, there will be deducted the amount of cash that will be paid by the OP as consideration to all of the contributors in connection with the Formation Transactions, with the resulting amount after such deduction being herein referred to as the "Total OP Unit Valuation".

2. The Total OP Unit Valuation shall be divided by the midpoint of the price range for the shares of the REIT's common stock in the IPO (the "IPO Price Range") as set forth on the front cover of the REIT's preliminary prospectus for the IPO filed with the SEC (the "Preliminary Prospectus") to determine a fixed number of OP Units issuable to all the contributors in connection with the Formation Transactions (the "Total OP Units") and the number of Total OP Units shall be reflected in the Preliminary Prospectus.

3. The Total OP Units will be allocated among contributors who are not officers, employees or affiliates of Armada Hoffler Holding Company and its affiliates (collectively, the "Non-AH Partners") and the contributors who are officers, employees or affiliates of Armada Hoffler Holding Company and its affiliates, including certain trusts established by such officers and employees (collectively, the "AH Partners"), including Contributor.

4. Each Non-AH Partners will receive a number of OP Units equal to the amount of consideration set forth in such Non-AH Partner's contribution agreement with the OP as allocable to OP Units, divided by the IPO Price (the

[3] In the event that, at or prior to Closing, the OP has not arranged financing in the form of a credit facility or other debt financing in an amount sufficient to pay to Contributor at Closing the full amount of the cash consideration amount shown above, the OP may deliver to Contributor at Closing a promissory note payable by the OP to Contributor in a principal amount up to $81,580. The promissory note shall not bear interest, shall mature on the first anniversary of the date of issuance and may be prepaid by the OP at any time.

"Total Non-AH Partners' OP Units"). To the extent the IPO Price is greater or less than the mid-point of the IPO Price Range, the number of OP Units issuable to each Non-AH Partner (as described and set forth in the Preliminary Prospectus) will decrease or increase, respectively, in an amount sufficient to cause the value of the OP Units issuable to the Non-AH Partner to equal the amount of the consideration set forth in such Non-AH Partner's contribution agreement (utilizing a value per OP Unit equal to the IPO Price).

5. The aggregate number of OP Units issuable to the AH Partners (the "Total AH Partners' OP Units") will be equal to the difference between (a) the Total OP Units and (b) the Total Non-AH Partners' OP Units.

6. The number of OP Units issuable as Consideration to Contributor pursuant to this Agreement will be determined by multiplying (a) the Total AH Partners' OP Units by (b) the percentage set forth above under the heading "Total AH Partners' OP Unit Allocation Percentage" divided by the IPO Price.

[*Signature Page Follows*]

The undersigned hereby agrees that this Exhibit A represents the definitive Exhibit A to the Contribution Agreement and supersedes any and all prior versions.

CONTRIBUTOR:

MICHAEL P. O'HARA

/s/ Michael P. O'Hara
By: Michael P. O'Hara

OPERATING PARTNERSHIP:

ARMADA HOFFLER, L.P., a Virginia limited partnership

By: Armada Hoffler Properties, Inc.,
its general partner

By: /s/ Louis S. Haddad
Name: Louis S. Haddad
Title: Chief Executive Officer and President

REIT:

ARMADA HOFFLER PROPERTIES, INC., a Maryland corporation

By: /s/ Louis S. Haddad
Name: Louis S. Haddad
Title: Chief Executive Officer and President

Exhibit B

Assignment

The undersigned, for good and valuable consideration paid to the Assignor by ARMADA HOFFLER, L.P., a Virginia limited partnership ("Assignee"), pursuant to the Contribution Agreement dated as of , 2012, by and between Assignor and Assignee (the "Agreement") and for other good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, does hereby sell, assign, transfer, convey and deliver to the Assignee, its successors and assigns, good and indefeasible right, title and interest to the **[partnership or limited liability company interests/shares of common stock]** described on *Schedule A* hereto, including, without limitation, all right, title and interest, if any, of the undersigned in and to the assets of each such **[partnership/limited liability company/corporation]** and the right to receive distributions of money, profits and other assets from each such partnership, presently existing or hereafter at any time arising or accruing, free and clear of all liens, encumbrances, security interests, pledges, voting agreements, prior assignments or conveyances, conditions, restrictions, claims, and any other matters affecting title thereto.

The undersigned, for itself, its successors and assigns, hereby covenants and agrees that, at any time and from time to time after the date hereof, upon the written request of Assignee, the undersigned will, without further consideration, do, execute, acknowledge, and deliver or cause to be done, executed, acknowledged and delivered, each of and all of such further acts, deeds, assignments, transfers, conveyances and assurances as may reasonably be required by Assignee in order to assign, transfer, set over, convey, assure and confirm unto and vest in Assignee, its successors and assigns, title to the interests described in *Schedule A* hereto

Capitalized terms used but not defined herein shall have the respective meanings ascribed to them in the Agreement.

IN WITNESS WHEREOF, the parties hereto have caused this Assignment to be signed by a duly authorized officer this day of , 201 .

, a

By: _____
Name:
Title:

Exhibit 10.14

CONTRIBUTION AGREEMENT

John C. Davis

This CONTRIBUTION AGREEMENT (this "Agreement") is made as of February 11, 2013 by and among John C. Davis ("Contributor"), Armada Hoffler, L.P., a Virginia limited partnership (the "Operating Partnership") and Armada Hoffler Properties, Inc., a Maryland corporation (the "REIT").

RECITALS

WHEREAS, Contributor is or may become the record and beneficial owner of equity interests in the amount or percentage described on Exhibit A hereto (the "Contributed Interests") in each of the entities described in Exhibit A hereto (each, a "Contributed Entity" and collectively, the "Contributed Entities"), which are the direct or indirect owners of the respective properties or property entities described on Exhibit A hereto (each a "Property" and collectively, the "Properties"). Entities in which certain of the Contributed Entities own interests (each, a "Subsidiary Entity") are set forth on Exhibit A as "Subsidiary Interests". Contributor desires to contribute any and all interests that he may now or hereafter own in the Contributed Interests to the Operating Partnership, and the Operating Partnership desires to acquire the Contributed Interests from Contributor, on the terms and conditions hereinafter set forth.

NOW, THEREFORE, for and in consideration of the foregoing, and the representations, warranties and other terms contained in this Agreement, and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties hereto, intending to be legally bound hereby, agree as follows:

ARTICLE I

THE CONTRIBUTION

1.1 Contribution of Contributed Interests. Contributor irrevocably agrees to contribute, transfer and assign at Closing (as defined herein) any and all interests that he may now or hereafter own in the Contributed Interests set forth opposite Contributor's name on Exhibit A hereto, together with any other interests Contributor may have in any of the Contributed Entities and any other properties or entities being acquired by the Operating Partnership as described in the Confidential Private Placement Memorandum for the Offering of Limited Partnership Interests of the Operating Partnership dated January 16, 2013 (the "PPM"), to the Operating Partnership, and the Operating Partnership agrees to accept transfer of the Contributed Interests and any such other interests pursuant to the terms and subject to the conditions set forth in this Agreement. The Contributed Interests shall be transferred to the Operating Partnership free and clear of all liens, encumbrances, security interests, pledges, voting agreements, prior assignments or conveyances, conditions, restrictions, claims, and any other matters affecting title thereto.

1.2 Consideration.

(a) Consideration Amount. The total consideration (the "Consideration") for which Contributor agrees to contribute, transfer and assign the Contributed Interests to the Operating Partnership, and for which the Operating Partnership agrees to pay, issue or deliver to Contributor, subject to the terms of this Agreement, at Closing (as defined herein) shall be determined in the manner set forth on Exhibit A hereto. The Consideration may be adjusted, upward or downward, by the amount of any adjustments arising from the Prorations (as defined herein). Any decrease to the amount of the Consideration will be deducted first from the cash portion of the Consideration, if any, and the balance, if any, will be deducted from the OP Units. Any increase in the Consideration as a result of the Prorations will be paid in OP Units. In addition to the Consideration set forth on Exhibit A hereto, Contributor shall be entitled to receive in cash, at Closing or shortly thereafter, Contributor's pro rata share (based on Contributor's direct or indirect ownership interest in each Property Entity) of any tenant improvement, leasing commission and replacement reserves held by lenders with respect to each Property in which Contributor owns an interest.

(b) Election Form. The Consideration shall be payable in accordance with the election made by Contributor in the Consideration Election Form ("Election Form") accompanying the PPM, the results of which election are set forth on Exhibit A hereto. If, pursuant to the Election Form, Contributor (A) elected all or part of Contributor's consideration payable hereunder to be in the form of units of limited partnership interests of the Operating Partnership ("OP Units") and (B) submitted to the Operating Partnership (x) an executed Investor Questionnaire representing and warranting to the Operating Partnership that Contributor is an "accredited investor" as defined in the Investor Questionnaire and (y) any other documentation required by the Operating Partnership, including, but not limited to, a signature page to the Partnership Agreement (as hereinafter defined), Contributor shall receive OP Units in an amount determined in the manner described on Exhibit A hereto. The portion of the Consideration, if any, payable in cash is set forth on Exhibit A. Contributor agrees that the cash payment shall be made and the OP Units shall be registered in the name of the persons or entities set forth on the Election Form. OP Units will only be delivered to Contributor if Contributor has represented to the Operating Partnership that Contributor is an "accredited investor". No fractional OP Units will be issued and OP Units will be rounded to the nearest whole number. The Consideration payable to Contributor, whether in cash, in OP Units or a combination thereof, may be reduced by the amount the Operating Partnership reasonably determines must be withheld for tax purposes. The rights and obligations of holders of OP Units as of the Closing will be as set forth in the First Amended and Restated Agreement of Limited Partnership of the Operating Partnership (the "Partnership Agreement"), a draft copy of which is included as an exhibit to the PPM.

1.3 OP Units. Although initially the OP Units will not be certificated, certificates, if any, subsequently evidencing the OP Units will bear appropriate legends (i) indicating that the OP Units have not been registered under the Securities Act of 1933, as amended ("Securities Act"), (ii) indicating that the Partnership Agreement will restrict the transfer of the OP Units, and (iii) describing the ownership limitations and transfer restrictions imposed by the charter of the REIT with respect to shares of the REIT's common stock.

1.4 No Further Interest. Contributor acknowledges and agrees that effective upon the Closing, and without any further action by Contributor, the Contributed Interests shall be transferred, assigned and conveyed to the Operating Partnership, or a subsidiary thereof, and Contributor shall no longer be an equity holder of any of the Contributed Entities, shall no longer be entitled to receive any distributions from any of the Contributed Entities, and shall have no further right, title or interest in any of the Contributed Interests, the Contributed Entities or the Property Entities.

1.5 Tax Consequences to Contributor. Notwithstanding anything to the contrary contained in this Agreement, including without limitation the use of words and phrases such as "sell," "sale," "purchase," and "pay," the parties hereto acknowledge, agree and consent that the transactions contemplated hereby will be treated for federal income tax purposes (i) in accordance with Section 721 of the Internal Revenue Code of 1986, as amended (the "Code") with respect to any portion of the Consideration that is payable in OP Units; (ii) as an "assets over form" of transaction pursuant to Treasury Regulations Section 1.708-1(c)(3)(i); and (iii) as a sale of the Contributor's Contributed Interests to the Operating Partnership under Treasury Regulations Section 1.708-1(c)(4) to the extent of the Contributor's receipt of cash Consideration pursuant to Section 1.2(a), except to the extent that such cash Consideration is treated as (a) the reimbursement of "preformation expenditures" under Treasury Regulations Section 1.707-4(d); and/or (b) a "debt financed transfer of consideration" by the Operating Partnership under Treasury Regulations Section 1.707-5(b), as applicable.

1.6 Definitions. As used in this Agreement, the following terms have the following meanings:

"Contributor's Percentage Interest" means, with respect to each Contributed Entity, the percentage set forth on Exhibit A hereto under the heading "Contributed Entity/Contributed Interest", which reflects Contributor's percentage ownership interest in each Contributed Entity pursuant to and in accordance with the applicable Governing Agreement (as defined herein) of the Contributed Entity.

"IPO" means the underwritten initial public offering of common stock of the REIT.

"IPO Price" means the public offering price set forth on the front cover of the final prospectus for the IPO, as filed with the U.S. Securities and Exchange Commission (the "SEC").

"Property Entity" means an entity owning a Property, as set forth on Exhibit A hereto.

"Prorations" means those proration and adjustment amounts that are customarily applied to closings of commercial real estate transactions in the county in which the Property is located, which amounts shall be calculated as of midnight (Eastern time) of the day immediately preceding the Closing Date and shall include:

(A) Taxes. All real estate and personal property taxes and special assessments, if any, with respect to each Property shall be prorated at Closing;

(B) Utilities. All telephone, electric, sewer, water and other utility bills, trash removal bills, janitorial and maintenance service bills and all other expenses relating to a

Property that are obligations of the Property Entity and which are allocable to the period prior to the Closing Date shall be determined and paid, or caused to be paid, by the Property Entity or Contributed Entity before Closing, if possible, or if such is not determinable before Closing, then the Parties shall use their commercially reasonable efforts to determine and pay such amounts as promptly as possible following Closing and the Operating Partnership may withhold from any cash amount of the Consideration payable at Closing hereunder an amount of cash reasonably estimated to cover any estimated Proration for the items described in this subsection (B);

(C) Rents. All rents, including, without limitation, base rents, operating expense payments or common area maintenance charges and all other forms of additional rents, payable under the leases of the Property and all other income from the Property shall be prorated at Closing; and

(D) Other Items. Any other items of revenue, operating expenses or other items which are customarily prorated between a transferor and transferee of real estate in the county in which the Property is located shall be prorated at Closing.

"Representation, Warranty and Indemnity Agreement" means the Representation, Warranty and Indemnity Agreement by and among the REIT, the Operating Partnership and Daniel A. Hoffler.

ARTICLE II

REPRESENTATIONS AND WARRANTIES

2.1 Representations by the Operating Partnership. The Operating Partnership hereby represents and warrants to Contributor that the following statements are true, correct, and complete as of the date of this Agreement and will be true, correct and complete as of the Closing Date (as defined herein):

(a) Organization and Power. The Operating Partnership is duly organized, validly existing, and in good standing under the laws of the Commonwealth of Virginia, and has full right, power, and authority to enter into this Agreement and to assume and perform all of its obligations under this Agreement. The execution and delivery of this Agreement and the performance by the Operating Partnership of its obligations hereunder have been duly authorized by all requisite action of the Operating Partnership and require no further action or approval of the Operating Partnership's partners or of any other individuals or entities in order to constitute this Agreement as a binding and enforceable obligation of the Operating Partnership.

(b) OP Units Validly Issued. The OP Units, when issued in accordance with the terms of this Agreement and the Partnership Agreement, will have been duly and validly authorized and issued, free of any preemptive or similar rights, and will be fully paid, without any obligation to restore capital, except as required by the Virginia Revised Uniform Limited Partnership Act (the "Limited Partnership Act").

2.2 Representations by Contributor. Contributor hereby represents and warrants to the Operating Partnership that the following statements are true, correct, and complete as of the date of this Agreement and will be true, correct, and complete as of the Closing Date:

(a) Organization and Power; Due Authorization. Contributor, if an entity or trust, is duly incorporated, formed or organized, validly existing, and in good standing under the laws of its state of incorporation, formation or organization. Contributor has full right, power, and authority to enter into this Agreement and to assume and perform all of its obligations under this Agreement; and the execution and delivery of this Agreement and the performance by Contributor of its obligations hereunder have been duly authorized by all requisite action of Contributor and require no further action or approval of Contributor's members, partners, stockholders, managers, board of directors, trustees or of any other individuals or entities, as applicable, in order to constitute this Agreement as a binding and enforceable obligation of Contributor. No person has any community property rights, by virtue of marriage or otherwise, with respect to the Contributed Interests. This Agreement and each agreement, document and instrument executed and delivered by or on behalf of Contributor pursuant to this Agreement constitutes, or when executed and delivered will constitute, the legal, valid and binding obligation of Contributor, each enforceable against Contributor in accordance with its terms, except as such enforceability may be limited by bankruptcy or the application of equitable principles.

(b) Noncontravention. Neither the entry into nor the performance of, or compliance with, this Agreement by Contributor has resulted, or will result, in any violation of, or default under, or result in the acceleration of, any obligation under any charter, bylaws, limited liability company agreement, partnership agreement, declaration of trust, mortgage indenture, lien agreement, note, contract, agreement, permit, judgment, decree, order, restrictive covenant, statute, rule, or regulation applicable to Contributor or to any Contributed Interests, any Contributed Entity, Subsidiary Interests or Property Entity.

(c) Litigation. There is no action, suit, or proceeding, pending or known to be threatened, against or affecting Contributor in any court or before any arbitrator or before any federal, state, municipal, or other governmental department, commission, board, bureau, agency or instrumentality which (1) in any manner raises any question affecting the validity or enforceability of this Agreement, (2) could materially and adversely affect the business, financial position, or results of operations of Contributor, any Contributed Entity, Subsidiary Interests, Property Entity or Property, (3) could adversely affect the ability of Contributor to perform its obligations hereunder, or under any document to be delivered pursuant hereto, (4) could create a lien on the Contributed Interests, any part thereof, or any interest therein, or (5) could adversely affect the Contributed Interests, any part thereof, or any interest therein.

(d) Good Title. Exhibit A hereto accurately sets forth Contributor's Percentage Interest. Contributor is the sole record and beneficial owner of the Contributed Interests and has full power and authority to convey the Contributed Interests pursuant to the terms of this Agreement. Contributor has good and marketable title to the Contributed Interests. Except as set forth on Schedule 2.1(d), the Contributed Interests are free and clear of all liens, encumbrances, security interests, pledges, voting agreements, prior assignments or conveyances, conditions, restrictions, claims or any other matters affecting title thereto and at the Closing will

be contributed to the Operating Partnership free and clear of all liens, encumbrances, security interests, pledges, voting agreements, prior assignments or conveyances, conditions, restrictions, claims or other matters affecting title thereto. No other person or entity has an option to purchase or a right of first refusal to purchase the Contributed Interests nor are there any agreements or understandings with respect to the voting, ownership or disposition of the Contributed Interests that could adversely affect Contributor's ability to perform its obligations hereunder or the Operating Partnership's rights to the Contributed Interests following the Closing.

(e) Contributed Interests. There are no rights to purchase, subscriptions, warrants, options, conversion rights or preemptive rights relating to the Contributed Interests or any equity interest in any Contributed Entity that will be in effect as of the Closing.

(f) No Consents. Each consent, approval, authorization, order, license, certificate, permit, registration, designation, or filing by or with any governmental agency or body necessary for the execution, delivery and performance of this Agreement or the transactions contemplated hereby by Contributor has been obtained or will be obtained on or before the Closing Date. Each consent or approval required under any Governing Agreement (as defined herein), contract or agreement of any Contributed Entity, or among the partners, members or stockholders of any Contributed Entity, Subsidiary Entity or Property Entity to which Contributor is a party, relating to indebtedness or otherwise, necessary for the execution, delivery and performance of this Agreement and the contribution, acquisition and transfer of the Contributed Interests has been obtained or will be obtained on or before the Closing Date.

(g) Actions Prior to Closing. From the date hereof until the Closing Date, Contributor shall not take any action or fail to take any action the result of which would (1) have a material adverse effect on the Contributed Interests or the Operating Partnership's ownership thereof, or any material adverse effect on the assets, business, condition (financial or otherwise), results or operation of any Property, any Contributed Entity, Subsidiary Entity or Property Entity after the Closing Date or (2) cause any of the representations and warranties contained in this Section 2.2 to be untrue as of the Closing Date.

(h) Governing Documents. Contributor has performed all of its obligations under the Limited Partnership Agreement, Limited Liability Company Agreement, Operating Agreement, Charter and Bylaws, as such may have been amended from time to time, as applicable, of each Contributed Entity in which it owns an interest, (each a "Governing Agreement" and collectively, the "Governing Agreements").

(i) Securities Law Matters.

(1) In deciding to engage in the transaction contemplated by this Agreement, including, if applicable, acquiring OP Units, neither Contributor nor any equity holder thereof is relying upon any representations made to it by the Operating Partnership, or any of its partners, officers, employees, or agents that are not contained herein. Contributor is aware of the risks involved in investing in the OP Units and in the securities issuable upon redemption of such OP Units. Contributor is knowledgeable, sophisticated and experienced in business and financial matters and fully understands the

limitations on transfer imposed by the federal securities laws and as described in this Agreement and the PPM and related materials, including the Partnership Agreement. Contributor has received the PPM and related materials, including the Partnership Agreement, has reviewed all documents and has had an opportunity to ask questions of, and to receive answers from, the Operating Partnership and the REIT or a person or persons authorized to act on their behalf, concerning the terms and conditions of an investment in the OP Units and the financial condition, affairs, and business of the Operating Partnership and the REIT. Contributor confirms that all documents, records, and information pertaining to its investment in OP Units that have been requested by Contributor have been made available or delivered to Contributor prior to the date hereof.

(2) Contributor understands and acknowledges that (i) certain of the information contained in the PPM is incomplete or may be revised, amended or supplemented in the registration statement to be filed by the REIT with the SEC in connection with the IPO and (ii) the financial information included in the PPM has not been audited, but will be audited prior to the REIT's filing of the registration statement with the SEC, and such information could change upon audit, and any such changes could be material.

(3) Contributor and each equity holder thereof understands that the offer and sale of OP Units have not been registered under the Securities Act or any state securities laws and are instead being offered and sold in reliance on an exemption from such registration requirements and that the Operating Partnership's reliance on such exemption is predicated in part on the accuracy and completeness of the representations and warranties of Contributor contained herein. The OP Units issuable to Contributor are being acquired by Contributor solely for its own account, for investment, and are not being acquired with a view to, or for resale in connection with, any distribution, subdivision, or fractionalization thereof, in violation of such laws, and Contributor does not have any present intention to enter into any contract, undertaking, agreement, or arrangement with respect to any such resale.

(4) Contributor is able to bear the economic risk of holding the OP Units for an indefinite period and is able to afford the complete loss of its investment in the OP Units.

(5) Contributor understands that no federal agency (including the SEC) or state agency has made or will make any finding or determination as to the fairness of an investment in the OP Units (including as to the value of the Consideration payable in OP Units in accordance with Section 1.2 hereof).

(6) Contributor understands that there is no established public, private or other market for the OP Units to be acquired by Contributor hereunder and it is not anticipated that there will be any public, private or other market for such OP Units in the foreseeable future.

(7) Contributor understands that Rule 144 promulgated under the Securities Act is not currently available with respect to the sale of OP Units.

(j) Accredited Investor. If Contributor is electing to receive OP Units as some or all of the Consideration, Contributor is an "accredited investor", as that term is defined in Rule 501 of Regulation D under the Securities Act, and has previously provided the Operating Partnership and the REIT with a duly executed questionnaire confirming Contributor's accredited investor status. No event or circumstance has occurred since delivery of such questionnaire to make the statements therein false or misleading.

(k) Tax Matters. Contributor represents and warrants that it has obtained from its own counsel advice regarding the tax consequences of (i) the transfer of the Contributed Interests to the Operating Partnership and the receipt of OP Units and/or cash as the Consideration therefor, (ii) its admission as a limited partner of the Operating Partnership, if applicable and (iii) any other transaction contemplated by this Agreement. Neither the Operating Partnership nor the REIT has made any representation to Contributor regarding the tax treatment of the transactions contemplated by this Agreement, and Contributor further represents and warrants that it has not relied on the Operating Partnership or the Operating Partnership's representatives or counsel for any tax advice.

(l) Bankruptcy with respect to Contributor. No Act of Bankruptcy has occurred with respect to Contributor. As used herein, "Act of Bankruptcy" means if Contributor or any equity holder, partner, manager or director thereof shall (A) apply for or consent to the appointment of, or the taking of possession by, a receiver, custodian, trustee or liquidator of itself or of all or a substantial part of its property, (B) admit in writing its inability to pay its debts as they become due, (C) make a general assignment for the benefit of its creditors, (D) file a voluntary petition or commence a voluntary case or proceeding under the Federal Bankruptcy Code (as now or hereafter in effect), (E) be adjudicated bankrupt or insolvent, (F) file a petition seeking to take advantage of any other law relating to bankruptcy, insolvency, reorganization, receivership, dissolution, winding-up or composition or adjustment of debts, (G) fail to controvert in a timely and appropriate manner, or acquiesce in writing to, any petition filed against it in an involuntary case or proceeding under the Federal Bankruptcy Code (as now or hereafter in effect), or (H) take any entity action for the purpose of effecting any of the foregoing.

(m) Brokerage Commission. Contributor has not engaged the services of any real estate agent, broker, finder or any other person or entity for any brokerage or finder's fee, commission or other amount with respect to the transactions described herein.

(n) No Other Equity Interests. Except for the Contributed Interests, neither Contributor nor any of its affiliates owns, directly or indirectly, any equity interest in any partnership, limited liability company, corporation, trust or other entity owning a Property being acquired by the Operating Partnership as part of the formation transactions described in the PPM and does not own any interest in any Property other than through the Contributed Interests.

ARTICLE III

INDEMNIFICATION

3.1 Survival of Representations and Warranties; Remedy for Breach.

(a) Subject to Section 3.5 hereof, all representations and warranties of Contributor contained in this Agreement or in any Schedule, Exhibit, certificate or affidavit delivered pursuant to this Agreement shall survive the Closing.

(b) Subject to Section 3.4 hereof, following the Closing, Contributor shall be liable under this Agreement for monetary damages (or otherwise) for breach of any of its representations, warranties, covenants and obligations contained in this Agreement or in any Schedule, Exhibit, certificate or affidavit delivered by Contributor pursuant thereto.

3.2 General Indemnification.

(a) From and after the Closing Date, Contributor shall indemnify, hold harmless and defend the Operating Partnership and the REIT, and their respective officers, directors, employees, stockholders, partners, agents and affiliates (each of which is an "Indemnified Party"), from and against any and all claims, losses, damages, liabilities and expenses, including, without limitation, interest, penalties, amounts paid in settlement, reasonable attorneys' fees, costs of investigation, judicial or administrative proceedings or appeals therefrom and costs of attachment or similar bonds (collectively, "Losses") asserted against, imposed upon or incurred by the Indemnified Party, to the extent resulting from any breach of a representation, warranty or covenant of Contributor contained in this Agreement, or in any Schedule, Exhibit, certificate or affidavit delivered by Contributor pursuant thereto. In each case, Contributor shall only bear the fees, costs or expenses in connection with the employment of one counsel (regardless of the number of Indemnified Parties).

(b) Contributor shall also indemnify and hold harmless the Indemnified Parties from and against any and all Losses asserted against, imposed upon or incurred by the Indemnified Parties to the extent resulting from an unrelated third-party claim relating to the Contributed Interests arising from matters that occurred prior to Closing.

(c) With respect to any claim of an Indemnified Party pursuant to this Section 3.2, to the extent available, the Operating Partnership agrees to use diligent good faith efforts to pursue and collect any and all available proceeds and benefits of any right to defense under any insurance policy that covers the matter which is the subject of the indemnification prior to seeking indemnification from Contributor until all proceeds and benefits, if any, to which the Operating Partnership or the Indemnified Party is entitled pursuant to such insurance policy have been exhausted; provided, however, that the Operating Partnership may make a claim under this Section 3.2 even if an insurance coverage dispute is pending, in which case, if the Indemnified Party later receives insurance proceeds with respect to any Losses paid by either Contributor for the benefit of any Indemnified Party, then the Indemnified Party shall reimburse Contributor in an amount equivalent to such proceeds in excess of any deductible amount pursuant to Section 3.2(a) hereof up to the amount actually paid (or deemed paid) by Contributor

to the Indemnified Party in connection with such indemnification (it being understood that all costs and expenses incurred by Contributor with respect to insurance coverage disputes shall constitute Losses paid by Contributor for purposes of Section 3.2(a) hereof).

3.3 Notice and Defense of Claims. As soon as reasonably practicable after receipt by the Indemnified Party of notice of any liability or claim incurred by or asserted against the Indemnified Party that is subject to indemnification under this Article III, the Indemnified Party shall give notice thereof to Contributor, including liabilities or claims to be applied against the indemnification deductible established pursuant to Section 3.4 hereof; provided that failure to give notice to Contributor will not relieve Contributor from any liability that it may have to any Indemnified Party, unless, and only to the extent that, such failure (a) shall have caused prejudice to the defense of such claim or (b) shall have materially increased the costs or potential liability of Contributor by reason of the inability or failure of Contributor (due to such lack of prompt notice) to be involved in any investigations or negotiations regarding any such claim. Such notice shall describe in reasonable detail the facts known to such Indemnified Party giving rise to such claim, and the amount or good faith estimate of the amount of Losses arising therefrom. Unless prohibited by law, such Indemnified Party shall deliver to Contributor, promptly after such Indemnified Party's receipt thereof, copies of all notices and documents received by such Indemnified Party relating to such claim. The Indemnified Party shall permit Contributor, at Contributor's option and expense, to assume the defense of any such claim by counsel selected by Contributor and reasonably satisfactory to the Indemnified Party, and to settle or otherwise dispose of the same; provided, however, that the Indemnified Party may at all times participate in such defense at its sole expense; and provided further, however, that Contributor shall not, in defense of any such claim, except with the prior written consent of the Indemnified Party in its sole and absolute discretion, consent to the entry of any judgment or enter into any settlement that does not include as an unconditional term thereof the giving by the claimant or plaintiff in question to all Indemnified Parties a full and complete release of all liabilities in respect of such claims, or that does not result only in the payment of money damages which are paid (or deemed paid) in full by Contributor. If Contributor shall not have undertaken such defense within 20 days after such notice, or within such shorter time as may be reasonable under the circumstances to the extent required by applicable law, then the Indemnified Party shall have the right to undertake the defense, compromise or settlement of such liability or claim on behalf of and for the account of Contributor and at Contributor's sole cost and expense (subject to the limitations in Section 3.4 hereof).

3.4 Limitations on Indemnification Under Section 3.2(a).

(a) Contributor shall not be liable under Section 3.2(a) hereof unless and until the total amount recoverable by the Indemnified Parties under Section 3.2(a) exceeds one percent (1%) of the value of the aggregate Consideration (valuing OP Units at the IPO Price) and then only to the extent of such excess.

(b) Notwithstanding anything contained herein to the contrary, before taking recourse against any assets of Contributor and subject to the limitations set forth in the following sentence, the Indemnified Parties shall look, first to available insurance proceeds (including without limitation any title insurance proceeds, if applicable) pursuant to Section 3.2(c) above, and then to indemnification under this Article III, (and agree to treat any return of OP Units in

satisfaction of indemnification obligations hereunder as an adjustment to the consideration delivered to Contributor pursuant to the Formation Transactions). Notwithstanding anything to the contrary in this Agreement, except in the case of fraud or in the event of Losses relating to a third-party claim, Contributor shall not be liable to the Indemnified Parties for any indirect, special or consequential damages, loss of profits, taxes relating to tax years beginning on or after Closing, loss of value or other similar speculative damages asserted or claimed by the Indemnified Parties.

(c) The limitations in this Section 3.4 shall not apply to any obligations of Contributor with respect to Prorations under this Agreement.

3.5 Limitation Period.

(a) Any claim for indemnification under Section 3.2 hereof must be asserted in writing by the Indemnified Party, stating the nature of the Losses and the basis for indemnification therefor on or prior to the fifth (5th) anniversary of the Closing.

(b) If asserted in writing on or prior to the date specified in Section 3.5(a) hereof for the applicable claim, any claims for indemnification pursuant to Section 3.2 hereof shall survive until resolved by mutual agreement between Contributor and the Indemnified Party or by arbitration or court proceeding.

3.6 Delivery of Indemnity Amounts. Indemnity payments may be made by Contributor in the form of cash or OP Units. To the extent indemnification is made through delivery by Contributor of OP Units, such OP Units shall be valued at an amount per OP Unit equal to the IPO Price. Contributor hereby authorizes the REIT, as general partner of the Operating Partnership, to take all such action as may be necessary to amend the Partnership Agreement, and any exhibits or schedules thereto, to reflect the delivery of any OP Units by Contributor to the Operating Partnership as an indemnification payment hereunder and to reflect that Contributor has no further right, title or interest with respect to any such OP Units.

ARTICLE IV

COVENANTS

4.1 Covenants of the Contributor.

(a) Satisfaction of Conditions. Contributor hereby covenants that Contributor shall: (A) use commercially reasonable efforts and diligence in order to satisfy all of the conditions to Closing set forth herein, and (B) cooperate and assist in the Operating Partnership's efforts to satisfy all of the conditions to Closing set forth herein, and agrees that the Operating Partnership shall not have any obligation to consummate the Closing hereunder unless and until such conditions have been satisfied or waived by the Operating Partnership in writing.

(b) Consent to Transfers. Contributor hereby consents to the transfer of, and waives any rights of first refusal, right of first offer, buy-sell agreements, put, option or similar parallel or dissenter rights or similar rights afforded to Contributor under the Governing Agreements or otherwise with respect to any equity ownership interest in any Contributed Entity,

Subsidiary Entity, Property Entity or Property or any other company or property being contributed or transferred to the Operating Partnership pursuant to a separate contribution or other agreement or as otherwise described in the PPM.

(c) No Disposition or Encumbrance of Contributed Interests. From the date hereof through the Closing, except as specifically contemplated by this Agreement, Contributor shall not, without the prior written consent of the Operating Partnership: (i) sell, transfer (or agree to sell or transfer) or otherwise dispose of, or cause the sale, transfer or disposition of (or agree to do any of the foregoing) all or any portion of its interest in the Contributed Interests or all or any portion of its interest in any Subsidiary Entity, Property Entity or Property; or (ii) mortgage, assign, pledge or otherwise encumber in any manner the Contributed Interests or Subsidiary Interests.

(d) Ordinary Course of Business. From the date hereof through the Closing, and except as specifically contemplated by this Agreement, Contributor shall, to the extent within its control, cause each Contributed Entity, Subsidiary Entity and Property Entity to conduct its business in the ordinary course of business consistent with past practice, and shall, to the extent within its control, not permit any Contributed Entity, any Subsidiary Entity or any Property Entity without the prior written consent of the Operating Partnership, to: (i) enter into any material transaction not in the ordinary course of business; (ii) mortgage, pledge or encumber any assets of the Contributed Entity, any Subsidiary Entity, any Property Entity or any Property, (iii) cause or permit any Property Entity to change the existing use of any Property; (iv) cause or take any action that would render any of the representations or warranties set forth herein untrue; (v) file an entity classification election pursuant to Treasury Regulations Section 301.7701-3(c) on Internal Revenue Service Form 8832 (Entity Classification Election) to treat the Contributed Entity as an association taxable as a corporation for federal income tax purposes; (vi) make or change any other tax elections; (vii) settle or compromise any claim, notice, audit report or assessment in respect of taxes; (viii) change any annual tax accounting period; (ix) adopt or change any method of tax accounting; (x) file any amended return, report or form (including an election, declaration, amendment, schedule, information return or attachment thereto) required to be filed with a governmental authority with respect to taxes (each, a "Tax Return"); (xi) enter into any tax allocation agreement, tax sharing agreement, tax indemnity agreement or closing agreement relating to any tax; (xii) surrender of any right to claim a tax refund; (xiii) consent to any extension or waiver of the statute of limitations period applicable to any tax claim or assessment; or (xiv) make any distribution to its partners or members, except for cash distributions in the ordinary course of business consistent with past practices or as permitted by this Agreement.

4.2 Tax Covenants.

(a) Contributor and the Operating Partnership shall provide each other with such cooperation and information relating to any of the Contributed Interests, the Contributed Entities, the Subsidiary Entities, the Property Entities or the Properties as the parties reasonably may request in (i) filing any Tax Return, amended Tax Return or claim for tax refund, (ii) determining any liability for taxes or a right to a tax refund, (iii) conducting or defending any proceeding in respect of taxes, or (iv) performing tax diligence, including with respect to the impact of this transaction on the REIT's tax status as a REIT. Such reasonable cooperation shall

include making employees available on a mutually convenient basis to provide additional information and explanation of any material provided hereunder. The Operating Partnership shall promptly notify Contributor upon receipt by the Operating Partnership or any of its affiliates of notice of (i) any pending or threatened tax audits or assessments with respect to the income, properties or operations of any of the Contributed Entities, the Subsidiary Entities, the Property Entities or their subsidiaries or with respect to any Property and (ii) any pending or threatened federal, state, local or foreign tax audits or assessments of the Operating Partnership or any of its affiliates, in each case, which may affect the liabilities for taxes of Contributor with respect to any tax period ending before or as a result of the Closing. Contributor shall promptly notify the Operating Partnership in writing upon receipt by Contributor or any of its affiliates of notice of any pending or threatened federal, state, local or foreign tax audits or assessments relating to the income, properties or operations of any of the Contributed Entities, the Property Entities or the Subsidiary Entities or with respect to any Property. Each of the Operating Partnership and Contributor may participate at its own expense in the prosecution of any claim or audit with respect to taxes attributable to any taxable period ending on or before the Closing Date; provided, that Contributor shall have the right to control the conduct of any such audit or proceeding or portion thereof for which Contributor has acknowledged liability (except as a partner of the Operating Partnership) for the payment of any additional tax liability, and the Operating Partnership shall have the right to control any other audits and proceedings. Notwithstanding the foregoing, neither the Operating Partnership nor Contributor may settle or otherwise resolve any such claim, suit or proceeding which could have an adverse tax effect on the other party or its affiliates (other than on Contributor or any of its affiliates as a partner of the Operating Partnership) without the consent of the other party, such consent not to be unreasonably withheld. Contributor and the Operating Partnership shall retain all Tax Returns, schedules and work papers with respect to the Contributed Entities, the Property Entities, the Subsidiary Entities, and the Properties, and all material records and other documents relating thereto, until the expiration of the statute of limitations (and, to the extent notified by any party, any extensions thereof) of the taxable years to which such Tax Returns and other documents relate and until the final determination of any tax in respect of such years.

(b) The Operating Partnership shall prepare or cause to be prepared and file or cause to be filed all Tax Returns of the Contributed Entities, the Property Entities or the Subsidiary Entities that are due after the Closing Date. To the extent such returns relate to a period ending on or prior to the Closing Date, such Tax Returns (including, for the avoidance of doubt, any amended Tax Returns) shall be prepared in a manner consistent with past practice, except as otherwise required by applicable law.

(c) For purposes of allocating items of income, gain, loss and deduction with respect to the Property and/or the Contributed Interests in the manner required by Section 704(c) of the Code, the Operating Partnership shall employ, and shall cause any entity controlled by the Operating Partnership which holds title to the Property or the Contributed Interests to employ, the “traditional method” (without curative allocations) as set forth in Treasury Regulations section 1.704-3(b)(1).

4.3 Relationship to Contributed Entities. Contributor and the Operating Partnership acknowledge and agree that, from and after the Closing (as defined herein), Contributor shall no longer be a member, partner, stockholder or equity owner, or, if applicable, managing member or general partner, of any Contributed Entity, Subsidiary Entity or Property Entity and shall have no rights or benefits under any Governing Agreement.

ARTICLE V

CONDITIONS PRECEDENT TO THE CLOSING

5.1 Conditions to the Operating Partnership's Obligation. In addition to any other conditions set forth in this Agreement, the Operating Partnership's obligation to consummate the Closing is subject to the timely satisfaction of each and every one of the conditions and requirements set forth in this Section 5.1, all of which shall be conditions precedent to the Operating Partnership's obligations under this Agreement.

(a) IPO. The IPO, in such form and substance as the REIT, in its sole and absolute discretion, shall have determined to be acceptable, shall have been completed (or be completed simultaneously with the Closing).

(b) Formation Transactions. The formation transactions described in the PPM shall have occurred or be scheduled to occur contemporaneously with the Closing hereunder.

(c) Representations and Warranties. The representations and warranties made by Contributor pursuant to this Agreement, as well as those contained in the Representation, Warranty and Indemnity Agreement, shall be true and correct as of the Closing as though such representations and warranties were made at the Closing and, if requested by the Operating Partnership, Contributor shall have delivered a certificate to the Operating Partnership to such effect in regard to Contributor's representations and warranties set forth in this Agreement.

(d) Performance. Contributor shall have performed and complied with all agreements and covenants that it is required to perform or comply with pursuant to this Agreement prior to the Closing, including having delivered each of the items set forth in Section 5.2 hereof.

(e) Legal Proceedings. No order, statute, rule, regulation, executive order, injunction, stay, decree, or restraining order shall have been enacted, entered, promulgated or enforced by any court of competent jurisdiction or governmental entity that restrains, prohibits or otherwise invalidates the consummation of the transactions contemplated by this Agreement, and no litigation or governmental proceeding seeking such an order shall be pending or threatened.

(f) Consents and Approvals. All necessary approvals and consents of governmental and private parties, including, without limitation, all ground lessors, tenants, other parties to service contracts, lenders and ratings agencies, partners, members or stockholders of any Contributed Entity, Property Entity or their subsidiaries, to effect the transactions contemplated by this Agreement, shall have been obtained.

(g) Reliance on Regulation D. If Contributor has elected to receive OP Units, the Operating Partnership shall, based on the advice of its counsel and the representations made by Contributor in Contributor's Investor Questionnaire, be reasonably satisfied that the issuance of OP Units to Contributor may be made without registration under the Securities Act in reliance on Regulation D under the Securities Act.

(h) Representation, Warranty and Indemnity Agreement. Daniel A. Hoffler and each other party thereto shall have entered into the Representation, Warranty and Indemnity Agreement.

(i) No Material Adverse Change. There shall have not occurred between the date hereof and the Closing Date any material adverse change with respect to any of the Contributed Interests or any material adverse change in any of the assets, business, condition (financial or otherwise), results of operation or prospects of any Subsidiary Entity, Property, Property Entity or Contributed Entity.

(j) Tenant and Lender Estoppels. The Operating Partnership shall have received tenant and lender estoppels in form and substance satisfactory to the Operating Partnership and its counsel.

5.2 Conditions to Contributor's Obligation. In addition to any other conditions set forth in this Agreement, Contributor's obligation to consummate the Closing is subject to the timely satisfaction of each and every one of the conditions and requirements set forth in this Section 5.2, all of which shall be conditions precedent to Contributor's obligations under this Agreement.

(a) Representations and Warranties. The representations and warranties made by the Operating Partnership pursuant to this Agreement shall be true and correct as of the Closing as though such representations and warranties were made at the Closing.

(b) Performance. The Operating Partnership shall have performed and complied in all material respects with all agreements and covenants that it is required to perform or comply with pursuant to this Agreement prior to the Closing.

(c) Legal Proceedings. No order, statute, rule, regulation, executive order, injunction, stay, decree, or restraining order shall have been enacted, entered, promulgated or enforced by any court of competent jurisdiction or governmental entity that prohibits the consummation of the transactions contemplated by this Agreement, and no litigation or governmental proceeding seeking such an order shall be pending or threatened.

ARTICLE VI

CLOSING AND CLOSING DOCUMENTS

6.1 Closing. The consummation and closing (the "Closing") of the transactions contemplated pursuant to this Agreement shall take place at the offices of Hunton & Williams LLP in Richmond, Virginia, or such other place as the Operating Partnership may designate, promptly following satisfaction of the conditions to Closing set forth herein (the "Closing Date"), or as otherwise set by agreement of the parties; provided, however, termination shall not relieve any party from a breach occurring prior to that date.

6.2 Contributor's Deliveries. At the Closing, Contributor shall deliver the following to the Operating Partnership in addition to all other items required to be delivered to the Operating Partnership by Contributor:

(a) Assignment of Contributed Interests. Contributor shall have executed and delivered an Assignment, in substantially the form of Exhibit B attached hereto.

(b) Execution of Partnership Agreement. If Contributor has elected to receive OP Units, signature pages of the Partnership Agreement (which Partnership Agreement shall be in substantially the form attached as an exhibit to the PPM) duly executed by Contributor, as limited partner.

(c) FIRPTA Certificate. An affidavit from Contributor certifying pursuant to Section 1445 of the Internal Revenue Code that Contributor is not a foreign corporation, foreign partnership, foreign trust, foreign estate or foreign person (as those terms are defined in the Code and the Treasury Regulations promulgated thereunder).

(d) Other Documents. Any other document or instrument reasonably requested by the Operating Partnership or required hereby.

6.3 Default Remedies. If Contributor defaults in performing any of Contributor's obligations under this Agreement, the Operating Partnership shall have all rights and remedies available to it at law or in equity resulting from Contributor's default, including without limitation, the right to seek specific performance of this Agreement and Contributor's obligation to convey the Contributed Interests to the Operating Partnership hereunder. The parties acknowledge and agree that the failure of a condition precedent to occur, notwithstanding the good faith and commercially reasonable efforts of the applicable party, shall not be a default hereunder.

ARTICLE VII

MISCELLANEOUS

7.1 Notices. Any notice provided for by this Agreement and any other notice, demand, or communication required hereunder shall be in writing and either delivered in person (including by confirmed facsimile transmission) or sent by hand delivered against receipt or sent by recognized overnight delivery service or by certified or registered mail, postage prepaid, with return receipt requested. All notices shall be addressed as follows:

Operating Partnership:

c/o Armada Hoffler Properties, Inc.
222 Central Park Avenue, Suite 2100,
Virginia Beach, Virginia 23462
Attention: A. Russell Kirk
Fax No.: 757-424-2513

with a copy to (which shall not constitute notice):

Hunton & Williams LLP
Riverfront Plaza, East Tower
951 E. Byrd Street
Richmond, Virginia 23219
Attention: David C. Wright
Fax No.: 804-343-4580

and

Faggert & Frieden, P.C.
222 Central Park Avenue, Suite 1300
Virginia Beach, Virginia 23462
Attention: David Y. Faggert
Fax No.: 757-424-0102

Contributor:

John C. Davis
222 Central Park Avenue
Suite 2100
Virginia Beach, Virginia 23462

Any address or name specified above may be changed by a notice given by the addressee to the other party. Any notice, demand or other communication shall be deemed given and effective as of the date of delivery in person or set forth on the return receipt. The inability to deliver because of changed address of which no notice was given, or rejection or other refusal to accept any notice, demand or other communication, shall be deemed to be receipt of the notice, demand or other communication as of the date of such attempt to deliver or rejection or refusal to accept.

7.2 Entire Agreement; Third-Party Beneficiaries. This Agreement, including, without limitation, the exhibits hereto and thereto, constitute the entire agreement and supersede each prior agreement and understanding, whether written or oral, among the parties regarding the subject matter of this Agreement. This Agreement is not intended to confer any rights or remedies on any Person other than the parties hereto.

7.3 Amendment. This Agreement may not be amended except by an instrument in writing signed on behalf of each of the parties hereto.

7.4 Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the Commonwealth of Virginia, without regard to the conflicts of law rules thereof.

7.5 Counterparts. This Agreement may be executed by the parties hereto in separate counterparts, each of which when so executed and delivered shall be an original, but all such counterparts shall together constitute one and the same instrument. Each counterpart may consist of a number of copies hereof, each signed by less than all, but together signed by all of the parties hereto. Each party may rely upon the facsimile or electronic pdf email signature of any other party as if such signature were an original signature.

7.6 Headings. Headings of the Articles and Sections of this Agreement are for the convenience of the parties only, and shall be given no substantive or interpretive effect whatsoever.

7.7 Incorporation. All Exhibits attached hereto and referred to herein are hereby incorporated herein and made a part hereof for all purposes as if fully set forth herein.

7.8 Severability. Any term or provision of this Agreement which is invalid or unenforceable in any jurisdiction shall, as to that jurisdiction, be ineffective to the extent of such invalidity or unenforceability without rendering invalid or unenforceable the remaining terms and provisions of this Agreement or affecting the validity or enforceability of any of the terms or provisions of this Agreement in any other jurisdiction. If any provision of this Agreement is so broad as to be unenforceable, the provision shall be interpreted to be only so broad as is enforceable.

7.9 Waiver of Conditions. The conditions to each party's obligations hereunder are for the sole benefit of such party and may be waived by such party in whole or in part to the extent permitted by applicable law.

7.10 Dispute Resolution. The parties intend that this Section 7.1010 will be valid, binding, enforceable, exclusive and irrevocable and that it shall survive any termination of this Agreement.

(a) Upon any dispute, controversy or claim arising out of or relating to this Agreement or the enforcement, breach, termination or validity thereof ("Dispute"), the party raising the Dispute will give written notice to the other parties to the Dispute describing the nature of the Dispute following which the parties to such Dispute shall attempt for a period of ten (10) Business Days from receipt by the parties of notice of such Dispute to resolve such Dispute by negotiation between representatives of the parties hereto who have authority to settle such Dispute. All such negotiations shall be confidential and any statements or offers made therein shall be treated as compromise and settlement negotiations for purposes of any applicable rules of evidence and shall not be admissible as evidence in any subsequent proceeding for any purpose. The statute of limitations applicable to the commencement of a lawsuit shall apply to the commencement of an arbitration hereunder, except that no defense based on the running of the statute of limitations will be available based upon the passage of time during any such negotiation. Regardless of the foregoing, a party shall have the right to seek immediate injunctive relief pursuant to clause (c) below without regard to any such ten (10) Business Day negotiation period.

(b) Any Dispute (including the determination of the scope or applicability of this Agreement to arbitrate) that is not resolved pursuant to clause (a) above shall be submitted to final and binding arbitration in Virginia Beach, Virginia before one neutral and impartial arbitrator, in accordance with the laws of the Commonwealth of Virginia for agreements made in and to be performed in Virginia. The arbitration shall be administered by JAMS, Inc. ("JAMS")

pursuant to its Comprehensive Arbitration Rules and Procedures, as in effect on the date hereof. The parties hereto shall appoint one arbitrator within fifteen (15) days of a demand for arbitration. If an arbitrator is not appointed within such 15-day period, the arbitrator shall be appointed by JAMS in accordance with its Comprehensive Arbitration Rules and Procedures, as in effect on the date hereof. The arbitrator shall designate the place and time of the hearing. The hearing shall be scheduled to begin as soon as practicable and no later than sixty (60) days after the appointment of the arbitrator (unless such period is extended by the arbitrator for good cause shown) and shall be conducted as expeditiously as possible. The award, which shall set forth the arbitrator's findings of fact and conclusions of law, shall be filed with JAMS and mailed to the parties no later than thirty (30) days after the close of the arbitration hearing. The arbitration award shall be final and binding on the parties and not subject to collateral attack. Judgment upon the arbitration award may be entered in any federal or state court having jurisdiction thereof.

(c) Notwithstanding the parties' agreement to submit all Disputes to final and binding arbitration before JAMS, the parties shall have the right to seek and obtain temporary or preliminary injunctive relief in any court having jurisdiction thereof. Such courts shall have authority to, among other things, grant temporary or provisional injunctive relief in order to protect any party's rights under this Agreement. Without prejudice to such provisional remedies as may be available under the jurisdiction of a court, the arbitral tribunal shall have full authority to grant provisional remedies and to direct the parties to request that any court modify or vacate any temporary or preliminary relief issued by such court, and to award damages for the failure of any party to respect the arbitral tribunal's orders to that effect.

(d) The prevailing party shall be entitled to recover its costs and reasonable attorneys' fees, and the non-prevailing party shall pay all expenses and fees of JAMS, all costs of the stenographic record, all expenses of witnesses or proofs that may have been produced at the direction of the arbitrator, and the fees, costs and expenses of the arbitrator. The arbitrator shall allocate such costs and designate the prevailing party or parties for these purposes.

[*Signature Page Follows.*]

IN WITNESS WHEREOF, this Agreement has been entered into effective as of the date first written above.

CONTRIBUTOR:

JOHN C. DAVIS

/s/ John C. Davis
By: John C. Davis

OPERATING PARTNERSHIP:

ARMADA HOFFLER, L.P., a Virginia limited partnership

By: Armada Hoffler Properties, Inc.,
its general partner

By: /s/ Louis S. Haddad
Name: Louis S. Haddad
Title: Chief Executive Officer and President

REIT:

ARMADA HOFFLER PROPERTIES, INC., a Maryland corporation

By: /s/ Louis S. Haddad
Name: Louis S. Haddad
Title: Chief Executive Officer and President

EXHIBIT A

Contributor – John C. Davis

CONTRIBUTED ENTITY/ CONTRIBUTED INTEREST	SUBSIDIARY INTERESTS	PROPERTY	PROPERTY ENTITY
New Armada Hoffler Properties I, LLC[1] (all interests owned by Contributor)	0.47025% interest in Bermuda Shopping Center, L.L.C.	Bermuda Shopping Center Chesterfield County, VA	Bermuda Shopping Center, L.L.C.
	0.4% interest in BSE/AH Blacksburg Apartments, LLC	Apartments at Smith's Landing Blacksburg, VA	BSE/AH Blacksburg Apartments, LLC
	1.0% interest in A/H Broad Creek PH. III, L.L.C.	Broad Creek Shopping Center Norfolk, VA	Broad Creek PH. III, L.L.C.
	1.0% interest in Columbus Tower, L.L.C.	Town Center Block 5-A1 Virginia Beach, VA	Columbus Tower, L.L.C.
	0.8% interest in Columbus Tower Block 5-A2 Associates, L.L.C.	Town Center Block 5-A2 Virginia Beach, VA	Columbus Tower Block 5-A2 Associates, L.L.C.
	0.8% interest in AH Columbus II, L.L.C.	Leasehold Interest in Block 5-A2, Town Center Virginia Beach, VA	AH Columbus II, L.L.C.
	1.5% interest in HT Tyre Neck, L.L.C.	Harris Teeter Portsmouth, VA	HT Tyre Neck, L.L.C.
	0.038% interest in Hanbury Village II, L.L.C.	Hanbury Village Shopping Center Chesapeake, VA	Hanbury Village II, L.L.C.
	Interest equal to 0.38% after first $356,090 in Hoffler and Associates, EAT, LLC	Hanbury Village, Outparcel 3A Chesapeake, VA	Hoffler and Associates EAT, LLC
	0.6498% interest in North Pointe-CGL, L.L.C.	Lot 2, Phase II, North Pointe Shopping Center Durham, NC	North Pointe-CGL, L.L.C.
	0.6498% interest in North Point Development Associates, L.P.	Lot I, Phase III Durham, NC	North Point Development Associates, L.P.
	0.63418% interest in North Pointe Outparcels, L.L.C.	Lot 1, North Pointe Shopping Center Durham, MC	North Pointe Outparcels, L.L.C.
	1.26834% interest in North Pointe VW4, L.L.C.	Lot 1 A North Pointe Durham, NC	North Pointe VW4, L.L.C.
	0.8% interest in TCA Block 4 Retail, L.L.C.	South Retail Unit, Town Center Condominium 4 Virginia Beach, VA	TCA Block 4 Retail, L.L.C.

[1] Prior to the Closing, pursuant to the Master Contribution and Distribution Agreement, Armada/Hoffler Properties, LLC ("AHP") will contribute to New Armada Hoffler Properties I, LLC ("New AHP I") the interests in the subsidiary entities described below and will distribute to John C. Davis ("Davis") an interest in New AHP I. At Closing, pursuant to the Contribution Agreement, Davis will contribute his interest in New AHP I to the Operating Partnership.

CONTRIBUTED ENTITY/ CONTRIBUTED INTEREST	SUBSIDIARY INTERESTS	PROPERTY	PROPERTY ENTITY
	0.84643% interest in Armada/Hoffler Tower 4, L.L.C.	Office Tower Unit, North Office Unit and West Retail Unit, Town Center Condominium 4 Virginia Beach, VA	Armada/Hoffler Tower 4, L.L.C.
	0.8% interest in Town Center Associates 7, L.L.C.	East and West A Retail Units, Town Center Condominium 7 Virginia Beach, VA	Town Center Associates 7, L.L.C.
	0.8% interest in Town Center Associates 12, L.L.C.	Anchor Unit and Commercial Unit, Town Center Condominium 12 Virginia Beach, VA	Town Center Associates 12, L.L.C.
	2.0% interest in Lake View AH-VNG, LLC	Virginia Natural Gas Headquarters Building Virginia Beach, VA	Lake View AH-VNG, LLC
	1.0% interest in Williamsburg Medical Building, L.L.C.	Williamsburg Sentara Medical Building Williamsburg, VA	Williamsburg Medical Building, L.L.C.
	2.0% interest in AH Sandbridge, L.L.C.	Sandbridge Commons Virginia Beach, VA	AH Sandbridge, L.L.C.
New Armada Hoffler Properties II, LLC[2] (all interests owned by Contributor)	0.84281% interest in Courthouse Marketplace Outparcels, L.L.C.	Parcel A-1-B, A-1-C, A-1-D Virginia Beach, VA	Courthouse Marketplace Outparcels, L.L.C.
	0.8% interest in Greenbrier Technology Center II Associates, L.L.C.	Town Center Block 3 Virginia Beach, VA	Greenbrier Technology Center II Associates, L.L.C.
	0.8% interest in Town Center Associates 6, L.L.C.	Retail Unit, 56 Condominium Virginia Beach, VA	Town Center Associates 6, L.L.C.
	0.8% interest in Armada/Hoffler Block 8 Associates, L.L.C.	Town Center Block 8B Virginia Beach, VA	Armada/Hoffler Block 8 Associates, L.L.C.
	2.0% interest in AH Richmond Tower I, L.L.C.	Richmond Tower Richmond, VA	AH Richmond Tower I, L.L.C.
	1.6% interest in Town Center Associates 11, L.L.C.	Block 11 Town Center Project Virginia Beach, VA	TCA Block 11 Office, LLC TCA Block 11 Apartments, LLC
	2.0% interest in AH Durham Apartments, L.L.C.	Jackson Street Apartments Durham, NC	AH Durham Apartments, L.L.C.
	2.0% interest in AH Southeast Commerce Center, L.L.C.	Brooks Crossing Newport News, VA	AH Southeast Commerce Center, L.L.C.

[2] Prior to the Closing, pursuant to the Master Contribution and Distribution Agreement, Armada/Hoffler Properties II, LLC ("AHP II") will contribute to New Armada Hoffler Properties II, LLC ("New AHP II") the interests in the subsidiary entities described below and will distribute to Davis an interest in New AHP II. At Closing, pursuant to the Contribution Agreement, Davis will contribute his interest in New AHP II to the Operating Partnership.

CONTRIBUTED ENTITY/ CONTRIBUTED INTEREST	SUBSIDIARY INTERESTS	PROPERTY	PROPERTY ENTITY
	2.0% interest AH Greentree, L.L.C.	Greentree Shopping Center Chesapeake, VA	AH Greentree, L.L.C.
0.65% interest in North Pointe Development Associates, L.L.C.	–	North Point Shopping Center (Costco) *and* North Point Shopping Center (Bed Bath & Beyond and others) Durham, NC	North Point Development Associates, L.P.
1.0% interest in TCA Block 3, Inc.	–	Town Center Block 3 Virginia Beach, VA	Greenbrier Technology Center II Associates, L.L.C.
1.0% interest in TCA Block 8, Inc.	–	Town Center Block 8B Virginia Beach, VA	Armada/Hoffler Block B Associates, L.L.C.
1.0% interest in Broad Creek Ph. II, L.L.C.	–	Broad Creek Shopping Center Norfolk, VA	Broad Creek Ph. II, L.L.C.
0.51493% interest in Town Center Block 10 Apartments, L.P.	–	Apartments and Retail Unit, Town Center Condominium 10 Virginia Beach, VA	Town Center Block 10 Apartments, L.P.

Cash[3] - $575,800

OP Units: Determined as set forth below.
Total AH Partners' OP Unit Allocation Percentage: 1.021%

The cash portion of the Consideration that Contributor will receive shall be fixed at the amount shown above. The number of OP Units that Contributor will receive as part of the Consideration is not known as of the date of this Agreement, but shall be calculated as follows:

1. Prior to commencement of marketing of the IPO, the REIT and the managing underwriters for the IPO shall determine a valuation range for the combined equity interests (after deduction of debt) of all of the properties, assets and businesses that will be contributed to the OP and its subsidiaries pursuant to the transactions described in the PPM (the "Formation Transactions"). From the midpoint of this range, there will be deducted the amount of cash that will be paid by the OP as consideration to all of the contributors in connection with the Formation Transactions, with the resulting amount after such deduction being herein referred to as the "Total OP Unit Valuation".

2. The Total OP Unit Valuation shall be divided by the midpoint of the price range for the shares of the REIT's common stock in the IPO (the "IPO Price Range") as set forth on the front cover of the REIT's preliminary prospectus for the IPO filed with the SEC (the "Preliminary Prospectus") to determine a fixed number of OP Units issuable to all the contributors in connection with the Formation Transactions (the "Total OP Units") and the number of Total OP Units shall be reflected in the Preliminary Prospectus.

[3] In the event that, at or prior to Closing, the OP has not arranged financing in the form of a credit facility or other debt financing in an amount sufficient to pay to Contributor at Closing the full amount of the cash consideration amount shown above, the OP may deliver to Contributor at Closing a promissory note payable by the OP to Contributor in a principal amount up to $81,580. The promissory note shall not bear interest, shall mature on the first anniversary of the date of issuance and may be prepaid by the OP at any time.

3. The Total OP Units will be allocated among contributors who are not officers, employees or affiliates of Armada Hoffler Holding Company and its affiliates (collectively, the "Non-AH Partners") and the contributors who are officers, employees or affiliates of Armada Hoffler Holding Company and its affiliates, including certain trusts established by such officers and employees (collectively, the "AH Partners"), including Contributor.

4. Each Non-AH Partners will receive a number of OP Units equal to the amount of consideration set forth in such Non-AH Partner's contribution agreement with the OP as allocable to OP Units, divided by the IPO Price (the "Total Non-AH Partners' OP Units"). To the extent the IPO Price is greater or less than the mid-point of the IPO Price Range, the number of OP Units issuable to each Non-AH Partner (as described and set forth in the Preliminary Prospectus) will decrease or increase, respectively, in an amount sufficient to cause the value of the OP Units issuable to the Non-AH Partner to equal the amount of the consideration set forth in such Non-AH Partner's contribution agreement (utilizing a value per OP Unit equal to the IPO Price).

5. The aggregate number of OP Units issuable to the AH Partners (the "Total AH Partners' OP Units") will be equal to the difference between (a) the Total OP Units and (b) the Total Non-AH Partners' OP Units.

6. The number of OP Units issuable as Consideration to Contributor pursuant to this Agreement will be determined by multiplying (a) the Total AH Partners' OP Units by (b) the percentage set forth above under the heading "Total AH Partners' OP Unit Allocation Percentage" divided by the IPO Price.

[*Signature Page Follows*]

The undersigned hereby agrees that this Exhibit A represents the definitive Exhibit A to the Contribution Agreement and supersedes any and all prior versions.

CONTRIBUTOR:

JOHN C. DAVIS

/s/ John C. Davis
By: John C. Davis

OPERATING PARTNERSHIP:

ARMADA HOFFLER, L.P., a Virginia limited partnership

By: Armada Hoffler Properties, Inc.,
its general partner

By: /s/ Louis S. Haddad
Name: Louis S. Haddad
Title: Chief Executive Officer and President

REIT:

ARMADA HOFFLER PROPERTIES, INC., a Maryland corporation

By: /s/ Louis S. Haddad
Name: Louis S. Haddad
Title: Chief Executive Officer and President

Exhibit B

Assignment

The undersigned, for good and valuable consideration paid to the Assignor by ARMADA HOFFLER, L.P., a Virginia limited partnership ("Assignee"), pursuant to the Contribution Agreement dated as of , 2012, by and between Assignor and Assignee (the "Agreement") and for other good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, does hereby sell, assign, transfer, convey and deliver to the Assignee, its successors and assigns, good and indefeasible right, title and interest to the **[partnership or limited liability company interests/shares of common stock]** described on *Schedule A* hereto, including, without limitation, all right, title and interest, if any, of the undersigned in and to the assets of each such **[partnership/limited liability company/corporation]** and the right to receive distributions of money, profits and other assets from each such partnership, presently existing or hereafter at any time arising or accruing, free and clear of all liens, encumbrances, security interests, pledges, voting agreements, prior assignments or conveyances, conditions, restrictions, claims, and any other matters affecting title thereto.

The undersigned, for itself, its successors and assigns, hereby covenants and agrees that, at any time and from time to time after the date hereof, upon the written request of Assignee, the undersigned will, without further consideration, do, execute, acknowledge, and deliver or cause to be done, executed, acknowledged and delivered, each of and all of such further acts, deeds, assignments, transfers, conveyances and assurances as may reasonably be required by Assignee in order to assign, transfer, set over, convey, assure and confirm unto and vest in Assignee, its successors and assigns, title to the interests described in *Schedule A* hereto

Capitalized terms used but not defined herein shall have the respective meanings ascribed to them in the Agreement.

IN WITNESS WHEREOF, the parties hereto have caused this Assignment to be signed by a duly authorized officer this day of , 201 .

, a

By: _____
Name:
Title:

CONTRIBUTION AGREEMENT

Alan R. Hunt

This CONTRIBUTION AGREEMENT (this "Agreement") is made as of February 11, 2013 by and among Alan R. Hunt ("Contributor"), Armada Hoffler, L.P., a Virginia limited partnership (the "Operating Partnership") and Armada Hoffler Properties, Inc., a Maryland corporation (the "REIT").

RECITALS

WHEREAS, Contributor is or may become the record and beneficial owner of equity interests in the amount or percentage described on Exhibit A hereto (the "Contributed Interests") in each of the entities described in Exhibit A hereto (each, a "Contributed Entity" and collectively, the "Contributed Entities"), which are the direct or indirect owners of the respective properties or property entities described on Exhibit A hereto (each a "Property" and collectively, the "Properties"). Entities in which certain of the Contributed Entities own interests (each, a "Subsidiary Entity") are set forth on Exhibit A as "Subsidiary Interests". Contributor desires to contribute any and all interests that he may now or hereafter own in the Contributed Interests to the Operating Partnership, and the Operating Partnership desires to acquire the Contributed Interests from Contributor, on the terms and conditions hereinafter set forth.

NOW, THEREFORE, for and in consideration of the foregoing, and the representations, warranties and other terms contained in this Agreement, and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties hereto, intending to be legally bound hereby, agree as follows:

ARTICLE I

THE CONTRIBUTION

1.1 Contribution of Contributed Interests. Contributor irrevocably agrees to contribute, transfer and assign at Closing (as defined herein) any and all interests that he may now or hereafter own in the Contributed Interests set forth opposite Contributor's name on Exhibit A hereto, together with any other interests Contributor may have in any of the Contributed Entities and any other properties or entities being acquired by the Operating Partnership as described in the Confidential Private Placement Memorandum for the Offering of Limited Partnership Interests of the Operating Partnership dated January 16, 2013 (the "PPM"), to the Operating Partnership, and the Operating Partnership agrees to accept transfer of the Contributed Interests and any such other interests pursuant to the terms and subject to the conditions set forth in this Agreement. The Contributed Interests shall be transferred to the Operating Partnership free and clear of all liens, encumbrances, security interests, pledges, voting agreements, prior assignments or conveyances, conditions, restrictions, claims, and any other matters affecting title thereto.

1.2 Consideration.

(a) Consideration Amount. The total consideration (the "Consideration") for which Contributor agrees to contribute, transfer and assign the Contributed Interests to the Operating Partnership, and for which the Operating Partnership agrees to pay, issue or deliver to Contributor, subject to the terms of this Agreement, at Closing (as defined herein) shall be determined in the manner set forth on Exhibit A hereto. The Consideration may be adjusted, upward or downward, by the amount of any adjustments arising from the Prorations (as defined herein). Any decrease to the amount of the Consideration will be deducted first from the cash portion of the Consideration, if any, and the balance, if any, will be deducted from the OP Units. Any increase in the Consideration as a result of the Prorations will be paid in OP Units. In addition to the Consideration set forth on Exhibit A hereto, Contributor shall be entitled to receive in cash, at Closing or shortly thereafter, Contributor's pro rata share (based on Contributor's direct or indirect ownership interest in each Property Entity) of any tenant improvement, leasing commission and replacement reserves held by lenders with respect to each Property in which Contributor owns an interest.

(b) Election Form. The Consideration shall be payable in accordance with the election made by Contributor in the Consideration Election Form ("Election Form") accompanying the PPM, the results of which election are set forth on Exhibit A hereto. If, pursuant to the Election Form, Contributor (A) elected all or part of Contributor's consideration payable hereunder to be in the form of units of limited partnership interests of the Operating Partnership ("OP Units") and (B) submitted to the Operating Partnership (x) an executed Investor Questionnaire representing and warranting to the Operating Partnership that Contributor is an "accredited investor" as defined in the Investor Questionnaire and (y) any other documentation required by the Operating Partnership, including, but not limited to, a signature page to the Partnership Agreement (as hereinafter defined), Contributor shall receive OP Units in an amount determined in the manner described on Exhibit A hereto. The portion of the Consideration, if any, payable in cash is set forth on Exhibit A. Contributor agrees that the cash payment shall be made and the OP Units shall be registered in the name of the persons or entities set forth on the Election Form. OP Units will only be delivered to Contributor if Contributor has represented to the Operating Partnership that Contributor is an "accredited investor". No fractional OP Units will be issued and OP Units will be rounded to the nearest whole number. The Consideration payable to Contributor, whether in cash, in OP Units or a combination thereof, may be reduced by the amount the Operating Partnership reasonably determines must be withheld for tax purposes. The rights and obligations of holders of OP Units as of the Closing will be as set forth in the First Amended and Restated Agreement of Limited Partnership of the Operating Partnership (the "Partnership Agreement"), a draft copy of which is included as an exhibit to the PPM.

1.3 OP Units. Although initially the OP Units will not be certificated, certificates, if any, subsequently evidencing the OP Units will bear appropriate legends (i) indicating that the OP Units have not been registered under the Securities Act of 1933, as amended ("Securities Act"), (ii) indicating that the Partnership Agreement will restrict the transfer of the OP Units, and (iii) describing the ownership limitations and transfer restrictions imposed by the charter of the REIT with respect to shares of the REIT's common stock.

1.4 No Further Interest. Contributor acknowledges and agrees that effective upon the Closing, and without any further action by Contributor, the Contributed Interests shall be transferred, assigned and conveyed to the Operating Partnership, or a subsidiary thereof, and Contributor shall no longer be an equity holder of any of the Contributed Entities, shall no longer be entitled to receive any distributions from any of the Contributed Entities, and shall have no further right, title or interest in any of the Contributed Interests, the Contributed Entities or the Property Entities.

1.5 Tax Consequences to Contributor. Notwithstanding anything to the contrary contained in this Agreement, including without limitation the use of words and phrases such as "sell," "sale," "purchase," and "pay," the parties hereto acknowledge, agree and consent that the transactions contemplated hereby will be treated for federal income tax purposes (i) in accordance with Section 721 of the Internal Revenue Code of 1986, as amended (the "Code") with respect to any portion of the Consideration that is payable in OP Units; (ii) as an "assets over form" of transaction pursuant to Treasury Regulations Section 1.708-1(c)(3)(i); and (iii) as a sale of the Contributor's Contributed Interests to the Operating Partnership under Treasury Regulations Section 1.708-1(c)(4) to the extent of the Contributor's receipt of cash Consideration pursuant to Section 1.2(a), except to the extent that such cash Consideration is treated as (a) the reimbursement of "preformation expenditures" under Treasury Regulations Section 1.707-4(d); and/or (b) a "debt financed transfer of consideration" by the Operating Partnership under Treasury Regulations Section 1.707-5(b), as applicable.

1.6 Definitions. As used in this Agreement, the following terms have the following meanings:

"Contributor's Percentage Interest" means, with respect to each Contributed Entity, the percentage set forth on Exhibit A hereto under the heading "Contributed Entity/Contributed Interest", which reflects Contributor's percentage ownership interest in each Contributed Entity pursuant to and in accordance with the applicable Governing Agreement (as defined herein) of the Contributed Entity.

"IPO" means the underwritten initial public offering of common stock of the REIT.

"IPO Price" means the public offering price set forth on the front cover of the final prospectus for the IPO, as filed with the U.S. Securities and Exchange Commission (the "SEC").

"Property Entity" means an entity owning a Property, as set forth on Exhibit A hereto.

"Prorations" means those proration and adjustment amounts that are customarily applied to closings of commercial real estate transactions in the county in which the Property is located, which amounts shall be calculated as of midnight (Eastern time) of the day immediately preceding the Closing Date and shall include:

(A) Taxes. All real estate and personal property taxes and special assessments, if any, with respect to each Property shall be prorated at Closing;

(B) Utilities. All telephone, electric, sewer, water and other utility bills, trash removal bills, janitorial and maintenance service bills and all other expenses relating to a Property that are obligations of the Property Entity and which are allocable to the period prior to the Closing Date shall be determined and paid, or caused to be paid, by the Property Entity or Contributed Entity before Closing, if possible, or if such is not determinable before Closing, then the Parties shall use their commercially reasonable efforts to determine and pay such amounts as promptly as possible following Closing and the Operating Partnership may withhold from any cash amount of the Consideration payable at Closing hereunder an amount of cash reasonably estimated to cover any estimated Proration for the items described in this subsection (B);

(C) Rents. All rents, including, without limitation, base rents, operating expense payments or common area maintenance charges and all other forms of additional rents, payable under the leases of the Property and all other income from the Property shall be prorated at Closing; and

(D) Other Items. Any other items of revenue, operating expenses or other items which are customarily prorated between a transferor and transferee of real estate in the county in which the Property is located shall be prorated at Closing.

"Representation, Warranty and Indemnity Agreement" means the Representation, Warranty and Indemnity Agreement by and among the REIT, the Operating Partnership and Daniel A. Hoffler.

ARTICLE II

REPRESENTATIONS AND WARRANTIES

2.1 Representations by the Operating Partnership. The Operating Partnership hereby represents and warrants to Contributor that the following statements are true, correct, and complete as of the date of this Agreement and will be true, correct and complete as of the Closing Date (as defined herein):

(a) Organization and Power. The Operating Partnership is duly organized, validly existing, and in good standing under the laws of the Commonwealth of Virginia, and has full right, power, and authority to enter into this Agreement and to assume and perform all of its obligations under this Agreement. The execution and delivery of this Agreement and the performance by the Operating Partnership of its obligations hereunder have been duly authorized by all requisite action of the Operating Partnership and require no further action or approval of the Operating Partnership's partners or of any other individuals or entities in order to constitute this Agreement as a binding and enforceable obligation of the Operating Partnership.

(b) OP Units Validly Issued. The OP Units, when issued in accordance with the terms of this Agreement and the Partnership Agreement, will have been duly and validly authorized and issued, free of any preemptive or similar rights, and will be fully paid, without any obligation to restore capital, except as required by the Virginia Revised Uniform Limited Partnership Act (the "Limited Partnership Act").

2.2 Representations by Contributor. Contributor hereby represents and warrants to the Operating Partnership that the following statements are true, correct, and complete as of the date of this Agreement and will be true, correct, and complete as of the Closing Date:

(a) Organization and Power; Due Authorization. Contributor, if an entity or trust, is duly incorporated, formed or organized, validly existing, and in good standing under the laws of its state of incorporation, formation or organization. Contributor has full right, power, and authority to enter into this Agreement and to assume and perform all of its obligations under this Agreement; and the execution and delivery of this Agreement and the performance by Contributor of its obligations hereunder have been duly authorized by all requisite action of Contributor and require no further action or approval of Contributor's members, partners, stockholders, managers, board of directors, trustees or of any other individuals or entities, as applicable, in order to constitute this Agreement as a binding and enforceable obligation of Contributor. No person has any community property rights, by virtue of marriage or otherwise, with respect to the Contributed Interests. This Agreement and each agreement, document and instrument executed and delivered by or on behalf of Contributor pursuant to this Agreement constitutes, or when executed and delivered will constitute, the legal, valid and binding obligation of Contributor, each enforceable against Contributor in accordance with its terms, except as such enforceability may be limited by bankruptcy or the application of equitable principles.

(b) Noncontravention. Neither the entry into nor the performance of, or compliance with, this Agreement by Contributor has resulted, or will result, in any violation of, or default under, or result in the acceleration of, any obligation under any charter, bylaws, limited liability company agreement, partnership agreement, declaration of trust, mortgage indenture, lien agreement, note, contract, agreement, permit, judgment, decree, order, restrictive covenant, statute, rule, or regulation applicable to Contributor or to any Contributed Interests, any Contributed Entity, Subsidiary Interests or Property Entity.

(c) Litigation. There is no action, suit, or proceeding, pending or known to be threatened, against or affecting Contributor in any court or before any arbitrator or before any federal, state, municipal, or other governmental department, commission, board, bureau, agency or instrumentality which (1) in any manner raises any question affecting the validity or enforceability of this Agreement, (2) could materially and adversely affect the business, financial position, or results of operations of Contributor, any Contributed Entity, Subsidiary Interests, Property Entity or Property, (3) could adversely affect the ability of Contributor to perform its obligations hereunder, or under any document to be delivered pursuant hereto, (4) could create a lien on the Contributed Interests, any part thereof, or any interest therein, or (5) could adversely affect the Contributed Interests, any part thereof, or any interest therein.

(d) Good Title. Exhibit A hereto accurately sets forth Contributor's Percentage Interest. Contributor is the sole record and beneficial owner of the Contributed Interests and has full power and authority to convey the Contributed Interests pursuant to the terms of this Agreement. Contributor has good and marketable title to the Contributed Interests. Except as set forth on Schedule 2.1(d), the Contributed Interests are free and clear of all liens, encumbrances, security interests, pledges, voting agreements, prior assignments or conveyances, conditions, restrictions, claims or any other matters affecting title thereto and at the Closing will

be contributed to the Operating Partnership free and clear of all liens, encumbrances, security interests, pledges, voting agreements, prior assignments or conveyances, conditions, restrictions, claims or other matters affecting title thereto. No other person or entity has an option to purchase or a right of first refusal to purchase the Contributed Interests nor are there any agreements or understandings with respect to the voting, ownership or disposition of the Contributed Interests that could adversely affect Contributor's ability to perform its obligations hereunder or the Operating Partnership's rights to the Contributed Interests following the Closing.

(e) Contributed Interests. There are no rights to purchase, subscriptions, warrants, options, conversion rights or preemptive rights relating to the Contributed Interests or any equity interest in any Contributed Entity that will be in effect as of the Closing.

(f) No Consents. Each consent, approval, authorization, order, license, certificate, permit, registration, designation, or filing by or with any governmental agency or body necessary for the execution, delivery and performance of this Agreement or the transactions contemplated hereby by Contributor has been obtained or will be obtained on or before the Closing Date. Each consent or approval required under any Governing Agreement (as defined herein), contract or agreement of any Contributed Entity, or among the partners, members or stockholders of any Contributed Entity, Subsidiary Entity or Property Entity to which Contributor is a party, relating to indebtedness or otherwise, necessary for the execution, delivery and performance of this Agreement and the contribution, acquisition and transfer of the Contributed Interests has been obtained or will be obtained on or before the Closing Date.

(g) Actions Prior to Closing. From the date hereof until the Closing Date, Contributor shall not take any action or fail to take any action the result of which would (1) have a material adverse effect on the Contributed Interests or the Operating Partnership's ownership thereof, or any material adverse effect on the assets, business, condition (financial or otherwise), results or operation of any Property, any Contributed Entity, Subsidiary Entity or Property Entity after the Closing Date or (2) cause any of the representations and warranties contained in this Section 2.2 to be untrue as of the Closing Date.

(h) Governing Documents. Contributor has performed all of its obligations under the Limited Partnership Agreement, Limited Liability Company Agreement, Operating Agreement, Charter and Bylaws, as such may have been amended from time to time, as applicable, of each Contributed Entity in which it owns an interest, (each a "Governing Agreement" and collectively, the "Governing Agreements").

(i) Securities Law Matters.

(1) In deciding to engage in the transaction contemplated by this Agreement, including, if applicable, acquiring OP Units, neither Contributor nor any equity holder thereof is relying upon any representations made to it by the Operating Partnership, or any of its partners, officers, employees, or agents that are not contained herein. Contributor is aware of the risks involved in investing in the OP Units and in the securities issuable upon redemption of such OP Units. Contributor is knowledgeable, sophisticated and experienced in business and financial matters and fully understands the

limitations on transfer imposed by the federal securities laws and as described in this Agreement and the PPM and related materials, including the Partnership Agreement. Contributor has received the PPM and related materials, including the Partnership Agreement, has reviewed all documents and has had an opportunity to ask questions of, and to receive answers from, the Operating Partnership and the REIT or a person or persons authorized to act on their behalf, concerning the terms and conditions of an investment in the OP Units and the financial condition, affairs, and business of the Operating Partnership and the REIT. Contributor confirms that all documents, records, and information pertaining to its investment in OP Units that have been requested by Contributor have been made available or delivered to Contributor prior to the date hereof.

(2) Contributor understands and acknowledges that (i) certain of the information contained in the PPM is incomplete or may be revised, amended or supplemented in the registration statement to be filed by the REIT with the SEC in connection with the IPO and (ii) the financial information included in the PPM has not been audited, but will be audited prior to the REIT's filing of the registration statement with the SEC, and such information could change upon audit, and any such changes could be material.

(3) Contributor and each equity holder thereof understands that the offer and sale of OP Units have not been registered under the Securities Act or any state securities laws and are instead being offered and sold in reliance on an exemption from such registration requirements and that the Operating Partnership's reliance on such exemption is predicated in part on the accuracy and completeness of the representations and warranties of Contributor contained herein. The OP Units issuable to Contributor are being acquired by Contributor solely for its own account, for investment, and are not being acquired with a view to, or for resale in connection with, any distribution, subdivision, or fractionalization thereof, in violation of such laws, and Contributor does not have any present intention to enter into any contract, undertaking, agreement, or arrangement with respect to any such resale.

(4) Contributor is able to bear the economic risk of holding the OP Units for an indefinite period and is able to afford the complete loss of its investment in the OP Units.

(5) Contributor understands that no federal agency (including the SEC) or state agency has made or will make any finding or determination as to the fairness of an investment in the OP Units (including as to the value of the Consideration payable in OP Units in accordance with Section 1.2 hereof).

(6) Contributor understands that there is no established public, private or other market for the OP Units to be acquired by Contributor hereunder and it is not anticipated that there will be any public, private or other market for such OP Units in the foreseeable future.

(7) Contributor understands that Rule 144 promulgated under the Securities Act is not currently available with respect to the sale of OP Units.

(j) Accredited Investor. If Contributor is electing to receive OP Units as some or all of the Consideration, Contributor is an "accredited investor", as that term is defined in Rule 501 of Regulation D under the Securities Act, and has previously provided the Operating Partnership and the REIT with a duly executed questionnaire confirming Contributor's accredited investor status. No event or circumstance has occurred since delivery of such questionnaire to make the statements therein false or misleading.

(k) Tax Matters. Contributor represents and warrants that it has obtained from its own counsel advice regarding the tax consequences of (i) the transfer of the Contributed Interests to the Operating Partnership and the receipt of OP Units and/or cash as the Consideration therefor, (ii) its admission as a limited partner of the Operating Partnership, if applicable and (iii) any other transaction contemplated by this Agreement. Neither the Operating Partnership nor the REIT has made any representation to Contributor regarding the tax treatment of the transactions contemplated by this Agreement, and Contributor further represents and warrants that it has not relied on the Operating Partnership or the Operating Partnership's representatives or counsel for any tax advice.

(l) Bankruptcy with respect to Contributor. No Act of Bankruptcy has occurred with respect to Contributor. As used herein, "Act of Bankruptcy" means if Contributor or any equity holder, partner, manager or director thereof shall (A) apply for or consent to the appointment of, or the taking of possession by, a receiver, custodian, trustee or liquidator of itself or of all or a substantial part of its property, (B) admit in writing its inability to pay its debts as they become due, (C) make a general assignment for the benefit of its creditors, (D) file a voluntary petition or commence a voluntary case or proceeding under the Federal Bankruptcy Code (as now or hereafter in effect), (E) be adjudicated bankrupt or insolvent, (F) file a petition seeking to take advantage of any other law relating to bankruptcy, insolvency, reorganization, receivership, dissolution, winding-up or composition or adjustment of debts, (G) fail to controvert in a timely and appropriate manner, or acquiesce in writing to, any petition filed against it in an involuntary case or proceeding under the Federal Bankruptcy Code (as now or hereafter in effect), or (H) take any entity action for the purpose of effecting any of the foregoing.

(m) Brokerage Commission. Contributor has not engaged the services of any real estate agent, broker, finder or any other person or entity for any brokerage or finder's fee, commission or other amount with respect to the transactions described herein.

(n) No Other Equity Interests. Except for the Contributed Interests, neither Contributor nor any of its affiliates owns, directly or indirectly, any equity interest in any partnership, limited liability company, corporation, trust or other entity owning a Property being acquired by the Operating Partnership as part of the formation transactions described in the PPM and does not own any interest in any Property other than through the Contributed Interests.

ARTICLE III

INDEMNIFICATION

3.1 Survival of Representations and Warranties; Remedy for Breach.

(a) Subject to Section 3.5 hereof, all representations and warranties of Contributor contained in this Agreement or in any Schedule, Exhibit, certificate or affidavit delivered pursuant to this Agreement shall survive the Closing.

(b) Subject to Section 3.4 hereof, following the Closing, Contributor shall be liable under this Agreement for monetary damages (or otherwise) for breach of any of its representations, warranties, covenants and obligations contained in this Agreement or in any Schedule, Exhibit, certificate or affidavit delivered by Contributor pursuant thereto.

3.2 General Indemnification.

(a) From and after the Closing Date, Contributor shall indemnify, hold harmless and defend the Operating Partnership and the REIT, and their respective officers, directors, employees, stockholders, partners, agents and affiliates (each of which is an "Indemnified Party"), from and against any and all claims, losses, damages, liabilities and expenses, including, without limitation, interest, penalties, amounts paid in settlement, reasonable attorneys' fees, costs of investigation, judicial or administrative proceedings or appeals therefrom and costs of attachment or similar bonds (collectively, "Losses") asserted against, imposed upon or incurred by the Indemnified Party, to the extent resulting from any breach of a representation, warranty or covenant of Contributor contained in this Agreement, or in any Schedule, Exhibit, certificate or affidavit delivered by Contributor pursuant thereto. In each case, Contributor shall only bear the fees, costs or expenses in connection with the employment of one counsel (regardless of the number of Indemnified Parties).

(b) Contributor shall also indemnify and hold harmless the Indemnified Parties from and against any and all Losses asserted against, imposed upon or incurred by the Indemnified Parties to the extent resulting from an unrelated third-party claim relating to the Contributed Interests arising from matters that occurred prior to Closing.

(c) With respect to any claim of an Indemnified Party pursuant to this Section 3.2, to the extent available, the Operating Partnership agrees to use diligent good faith efforts to pursue and collect any and all available proceeds and benefits of any right to defense under any insurance policy that covers the matter which is the subject of the indemnification prior to seeking indemnification from Contributor until all proceeds and benefits, if any, to which the Operating Partnership or the Indemnified Party is entitled pursuant to such insurance policy have been exhausted; provided, however, that the Operating Partnership may make a claim under this Section 3.2 even if an insurance coverage dispute is pending, in which case, if the Indemnified Party later receives insurance proceeds with respect to any Losses paid by either Contributor for the benefit of any Indemnified Party, then the Indemnified Party shall reimburse Contributor in an amount equivalent to such proceeds in excess of any deductible amount pursuant to Section 3.2(a) hereof up to the amount actually paid (or deemed paid) by Contributor

to the Indemnified Party in connection with such indemnification (it being understood that all costs and expenses incurred by Contributor with respect to insurance coverage disputes shall constitute Losses paid by Contributor for purposes of Section 3.2(a) hereof).

3.3 Notice and Defense of Claims. As soon as reasonably practicable after receipt by the Indemnified Party of notice of any liability or claim incurred by or asserted against the Indemnified Party that is subject to indemnification under this Article III, the Indemnified Party shall give notice thereof to Contributor, including liabilities or claims to be applied against the indemnification deductible established pursuant to Section 3.4 hereof; provided that failure to give notice to Contributor will not relieve Contributor from any liability that it may have to any Indemnified Party, unless, and only to the extent that, such failure (a) shall have caused prejudice to the defense of such claim or (b) shall have materially increased the costs or potential liability of Contributor by reason of the inability or failure of Contributor (due to such lack of prompt notice) to be involved in any investigations or negotiations regarding any such claim. Such notice shall describe in reasonable detail the facts known to such Indemnified Party giving rise to such claim, and the amount or good faith estimate of the amount of Losses arising therefrom. Unless prohibited by law, such Indemnified Party shall deliver to Contributor, promptly after such Indemnified Party's receipt thereof, copies of all notices and documents received by such Indemnified Party relating to such claim. The Indemnified Party shall permit Contributor, at Contributor's option and expense, to assume the defense of any such claim by counsel selected by Contributor and reasonably satisfactory to the Indemnified Party, and to settle or otherwise dispose of the same; provided, however, that the Indemnified Party may at all times participate in such defense at its sole expense; and provided further, however, that Contributor shall not, in defense of any such claim, except with the prior written consent of the Indemnified Party in its sole and absolute discretion, consent to the entry of any judgment or enter into any settlement that does not include as an unconditional term thereof the giving by the claimant or plaintiff in question to all Indemnified Parties a full and complete release of all liabilities in respect of such claims, or that does not result only in the payment of money damages which are paid (or deemed paid) in full by Contributor. If Contributor shall not have undertaken such defense within 20 days after such notice, or within such shorter time as may be reasonable under the circumstances to the extent required by applicable law, then the Indemnified Party shall have the right to undertake the defense, compromise or settlement of such liability or claim on behalf of and for the account of Contributor and at Contributor's sole cost and expense (subject to the limitations in Section 3.4 hereof).

3.4 Limitations on Indemnification Under Section 3.2(a).

(a) Contributor shall not be liable under Section 3.2(a) hereof unless and until the total amount recoverable by the Indemnified Parties under Section 3.2(a) exceeds one percent (1%) of the value of the aggregate Consideration (valuing OP Units at the IPO Price) and then only to the extent of such excess.

(b) Notwithstanding anything contained herein to the contrary, before taking recourse against any assets of Contributor and subject to the limitations set forth in the following sentence, the Indemnified Parties shall look, first to available insurance proceeds (including without limitation any title insurance proceeds, if applicable) pursuant to Section 3.2(c) above, and then to indemnification under this Article III, (and agree to treat any return of OP Units in

satisfaction of indemnification obligations hereunder as an adjustment to the consideration delivered to Contributor pursuant to the Formation Transactions). Notwithstanding anything to the contrary in this Agreement, except in the case of fraud or in the event of Losses relating to a third-party claim, Contributor shall not be liable to the Indemnified Parties for any indirect, special or consequential damages, loss of profits, taxes relating to tax years beginning on or after Closing, loss of value or other similar speculative damages asserted or claimed by the Indemnified Parties.

(c) The limitations in this Section 3.4 shall not apply to any obligations of Contributor with respect to Prorations under this Agreement.

3.5 Limitation Period.

(a) Any claim for indemnification under Section 3.2 hereof must be asserted in writing by the Indemnified Party, stating the nature of the Losses and the basis for indemnification therefor on or prior to the fifth (5th) anniversary of the Closing.

(b) If asserted in writing on or prior to the date specified in Section 3.5(a) hereof for the applicable claim, any claims for indemnification pursuant to Section 3.2 hereof shall survive until resolved by mutual agreement between Contributor and the Indemnified Party or by arbitration or court proceeding.

3.6 Delivery of Indemnity Amounts. Indemnity payments may be made by Contributor in the form of cash or OP Units. To the extent indemnification is made through delivery by Contributor of OP Units, such OP Units shall be valued at an amount per OP Unit equal to the IPO Price. Contributor hereby authorizes the REIT, as general partner of the Operating Partnership, to take all such action as may be necessary to amend the Partnership Agreement, and any exhibits or schedules thereto, to reflect the delivery of any OP Units by Contributor to the Operating Partnership as an indemnification payment hereunder and to reflect that Contributor has no further right, title or interest with respect to any such OP Units.

ARTICLE IV

COVENANTS

4.1 Covenants of the Contributor.

(a) Satisfaction of Conditions. Contributor hereby covenants that Contributor shall: (A) use commercially reasonable efforts and diligence in order to satisfy all of the conditions to Closing set forth herein, and (B) cooperate and assist in the Operating Partnership's efforts to satisfy all of the conditions to Closing set forth herein, and agrees that the Operating Partnership shall not have any obligation to consummate the Closing hereunder unless and until such conditions have been satisfied or waived by the Operating Partnership in writing.

(b) Consent to Transfers. Contributor hereby consents to the transfer of, and waives any rights of first refusal, right of first offer, buy-sell agreements, put, option or similar parallel or dissenter rights or similar rights afforded to Contributor under the Governing Agreements or otherwise with respect to any equity ownership interest in any Contributed Entity, Subsidiary Entity, Property Entity or Property or any other company or property being contributed or transferred to the Operating Partnership pursuant to a separate contribution or other agreement or as otherwise described in the PPM.

(c) No Disposition or Encumbrance of Contributed Interests. From the date hereof through the Closing, except as specifically contemplated by this Agreement, Contributor shall not, without the prior written consent of the Operating Partnership: (i) sell, transfer (or agree to sell or transfer) or otherwise dispose of, or cause the sale, transfer or disposition of (or agree to do any of the foregoing) all or any portion of its interest in the Contributed Interests or all or any portion of its interest in any Subsidiary Entity, Property Entity or Property; or (ii) mortgage, assign, pledge or otherwise encumber in any manner the Contributed Interests or Subsidiary Interests.

(d) Ordinary Course of Business. From the date hereof through the Closing, and except as specifically contemplated by this Agreement, Contributor shall, to the extent within its control, cause each Contributed Entity, Subsidiary Entity and Property Entity to conduct its business in the ordinary course of business consistent with past practice, and shall, to the extent within its control, not permit any Contributed Entity, any Subsidiary Entity or any Property Entity without the prior written consent of the Operating Partnership, to: (i) enter into any material transaction not in the ordinary course of business; (ii) mortgage, pledge or encumber any assets of the Contributed Entity, any Subsidiary Entity, any Property Entity or any Property, (iii) cause or permit any Property Entity to change the existing use of any Property; (iv) cause or take any action that would render any of the representations or warranties set forth herein untrue; (v) file an entity classification election pursuant to Treasury Regulations Section 301.7701-3(c) on Internal Revenue Service Form 8832 (Entity Classification Election) to treat the Contributed Entity as an association taxable as a corporation for federal income tax purposes; (vi) make or change any other tax elections; (vii) settle or compromise any claim, notice, audit report or assessment in respect of taxes; (viii) change any annual tax accounting period; (ix) adopt or change any method of tax accounting; (x) file any amended return, report or form (including an election, declaration, amendment, schedule, information return or attachment thereto) required to be filed with a governmental authority with respect to taxes (each, a "Tax Return"); (xi) enter into any tax allocation agreement, tax sharing agreement, tax indemnity agreement or closing agreement relating to any tax; (xii) surrender of any right to claim a tax refund; (xiii) consent to any extension or waiver of the statute of limitations period applicable to any tax claim or assessment; or (xiv) make any distribution to its partners or members, except for cash distributions in the ordinary course of business consistent with past practices or as permitted by this Agreement.

4.2 Tax Covenants.

(a) Contributor and the Operating Partnership shall provide each other with such cooperation and information relating to any of the Contributed Interests, the Contributed Entities, the Subsidiary Entities, the Property Entities or the Properties as the parties reasonably may request in (i) filing any Tax Return, amended Tax Return or claim for tax refund, (ii) determining any liability for taxes or a right to a tax refund, (iii) conducting or defending any proceeding in respect of taxes, or (iv) performing tax diligence, including with respect to the impact of this transaction on the REIT's tax status as a REIT. Such reasonable cooperation shall

include making employees available on a mutually convenient basis to provide additional information and explanation of any material provided hereunder. The Operating Partnership shall promptly notify Contributor upon receipt by the Operating Partnership or any of its affiliates of notice of (i) any pending or threatened tax audits or assessments with respect to the income, properties or operations of any of the Contributed Entities, the Subsidiary Entities, the Property Entities or their subsidiaries or with respect to any Property and (ii) any pending or threatened federal, state, local or foreign tax audits or assessments of the Operating Partnership or any of its affiliates, in each case, which may affect the liabilities for taxes of Contributor with respect to any tax period ending before or as a result of the Closing. Contributor shall promptly notify the Operating Partnership in writing upon receipt by Contributor or any of its affiliates of notice of any pending or threatened federal, state, local or foreign tax audits or assessments relating to the income, properties or operations of any of the Contributed Entities, the Property Entities or the Subsidiary Entities or with respect to any Property. Each of the Operating Partnership and Contributor may participate at its own expense in the prosecution of any claim or audit with respect to taxes attributable to any taxable period ending on or before the Closing Date; provided, that Contributor shall have the right to control the conduct of any such audit or proceeding or portion thereof for which Contributor has acknowledged liability (except as a partner of the Operating Partnership) for the payment of any additional tax liability, and the Operating Partnership shall have the right to control any other audits and proceedings. Notwithstanding the foregoing, neither the Operating Partnership nor Contributor may settle or otherwise resolve any such claim, suit or proceeding which could have an adverse tax effect on the other party or its affiliates (other than on Contributor or any of its affiliates as a partner of the Operating Partnership) without the consent of the other party, such consent not to be unreasonably withheld. Contributor and the Operating Partnership shall retain all Tax Returns, schedules and work papers with respect to the Contributed Entities, the Property Entities, the Subsidiary Entities, and the Properties, and all material records and other documents relating thereto, until the expiration of the statute of limitations (and, to the extent notified by any party, any extensions thereof) of the taxable years to which such Tax Returns and other documents relate and until the final determination of any tax in respect of such years.

(b) The Operating Partnership shall prepare or cause to be prepared and file or cause to be filed all Tax Returns of the Contributed Entities, the Property Entities or the Subsidiary Entities that are due after the Closing Date. To the extent such returns relate to a period ending on or prior to the Closing Date, such Tax Returns (including, for the avoidance of doubt, any amended Tax Returns) shall be prepared in a manner consistent with past practice, except as otherwise required by applicable law.

(c) For purposes of allocating items of income, gain, loss and deduction with respect to the Property and/or the Contributed Interests in the manner required by Section 704(c) of the Code, the Operating Partnership shall employ, and shall cause any entity controlled by the Operating Partnership which holds title to the Property or the Contributed Interests to employ, the “traditional method” (without curative allocations) as set forth in Treasury Regulations section 1.704-3(b)(1).

4.3 Relationship to Contributed Entities. Contributor and the Operating Partnership acknowledge and agree that, from and after the Closing (as defined herein), Contributor shall no longer be a member, partner, stockholder or equity owner, or, if applicable, managing member or general partner, of any Contributed Entity, Subsidiary Entity or Property Entity and shall have no rights or benefits under any Governing Agreement.

ARTICLE V

CONDITIONS PRECEDENT TO THE CLOSING

5.1 Conditions to the Operating Partnership's Obligation. In addition to any other conditions set forth in this Agreement, the Operating Partnership's obligation to consummate the Closing is subject to the timely satisfaction of each and every one of the conditions and requirements set forth in this Section 5.1, all of which shall be conditions precedent to the Operating Partnership's obligations under this Agreement.

(a) IPO. The IPO, in such form and substance as the REIT, in its sole and absolute discretion, shall have determined to be acceptable, shall have been completed (or be completed simultaneously with the Closing).

(b) Formation Transactions. The formation transactions described in the PPM shall have occurred or be scheduled to occur contemporaneously with the Closing hereunder.

(c) Representations and Warranties. The representations and warranties made by Contributor pursuant to this Agreement, as well as those contained in the Representation, Warranty and Indemnity Agreement, shall be true and correct as of the Closing as though such representations and warranties were made at the Closing and, if requested by the Operating Partnership, Contributor shall have delivered a certificate to the Operating Partnership to such effect in regard to Contributor's representations and warranties set forth in this Agreement.

(d) Performance. Contributor shall have performed and complied with all agreements and covenants that it is required to perform or comply with pursuant to this Agreement prior to the Closing, including having delivered each of the items set forth in Section 6.2 hereof.

(e) Legal Proceedings. No order, statute, rule, regulation, executive order, injunction, stay, decree, or restraining order shall have been enacted, entered, promulgated or enforced by any court of competent jurisdiction or governmental entity that restrains, prohibits or otherwise invalidates the consummation of the transactions contemplated by this Agreement, and no litigation or governmental proceeding seeking such an order shall be pending or threatened.

(f) Consents and Approvals. All necessary approvals and consents of governmental and private parties, including, without limitation, all ground lessors, tenants, other parties to service contracts, lenders and ratings agencies, partners, members or stockholders of any Contributed Entity, Property Entity or their subsidiaries, to effect the transactions contemplated by this Agreement, shall have been obtained.

(g) Reliance on Regulation D. If Contributor has elected to receive OP Units, the Operating Partnership shall, based on the advice of its counsel and the representations made by Contributor in Contributor's Investor Questionnaire, be reasonably satisfied that the issuance of OP Units to Contributor may be made without registration under the Securities Act in reliance on Regulation D under the Securities Act.

(h) Representation, Warranty and Indemnity Agreement. Daniel A. Hoffler and each other party thereto shall have entered into the Representation, Warranty and Indemnity Agreement.

(i) No Material Adverse Change. There shall have not occurred between the date hereof and the Closing Date any material adverse change with respect to any of the Contributed Interests or any material adverse change in any of the assets, business, condition (financial or otherwise), results of operation or prospects of any Subsidiary Entity, Property, Property Entity or Contributed Entity.

(j) Tenant and Lender Estoppels. The Operating Partnership shall have received tenant and lender estoppels in form and substance satisfactory to the Operating Partnership and its counsel.

5.2 Conditions to Contributor's Obligation. In addition to any other conditions set forth in this Agreement, Contributor's obligation to consummate the Closing is subject to the timely satisfaction of each and every one of the conditions and requirements set forth in this Section 5.2, all of which shall be conditions precedent to Contributor's obligations under this Agreement.

(a) Representations and Warranties. The representations and warranties made by the Operating Partnership pursuant to this Agreement shall be true and correct as of the Closing as though such representations and warranties were made at the Closing.

(b) Performance. The Operating Partnership shall have performed and complied in all material respects with all agreements and covenants that it is required to perform or comply with pursuant to this Agreement prior to the Closing.

(c) Legal Proceedings. No order, statute, rule, regulation, executive order, injunction, stay, decree, or restraining order shall have been enacted, entered, promulgated or enforced by any court of competent jurisdiction or governmental entity that prohibits the consummation of the transactions contemplated by this Agreement, and no litigation or governmental proceeding seeking such an order shall be pending or threatened.

ARTICLE VI

CLOSING AND CLOSING DOCUMENTS

6.1 Closing. The consummation and closing (the "Closing") of the transactions contemplated pursuant to this Agreement shall take place at the offices of Hunton & Williams LLP in Richmond, Virginia, or such other place as the Operating Partnership may designate, promptly following satisfaction of the conditions to Closing set forth herein (the "Closing Date"), or as otherwise set by agreement of the parties; provided, however, termination shall not relieve any party from a breach occurring prior to that date.

6.2 Contributor's Deliveries. At the Closing, Contributor shall deliver the following to the Operating Partnership in addition to all other items required to be delivered to the Operating Partnership by Contributor:

(a) Assignment of Contributed Interests. Contributor shall have executed and delivered an Assignment, in substantially the form of Exhibit B attached hereto.

(b) Execution of Partnership Agreement. If Contributor has elected to receive OP Units, signature pages of the Partnership Agreement (which Partnership Agreement shall be in substantially the form attached as an exhibit to the PPM) duly executed by Contributor, as limited partner.

(c) FIRPTA Certificate. An affidavit from Contributor certifying pursuant to Section 1445 of the Internal Revenue Code that Contributor is not a foreign corporation, foreign partnership, foreign trust, foreign estate or foreign person (as those terms are defined in the Code and the Treasury Regulations promulgated thereunder).

(d) Other Documents. Any other document or instrument reasonably requested by the Operating Partnership or required hereby.

6.3 Default Remedies. If Contributor defaults in performing any of Contributor's obligations under this Agreement, the Operating Partnership shall have all rights and remedies available to it at law or in equity resulting from Contributor's default, including without limitation, the right to seek specific performance of this Agreement and Contributor's obligation to convey the Contributed Interests to the Operating Partnership hereunder. The parties acknowledge and agree that the failure of a condition precedent to occur, notwithstanding the good faith and commercially reasonable efforts of the applicable party, shall not be a default hereunder.

ARTICLE VII

MISCELLANEOUS

7.1 Notices. Any notice provided for by this Agreement and any other notice, demand, or communication required hereunder shall be in writing and either delivered in person (including by confirmed facsimile transmission) or sent by hand delivered against receipt or sent by recognized overnight delivery service or by certified or registered mail, postage prepaid, with return receipt requested. All notices shall be addressed as follows:

Operating Partnership:

c/o Armada Hoffler Properties, Inc.
222 Central Park Avenue, Suite 2100,
Virginia Beach, Virginia 23462
Attention: A. Russell Kirk
Fax No.: 757-424-2513

with a copy to (which shall not constitute notice):

Hunton & Williams LLP
Riverfront Plaza, East Tower
951 E. Byrd Street
Richmond, Virginia 23219
Attention: David C. Wright
Fax No.: 804-343-4580

and

Faggert & Frieden, P.C.
222 Central Park Avenue, Suite 1300
Virginia Beach, Virginia 23462
Attention: David Y. Faggert
Fax No.: 757-424-0102

Contributor:

Alan R. Hunt
222 Central Park Avenue
Suite 2100
Virginia Beach, Virginia 23462

Any address or name specified above may be changed by a notice given by the addressee to the other party. Any notice, demand or other communication shall be deemed given and effective as of the date of delivery in person or set forth on the return receipt. The inability to deliver because of changed address of which no notice was given, or rejection or other refusal to accept any notice, demand or other communication, shall be deemed to be receipt of the notice, demand or other communication as of the date of such attempt to deliver or rejection or refusal to accept.

7.2 Entire Agreement; Third-Party Beneficiaries. This Agreement, including, without limitation, the exhibits hereto and thereto, constitute the entire agreement and supersede each prior agreement and understanding, whether written or oral, among the parties regarding the subject matter of this Agreement. This Agreement is not intended to confer any rights or remedies on any Person other than the parties hereto.

7.3 Amendment. This Agreement may not be amended except by an instrument in writing signed on behalf of each of the parties hereto.

7.4 Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the Commonwealth of Virginia, without regard to the conflicts of law rules thereof.

7.5 Counterparts. This Agreement may be executed by the parties hereto in separate counterparts, each of which when so executed and delivered shall be an original, but all such counterparts shall together constitute one and the same instrument. Each counterpart may consist of a number of copies hereof, each signed by less than all, but together signed by all of the parties hereto. Each party may rely upon the facsimile or electronic pdf email signature of any other party as if such signature were an original signature.

7.6 Headings. Headings of the Articles and Sections of this Agreement are for the convenience of the parties only, and shall be given no substantive or interpretive effect whatsoever.

7.7 Incorporation. All Exhibits attached hereto and referred to herein are hereby incorporated herein and made a part hereof for all purposes as if fully set forth herein.

7.8 Severability. Any term or provision of this Agreement which is invalid or unenforceable in any jurisdiction shall, as to that jurisdiction, be ineffective to the extent of such invalidity or unenforceability without rendering invalid or unenforceable the remaining terms and provisions of this Agreement or affecting the validity or enforceability of any of the terms or provisions of this Agreement in any other jurisdiction. If any provision of this Agreement is so broad as to be unenforceable, the provision shall be interpreted to be only so broad as is enforceable.

7.9 Waiver of Conditions. The conditions to each party's obligations hereunder are for the sole benefit of such party and may be waived by such party in whole or in part to the extent permitted by applicable law.

7.10 Dispute Resolution. The parties intend that this Section 7.10 will be valid, binding, enforceable, exclusive and irrevocable and that it shall survive any termination of this Agreement.

(a) Upon any dispute, controversy or claim arising out of or relating to this Agreement or the enforcement, breach, termination or validity thereof ("Dispute"), the party raising the Dispute will give written notice to the other parties to the Dispute describing the nature of the Dispute following which the parties to such Dispute shall attempt for a period of ten (10) Business Days from receipt by the parties of notice of such Dispute to resolve such Dispute by negotiation between representatives of the parties hereto who have authority to settle such Dispute. All such negotiations shall be confidential and any statements or offers made therein shall be treated as compromise and settlement negotiations for purposes of any applicable rules of evidence and shall not be admissible as evidence in any subsequent proceeding for any purpose. The statute of limitations applicable to the commencement of a lawsuit shall apply to the commencement of an arbitration hereunder, except that no defense based on the running of the statute of limitations will be available based upon the passage of time during any such negotiation. Regardless of the foregoing, a party shall have the right to seek immediate injunctive relief pursuant to clause (c) below without regard to any such ten (10) Business Day negotiation period.

(b) Any Dispute (including the determination of the scope or applicability of this Agreement to arbitrate) that is not resolved pursuant to clause (a) above shall be submitted to final and binding arbitration in Virginia Beach, Virginia before one neutral and impartial arbitrator, in accordance with the laws of the Commonwealth of Virginia for agreements made in and to be performed in Virginia. The arbitration shall be administered by JAMS, Inc. ("JAMS")

pursuant to its Comprehensive Arbitration Rules and Procedures, as in effect on the date hereof. The parties hereto shall appoint one arbitrator within fifteen (15) days of a demand for arbitration. If an arbitrator is not appointed within such 15-day period, the arbitrator shall be appointed by JAMS in accordance with its Comprehensive Arbitration Rules and Procedures, as in effect on the date hereof. The arbitrator shall designate the place and time of the hearing. The hearing shall be scheduled to begin as soon as practicable and no later than sixty (60) days after the appointment of the arbitrator (unless such period is extended by the arbitrator for good cause shown) and shall be conducted as expeditiously as possible. The award, which shall set forth the arbitrator's findings of fact and conclusions of law, shall be filed with JAMS and mailed to the parties no later than thirty (30) days after the close of the arbitration hearing. The arbitration award shall be final and binding on the parties and not subject to collateral attack. Judgment upon the arbitration award may be entered in any federal or state court having jurisdiction thereof.

(c) Notwithstanding the parties' agreement to submit all Disputes to final and binding arbitration before JAMS, the parties shall have the right to seek and obtain temporary or preliminary injunctive relief in any court having jurisdiction thereof. Such courts shall have authority to, among other things, grant temporary or provisional injunctive relief in order to protect any party's rights under this Agreement. Without prejudice to such provisional remedies as may be available under the jurisdiction of a court, the arbitral tribunal shall have full authority to grant provisional remedies and to direct the parties to request that any court modify or vacate any temporary or preliminary relief issued by such court, and to award damages for the failure of any party to respect the arbitral tribunal's orders to that effect.

(d) The prevailing party shall be entitled to recover its costs and reasonable attorneys' fees, and the non-prevailing party shall pay all expenses and fees of JAMS, all costs of the stenographic record, all expenses of witnesses or proofs that may have been produced at the direction of the arbitrator, and the fees, costs and expenses of the arbitrator. The arbitrator shall allocate such costs and designate the prevailing party or parties for these purposes.

[*Signature Page Follows.*]

IN WITNESS WHEREOF, this Agreement has been entered into effective as of the date first written above.

CONTRIBUTOR:

ALAN R. HUNT

/s/ Alan R. Hunt
By: Alan R. Hunt

OPERATING PARTNERSHIP:

ARMADA HOFFLER, L.P., a Virginia limited partnership

By: Armada Hoffler Properties, Inc.,
its general partner

By: /s/ Louis S. Haddad
Name: Louis S. Haddad
Title: Chief Executive Officer and President

REIT:

ARMADA HOFFLER PROPERTIES, INC.,
a Maryland corporation

By: /s/ Louis S. Haddad
Name: Louis S. Haddad
Title: Chief Executive Officer and President

EXHIBIT A

Contributor – Alan R. Hunt

CONTRIBUTED ENTITY/ CONTRIBUTED INTEREST	SUBSIDIARY INTERESTS	PROPERTY	PROPERTY ENTITY
New Armada Hoffler Properties I, LLC[1] (all interests owned by Contributor)	0.4% interest in BSE/AH Blacksburg Apartments, LLC	Apartments at Smith's Landing Blacksburg, VA	BSE/AH Blacksburg Apartments, LLC
	1.0% interest in A/H Broad Creek PH. III, L.L.C.	Broad Creek Shopping Center Norfolk, VA	Broad Creek PH. III, L.L.C.
	0.8% interest in Columbus Tower Block 5-A2 Associates, L.L.C.	Town Center Block 5-A2 Virginia Beach, VA	Columbus Tower Block 5-A2 Associates, L.L.C.
	0.8% interest in AH Columbus Tower II, L.L.C.	Leasehold Interest in Block 5-A2, Town Center Virginia Beach, VA	AH Columbus Tower II, L.L.C.
	1.5% interest in HT Tyre Neck, L.L.C.	Harris Teeter Portsmouth, VA	HT Tyre Neck, L.L.C.
	0.38% interest in Hanbury Village II, L.L.C.	Hanbury Village Shopping Center (Parcel 7) and Outparcel 1A (7-Eleven) Chesapeake, VA	Hanbury Village II, L.L.C.
	Interest equal to 0.38% after the first $356,090 in Hoffler and Associates EAT, LLC	Hanbury Village, Outparcel 3A Chesapeake, VA	Hoffler and Associates EAT, LLC
	0.63418% interest in North Pointe Outparcels, L.L.C.	Lot 1, North Pointe Shopping Center Durham, MC	North Pointe Outparcels, L.L.C.
	1.26837% interest in North Pointe VW4, L.L.C.	Lot 1 A North Pointe Durham, NC	North Pointe VW4, L.L.C.
	0.8% interest in TCA Block 4 Retail, L.L.C.	South Retail Unit, Town Center Condominium 4 Virginia Beach, VA	TCA Block 4 Retail, L.L.C.
	0.8% interest in Town Center Associates 7, L.L.C.	East and West A Retail Units, Town Center Condominium 7 Virginia Beach, VA	Town Center Associates 7, L.L.C.
	0.8% interest in Town Center Associates 12, L.L.C.	Anchor Unit and Commercial Unit, Town Center Condominium 12 Virginia Beach, VA	Town Center Associates 12, L.L.C.
	2.0% interest in Lake View AH-VNG, LLC	Virginia Natural Gas Headquarters Building Virginia Beach, VA	Lake View AH-VNG, LLC
	1.0% interest in Williamsburg Medical Building, L.L.C.	Williamsburg Sentara Medical Building Williamsburg, VA	Williamsburg Medical Building, L.L.C.
	2.0% interest in AH Sandbridge, L.L.C.	Sandbridge Commons Virginia Beach, VA	AH Sandbridge, L.L.C.

[1] Prior to the Closing, pursuant to the Master Contribution and Distribution Agreement, Armada/Hoffler Properties, LLC ("AHP") will contribute to New Armada Hoffler Properties I, LLC ("New AHP I") the interests in the subsidiary entities described below and will distribute to Alan R. Hunt ("Hunt") an interest in New AHP I. At Closing, pursuant to the Contribution Agreement, Hunt will contribute his interest in New AHP I to the Operating Partnership.

CONTRIBUTED ENTITY/ CONTRIBUTED INTEREST	SUBSIDIARY INTERESTS	PROPERTY	PROPERTY ENTITY
New Armada Hoffler Properties II, LLC[2] (all interests owned by Contributor)	0.84281% interest in Courthouse Marketplace Outparcels, L.L.C.	Parcel A-1-B, A-1-C, A-1-D Virginia Beach, VA	Courthouse Marketplace Outparcels, L.L.C.
	0.8% interest in Town Center Associates 6, L.L.C.	Retail Unit, 56 Condominium Virginia Beach, VA	Town Center Associates 6, L.L.C.
	0.8% interest in Armada/Hoffler Block 8 Associates, L.L.C.	Town Center Block 8B Virginia Beach, VA	Armada/Hoffler Block 8 Associates, L.L.C.
	2.0% interest in AH Richmond Tower I, L.L.C.	Richmond Tower Richmond, VA	AH Richmond Tower I, L.L.C.
	1.6% interest in Town Center Associates 11, L.L.C.	Block 11 Town Center Project Virginia Beach, VA	TCA Block 11 Office, LLC TCA Block 11 Apartments, LLC
	0.8% interest in Greenbrier Technology Center II Associates, L.L.C.	Town Center Block 3 Virginia Beach, VA	Greenbrier Technology Center II Associates, L.L.C.
	2.0% interest in AH Durham Apartments, L.L.C.	Jackson Street Apartments Durham, NC	AH Durham Apartments, L.L.C.
	2.0% interest in AH Southeast Commerce Center, L.L.C.	Brooks Crossing Newport News, VA	AH Southeast Commerce Center, L.L.C.
	2.0% interest in AH Greentree, L.L.C.	Greentree Shopping Center Chesapeake, VA	AH Greentree, L.L.C.
1% interest in TCA Block 3, Inc.	—	Town Center Block 3 Virginia Beach, VA	Greenbrier Technology Center II Associates, L.L.C.
1% interest in TCA Block 8, Inc.	—	Town Center Block 8B Virginia Beach, VA	Armada/Hoffler Block 8 Associates, L.L.C.
0.51493% interest in Town Center Block 10 Apartments, L.P.	—	Apartments and Retail Unit, Town Center Condominium 10 Virginia Beach, VA	Town Center Block 10 Apartments, L.P.

[2] Prior to the Closing, pursuant to the Master Contribution and Distribution Agreement, Armada/Hoffler Properties II, LLC ("AHP II") will contribute to New Armada Hoffler Properties II, LLC ("New AHP II") the interests in the subsidiary entities described below and will distribute to Hunt an interest in New AHP II. At Closing, pursuant to the Contribution Agreement, Hunt will contribute his interest in New AHP II to the Operating Partnership.

Cash[3] - $536,240

OP Units: Determined as set forth below.
Total AH Partners' OP Unit Allocation Percentage: 0.945%

The cash portion of the Consideration that Contributor will receive shall be fixed at the amount shown above. The number of OP Units that Contributor will receive as part of the Consideration is not known as of the date of this Agreement, but shall be calculated as follows:

1. Prior to commencement of marketing of the IPO, the REIT and the managing underwriters for the IPO shall determine a valuation range for the combined equity interests (after deduction of debt) of all of the properties, assets and businesses that will be contributed to the OP and its subsidiaries pursuant to the transactions described in the PPM (the "Formation Transactions"). From the midpoint of this range, there will be deducted the amount of cash that will be paid by the OP as consideration to all of the contributors in connection with the Formation Transactions, with the resulting amount after such deduction being herein referred to as the "Total OP Unit Valuation".

2. The Total OP Unit Valuation shall be divided by the midpoint of the price range for the shares of the REIT's common stock in the IPO (the "IPO Price Range") as set forth on the front cover of the REIT's preliminary prospectus for the IPO filed with the SEC (the "Preliminary Prospectus") to determine a fixed number of OP Units issuable to all the contributors in connection with the Formation Transactions (the "Total OP Units") and the number of Total OP Units shall be reflected in the Preliminary Prospectus.

3. The Total OP Units will be allocated among contributors who are not officers, employees or affiliates of Armada Hoffler Holding Company and its affiliates (collectively, the "Non-AH Partners") and the contributors who are officers, employees or affiliates of Armada Hoffler Holding Company and its affiliates, including certain trusts established by such officers and employees (collectively, the "AH Partners"), including Contributor.

4. Each Non-AH Partners will receive a number of OP Units equal to the amount of consideration set forth in such Non-AH Partner's contribution agreement with the OP as allocable to OP Units, divided by the IPO Price (the "Total Non-AH Partners' OP Units"). To the extent the IPO Price is greater or less than the mid-point of the IPO Price Range, the number of OP Units issuable to each Non-AH Partner (as described and set forth in the Preliminary Prospectus) will decrease or increase, respectively, in an amount sufficient to cause the value of the OP Units issuable to the Non-AH Partner to equal the amount of the consideration set forth in such Non-AH Partner's contribution agreement (utilizing a value per OP Unit equal to the IPO Price).

5. The aggregate number of OP Units issuable to the AH Partners (the "Total AH Partners' OP Units") will be equal to the difference between (a) the Total OP Units and (b) the Total Non-AH Partners' OP Units.

6. The number of OP Units issuable as Consideration to Contributor pursuant to this Agreement will be determined by multiplying (a) the Total AH Partners' OP Units by (b) the percentage set forth above under the heading "Total AH Partners' OP Unit Allocation Percentage" divided by the IPO Price.

[3] In the event that, at or prior to Closing, the OP has not arranged financing in the form of a credit facility or other debt financing in an amount sufficient to pay to Contributor at Closing the full amount of the cash consideration amount shown above, the OP may deliver to Contributor at Closing a promissory note payable by the OP to Contributor in a principal amount up to $81,580. The promissory note shall not bear interest, shall mature on the first anniversary of the date of issuance and may be prepaid by the OP at any time.

The undersigned hereby agrees that this Exhibit A represents the definitive Exhibit A to the Contribution Agreement and supersedes any and all prior versions.

CONTRIBUTOR:

ALAN R. HUNT

/s/ Alan R. Hunt
By: Alan R. Hunt

OPERATING PARTNERSHIP:

ARMADA HOFFLER, L.P., a Virginia limited partnership

By: Armada Hoffler Properties, Inc.,
its general partner

By: /s/ Louis S. Haddad
Name: Louis S. Haddad
Title: Chief Executive Officer and President

REIT:

ARMADA HOFFLER PROPERTIES, INC., a Maryland corporation

By: /s/ Louis S. Haddad
Name: Louis S. Haddad
Title: Chief Executive Officer and President

Exhibit B

Assignment

The undersigned, for good and valuable consideration paid to the Assignor by ARMADA HOFFLER, L.P., a Virginia limited partnership ("Assignee"), pursuant to the Contribution Agreement dated as of , 2012, by and between Assignor and Assignee (the "Agreement") and for other good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, does hereby sell, assign, transfer, convey and deliver to the Assignee, its successors and assigns, good and indefeasible right, title and interest to the **[partnership or limited liability company interests/shares of common stock]** described on *Schedule A* hereto, including, without limitation, all right, title and interest, if any, of the undersigned in and to the assets of each such **[partnership/limited liability company/corporation]** and the right to receive distributions of money, profits and other assets from each such partnership, presently existing or hereafter at any time arising or accruing, free and clear of all liens, encumbrances, security interests, pledges, voting agreements, prior assignments or conveyances, conditions, restrictions, claims, and any other matters affecting title thereto.

The undersigned, for itself, its successors and assigns, hereby covenants and agrees that, at any time and from time to time after the date hereof, upon the written request of Assignee, the undersigned will, without further consideration, do, execute, acknowledge, and deliver or cause to be done, executed, acknowledged and delivered, each of and all of such further acts, deeds, assignments, transfers, conveyances and assurances as may reasonably be required by Assignee in order to assign, transfer, set over, convey, assure and confirm unto and vest in Assignee, its successors and assigns, title to the interests described in *Schedule A* hereto

Capitalized terms used but not defined herein shall have the respective meanings ascribed to them in the Agreement.

IN WITNESS WHEREOF, the parties hereto have caused this Assignment to be signed by a duly authorized officer this day of , 201 .

_____, a

_____

By: _____
Name:
Title:

Exhibit 10.16

CONTRIBUTION AGREEMENT

Shelly R. Hampton

This CONTRIBUTION AGREEMENT (this "Agreement") is made as of February 11, 2013 by and among Shelly R. Hampton ("Contributor"), Armada Hoffler, L.P., a Virginia limited partnership (the "Operating Partnership") and Armada Hoffler Properties, Inc., a Maryland corporation (the "REIT").

RECITALS

WHEREAS, Contributor is or may become the record and beneficial owner of equity interests in the amount or percentage described on Exhibit A hereto (the "Contributed Interests") in each of the entities described in Exhibit A hereto (each, a "Contributed Entity" and collectively, the "Contributed Entities"), which are the direct or indirect owners of the respective properties or property entities described on Exhibit A hereto (each a "Property" and collectively, the "Properties"). Entities in which certain of the Contributed Entities own interests (each, a "Subsidiary Entity") are set forth on Exhibit A as "Subsidiary Interests". Contributor desires to contribute any and all interests that she may now or hereafter own in the Contributed Interests to the Operating Partnership, and the Operating Partnership desires to acquire the Contributed Interests from Contributor, on the terms and conditions hereinafter set forth.

NOW, THEREFORE, for and in consideration of the foregoing, and the representations, warranties and other terms contained in this Agreement, and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties hereto, intending to be legally bound hereby, agree as follows:

ARTICLE I

THE CONTRIBUTION

1.1 Contribution of Contributed Interests. Contributor irrevocably agrees to contribute, transfer and assign at Closing (as defined herein) any and all interests that she may now or hereafter own in the Contributed Interests set forth opposite Contributor's name on Exhibit A hereto, together with any other interests Contributor may have in any of the Contributed Entities and any other properties or entities being acquired by the Operating Partnership as described in the Confidential Private Placement Memorandum for the Offering of Limited Partnership Interests of the Operating Partnership dated January 16, 2013 (the "PPM"), to the Operating Partnership, and the Operating Partnership agrees to accept transfer of the Contributed Interests and any such other interests pursuant to the terms and subject to the conditions set forth in this Agreement. The Contributed Interests shall be transferred to the Operating Partnership free and clear of all liens, encumbrances, security interests, pledges, voting agreements, prior assignments or conveyances, conditions, restrictions, claims, and any other matters affecting title thereto.

1.2 Consideration.

(a) Consideration Amount. The total consideration (the "Consideration") for which Contributor agrees to contribute, transfer and assign the Contributed Interests to the Operating Partnership, and for which the Operating Partnership agrees to pay, issue or deliver to Contributor, subject to the terms of this Agreement, at Closing (as defined herein) shall be determined in the manner set forth on Exhibit A hereto. The Consideration may be adjusted, upward or downward, by the amount of any adjustments arising from the Prorations (as defined herein). Any decrease to the amount of the Consideration will be deducted first from the cash portion of the Consideration, if any, and the balance, if any, will be deducted from the OP Units. Any increase in the Consideration as a result of the Prorations will be paid in OP Units. In addition to the Consideration set forth on Exhibit A hereto, Contributor shall be entitled to receive in cash, at Closing or shortly thereafter, Contributor's pro rata share (based on Contributor's direct or indirect ownership interest in each Property Entity) of any tenant improvement, leasing commission and replacement reserves held by lenders with respect to each Property in which Contributor owns an interest.

(b) Election Form. The Consideration shall be payable in accordance with the election made by Contributor in the Consideration Election Form ("Election Form") accompanying the PPM, the results of which election are set forth on Exhibit A hereto. If, pursuant to the Election Form, Contributor (A) elected all or part of Contributor's consideration payable hereunder to be in the form of units of limited partnership interests of the Operating Partnership ("OP Units") and (B) submitted to the Operating Partnership (x) an executed Investor Questionnaire representing and warranting to the Operating Partnership that Contributor is an "accredited investor" as defined in the Investor Questionnaire and (y) any other documentation required by the Operating Partnership, including, but not limited to, a signature page to the Partnership Agreement (as hereinafter defined), Contributor shall receive OP Units in an amount determined in the manner described on Exhibit A hereto. The portion of the Consideration, if any, payable in cash is set forth on Exhibit A. Contributor agrees that the cash payment shall be made and the OP Units shall be registered in the name of the persons or entities set forth on the Election Form. OP Units will only be delivered to Contributor if Contributor has represented to the Operating Partnership that Contributor is an "accredited investor". No fractional OP Units will be issued and OP Units will be rounded to the nearest whole number. The Consideration payable to Contributor, whether in cash, in OP Units or a combination thereof, may be reduced by the amount the Operating Partnership reasonably determines must be withheld for tax purposes. The rights and obligations of holders of OP Units as of the Closing will be as set forth in the First Amended and Restated Agreement of Limited Partnership of the Operating Partnership (the "Partnership Agreement"), a draft copy of which is included as an exhibit to the PPM.

1.3 OP Units. Although initially the OP Units will not be certificated, certificates, if any, subsequently evidencing the OP Units will bear appropriate legends (i) indicating that the OP Units have not been registered under the Securities Act of 1933, as amended ("Securities Act"), (ii) indicating that the Partnership Agreement will restrict the transfer of the OP Units, and (iii) describing the ownership limitations and transfer restrictions imposed by the charter of the REIT with respect to shares of the REIT's common stock.

1.4 No Further Interest. Contributor acknowledges and agrees that effective upon the Closing, and without any further action by Contributor, the Contributed Interests shall be transferred, assigned and conveyed to the Operating Partnership, or a subsidiary thereof, and Contributor shall no longer be an equity holder of any of the Contributed Entities, shall no longer be entitled to receive any distributions from any of the Contributed Entities, and shall have no further right, title or interest in any of the Contributed Interests, the Contributed Entities or the Property Entities.

1.5 Tax Consequences to Contributor. Notwithstanding anything to the contrary contained in this Agreement, including without limitation the use of words and phrases such as "sell," "sale," "purchase," and "pay," the parties hereto acknowledge, agree and consent that the transactions contemplated hereby will be treated for federal income tax purposes (i) in accordance with Section 721 of the Internal Revenue Code of 1986, as amended (the "Code") with respect to any portion of the Consideration that is payable in OP Units; (ii) as an "assets over form" of transaction pursuant to Treasury Regulations Section 1.708-1(c)(3)(i); and (iii) as a sale of the Contributor's Contributed Interests to the Operating Partnership under Treasury Regulations Section 1.708-1(c)(4) to the extent of the Contributor's receipt of cash Consideration pursuant to Section 1.2(a), except to the extent that such cash Consideration is treated as (a) the reimbursement of "preformation expenditures" under Treasury Regulations Section 1.707-4(d); and/or (b) a "debt financed transfer of consideration" by the Operating Partnership under Treasury Regulations Section 1.707-5(b), as applicable.

1.6 Definitions. As used in this Agreement, the following terms have the following meanings:

"Contributor's Percentage Interest" means, with respect to each Contributed Entity, the percentage set forth on Exhibit A hereto under the heading "Contributed Entity/Contributed Interest", which reflects Contributor's percentage ownership interest in each Contributed Entity pursuant to and in accordance with the applicable Governing Agreement (as defined herein) of the Contributed Entity.

"IPO" means the underwritten initial public offering of common stock of the REIT.

"IPO Price" means the public offering price set forth on the front cover of the final prospectus for the IPO, as filed with the U.S. Securities and Exchange Commission (the "SEC").

"Property Entity" means an entity owning a Property, as set forth on Exhibit A hereto.

"Prorations" means those proration and adjustment amounts that are customarily applied to closings of commercial real estate transactions in the county in which the Property is located, which amounts shall be calculated as of midnight (Eastern time) of the day immediately preceding the Closing Date and shall include:

(A) Taxes. All real estate and personal property taxes and special assessments, if any, with respect to each Property shall be prorated at Closing;

(B) Utilities. All telephone, electric, sewer, water and other utility bills, trash removal bills, janitorial and maintenance service bills and all other expenses relating to a

Property that are obligations of the Property Entity and which are allocable to the period prior to the Closing Date shall be determined and paid, or caused to be paid, by the Property Entity or Contributed Entity before Closing, if possible, or if such is not determinable before Closing, then the Parties shall use their commercially reasonable efforts to determine and pay such amounts as promptly as possible following Closing and the Operating Partnership may withhold from any cash amount of the Consideration payable at Closing hereunder an amount of cash reasonably estimated to cover any estimated Proration for the items described in this subsection (B);

(C) Rents. All rents, including, without limitation, base rents, operating expense payments or common area maintenance charges and all other forms of additional rents, payable under the leases of the Property and all other income from the Property shall be prorated at Closing; and

(D) Other Items. Any other items of revenue, operating expenses or other items which are customarily prorated between a transferor and transferee of real estate in the county in which the Property is located shall be prorated at Closing.

"Representation, Warranty and Indemnity Agreement" means the Representation, Warranty and Indemnity Agreement by and among the REIT, the Operating Partnership and Daniel A. Hoffler.

ARTICLE II

REPRESENTATIONS AND WARRANTIES

2.1 Representations by the Operating Partnership. The Operating Partnership hereby represents and warrants to Contributor that the following statements are true, correct, and complete as of the date of this Agreement and will be true, correct and complete as of the Closing Date (as defined herein):

(a) Organization and Power. The Operating Partnership is duly organized, validly existing, and in good standing under the laws of the Commonwealth of Virginia, and has full right, power, and authority to enter into this Agreement and to assume and perform all of its obligations under this Agreement. The execution and delivery of this Agreement and the performance by the Operating Partnership of its obligations hereunder have been duly authorized by all requisite action of the Operating Partnership and require no further action or approval of the Operating Partnership's partners or of any other individuals or entities in order to constitute this Agreement as a binding and enforceable obligation of the Operating Partnership.

(b) OP Units Validly Issued. The OP Units, when issued in accordance with the terms of this Agreement and the Partnership Agreement, will have been duly and validly authorized and issued, free of any preemptive or similar rights, and will be fully paid, without any obligation to restore capital, except as required by the Virginia Revised Uniform Limited Partnership Act (the "Limited Partnership Act").

2.2 Representations by Contributor. Contributor hereby represents and warrants to the Operating Partnership that the following statements are true, correct, and complete as of the date of this Agreement and will be true, correct, and complete as of the Closing Date:

(a) Organization and Power; Due Authorization. Contributor, if an entity or trust, is duly incorporated, formed or organized, validly existing, and in good standing under the laws of its state of incorporation, formation or organization. Contributor has full right, power, and authority to enter into this Agreement and to assume and perform all of its obligations under this Agreement; and the execution and delivery of this Agreement and the performance by Contributor of its obligations hereunder have been duly authorized by all requisite action of Contributor and require no further action or approval of Contributor's members, partners, stockholders, managers, board of directors, trustees or of any other individuals or entities, as applicable, in order to constitute this Agreement as a binding and enforceable obligation of Contributor. No person has any community property rights, by virtue of marriage or otherwise, with respect to the Contributed Interests. This Agreement and each agreement, document and instrument executed and delivered by or on behalf of Contributor pursuant to this Agreement constitutes, or when executed and delivered will constitute, the legal, valid and binding obligation of Contributor, each enforceable against Contributor in accordance with its terms, except as such enforceability may be limited by bankruptcy or the application of equitable principles.

(b) Noncontravention. Neither the entry into nor the performance of, or compliance with, this Agreement by Contributor has resulted, or will result, in any violation of, or default under, or result in the acceleration of, any obligation under any charter, bylaws, limited liability company agreement, partnership agreement, declaration of trust, mortgage indenture, lien agreement, note, contract, agreement, permit, judgment, decree, order, restrictive covenant, statute, rule, or regulation applicable to Contributor or to any Contributed Interests, any Contributed Entity, Subsidiary Interests or Property Entity.

(c) Litigation. There is no action, suit, or proceeding, pending or known to be threatened, against or affecting Contributor in any court or before any arbitrator or before any federal, state, municipal, or other governmental department, commission, board, bureau, agency or instrumentality which (1) in any manner raises any question affecting the validity or enforceability of this Agreement, (2) could materially and adversely affect the business, financial position, or results of operations of Contributor, any Contributed Entity, Subsidiary Interests, Property Entity or Property, (3) could adversely affect the ability of Contributor to perform its obligations hereunder, or under any document to be delivered pursuant hereto, (4) could create a lien on the Contributed Interests, any part thereof, or any interest therein, or (5) could adversely affect the Contributed Interests, any part thereof, or any interest therein.

(d) Good Title. Exhibit A hereto accurately sets forth Contributor's Percentage Interest. Contributor is the sole record and beneficial owner of the Contributed Interests and has full power and authority to convey the Contributed Interests pursuant to the terms of this Agreement. Contributor has good and marketable title to the Contributed Interests. Except as set forth on Schedule 2.1(d), the Contributed Interests are free and clear of all liens, encumbrances, security interests, pledges, voting agreements, prior assignments or conveyances, conditions, restrictions, claims or any other matters affecting title thereto and at the Closing will

be contributed to the Operating Partnership free and clear of all liens, encumbrances, security interests, pledges, voting agreements, prior assignments or conveyances, conditions, restrictions, claims or other matters affecting title thereto. No other person or entity has an option to purchase or a right of first refusal to purchase the Contributed Interests nor are there any agreements or understandings with respect to the voting, ownership or disposition of the Contributed Interests that could adversely affect Contributor's ability to perform its obligations hereunder or the Operating Partnership's rights to the Contributed Interests following the Closing.

(e) Contributed Interests. There are no rights to purchase, subscriptions, warrants, options, conversion rights or preemptive rights relating to the Contributed Interests or any equity interest in any Contributed Entity that will be in effect as of the Closing.

(f) No Consents. Each consent, approval, authorization, order, license, certificate, permit, registration, designation, or filing by or with any governmental agency or body necessary for the execution, delivery and performance of this Agreement or the transactions contemplated hereby by Contributor has been obtained or will be obtained on or before the Closing Date. Each consent or approval required under any Governing Agreement (as defined herein), contract or agreement of any Contributed Entity, or among the partners, members or stockholders of any Contributed Entity, Subsidiary Entity or Property Entity to which Contributor is a party, relating to indebtedness or otherwise, necessary for the execution, delivery and performance of this Agreement and the contribution, acquisition and transfer of the Contributed Interests has been obtained or will be obtained on or before the Closing Date.

(g) Actions Prior to Closing. From the date hereof until the Closing Date, Contributor shall not take any action or fail to take any action the result of which would (1) have a material adverse effect on the Contributed Interests or the Operating Partnership's ownership thereof, or any material adverse effect on the assets, business, condition (financial or otherwise), results or operation of any Property, any Contributed Entity, Subsidiary Entity or Property Entity after the Closing Date or (2) cause any of the representations and warranties contained in this Section 2.2 to be untrue as of the Closing Date.

(h) Governing Documents. Contributor has performed all of its obligations under the Limited Partnership Agreement, Limited Liability Company Agreement, Operating Agreement, Charter and Bylaws, as such may have been amended from time to time, as applicable, of each Contributed Entity in which it owns an interest, (each a "Governing Agreement" and collectively, the "Governing Agreements").

(i) Securities Law Matters.

(1) In deciding to engage in the transaction contemplated by this Agreement, including, if applicable, acquiring OP Units, neither Contributor nor any equity holder thereof is relying upon any representations made to it by the Operating Partnership, or any of its partners, officers, employees, or agents that are not contained herein. Contributor is aware of the risks involved in investing in the OP Units and in the securities issuable upon redemption of such OP Units. Contributor is knowledgeable, sophisticated and experienced in business and financial matters and fully understands the

limitations on transfer imposed by the federal securities laws and as described in this Agreement and the PPM and related materials, including the Partnership Agreement. Contributor has received the PPM and related materials, including the Partnership Agreement, has reviewed all documents and has had an opportunity to ask questions of, and to receive answers from, the Operating Partnership and the REIT or a person or persons authorized to act on their behalf, concerning the terms and conditions of an investment in the OP Units and the financial condition, affairs, and business of the Operating Partnership and the REIT. Contributor confirms that all documents, records, and information pertaining to its investment in OP Units that have been requested by Contributor have been made available or delivered to Contributor prior to the date hereof.

(2) Contributor understands and acknowledges that (i) certain of the information contained in the PPM is incomplete or may be revised, amended or supplemented in the registration statement to be filed by the REIT with the SEC in connection with the IPO and (ii) the financial information included in the PPM has not been audited, but will be audited prior to the REIT's filing of the registration statement with the SEC, and such information could change upon audit, and any such changes could be material.

(3) Contributor and each equity holder thereof understands that the offer and sale of OP Units have not been registered under the Securities Act or any state securities laws and are instead being offered and sold in reliance on an exemption from such registration requirements and that the Operating Partnership's reliance on such exemption is predicated in part on the accuracy and completeness of the representations and warranties of Contributor contained herein. The OP Units issuable to Contributor are being acquired by Contributor solely for its own account, for investment, and are not being acquired with a view to, or for resale in connection with, any distribution, subdivision, or fractionalization thereof, in violation of such laws, and Contributor does not have any present intention to enter into any contract, undertaking, agreement, or arrangement with respect to any such resale.

(4) Contributor is able to bear the economic risk of holding the OP Units for an indefinite period and is able to afford the complete loss of its investment in the OP Units.

(5) Contributor understands that no federal agency (including the SEC) or state agency has made or will make any finding or determination as to the fairness of an investment in the OP Units (including as to the value of the Consideration payable in OP Units in accordance with Section 1.2 hereof).

(6) Contributor understands that there is no established public, private or other market for the OP Units to be acquired by Contributor hereunder and it is not anticipated that there will be any public, private or other market for such OP Units in the foreseeable future.

(7) Contributor understands that Rule 144 promulgated under the Securities Act is not currently available with respect to the sale of OP Units.

(j) Accredited Investor. If Contributor is electing to receive OP Units as some or all of the Consideration, Contributor is an "accredited investor", as that term is defined in Rule 501 of Regulation D under the Securities Act, and has previously provided the Operating Partnership and the REIT with a duly executed questionnaire confirming Contributor's accredited investor status. No event or circumstance has occurred since delivery of such questionnaire to make the statements therein false or misleading.

(k) Tax Matters. Contributor represents and warrants that it has obtained from its own counsel advice regarding the tax consequences of (i) the transfer of the Contributed Interests to the Operating Partnership and the receipt of OP Units and/or cash as the Consideration therefor, (ii) its admission as a limited partner of the Operating Partnership, if applicable and (iii) any other transaction contemplated by this Agreement. Neither the Operating Partnership nor the REIT has made any representation to Contributor regarding the tax treatment of the transactions contemplated by this Agreement, and Contributor further represents and warrants that it has not relied on the Operating Partnership or the Operating Partnership's representatives or counsel for any tax advice.

(l) Bankruptcy with respect to Contributor. No Act of Bankruptcy has occurred with respect to Contributor. As used herein, "Act of Bankruptcy" means if Contributor or any equity holder, partner, manager or director thereof shall (A) apply for or consent to the appointment of, or the taking of possession by, a receiver, custodian, trustee or liquidator of itself or of all or a substantial part of its property, (B) admit in writing its inability to pay its debts as they become due, (C) make a general assignment for the benefit of its creditors, (D) file a voluntary petition or commence a voluntary case or proceeding under the Federal Bankruptcy Code (as now or hereafter in effect), (E) be adjudicated bankrupt or insolvent, (F) file a petition seeking to take advantage of any other law relating to bankruptcy, insolvency, reorganization, receivership, dissolution, winding-up or composition or adjustment of debts, (G) fail to controvert in a timely and appropriate manner, or acquiesce in writing to, any petition filed against it in an involuntary case or proceeding under the Federal Bankruptcy Code (as now or hereafter in effect), or (H) take any entity action for the purpose of effecting any of the foregoing.

(m) Brokerage Commission. Contributor has not engaged the services of any real estate agent, broker, finder or any other person or entity for any brokerage or finder's fee, commission or other amount with respect to the transactions described herein.

(n) No Other Equity Interests. Except for the Contributed Interests, neither Contributor nor any of its affiliates owns, directly or indirectly, any equity interest in any partnership, limited liability company, corporation, trust or other entity owning a Property being acquired by the Operating Partnership as part of the formation transactions described in the PPM and does not own any interest in any Property other than through the Contributed Interests.

ARTICLE III

INDEMNIFICATION

3.1 Survival of Representations and Warranties; Remedy for Breach.

(a) Subject to Section 3.5 hereof, all representations and warranties of Contributor contained in this Agreement or in any Schedule, Exhibit, certificate or affidavit delivered pursuant to this Agreement shall survive the Closing.

(b) Subject to Section 3.4 hereof, following the Closing, Contributor shall be liable under this Agreement for monetary damages (or otherwise) for breach of any of its representations, warranties, covenants and obligations contained in this Agreement or in any Schedule, Exhibit, certificate or affidavit delivered by Contributor pursuant thereto.

3.2 General Indemnification.

(a) From and after the Closing Date, Contributor shall indemnify, hold harmless and defend the Operating Partnership and the REIT, and their respective officers, directors, employees, stockholders, partners, agents and affiliates (each of which is an "Indemnified Party"), from and against any and all claims, losses, damages, liabilities and expenses, including, without limitation, interest, penalties, amounts paid in settlement, reasonable attorneys' fees, costs of investigation, judicial or administrative proceedings or appeals therefrom and costs of attachment or similar bonds (collectively, "Losses") asserted against, imposed upon or incurred by the Indemnified Party, to the extent resulting from any breach of a representation, warranty or covenant of Contributor contained in this Agreement, or in any Schedule, Exhibit, certificate or affidavit delivered by Contributor pursuant thereto. In each case, Contributor shall only bear the fees, costs or expenses in connection with the employment of one counsel (regardless of the number of Indemnified Parties).

(b) Contributor shall also indemnify and hold harmless the Indemnified Parties from and against any and all Losses asserted against, imposed upon or incurred by the Indemnified Parties to the extent resulting from an unrelated third-party claim relating to the Contributed Interests arising from matters that occurred prior to Closing.

(c) With respect to any claim of an Indemnified Party pursuant to this Section 3.2, to the extent available, the Operating Partnership agrees to use diligent good faith efforts to pursue and collect any and all available proceeds and benefits of any right to defense under any insurance policy that covers the matter which is the subject of the indemnification prior to seeking indemnification from Contributor until all proceeds and benefits, if any, to which the Operating Partnership or the Indemnified Party is entitled pursuant to such insurance policy have been exhausted; provided, however, that the Operating Partnership may make a claim under this Section 3.2 even if an insurance coverage dispute is pending, in which case, if the Indemnified Party later receives insurance proceeds with respect to any Losses paid by either Contributor for the benefit of any Indemnified Party, then the Indemnified Party shall reimburse Contributor in an amount equivalent to such proceeds in excess of any deductible amount pursuant to Section 3.2(a) hereof up to the amount actually paid (or deemed paid) by Contributor

to the Indemnified Party in connection with such indemnification (it being understood that all costs and expenses incurred by Contributor with respect to insurance coverage disputes shall constitute Losses paid by Contributor for purposes of Section 3.2(a) hereof).

3.3 Notice and Defense of Claims. As soon as reasonably practicable after receipt by the Indemnified Party of notice of any liability or claim incurred by or asserted against the Indemnified Party that is subject to indemnification under this Article III, the Indemnified Party shall give notice thereof to Contributor, including liabilities or claims to be applied against the indemnification deductible established pursuant to Section 3.4 hereof; provided that failure to give notice to Contributor will not relieve Contributor from any liability that it may have to any Indemnified Party, unless, and only to the extent that, such failure (a) shall have caused prejudice to the defense of such claim or (b) shall have materially increased the costs or potential liability of Contributor by reason of the inability or failure of Contributor (due to such lack of prompt notice) to be involved in any investigations or negotiations regarding any such claim. Such notice shall describe in reasonable detail the facts known to such Indemnified Party giving rise to such claim, and the amount or good faith estimate of the amount of Losses arising therefrom. Unless prohibited by law, such Indemnified Party shall deliver to Contributor, promptly after such Indemnified Party's receipt thereof, copies of all notices and documents received by such Indemnified Party relating to such claim. The Indemnified Party shall permit Contributor, at Contributor's option and expense, to assume the defense of any such claim by counsel selected by Contributor and reasonably satisfactory to the Indemnified Party, and to settle or otherwise dispose of the same; provided, however, that the Indemnified Party may at all times participate in such defense at its sole expense; and provided further, however, that Contributor shall not, in defense of any such claim, except with the prior written consent of the Indemnified Party in its sole and absolute discretion, consent to the entry of any judgment or enter into any settlement that does not include as an unconditional term thereof the giving by the claimant or plaintiff in question to all Indemnified Parties a full and complete release of all liabilities in respect of such claims, or that does not result only in the payment of money damages which are paid (or deemed paid) in full by Contributor. If Contributor shall not have undertaken such defense within 20 days after such notice, or within such shorter time as may be reasonable under the circumstances to the extent required by applicable law, then the Indemnified Party shall have the right to undertake the defense, compromise or settlement of such liability or claim on behalf of and for the account of Contributor and at Contributor's sole cost and expense (subject to the limitations in Section 3.4 hereof).

3.4 Limitations on Indemnification Under Section 3.2(a).

(a) Contributor shall not be liable under Section 3.2(a) hereof unless and until the total amount recoverable by the Indemnified Parties under Section 3.2(a) exceeds one percent (1%) of the value of the aggregate Consideration (valuing OP Units at the IPO Price) and then only to the extent of such excess.

(b) Notwithstanding anything contained herein to the contrary, before taking recourse against any assets of Contributor and subject to the limitations set forth in the following sentence, the Indemnified Parties shall look, first to available insurance proceeds (including without limitation any title insurance proceeds, if applicable) pursuant to Section 3.2(c) above, and then to indemnification under this Article III, (and agree to treat any return of OP Units in

satisfaction of indemnification obligations hereunder as an adjustment to the consideration delivered to Contributor pursuant to the Formation Transactions). Notwithstanding anything to the contrary in this Agreement, except in the case of fraud or in the event of Losses relating to a third-party claim, Contributor shall not be liable to the Indemnified Parties for any indirect, special or consequential damages, loss of profits, taxes relating to tax years beginning on or after Closing, loss of value or other similar speculative damages asserted or claimed by the Indemnified Parties.

(c) The limitations in this Section 3.4 shall not apply to any obligations of Contributor with respect to Prorations under this Agreement.

3.5 Limitation Period.

(a) Any claim for indemnification under Section 3.2 hereof must be asserted in writing by the Indemnified Party, stating the nature of the Losses and the basis for indemnification therefor on or prior to the fifth (5th) anniversary of the Closing.

(b) If asserted in writing on or prior to the date specified in Section 3.5(a) hereof for the applicable claim, any claims for indemnification pursuant to Section 3.2 hereof shall survive until resolved by mutual agreement between Contributor and the Indemnified Party or by arbitration or court proceeding.

3.6 Delivery of Indemnity Amounts. Indemnity payments may be made by Contributor in the form of cash or OP Units. To the extent indemnification is made through delivery by Contributor of OP Units, such OP Units shall be valued at an amount per OP Unit equal to the IPO Price. Contributor hereby authorizes the REIT, as general partner of the Operating Partnership, to take all such action as may be necessary to amend the Partnership Agreement, and any exhibits or schedules thereto, to reflect the delivery of any OP Units by Contributor to the Operating Partnership as an indemnification payment hereunder and to reflect that Contributor has no further right, title or interest with respect to any such OP Units.

ARTICLE IV

COVENANTS

4.1 Covenants of the Contributor.

(a) Satisfaction of Conditions. Contributor hereby covenants that Contributor shall: (A) use commercially reasonable efforts and diligence in order to satisfy all of the conditions to Closing set forth herein, and (B) cooperate and assist in the Operating Partnership's efforts to satisfy all of the conditions to Closing set forth herein, and agrees that the Operating Partnership shall not have any obligation to consummate the Closing hereunder unless and until such conditions have been satisfied or waived by the Operating Partnership in writing.

(b) Consent to Transfers. Contributor hereby consents to the transfer of, and waives any rights of first refusal, right of first offer, buy-sell agreements, put, option or similar parallel or dissenter rights or similar rights afforded to Contributor under the Governing Agreements or otherwise with respect to any equity ownership interest in any Contributed Entity,

Subsidiary Entity, Property Entity or Property or any other company or property being contributed or transferred to the Operating Partnership pursuant to a separate contribution or other agreement or as otherwise described in the PPM.

(c) No Disposition or Encumbrance of Contributed Interests. From the date hereof through the Closing, except as specifically contemplated by this Agreement, Contributor shall not, without the prior written consent of the Operating Partnership: (i) sell, transfer (or agree to sell or transfer) or otherwise dispose of, or cause the sale, transfer or disposition of (or agree to do any of the foregoing) all or any portion of its interest in the Contributed Interests or all or any portion of its interest in any Subsidiary Entity, Property Entity or Property; or (ii) mortgage, assign, pledge or otherwise encumber in any manner the Contributed Interests or Subsidiary Interests.

(d) Ordinary Course of Business. From the date hereof through the Closing, and except as specifically contemplated by this Agreement, Contributor shall, to the extent within its control, cause each Contributed Entity, Subsidiary Entity and Property Entity to conduct its business in the ordinary course of business consistent with past practice, and shall, to the extent within its control, not permit any Contributed Entity, any Subsidiary Entity or any Property Entity without the prior written consent of the Operating Partnership, to: (i) enter into any material transaction not in the ordinary course of business; (ii) mortgage, pledge or encumber any assets of the Contributed Entity, any Subsidiary Entity, any Property Entity or any Property, (iii) cause or permit any Property Entity to change the existing use of any Property; (iv) cause or take any action that would render any of the representations or warranties set forth herein untrue; (v) file an entity classification election pursuant to Treasury Regulations Section 301.7701-3(c) on Internal Revenue Service Form 8832 (Entity Classification Election) to treat the Contributed Entity as an association taxable as a corporation for federal income tax purposes; (vi) make or change any other tax elections; (vii) settle or compromise any claim, notice, audit report or assessment in respect of taxes; (viii) change any annual tax accounting period; (ix) adopt or change any method of tax accounting; (x) file any amended return, report or form (including an election, declaration, amendment, schedule, information return or attachment thereto) required to be filed with a governmental authority with respect to taxes (each, a "Tax Return"); (xi) enter into any tax allocation agreement, tax sharing agreement, tax indemnity agreement or closing agreement relating to any tax; (xii) surrender of any right to claim a tax refund; (xiii) consent to any extension or waiver of the statute of limitations period applicable to any tax claim or assessment; or (xiv) make any distribution to its partners or members, except for cash distributions in the ordinary course of business consistent with past practices or as permitted by this Agreement.

4.2 Tax Covenants.

(a) Contributor and the Operating Partnership shall provide each other with such cooperation and information relating to any of the Contributed Interests, the Contributed Entities, the Subsidiary Entities, the Property Entities or the Properties as the parties reasonably may request in (i) filing any Tax Return, amended Tax Return or claim for tax refund, (ii) determining any liability for taxes or a right to a tax refund, (iii) conducting or defending any proceeding in respect of taxes, or (iv) performing tax diligence, including with respect to the impact of this transaction on the REIT's tax status as a REIT. Such reasonable cooperation shall

include making employees available on a mutually convenient basis to provide additional information and explanation of any material provided hereunder. The Operating Partnership shall promptly notify Contributor upon receipt by the Operating Partnership or any of its affiliates of notice of (i) any pending or threatened tax audits or assessments with respect to the income, properties or operations of any of the Contributed Entities, the Subsidiary Entities, the Property Entities or their subsidiaries or with respect to any Property and (ii) any pending or threatened federal, state, local or foreign tax audits or assessments of the Operating Partnership or any of its affiliates, in each case, which may affect the liabilities for taxes of Contributor with respect to any tax period ending before or as a result of the Closing. Contributor shall promptly notify the Operating Partnership in writing upon receipt by Contributor or any of its affiliates of notice of any pending or threatened federal, state, local or foreign tax audits or assessments relating to the income, properties or operations of any of the Contributed Entities, the Property Entities or the Subsidiary Entities or with respect to any Property. Each of the Operating Partnership and Contributor may participate at its own expense in the prosecution of any claim or audit with respect to taxes attributable to any taxable period ending on or before the Closing Date; provided, that Contributor shall have the right to control the conduct of any such audit or proceeding or portion thereof for which Contributor has acknowledged liability (except as a partner of the Operating Partnership) for the payment of any additional tax liability, and the Operating Partnership shall have the right to control any other audits and proceedings. Notwithstanding the foregoing, neither the Operating Partnership nor Contributor may settle or otherwise resolve any such claim, suit or proceeding which could have an adverse tax effect on the other party or its affiliates (other than on Contributor or any of its affiliates as a partner of the Operating Partnership) without the consent of the other party, such consent not to be unreasonably withheld. Contributor and the Operating Partnership shall retain all Tax Returns, schedules and work papers with respect to the Contributed Entities, the Property Entities, the Subsidiary Entities, and the Properties, and all material records and other documents relating thereto, until the expiration of the statute of limitations (and, to the extent notified by any party, any extensions thereof) of the taxable years to which such Tax Returns and other documents relate and until the final determination of any tax in respect of such years.

(b) The Operating Partnership shall prepare or cause to be prepared and file or cause to be filed all Tax Returns of the Contributed Entities, the Property Entities or the Subsidiary Entities that are due after the Closing Date. To the extent such returns relate to a period ending on or prior to the Closing Date, such Tax Returns (including, for the avoidance of doubt, any amended Tax Returns) shall be prepared in a manner consistent with past practice, except as otherwise required by applicable law.

(c) For purposes of allocating items of income, gain, loss and deduction with respect to the Property and/or the Contributed Interests in the manner required by Section 704(c) of the Code, the Operating Partnership shall employ, and shall cause any entity controlled by the Operating Partnership which holds title to the Property or the Contributed Interests to employ, the “traditional method” (without curative allocations) as set forth in Treasury Regulations section 1.704-3(b)(1).

4.3 Relationship to Contributed Entities. Contributor and the Operating Partnership acknowledge and agree that, from and after the Closing (as defined herein), Contributor shall no longer be a member, partner, stockholder or equity owner, or, if applicable, managing member or general partner, of any Contributed Entity, Subsidiary Entity or Property Entity and shall have no rights or benefits under any Governing Agreement.

ARTICLE V

CONDITIONS PRECEDENT TO THE CLOSING

5.1 Conditions to the Operating Partnership's Obligation. In addition to any other conditions set forth in this Agreement, the Operating Partnership's obligation to consummate the Closing is subject to the timely satisfaction of each and every one of the conditions and requirements set forth in this Section 5.1, all of which shall be conditions precedent to the Operating Partnership's obligations under this Agreement.

(a) IPO. The IPO, in such form and substance as the REIT, in its sole and absolute discretion, shall have determined to be acceptable, shall have been completed (or be completed simultaneously with the Closing).

(b) Formation Transactions. The formation transactions described in the PPM shall have occurred or be scheduled to occur contemporaneously with the Closing hereunder.

(c) Representations and Warranties. The representations and warranties made by Contributor pursuant to this Agreement, as well as those contained in the Representation, Warranty and Indemnity Agreement, shall be true and correct as of the Closing as though such representations and warranties were made at the Closing and, if requested by the Operating Partnership, Contributor shall have delivered a certificate to the Operating Partnership to such effect in regard to Contributor's representations and warranties set forth in this Agreement.

(d) Performance. Contributor shall have performed and complied with all agreements and covenants that it is required to perform or comply with pursuant to this Agreement prior to the Closing, including having delivered each of the items set forth in Section 5.2 hereof.

(e) Legal Proceedings. No order, statute, rule, regulation, executive order, injunction, stay, decree, or restraining order shall have been enacted, entered, promulgated or enforced by any court of competent jurisdiction or governmental entity that restrains, prohibits or otherwise invalidates the consummation of the transactions contemplated by this Agreement, and no litigation or governmental proceeding seeking such an order shall be pending or threatened.

(f) Consents and Approvals. All necessary approvals and consents of governmental and private parties, including, without limitation, all ground lessors, tenants, other parties to service contracts, lenders and ratings agencies, partners, members or stockholders of any Contributed Entity, Property Entity or their subsidiaries, to effect the transactions contemplated by this Agreement, shall have been obtained.

(g) Reliance on Regulation D. If Contributor has elected to receive OP Units, the Operating Partnership shall, based on the advice of its counsel and the representations made by Contributor in Contributor's Investor Questionnaire, be reasonably satisfied that the issuance of OP Units to Contributor may be made without registration under the Securities Act in reliance on Regulation D under the Securities Act.

(h) Representation, Warranty and Indemnity Agreement. Daniel A. Hoffler and each other party thereto shall have entered into the Representation, Warranty and Indemnity Agreement.

(i) No Material Adverse Change. There shall have not occurred between the date hereof and the Closing Date any material adverse change with respect to any of the Contributed Interests or any material adverse change in any of the assets, business, condition (financial or otherwise), results of operation or prospects of any Subsidiary Entity, Property, Property Entity or Contributed Entity.

(j) Tenant and Lender Estoppels. The Operating Partnership shall have received tenant and lender estoppels in form and substance satisfactory to the Operating Partnership and its counsel.

5.2 Conditions to Contributor's Obligation. In addition to any other conditions set forth in this Agreement, Contributor's obligation to consummate the Closing is subject to the timely satisfaction of each and every one of the conditions and requirements set forth in this Section 5.2, all of which shall be conditions precedent to Contributor's obligations under this Agreement.

(a) Representations and Warranties. The representations and warranties made by the Operating Partnership pursuant to this Agreement shall be true and correct as of the Closing as though such representations and warranties were made at the Closing.

(b) Performance. The Operating Partnership shall have performed and complied in all material respects with all agreements and covenants that it is required to perform or comply with pursuant to this Agreement prior to the Closing.

(c) Legal Proceedings. No order, statute, rule, regulation, executive order, injunction, stay, decree, or restraining order shall have been enacted, entered, promulgated or enforced by any court of competent jurisdiction or governmental entity that prohibits the consummation of the transactions contemplated by this Agreement, and no litigation or governmental proceeding seeking such an order shall be pending or threatened.

ARTICLE VI

CLOSING AND CLOSING DOCUMENTS

6.1 Closing. The consummation and closing (the "Closing") of the transactions contemplated pursuant to this Agreement shall take place at the offices of Hunton & Williams LLP in Richmond, Virginia, or such other place as the Operating Partnership may designate, promptly following satisfaction of the conditions to Closing set forth herein (the "Closing Date"), or as otherwise set by agreement of the parties; provided, however, termination shall not relieve any party from a breach occurring prior to that date.

6.2 Contributor's Deliveries. At the Closing, Contributor shall deliver the following to the Operating Partnership in addition to all other items required to be delivered to the Operating Partnership by Contributor:

(a) Assignment of Contributed Interests. Contributor shall have executed and delivered an Assignment, in substantially the form of Exhibit B attached hereto.

(b) Execution of Partnership Agreement. If Contributor has elected to receive OP Units, signature pages of the Partnership Agreement (which Partnership Agreement shall be in substantially the form attached as an exhibit to the PPM) duly executed by Contributor, as limited partner.

(c) FIRPTA Certificate. An affidavit from Contributor certifying pursuant to Section 1445 of the Internal Revenue Code that Contributor is not a foreign corporation, foreign partnership, foreign trust, foreign estate or foreign person (as those terms are defined in the Code and the Treasury Regulations promulgated thereunder).

(d) Other Documents. Any other document or instrument reasonably requested by the Operating Partnership or required hereby.

6.3 Default Remedies. If Contributor defaults in performing any of Contributor's obligations under this Agreement, the Operating Partnership shall have all rights and remedies available to it at law or in equity resulting from Contributor's default, including without limitation, the right to seek specific performance of this Agreement and Contributor's obligation to convey the Contributed Interests to the Operating Partnership hereunder. The parties acknowledge and agree that the failure of a condition precedent to occur, notwithstanding the good faith and commercially reasonable efforts of the applicable party, shall not be a default hereunder.

ARTICLE VII

MISCELLANEOUS

7.1 Notices. Any notice provided for by this Agreement and any other notice, demand, or communication required hereunder shall be in writing and either delivered in person (including by confirmed facsimile transmission) or sent by hand delivered against receipt or sent by recognized overnight delivery service or by certified or registered mail, postage prepaid, with return receipt requested. All notices shall be addressed as follows:

Operating Partnership:

c/o Armada Hoffler Properties, Inc.
222 Central Park Avenue, Suite 2100,
Virginia Beach, Virginia 23462
Attention: A. Russell Kirk
Fax No.: 757-424-2513

with a copy to (which shall not constitute notice):

Hunton & Williams LLP
Riverfront Plaza, East Tower
951 E. Byrd Street
Richmond, Virginia 23219
Attention: David C. Wright
Fax No.: 804-343-4580

and

Faggert & Frieden, P.C.
222 Central Park Avenue, Suite 1300
Virginia Beach, Virginia 23462
Attention: David Y. Faggert
Fax No.: 757-424-0102

Contributor:

Shelly R. Hampton
222 Central Park Avenue
Suite 2100
Virginia Beach, Virginia 23462

Any address or name specified above may be changed by a notice given by the addressee to the other party. Any notice, demand or other communication shall be deemed given and effective as of the date of delivery in person or set forth on the return receipt. The inability to deliver because of changed address of which no notice was given, or rejection or other refusal to accept any notice, demand or other communication, shall be deemed to be receipt of the notice, demand or other communication as of the date of such attempt to deliver or rejection or refusal to accept.

7.2 Entire Agreement; Third-Party Beneficiaries. This Agreement, including, without limitation, the exhibits hereto and thereto, constitute the entire agreement and supersede each prior agreement and understanding, whether written or oral, among the parties regarding the subject matter of this Agreement. This Agreement is not intended to confer any rights or remedies on any Person other than the parties hereto.

7.3 Amendment. This Agreement may not be amended except by an instrument in writing signed on behalf of each of the parties hereto.

7.4 Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the Commonwealth of Virginia, without regard to the conflicts of law rules thereof.

7.5 Counterparts. This Agreement may be executed by the parties hereto in separate counterparts, each of which when so executed and delivered shall be an original, but all such counterparts shall together constitute one and the same instrument. Each counterpart may consist of a number of copies hereof, each signed by less than all, but together signed by all of the parties hereto. Each party may rely upon the facsimile or electronic pdf email signature of any other party as if such signature were an original signature.

7.6 Headings. Headings of the Articles and Sections of this Agreement are for the convenience of the parties only, and shall be given no substantive or interpretive effect whatsoever.

7.7 Incorporation. All Exhibits attached hereto and referred to herein are hereby incorporated herein and made a part hereof for all purposes as if fully set forth herein.

7.8 Severability. Any term or provision of this Agreement which is invalid or unenforceable in any jurisdiction shall, as to that jurisdiction, be ineffective to the extent of such invalidity or unenforceability without rendering invalid or unenforceable the remaining terms and provisions of this Agreement or affecting the validity or enforceability of any of the terms or provisions of this Agreement in any other jurisdiction. If any provision of this Agreement is so broad as to be unenforceable, the provision shall be interpreted to be only so broad as is enforceable.

7.9 Waiver of Conditions. The conditions to each party's obligations hereunder are for the sole benefit of such party and may be waived by such party in whole or in part to the extent permitted by applicable law.

7.10 Dispute Resolution. The parties intend that this Section 7.1010 will be valid, binding, enforceable, exclusive and irrevocable and that it shall survive any termination of this Agreement.

(a) Upon any dispute, controversy or claim arising out of or relating to this Agreement or the enforcement, breach, termination or validity thereof ("Dispute"), the party raising the Dispute will give written notice to the other parties to the Dispute describing the nature of the Dispute following which the parties to such Dispute shall attempt for a period of ten (10) Business Days from receipt by the parties of notice of such Dispute to resolve such Dispute by negotiation between representatives of the parties hereto who have authority to settle such Dispute. All such negotiations shall be confidential and any statements or offers made therein shall be treated as compromise and settlement negotiations for purposes of any applicable rules of evidence and shall not be admissible as evidence in any subsequent proceeding for any purpose. The statute of limitations applicable to the commencement of a lawsuit shall apply to the commencement of an arbitration hereunder, except that no defense based on the running of the statute of limitations will be available based upon the passage of time during any such negotiation. Regardless of the foregoing, a party shall have the right to seek immediate injunctive relief pursuant to clause (c) below without regard to any such ten (10) Business Day negotiation period.

(b) Any Dispute (including the determination of the scope or applicability of this Agreement to arbitrate) that is not resolved pursuant to clause (a) above shall be submitted to final and binding arbitration in Virginia Beach, Virginia before one neutral and impartial arbitrator, in accordance with the laws of the Commonwealth of Virginia for agreements made in and to be performed in Virginia. The arbitration shall be administered by JAMS, Inc. ("JAMS")

pursuant to its Comprehensive Arbitration Rules and Procedures, as in effect on the date hereof. The parties hereto shall appoint one arbitrator within fifteen (15) days of a demand for arbitration. If an arbitrator is not appointed within such 15-day period, the arbitrator shall be appointed by JAMS in accordance with its Comprehensive Arbitration Rules and Procedures, as in effect on the date hereof. The arbitrator shall designate the place and time of the hearing. The hearing shall be scheduled to begin as soon as practicable and no later than sixty (60) days after the appointment of the arbitrator (unless such period is extended by the arbitrator for good cause shown) and shall be conducted as expeditiously as possible. The award, which shall set forth the arbitrator's findings of fact and conclusions of law, shall be filed with JAMS and mailed to the parties no later than thirty (30) days after the close of the arbitration hearing. The arbitration award shall be final and binding on the parties and not subject to collateral attack. Judgment upon the arbitration award may be entered in any federal or state court having jurisdiction thereof.

(c) Notwithstanding the parties' agreement to submit all Disputes to final and binding arbitration before JAMS, the parties shall have the right to seek and obtain temporary or preliminary injunctive relief in any court having jurisdiction thereof. Such courts shall have authority to, among other things, grant temporary or provisional injunctive relief in order to protect any party's rights under this Agreement. Without prejudice to such provisional remedies as may be available under the jurisdiction of a court, the arbitral tribunal shall have full authority to grant provisional remedies and to direct the parties to request that any court modify or vacate any temporary or preliminary relief issued by such court, and to award damages for the failure of any party to respect the arbitral tribunal's orders to that effect.

(d) The prevailing party shall be entitled to recover its costs and reasonable attorneys' fees, and the non-prevailing party shall pay all expenses and fees of JAMS, all costs of the stenographic record, all expenses of witnesses or proofs that may have been produced at the direction of the arbitrator, and the fees, costs and expenses of the arbitrator. The arbitrator shall allocate such costs and designate the prevailing party or parties for these purposes.

[*Signature Page Follows.*]

IN WITNESS WHEREOF, this Agreement has been entered into effective as of the date first written above.

CONTRIBUTOR:

SHELLY R. HAMPTON

/s/ Shelly R. Hampton
By: Shelly R. Hampton

OPERATING PARTNERSHIP:

ARMADA HOFFLER, L.P., a Virginia limited partnership

By: Armada Hoffler Properties, Inc.,
its general partner

By: /s/ Louis S. Haddad
Name: Louis S. Haddad
Title: Chief Executive Officer and President

REIT:

ARMADA HOFFLER PROPERTIES, INC., a Maryland corporation

By: /s/ Louis S. Haddad
Name: Louis S. Haddad
Title: Chief Executive Officer and President

EXHIBIT A

Contributor – Shelly R. Hampton

CONTRIBUTED ENTITY/ CONTRIBUTED INTEREST	SUBSIDIARY INTERESTS	PROPERTY	PROPERTY ENTITY
New Armada Hoffler Properties I, LLC[1] (all interests owned by Contributor)	0.75% interest in HT Tyre Neck, L.L.C.	Harris Teeter Portsmouth, VA	HT Tyre Neck, L.L.C.
	0.63418% interest in North Pointe VW4, L.L.C.	Lot 1 A North Pointe Durham, NC	North Pointe VW4, L.L.C.
	1.0% interest in Lake View AH-VNG, LLC	Virginia Natural Gas Headquarters Building Virginia Beach, VA	Lake View AH-VNG, LLC
	1.0% interest in AH Sandbridge, L.L.C.	Sandbridge Commons Virginia Beach, VA	AH Sandbridge, L.L.C.
New Armada Hoffler Properties II, LLC[2] (all interests owned by Contributor)	1.0% interest in AH Richmond Tower I, L.L.C.	Richmond Tower Richmond, VA	AH Richmond Tower I, L.L.C.
	0.8% interest in Town Center Associates 11, L.L.C.	Block 11 Town Center Project Virginia Beach, VA	TCA Block 11 Office, LLC TCA Block 11 Apartments, LLC
	1.0% interest in AH Durham Apartments, L.L.C.	Jackson Street Apartments Durham, NC	AH Durham Apartments, L.L.C.
	1.0% interest in AH Southeast Commerce Center, L.L.C.	Brooks Crossing Newport News, VA	AH Southeast Commerce Center, L.L.C.
	1.0% interest in AH Greentree, L.L.C.	Greentree Shopping Center Chesapeake, VA	AH Greentree, L.L.C.

[1] Prior to the Closing, pursuant to the Master Contribution and Distribution Agreement, Armada/Hoffler Properties, LLC ("AHP") will contribute to New Armada Hoffler Properties I, LLC ("New AHP I") the interests in the subsidiary entities described below and will distribute to Shelly R. Hampton ("Hampton") an interest in New AHP I. At Closing, pursuant to the Contribution Agreement, Hampton will contribute her interest in New AHP I to the Operating Partnership.

[2] Prior to the Closing, pursuant to the Master Contribution and Distribution Agreement, Armada/Hoffler Properties II, LLC ("AHP II") will contribute to New Armada Hoffler Properties II, LLC ("New AHP II") the interests in the subsidiary entities described below and will distribute to Hampton an interest in New AHP II. At Closing, pursuant to the Contribution Agreement, Hampton will contribute her interest in New AHP II to the Operating Partnership.

Cash[3] - $275,120

OP Units: Determined as set forth below.
Total AH Partners' OP Unit Allocation Percentage: 0.493%

The cash portion of the Consideration that Contributor will receive shall be fixed at the amount shown above. The number of OP Units that Contributor will receive as part of the Consideration is not known as of the date of this Agreement, but shall be calculated as follows:

1. Prior to commencement of marketing of the IPO, the REIT and the managing underwriters for the IPO shall determine a valuation range for the combined equity interests (after deduction of debt) of all of the properties, assets and businesses that will be contributed to the OP and its subsidiaries pursuant to the transactions described in the PPM (the "Formation Transactions"). From the midpoint of this range, there will be deducted the amount of cash that will be paid by the OP as consideration to all of the contributors in connection with the Formation Transactions, with the resulting amount after such deduction being herein referred to as the "Total OP Unit Valuation".

2. The Total OP Unit Valuation shall be divided by the midpoint of the price range for the shares of the REIT's common stock in the IPO (the "IPO Price Range") as set forth on the front cover of the REIT's preliminary prospectus for the IPO filed with the SEC (the "Preliminary Prospectus") to determine a fixed number of OP Units issuable to all the contributors in connection with the Formation Transactions (the "Total OP Units") and the number of Total OP Units shall be reflected in the Preliminary Prospectus.

3. The Total OP Units will be allocated among contributors who are not officers, employees or affiliates of Armada Hoffler Holding Company and its affiliates (collectively, the "Non-AH Partners") and the contributors who are officers, employees or affiliates of Armada Hoffler Holding Company and its affiliates, including certain trusts established by such officers and employees (collectively, the "AH Partners"), including Contributor.

4. Each Non-AH Partners will receive a number of OP Units equal to the amount of consideration set forth in such Non-AH Partner's contribution agreement with the OP as allocable to OP Units, divided by the IPO Price (the "Total Non-AH Partners' OP Units"). To the extent the IPO Price is greater or less than the mid-point of the IPO Price Range, the number of OP Units issuable to each Non-AH Partner (as described and set forth in the Preliminary Prospectus) will decrease or increase, respectively, in an amount sufficient to cause the value of the OP Units issuable to the Non-AH Partner to equal the amount of the consideration set forth in such Non-AH Partner's contribution agreement (utilizing a value per OP Unit equal to the IPO Price).

5. The aggregate number of OP Units issuable to the AH Partners (the "Total AH Partners' OP Units") will be equal to the difference between (a) the Total OP Units and (b) the Total Non-AH Partners' OP Units.

[3] In the event that, at or prior to Closing, the OP has not arranged financing in the form of a credit facility or other debt financing in an amount sufficient to pay to Contributor at Closing the full amount of the cash consideration amount shown above, the OP may deliver to Contributor at Closing a promissory note payable by the OP to Contributor in a principal amount up to $30,000. The promissory note shall not bear interest, shall mature on the first anniversary of the date of issuance and may be prepaid by the OP at any time.

6. The number of OP Units issuable as Consideration to Contributor pursuant to this Agreement will be determined by multiplying (a) the Total AH Partners' OP Units by (b) the percentage set forth above under the heading "Total AH Partners' OP Unit Allocation Percentage" divided by the IPO Price.

The undersigned hereby agrees that this Exhibit A represents the definitive Exhibit A to the Contribution Agreement and supersedes any and all prior versions.

CONTRIBUTOR:

SHELLY R. HAMPTON

/s/ Shelly R. Hampton
By: Shelly R. Hampton

OPERATING PARTNERSHIP:

ARMADA HOFFLER, L.P., a Virginia limited partnership

By: Armada Hoffler Properties, Inc.,
its general partner

By: /s/ Louis S. Haddad
Name: Louis S. Haddad
Title: Chief Executive Officer and President

REIT:

ARMADA HOFFLER PROPERTIES, INC., a Maryland corporation

By: /s/ Louis S. Haddad
Name: Louis S. Haddad
Title: Chief Executive Officer and President

Exhibit B

Assignment

The undersigned, for good and valuable consideration paid to the Assignor by ARMADA HOFFLER, L.P., a Virginia limited partnership ("Assignee"), pursuant to the Contribution Agreement dated as of , 2012, by and between Assignor and Assignee (the "Agreement") and for other good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, does hereby sell, assign, transfer, convey and deliver to the Assignee, its successors and assigns, good and indefeasible right, title and interest to the **[partnership or limited liability company interests/shares of common stock]** described on *Schedule A* hereto, including, without limitation, all right, title and interest, if any, of the undersigned in and to the assets of each such **[partnership/limited liability company/corporation]** and the right to receive distributions of money, profits and other assets from each such partnership, presently existing or hereafter at any time arising or accruing, free and clear of all liens, encumbrances, security interests, pledges, voting agreements, prior assignments or conveyances, conditions, restrictions, claims, and any other matters affecting title thereto.

The undersigned, for itself, its successors and assigns, hereby covenants and agrees that, at any time and from time to time after the date hereof, upon the written request of Assignee, the undersigned will, without further consideration, do, execute, acknowledge, and deliver or cause to be done, executed, acknowledged and delivered, each of and all of such further acts, deeds, assignments, transfers, conveyances and assurances as may reasonably be required by Assignee in order to assign, transfer, set over, convey, assure and confirm unto and vest in Assignee, its successors and assigns, title to the interests described in *Schedule A* hereto

Capitalized terms used but not defined herein shall have the respective meanings ascribed to them in the Agreement.

IN WITNESS WHEREOF, the parties hereto have caused this Assignment to be signed by a duly authorized officer this day of , 201 .

, a

By: _____
Name:
Title:

Exhibit 10.17

CONTRIBUTION AGREEMENT

William Christopher Harvey

This CONTRIBUTION AGREEMENT (this "Agreement") is made as of February 11, 2013 by and among William Christopher Harvey ("Contributor"), Armada Hoffler, L.P., a Virginia limited partnership (the "Operating Partnership") and Armada Hoffler Properties, Inc., a Maryland corporation (the "REIT").

RECITALS

WHEREAS, Contributor is or may become the record and beneficial owner of equity interests in the amount or percentage described on Exhibit A hereto (the "Contributed Interests") in each of the entities described in Exhibit A hereto (each, a "Contributed Entity" and collectively, the "Contributed Entities"), which are the direct or indirect owners of the respective properties or property entities described on Exhibit A hereto (each a "Property" and collectively, the "Properties"). Entities in which certain of the Contributed Entities own interests (each, a "Subsidiary Entity") are set forth on Exhibit A as "Subsidiary Interests". Contributor desires to contribute any and all interests that he may now or hereafter own in the Contributed Interests to the Operating Partnership, and the Operating Partnership desires to acquire the Contributed Interests from Contributor, on the terms and conditions hereinafter set forth.

NOW, THEREFORE, for and in consideration of the foregoing, and the representations, warranties and other terms contained in this Agreement, and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties hereto, intending to be legally bound hereby, agree as follows:

ARTICLE I

THE CONTRIBUTION

1.1 Contribution of Contributed Interests. Contributor irrevocably agrees to contribute, transfer and assign at Closing (as defined herein) any and all interests that he may now or hereafter own in the Contributed Interests set forth opposite Contributor's name on Exhibit A hereto, together with any other interests Contributor may have in any of the Contributed Entities and any other properties or entities being acquired by the Operating Partnership as described in the Confidential Private Placement Memorandum for the Offering of Limited Partnership Interests of the Operating Partnership dated January 16, 2013 (the "PPM"), to the Operating Partnership, and the Operating Partnership agrees to accept transfer of the Contributed Interests and any such other interests pursuant to the terms and subject to the conditions set forth in this Agreement. The Contributed Interests shall be transferred to the Operating Partnership free and clear of all liens, encumbrances, security interests, pledges, voting agreements, prior assignments or conveyances, conditions, restrictions, claims, and any other matters affecting title thereto.

1.2 Consideration.

(a) Consideration Amount. The total consideration (the "Consideration") for which Contributor agrees to contribute, transfer and assign the Contributed Interests to the Operating Partnership, and for which the Operating Partnership agrees to pay, issue or deliver to Contributor, subject to the terms of this Agreement, at Closing (as defined herein) shall be determined in the manner set forth on Exhibit A hereto. The Consideration may be adjusted, upward or downward, by the amount of any adjustments arising from the Prorations (as defined herein). Any decrease to the amount of the Consideration will be deducted first from the cash portion of the Consideration, if any, and the balance, if any, will be deducted from the OP Units. Any increase in the Consideration as a result of the Prorations will be paid in OP Units. In addition to the Consideration set forth on Exhibit A hereto, Contributor shall be entitled to receive in cash, at Closing or shortly thereafter, Contributor's pro rata share (based on Contributor's direct or indirect ownership interest in each Property Entity) of any tenant improvement, leasing commission and replacement reserves held by lenders with respect to each Property in which Contributor owns an interest.

(b) Election Form. The Consideration shall be payable in accordance with the election made by Contributor in the Consideration Election Form ("Election Form") accompanying the PPM, the results of which election are set forth on Exhibit A hereto. If, pursuant to the Election Form, Contributor (A) elected all or part of Contributor's consideration payable hereunder to be in the form of units of limited partnership interests of the Operating Partnership ("OP Units") and (B) submitted to the Operating Partnership (x) an executed Investor Questionnaire representing and warranting to the Operating Partnership that Contributor is an "accredited investor" as defined in the Investor Questionnaire and (y) any other documentation required by the Operating Partnership, including, but not limited to, a signature page to the Partnership Agreement (as hereinafter defined), Contributor shall receive OP Units in an amount determined in the manner described on Exhibit A hereto. The portion of the Consideration, if any, payable in cash is set forth on Exhibit A. Contributor agrees that the cash payment shall be made and the OP Units shall be registered in the name of the persons or entities set forth on the Election Form. OP Units will only be delivered to Contributor if Contributor has represented to the Operating Partnership that Contributor is an "accredited investor". No fractional OP Units will be issued and OP Units will be rounded to the nearest whole number. The Consideration payable to Contributor, whether in cash, in OP Units or a combination thereof, may be reduced by the amount the Operating Partnership reasonably determines must be withheld for tax purposes. The rights and obligations of holders of OP Units as of the Closing will be as set forth in the First Amended and Restated Agreement of Limited Partnership of the Operating Partnership (the "Partnership Agreement"), a draft copy of which is included as an exhibit to the PPM.

1.3 OP Units. Although initially the OP Units will not be certificated, certificates, if any, subsequently evidencing the OP Units will bear appropriate legends (i) indicating that the OP Units have not been registered under the Securities Act of 1933, as amended ("Securities Act"), (ii) indicating that the Partnership Agreement will restrict the transfer of the OP Units, and (iii) describing the ownership limitations and transfer restrictions imposed by the charter of the REIT with respect to shares of the REIT's common stock.

1.4 No Further Interest. Contributor acknowledges and agrees that effective upon the Closing, and without any further action by Contributor, the Contributed Interests shall be transferred, assigned and conveyed to the Operating Partnership, or a subsidiary thereof, and Contributor shall no longer be an equity holder of any of the Contributed Entities, shall no longer be entitled to receive any distributions from any of the Contributed Entities, and shall have no further right, title or interest in any of the Contributed Interests, the Contributed Entities or the Property Entities.

1.5 Tax Consequences to Contributor. Notwithstanding anything to the contrary contained in this Agreement, including without limitation the use of words and phrases such as "sell," "sale," "purchase," and "pay," the parties hereto acknowledge, agree and consent that the transactions contemplated hereby will be treated for federal income tax purposes (i) in accordance with Section 721 of the Internal Revenue Code of 1986, as amended (the "Code") with respect to any portion of the Consideration that is payable in OP Units; (ii) as an "assets over form" of transaction pursuant to Treasury Regulations Section 1.708-1(c)(3)(i); and (iii) as a sale of the Contributor's Contributed Interests to the Operating Partnership under Treasury Regulations Section 1.708-1(c)(4) to the extent of the Contributor's receipt of cash Consideration pursuant to Section 1.2(a), except to the extent that such cash Consideration is treated as (a) the reimbursement of "preformation expenditures" under Treasury Regulations Section 1.707-4(d); and/or (b) a "debt financed transfer of consideration" by the Operating Partnership under Treasury Regulations Section 1.707-5(b), as applicable.

1.6 Definitions. As used in this Agreement, the following terms have the following meanings:

"Contributor's Percentage Interest" means, with respect to each Contributed Entity, the percentage set forth on Exhibit A hereto under the heading "Contributed Entity/Contributed Interest", which reflects Contributor's percentage ownership interest in each Contributed Entity pursuant to and in accordance with the applicable Governing Agreement (as defined herein) of the Contributed Entity.

"IPO" means the underwritten initial public offering of common stock of the REIT.

"IPO Price" means the public offering price set forth on the front cover of the final prospectus for the IPO, as filed with the U.S. Securities and Exchange Commission (the "SEC").

"Property Entity" means an entity owning a Property, as set forth on Exhibit A hereto.

"Prorations" means those proration and adjustment amounts that are customarily applied to closings of commercial real estate transactions in the county in which the Property is located, which amounts shall be calculated as of midnight (Eastern time) of the day immediately preceding the Closing Date and shall include:

(A) Taxes. All real estate and personal property taxes and special assessments, if any, with respect to each Property shall be prorated at Closing;

(B) Utilities. All telephone, electric, sewer, water and other utility bills, trash removal bills, janitorial and maintenance service bills and all other expenses relating to a

Property that are obligations of the Property Entity and which are allocable to the period prior to the Closing Date shall be determined and paid, or caused to be paid, by the Property Entity or Contributed Entity before Closing, if possible, or if such is not determinable before Closing, then the Parties shall use their commercially reasonable efforts to determine and pay such amounts as promptly as possible following Closing and the Operating Partnership may withhold from any cash amount of the Consideration payable at Closing hereunder an amount of cash reasonably estimated to cover any estimated Proration for the items described in this subsection (B);

(C) Rents. All rents, including, without limitation, base rents, operating expense payments or common area maintenance charges and all other forms of additional rents, payable under the leases of the Property and all other income from the Property shall be prorated at Closing; and

(D) Other Items. Any other items of revenue, operating expenses or other items which are customarily prorated between a transferor and transferee of real estate in the county in which the Property is located shall be prorated at Closing.

"Representation, Warranty and Indemnity Agreement" means the Representation, Warranty and Indemnity Agreement by and among the REIT, the Operating Partnership and Daniel A. Hoffler.

ARTICLE II

REPRESENTATIONS AND WARRANTIES

2.1 Representations by the Operating Partnership. The Operating Partnership hereby represents and warrants to Contributor that the following statements are true, correct, and complete as of the date of this Agreement and will be true, correct and complete as of the Closing Date (as defined herein):

(a) Organization and Power. The Operating Partnership is duly organized, validly existing, and in good standing under the laws of the Commonwealth of Virginia, and has full right, power, and authority to enter into this Agreement and to assume and perform all of its obligations under this Agreement. The execution and delivery of this Agreement and the performance by the Operating Partnership of its obligations hereunder have been duly authorized by all requisite action of the Operating Partnership and require no further action or approval of the Operating Partnership's partners or of any other individuals or entities in order to constitute this Agreement as a binding and enforceable obligation of the Operating Partnership.

(b) OP Units Validly Issued. The OP Units, when issued in accordance with the terms of this Agreement and the Partnership Agreement, will have been duly and validly authorized and issued, free of any preemptive or similar rights, and will be fully paid, without any obligation to restore capital, except as required by the Virginia Revised Uniform Limited Partnership Act (the "Limited Partnership Act").

2.2 Representations by Contributor. Contributor hereby represents and warrants to the Operating Partnership that the following statements are true, correct, and complete as of the date of this Agreement and will be true, correct, and complete as of the Closing Date:

(a) Organization and Power; Due Authorization. Contributor, if an entity or trust, is duly incorporated, formed or organized, validly existing, and in good standing under the laws of its state of incorporation, formation or organization. Contributor has full right, power, and authority to enter into this Agreement and to assume and perform all of its obligations under this Agreement; and the execution and delivery of this Agreement and the performance by Contributor of its obligations hereunder have been duly authorized by all requisite action of Contributor and require no further action or approval of Contributor's members, partners, stockholders, managers, board of directors, trustees or of any other individuals or entities, as applicable, in order to constitute this Agreement as a binding and enforceable obligation of Contributor. No person has any community property rights, by virtue of marriage or otherwise, with respect to the Contributed Interests. This Agreement and each agreement, document and instrument executed and delivered by or on behalf of Contributor pursuant to this Agreement constitutes, or when executed and delivered will constitute, the legal, valid and binding obligation of Contributor, each enforceable against Contributor in accordance with its terms, except as such enforceability may be limited by bankruptcy or the application of equitable principles.

(b) Noncontravention. Neither the entry into nor the performance of, or compliance with, this Agreement by Contributor has resulted, or will result, in any violation of, or default under, or result in the acceleration of, any obligation under any charter, bylaws, limited liability company agreement, partnership agreement, declaration of trust, mortgage indenture, lien agreement, note, contract, agreement, permit, judgment, decree, order, restrictive covenant, statute, rule, or regulation applicable to Contributor or to any Contributed Interests, any Contributed Entity, Subsidiary Interests or Property Entity.

(c) Litigation. There is no action, suit, or proceeding, pending or known to be threatened, against or affecting Contributor in any court or before any arbitrator or before any federal, state, municipal, or other governmental department, commission, board, bureau, agency or instrumentality which (1) in any manner raises any question affecting the validity or enforceability of this Agreement, (2) could materially and adversely affect the business, financial position, or results of operations of Contributor, any Contributed Entity, Subsidiary Interests, Property Entity or Property, (3) could adversely affect the ability of Contributor to perform its obligations hereunder, or under any document to be delivered pursuant hereto, (4) could create a lien on the Contributed Interests, any part thereof, or any interest therein, or (5) could adversely affect the Contributed Interests, any part thereof, or any interest therein.

(d) Good Title. Exhibit A hereto accurately sets forth Contributor's Percentage Interest. Contributor is the sole record and beneficial owner of the Contributed Interests and has full power and authority to convey the Contributed Interests pursuant to the terms of this Agreement. Contributor has good and marketable title to the Contributed Interests. Except as set forth on Schedule 2.1(d), the Contributed Interests are free and clear of all liens, encumbrances, security interests, pledges, voting agreements, prior assignments or conveyances, conditions, restrictions, claims or any other matters affecting title thereto and at the Closing will

be contributed to the Operating Partnership free and clear of all liens, encumbrances, security interests, pledges, voting agreements, prior assignments or conveyances, conditions, restrictions, claims or other matters affecting title thereto. No other person or entity has an option to purchase or a right of first refusal to purchase the Contributed Interests nor are there any agreements or understandings with respect to the voting, ownership or disposition of the Contributed Interests that could adversely affect Contributor's ability to perform its obligations hereunder or the Operating Partnership's rights to the Contributed Interests following the Closing.

(e) Contributed Interests. There are no rights to purchase, subscriptions, warrants, options, conversion rights or preemptive rights relating to the Contributed Interests or any equity interest in any Contributed Entity that will be in effect as of the Closing.

(f) No Consents. Each consent, approval, authorization, order, license, certificate, permit, registration, designation, or filing by or with any governmental agency or body necessary for the execution, delivery and performance of this Agreement or the transactions contemplated hereby by Contributor has been obtained or will be obtained on or before the Closing Date. Each consent or approval required under any Governing Agreement (as defined herein), contract or agreement of any Contributed Entity, or among the partners, members or stockholders of any Contributed Entity, Subsidiary Entity or Property Entity to which Contributor is a party, relating to indebtedness or otherwise, necessary for the execution, delivery and performance of this Agreement and the contribution, acquisition and transfer of the Contributed Interests has been obtained or will be obtained on or before the Closing Date.

(g) Actions Prior to Closing. From the date hereof until the Closing Date, Contributor shall not take any action or fail to take any action the result of which would (1) have a material adverse effect on the Contributed Interests or the Operating Partnership's ownership thereof, or any material adverse effect on the assets, business, condition (financial or otherwise), results or operation of any Property, any Contributed Entity, Subsidiary Entity or Property Entity after the Closing Date or (2) cause any of the representations and warranties contained in this Section 2.2 to be untrue as of the Closing Date.

(h) Governing Documents. Contributor has performed all of its obligations under the Limited Partnership Agreement, Limited Liability Company Agreement, Operating Agreement, Charter and Bylaws, as such may have been amended from time to time, as applicable, of each Contributed Entity in which it owns an interest, (each a "Governing Agreement" and collectively, the "Governing Agreements").

(i) Securities Law Matters.

(1) In deciding to engage in the transaction contemplated by this Agreement, including, if applicable, acquiring OP Units, neither Contributor nor any equity holder thereof is relying upon any representations made to it by the Operating Partnership, or any of its partners, officers, employees, or agents that are not contained herein. Contributor is aware of the risks involved in investing in the OP Units and in the securities issuable upon redemption of such OP Units. Contributor is knowledgeable, sophisticated and experienced in business and financial matters and fully understands the

limitations on transfer imposed by the federal securities laws and as described in this Agreement and the PPM and related materials, including the Partnership Agreement. Contributor has received the PPM and related materials, including the Partnership Agreement, has reviewed all documents and has had an opportunity to ask questions of, and to receive answers from, the Operating Partnership and the REIT or a person or persons authorized to act on their behalf, concerning the terms and conditions of an investment in the OP Units and the financial condition, affairs, and business of the Operating Partnership and the REIT. Contributor confirms that all documents, records, and information pertaining to its investment in OP Units that have been requested by Contributor have been made available or delivered to Contributor prior to the date hereof.

(2) Contributor understands and acknowledges that (i) certain of the information contained in the PPM is incomplete or may be revised, amended or supplemented in the registration statement to be filed by the REIT with the SEC in connection with the IPO and (ii) the financial information included in the PPM has not been audited, but will be audited prior to the REIT's filing of the registration statement with the SEC, and such information could change upon audit, and any such changes could be material.

(3) Contributor and each equity holder thereof understands that the offer and sale of OP Units have not been registered under the Securities Act or any state securities laws and are instead being offered and sold in reliance on an exemption from such registration requirements and that the Operating Partnership's reliance on such exemption is predicated in part on the accuracy and completeness of the representations and warranties of Contributor contained herein. The OP Units issuable to Contributor are being acquired by Contributor solely for its own account, for investment, and are not being acquired with a view to, or for resale in connection with, any distribution, subdivision, or fractionalization thereof, in violation of such laws, and Contributor does not have any present intention to enter into any contract, undertaking, agreement, or arrangement with respect to any such resale.

(4) Contributor is able to bear the economic risk of holding the OP Units for an indefinite period and is able to afford the complete loss of its investment in the OP Units.

(5) Contributor understands that no federal agency (including the SEC) or state agency has made or will make any finding or determination as to the fairness of an investment in the OP Units (including as to the value of the Consideration payable in OP Units in accordance with Section 1.2 hereof).

(6) Contributor understands that there is no established public, private or other market for the OP Units to be acquired by Contributor hereunder and it is not anticipated that there will be any public, private or other market for such OP Units in the foreseeable future.

(7) Contributor understands that Rule 144 promulgated under the Securities Act is not currently available with respect to the sale of OP Units.

(j) Accredited Investor. If Contributor is electing to receive OP Units as some or all of the Consideration, Contributor is an "accredited investor", as that term is defined in Rule 501 of Regulation D under the Securities Act, and has previously provided the Operating Partnership and the REIT with a duly executed questionnaire confirming Contributor's accredited investor status. No event or circumstance has occurred since delivery of such questionnaire to make the statements therein false or misleading.

(k) Tax Matters. Contributor represents and warrants that it has obtained from its own counsel advice regarding the tax consequences of (i) the transfer of the Contributed Interests to the Operating Partnership and the receipt of OP Units and/or cash as the Consideration therefor, (ii) its admission as a limited partner of the Operating Partnership, if applicable and (iii) any other transaction contemplated by this Agreement. Neither the Operating Partnership nor the REIT has made any representation to Contributor regarding the tax treatment of the transactions contemplated by this Agreement, and Contributor further represents and warrants that it has not relied on the Operating Partnership or the Operating Partnership's representatives or counsel for any tax advice.

(l) Bankruptcy with respect to Contributor. No Act of Bankruptcy has occurred with respect to Contributor. As used herein, "Act of Bankruptcy" means if Contributor or any equity holder, partner, manager or director thereof shall (A) apply for or consent to the appointment of, or the taking of possession by, a receiver, custodian, trustee or liquidator of itself or of all or a substantial part of its property, (B) admit in writing its inability to pay its debts as they become due, (C) make a general assignment for the benefit of its creditors, (D) file a voluntary petition or commence a voluntary case or proceeding under the Federal Bankruptcy Code (as now or hereafter in effect), (E) be adjudicated bankrupt or insolvent, (F) file a petition seeking to take advantage of any other law relating to bankruptcy, insolvency, reorganization, receivership, dissolution, winding-up or composition or adjustment of debts, (G) fail to controvert in a timely and appropriate manner, or acquiesce in writing to, any petition filed against it in an involuntary case or proceeding under the Federal Bankruptcy Code (as now or hereafter in effect), or (H) take any entity action for the purpose of effecting any of the foregoing.

(m) Brokerage Commission. Contributor has not engaged the services of any real estate agent, broker, finder or any other person or entity for any brokerage or finder's fee, commission or other amount with respect to the transactions described herein.

(n) No Other Equity Interests. Except for the Contributed Interests, neither Contributor nor any of its affiliates owns, directly or indirectly, any equity interest in any partnership, limited liability company, corporation, trust or other entity owning a Property being acquired by the Operating Partnership as part of the formation transactions described in the PPM and does not own any interest in any Property other than through the Contributed Interests.

ARTICLE III

INDEMNIFICATION

3.1 Survival of Representations and Warranties; Remedy for Breach.

(a) Subject to Section 3.5 hereof, all representations and warranties of Contributor contained in this Agreement or in any Schedule, Exhibit, certificate or affidavit delivered pursuant to this Agreement shall survive the Closing.

(b) Subject to Section 3.4 hereof, following the Closing, Contributor shall be liable under this Agreement for monetary damages (or otherwise) for breach of any of its representations, warranties, covenants and obligations contained in this Agreement or in any Schedule, Exhibit, certificate or affidavit delivered by Contributor pursuant thereto.

3.2 General Indemnification.

(a) From and after the Closing Date, Contributor shall indemnify, hold harmless and defend the Operating Partnership and the REIT, and their respective officers, directors, employees, stockholders, partners, agents and affiliates (each of which is an "Indemnified Party"), from and against any and all claims, losses, damages, liabilities and expenses, including, without limitation, interest, penalties, amounts paid in settlement, reasonable attorneys' fees, costs of investigation, judicial or administrative proceedings or appeals therefrom and costs of attachment or similar bonds (collectively, "Losses") asserted against, imposed upon or incurred by the Indemnified Party, to the extent resulting from any breach of a representation, warranty or covenant of Contributor contained in this Agreement, or in any Schedule, Exhibit, certificate or affidavit delivered by Contributor pursuant thereto. In each case, Contributor shall only bear the fees, costs or expenses in connection with the employment of one counsel (regardless of the number of Indemnified Parties).

(b) Contributor shall also indemnify and hold harmless the Indemnified Parties from and against any and all Losses asserted against, imposed upon or incurred by the Indemnified Parties to the extent resulting from an unrelated third-party claim relating to the Contributed Interests arising from matters that occurred prior to Closing.

(c) With respect to any claim of an Indemnified Party pursuant to this Section 3.2, to the extent available, the Operating Partnership agrees to use diligent good faith efforts to pursue and collect any and all available proceeds and benefits of any right to defense under any insurance policy that covers the matter which is the subject of the indemnification prior to seeking indemnification from Contributor until all proceeds and benefits, if any, to which the Operating Partnership or the Indemnified Party is entitled pursuant to such insurance policy have been exhausted; provided, however, that the Operating Partnership may make a claim under this Section 3.2 even if an insurance coverage dispute is pending, in which case, if the Indemnified Party later receives insurance proceeds with respect to any Losses paid by either Contributor for the benefit of any Indemnified Party, then the Indemnified Party shall reimburse Contributor in an amount equivalent to such proceeds in excess of any deductible amount pursuant to Section 3.2(a) hereof up to the amount actually paid (or deemed paid) by Contributor

to the Indemnified Party in connection with such indemnification (it being understood that all costs and expenses incurred by Contributor with respect to insurance coverage disputes shall constitute Losses paid by Contributor for purposes of Section 3.2(a) hereof).

3.3 Notice and Defense of Claims. As soon as reasonably practicable after receipt by the Indemnified Party of notice of any liability or claim incurred by or asserted against the Indemnified Party that is subject to indemnification under this Article III, the Indemnified Party shall give notice thereof to Contributor, including liabilities or claims to be applied against the indemnification deductible established pursuant to Section 3.4 hereof; provided that failure to give notice to Contributor will not relieve Contributor from any liability that it may have to any Indemnified Party, unless, and only to the extent that, such failure (a) shall have caused prejudice to the defense of such claim or (b) shall have materially increased the costs or potential liability of Contributor by reason of the inability or failure of Contributor (due to such lack of prompt notice) to be involved in any investigations or negotiations regarding any such claim. Such notice shall describe in reasonable detail the facts known to such Indemnified Party giving rise to such claim, and the amount or good faith estimate of the amount of Losses arising therefrom. Unless prohibited by law, such Indemnified Party shall deliver to Contributor, promptly after such Indemnified Party's receipt thereof, copies of all notices and documents received by such Indemnified Party relating to such claim. The Indemnified Party shall permit Contributor, at Contributor's option and expense, to assume the defense of any such claim by counsel selected by Contributor and reasonably satisfactory to the Indemnified Party, and to settle or otherwise dispose of the same; provided, however, that the Indemnified Party may at all times participate in such defense at its sole expense; and provided further, however, that Contributor shall not, in defense of any such claim, except with the prior written consent of the Indemnified Party in its sole and absolute discretion, consent to the entry of any judgment or enter into any settlement that does not include as an unconditional term thereof the giving by the claimant or plaintiff in question to all Indemnified Parties a full and complete release of all liabilities in respect of such claims, or that does not result only in the payment of money damages which are paid (or deemed paid) in full by Contributor. If Contributor shall not have undertaken such defense within 20 days after such notice, or within such shorter time as may be reasonable under the circumstances to the extent required by applicable law, then the Indemnified Party shall have the right to undertake the defense, compromise or settlement of such liability or claim on behalf of and for the account of Contributor and at Contributor's sole cost and expense (subject to the limitations in Section 3.4 hereof).

3.4 Limitations on Indemnification Under Section 3.2(a).

(a) Contributor shall not be liable under Section 3.2(a) hereof unless and until the total amount recoverable by the Indemnified Parties under Section 3.2(a) exceeds one percent (1%) of the value of the aggregate Consideration (valuing OP Units at the IPO Price) and then only to the extent of such excess.

(b) Notwithstanding anything contained herein to the contrary, before taking recourse against any assets of Contributor and subject to the limitations set forth in the following sentence, the Indemnified Parties shall look, first to available insurance proceeds (including without limitation any title insurance proceeds, if applicable) pursuant to Section 3.2(c) above, and then to indemnification under this Article III, (and agree to treat any return of OP Units in

satisfaction of indemnification obligations hereunder as an adjustment to the consideration delivered to Contributor pursuant to the Formation Transactions). Notwithstanding anything to the contrary in this Agreement, except in the case of fraud or in the event of Losses relating to a third-party claim, Contributor shall not be liable to the Indemnified Parties for any indirect, special or consequential damages, loss of profits, taxes relating to tax years beginning on or after Closing, loss of value or other similar speculative damages asserted or claimed by the Indemnified Parties.

(c) The limitations in this Section 3.4 shall not apply to any obligations of Contributor with respect to Prorations under this Agreement.

3.5 Limitation Period.

(a) Any claim for indemnification under Section 3.2 hereof must be asserted in writing by the Indemnified Party, stating the nature of the Losses and the basis for indemnification therefor on or prior to the fifth (5th) anniversary of the Closing.

(b) If asserted in writing on or prior to the date specified in Section 3.5(a) hereof for the applicable claim, any claims for indemnification pursuant to Section 3.2 hereof shall survive until resolved by mutual agreement between Contributor and the Indemnified Party or by arbitration or court proceeding.

3.6 Delivery of Indemnity Amounts. Indemnity payments may be made by Contributor in the form of cash or OP Units. To the extent indemnification is made through delivery by Contributor of OP Units, such OP Units shall be valued at an amount per OP Unit equal to the IPO Price. Contributor hereby authorizes the REIT, as general partner of the Operating Partnership, to take all such action as may be necessary to amend the Partnership Agreement, and any exhibits or schedules thereto, to reflect the delivery of any OP Units by Contributor to the Operating Partnership as an indemnification payment hereunder and to reflect that Contributor has no further right, title or interest with respect to any such OP Units.

ARTICLE IV

COVENANTS

4.1 Covenants of the Contributor.

(a) Satisfaction of Conditions. Contributor hereby covenants that Contributor shall: (A) use commercially reasonable efforts and diligence in order to satisfy all of the conditions to Closing set forth herein, and (B) cooperate and assist in the Operating Partnership's efforts to satisfy all of the conditions to Closing set forth herein, and agrees that the Operating Partnership shall not have any obligation to consummate the Closing hereunder unless and until such conditions have been satisfied or waived by the Operating Partnership in writing.

(b) Consent to Transfers. Contributor hereby consents to the transfer of, and waives any rights of first refusal, right of first offer, buy-sell agreements, put, option or similar parallel or dissenter rights or similar rights afforded to Contributor under the Governing Agreements or otherwise with respect to any equity ownership interest in any Contributed Entity,

Subsidiary Entity, Property Entity or Property or any other company or property being contributed or transferred to the Operating Partnership pursuant to a separate contribution or other agreement or as otherwise described in the PPM.

(c) No Disposition or Encumbrance of Contributed Interests. From the date hereof through the Closing, except as specifically contemplated by this Agreement, Contributor shall not, without the prior written consent of the Operating Partnership: (i) sell, transfer (or agree to sell or transfer) or otherwise dispose of, or cause the sale, transfer or disposition of (or agree to do any of the foregoing) all or any portion of its interest in the Contributed Interests or all or any portion of its interest in any Subsidiary Entity, Property Entity or Property; or (ii) mortgage, assign, pledge or otherwise encumber in any manner the Contributed Interests or Subsidiary Interests.

(d) Ordinary Course of Business. From the date hereof through the Closing, and except as specifically contemplated by this Agreement, Contributor shall, to the extent within its control, cause each Contributed Entity, Subsidiary Entity and Property Entity to conduct its business in the ordinary course of business consistent with past practice, and shall, to the extent within its control, not permit any Contributed Entity, any Subsidiary Entity or any Property Entity without the prior written consent of the Operating Partnership, to: (i) enter into any material transaction not in the ordinary course of business; (ii) mortgage, pledge or encumber any assets of the Contributed Entity, any Subsidiary Entity, any Property Entity or any Property, (iii) cause or permit any Property Entity to change the existing use of any Property; (iv) cause or take any action that would render any of the representations or warranties set forth herein untrue; (v) file an entity classification election pursuant to Treasury Regulations Section 301.7701-3(c) on Internal Revenue Service Form 8832 (Entity Classification Election) to treat the Contributed Entity as an association taxable as a corporation for federal income tax purposes; (vi) make or change any other tax elections; (vii) settle or compromise any claim, notice, audit report or assessment in respect of taxes; (viii) change any annual tax accounting period; (ix) adopt or change any method of tax accounting; (x) file any amended return, report or form (including an election, declaration, amendment, schedule, information return or attachment thereto) required to be filed with a governmental authority with respect to taxes (each, a "Tax Return"); (xi) enter into any tax allocation agreement, tax sharing agreement, tax indemnity agreement or closing agreement relating to any tax; (xii) surrender of any right to claim a tax refund; (xiii) consent to any extension or waiver of the statute of limitations period applicable to any tax claim or assessment; or (xiv) make any distribution to its partners or members, except for cash distributions in the ordinary course of business consistent with past practices or as permitted by this Agreement.

4.2 Tax Covenants.

(a) Contributor and the Operating Partnership shall provide each other with such cooperation and information relating to any of the Contributed Interests, the Contributed Entities, the Subsidiary Entities, the Property Entities or the Properties as the parties reasonably may request in (i) filing any Tax Return, amended Tax Return or claim for tax refund, (ii) determining any liability for taxes or a right to a tax refund, (iii) conducting or defending any proceeding in respect of taxes, or (iv) performing tax diligence, including with respect to the impact of this transaction on the REIT's tax status as a REIT. Such reasonable cooperation shall

include making employees available on a mutually convenient basis to provide additional information and explanation of any material provided hereunder. The Operating Partnership shall promptly notify Contributor upon receipt by the Operating Partnership or any of its affiliates of notice of (i) any pending or threatened tax audits or assessments with respect to the income, properties or operations of any of the Contributed Entities, the Subsidiary Entities, the Property Entities or their subsidiaries or with respect to any Property and (ii) any pending or threatened federal, state, local or foreign tax audits or assessments of the Operating Partnership or any of its affiliates, in each case, which may affect the liabilities for taxes of Contributor with respect to any tax period ending before or as a result of the Closing. Contributor shall promptly notify the Operating Partnership in writing upon receipt by Contributor or any of its affiliates of notice of any pending or threatened federal, state, local or foreign tax audits or assessments relating to the income, properties or operations of any of the Contributed Entities, the Property Entities or the Subsidiary Entities or with respect to any Property. Each of the Operating Partnership and Contributor may participate at its own expense in the prosecution of any claim or audit with respect to taxes attributable to any taxable period ending on or before the Closing Date; provided, that Contributor shall have the right to control the conduct of any such audit or proceeding or portion thereof for which Contributor has acknowledged liability (except as a partner of the Operating Partnership) for the payment of any additional tax liability, and the Operating Partnership shall have the right to control any other audits and proceedings. Notwithstanding the foregoing, neither the Operating Partnership nor Contributor may settle or otherwise resolve any such claim, suit or proceeding which could have an adverse tax effect on the other party or its affiliates (other than on Contributor or any of its affiliates as a partner of the Operating Partnership) without the consent of the other party, such consent not to be unreasonably withheld. Contributor and the Operating Partnership shall retain all Tax Returns, schedules and work papers with respect to the Contributed Entities, the Property Entities, the Subsidiary Entities, and the Properties, and all material records and other documents relating thereto, until the expiration of the statute of limitations (and, to the extent notified by any party, any extensions thereof) of the taxable years to which such Tax Returns and other documents relate and until the final determination of any tax in respect of such years.

(b) The Operating Partnership shall prepare or cause to be prepared and file or cause to be filed all Tax Returns of the Contributed Entities, the Property Entities or the Subsidiary Entities that are due after the Closing Date. To the extent such returns relate to a period ending on or prior to the Closing Date, such Tax Returns (including, for the avoidance of doubt, any amended Tax Returns) shall be prepared in a manner consistent with past practice, except as otherwise required by applicable law.

(c) For purposes of allocating items of income, gain, loss and deduction with respect to the Property and/or the Contributed Interests in the manner required by Section 704(c) of the Code, the Operating Partnership shall employ, and shall cause any entity controlled by the Operating Partnership which holds title to the Property or the Contributed Interests to employ, the “traditional method” (without curative allocations) as set forth in Treasury Regulations section 1.704-3(b)(1).

4.3 Relationship to Contributed Entities. Contributor and the Operating Partnership acknowledge and agree that, from and after the Closing (as defined herein), Contributor shall no longer be a member, partner, stockholder or equity owner, or, if applicable, managing member or general partner, of any Contributed Entity, Subsidiary Entity or Property Entity and shall have no rights or benefits under any Governing Agreement.

ARTICLE V

CONDITIONS PRECEDENT TO THE CLOSING

5.1 Conditions to the Operating Partnership's Obligation. In addition to any other conditions set forth in this Agreement, the Operating Partnership's obligation to consummate the Closing is subject to the timely satisfaction of each and every one of the conditions and requirements set forth in this Section 5.1, all of which shall be conditions precedent to the Operating Partnership's obligations under this Agreement.

(a) IPO. The IPO, in such form and substance as the REIT, in its sole and absolute discretion, shall have determined to be acceptable, shall have been completed (or be completed simultaneously with the Closing).

(b) Formation Transactions. The formation transactions described in the PPM shall have occurred or be scheduled to occur contemporaneously with the Closing hereunder.

(c) Representations and Warranties. The representations and warranties made by Contributor pursuant to this Agreement, as well as those contained in the Representation, Warranty and Indemnity Agreement, shall be true and correct as of the Closing as though such representations and warranties were made at the Closing and, if requested by the Operating Partnership, Contributor shall have delivered a certificate to the Operating Partnership to such effect in regard to Contributor's representations and warranties set forth in this Agreement.

(d) Performance. Contributor shall have performed and complied with all agreements and covenants that it is required to perform or comply with pursuant to this Agreement prior to the Closing, including having delivered each of the items set forth in Section 5.2 hereof.

(e) Legal Proceedings. No order, statute, rule, regulation, executive order, injunction, stay, decree, or restraining order shall have been enacted, entered, promulgated or enforced by any court of competent jurisdiction or governmental entity that restrains, prohibits or otherwise invalidates the consummation of the transactions contemplated by this Agreement, and no litigation or governmental proceeding seeking such an order shall be pending or threatened.

(f) Consents and Approvals. All necessary approvals and consents of governmental and private parties, including, without limitation, all ground lessors, tenants, other parties to service contracts, lenders and ratings agencies, partners, members or stockholders of any Contributed Entity, Property Entity or their subsidiaries, to effect the transactions contemplated by this Agreement, shall have been obtained.

(g) Reliance on Regulation D. If Contributor has elected to receive OP Units, the Operating Partnership shall, based on the advice of its counsel and the representations made by Contributor in Contributor's Investor Questionnaire, be reasonably satisfied that the issuance of OP Units to Contributor may be made without registration under the Securities Act in reliance on Regulation D under the Securities Act.

(h) Representation, Warranty and Indemnity Agreement. Daniel A. Hoffler and each other party thereto shall have entered into the Representation, Warranty and Indemnity Agreement.

(i) No Material Adverse Change. There shall have not occurred between the date hereof and the Closing Date any material adverse change with respect to any of the Contributed Interests or any material adverse change in any of the assets, business, condition (financial or otherwise), results of operation or prospects of any Subsidiary Entity, Property, Property Entity or Contributed Entity.

(j) Tenant and Lender Estoppels. The Operating Partnership shall have received tenant and lender estoppels in form and substance satisfactory to the Operating Partnership and its counsel.

5.2 Conditions to Contributor's Obligation. In addition to any other conditions set forth in this Agreement, Contributor's obligation to consummate the Closing is subject to the timely satisfaction of each and every one of the conditions and requirements set forth in this Section 5.2, all of which shall be conditions precedent to Contributor's obligations under this Agreement.

(a) Representations and Warranties. The representations and warranties made by the Operating Partnership pursuant to this Agreement shall be true and correct as of the Closing as though such representations and warranties were made at the Closing.

(b) Performance. The Operating Partnership shall have performed and complied in all material respects with all agreements and covenants that it is required to perform or comply with pursuant to this Agreement prior to the Closing.

(c) Legal Proceedings. No order, statute, rule, regulation, executive order, injunction, stay, decree, or restraining order shall have been enacted, entered, promulgated or enforced by any court of competent jurisdiction or governmental entity that prohibits the consummation of the transactions contemplated by this Agreement, and no litigation or governmental proceeding seeking such an order shall be pending or threatened.

ARTICLE VI

CLOSING AND CLOSING DOCUMENTS

6.1 Closing. The consummation and closing (the "Closing") of the transactions contemplated pursuant to this Agreement shall take place at the offices of Hunton & Williams LLP in Richmond, Virginia, or such other place as the Operating Partnership may designate, promptly following satisfaction of the conditions to Closing set forth herein (the "Closing Date"), or as otherwise set by agreement of the parties; provided, however, termination shall not relieve any party from a breach occurring prior to that date.

6.2 Contributor's Deliveries. At the Closing, Contributor shall deliver the following to the Operating Partnership in addition to all other items required to be delivered to the Operating Partnership by Contributor:

(a) Assignment of Contributed Interests. Contributor shall have executed and delivered an Assignment, in substantially the form of Exhibit B attached hereto.

(b) Execution of Partnership Agreement. If Contributor has elected to receive OP Units, signature pages of the Partnership Agreement (which Partnership Agreement shall be in substantially the form attached as an exhibit to the PPM) duly executed by Contributor, as limited partner.

(c) FIRPTA Certificate. An affidavit from Contributor certifying pursuant to Section 1445 of the Internal Revenue Code that Contributor is not a foreign corporation, foreign partnership, foreign trust, foreign estate or foreign person (as those terms are defined in the Code and the Treasury Regulations promulgated thereunder).

(d) Other Documents. Any other document or instrument reasonably requested by the Operating Partnership or required hereby.

6.3 Default Remedies. If Contributor defaults in performing any of Contributor's obligations under this Agreement, the Operating Partnership shall have all rights and remedies available to it at law or in equity resulting from Contributor's default, including without limitation, the right to seek specific performance of this Agreement and Contributor's obligation to convey the Contributed Interests to the Operating Partnership hereunder. The parties acknowledge and agree that the failure of a condition precedent to occur, notwithstanding the good faith and commercially reasonable efforts of the applicable party, shall not be a default hereunder.

ARTICLE VII

MISCELLANEOUS

7.1 Notices. Any notice provided for by this Agreement and any other notice, demand, or communication required hereunder shall be in writing and either delivered in person (including by confirmed facsimile transmission) or sent by hand delivered against receipt or sent by recognized overnight delivery service or by certified or registered mail, postage prepaid, with return receipt requested. All notices shall be addressed as follows:

Operating Partnership:

c/o Armada Hoffler Properties, Inc.
222 Central Park Avenue, Suite 2100,
Virginia Beach, Virginia 23462
Attention: A. Russell Kirk
Fax No.: 757-424-2513

with a copy to (which shall not constitute notice):

Hunton & Williams LLP
Riverfront Plaza, East Tower
951 E. Byrd Street
Richmond, Virginia 23219
Attention: David C. Wright
Fax No.: 804-343-4580

and

Faggert & Frieden, P.C.
222 Central Park Avenue, Suite 1300
Virginia Beach, Virginia 23462
Attention: David Y. Faggert
Fax No.: 757-424-0102

Contributor:

William Christopher Harvey
222 Central Park Avenue
Suite 2100
Virginia Beach, Virginia 23462

Any address or name specified above may be changed by a notice given by the addressee to the other party. Any notice, demand or other communication shall be deemed given and effective as of the date of delivery in person or set forth on the return receipt. The inability to deliver because of changed address of which no notice was given, or rejection or other refusal to accept any notice, demand or other communication, shall be deemed to be receipt of the notice, demand or other communication as of the date of such attempt to deliver or rejection or refusal to accept.

7.2 Entire Agreement; Third-Party Beneficiaries. This Agreement, including, without limitation, the exhibits hereto and thereto, constitute the entire agreement and supersede each prior agreement and understanding, whether written or oral, among the parties regarding the subject matter of this Agreement. This Agreement is not intended to confer any rights or remedies on any Person other than the parties hereto.

7.3 Amendment. This Agreement may not be amended except by an instrument in writing signed on behalf of each of the parties hereto.

7.4 Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the Commonwealth of Virginia, without regard to the conflicts of law rules thereof.

7.5 Counterparts. This Agreement may be executed by the parties hereto in separate counterparts, each of which when so executed and delivered shall be an original, but all such counterparts shall together constitute one and the same instrument. Each counterpart may consist of a number of copies hereof, each signed by less than all, but together signed by all of the parties hereto. Each party may rely upon the facsimile or electronic pdf email signature of any other party as if such signature were an original signature.

7.6 Headings. Headings of the Articles and Sections of this Agreement are for the convenience of the parties only, and shall be given no substantive or interpretive effect whatsoever.

7.7 Incorporation. All Exhibits attached hereto and referred to herein are hereby incorporated herein and made a part hereof for all purposes as if fully set forth herein.

7.8 Severability. Any term or provision of this Agreement which is invalid or unenforceable in any jurisdiction shall, as to that jurisdiction, be ineffective to the extent of such invalidity or unenforceability without rendering invalid or unenforceable the remaining terms and provisions of this Agreement or affecting the validity or enforceability of any of the terms or provisions of this Agreement in any other jurisdiction. If any provision of this Agreement is so broad as to be unenforceable, the provision shall be interpreted to be only so broad as is enforceable.

7.9 Waiver of Conditions. The conditions to each party's obligations hereunder are for the sole benefit of such party and may be waived by such party in whole or in part to the extent permitted by applicable law.

7.10 Dispute Resolution. The parties intend that this Section 7.1010 will be valid, binding, enforceable, exclusive and irrevocable and that it shall survive any termination of this Agreement.

(a) Upon any dispute, controversy or claim arising out of or relating to this Agreement or the enforcement, breach, termination or validity thereof ("Dispute"), the party raising the Dispute will give written notice to the other parties to the Dispute describing the nature of the Dispute following which the parties to such Dispute shall attempt for a period of ten (10) Business Days from receipt by the parties of notice of such Dispute to resolve such Dispute by negotiation between representatives of the parties hereto who have authority to settle such Dispute. All such negotiations shall be confidential and any statements or offers made therein shall be treated as compromise and settlement negotiations for purposes of any applicable rules of evidence and shall not be admissible as evidence in any subsequent proceeding for any purpose. The statute of limitations applicable to the commencement of a lawsuit shall apply to the commencement of an arbitration hereunder, except that no defense based on the running of the statute of limitations will be available based upon the passage of time during any such negotiation. Regardless of the foregoing, a party shall have the right to seek immediate injunctive relief pursuant to clause (c) below without regard to any such ten (10) Business Day negotiation period.

(b) Any Dispute (including the determination of the scope or applicability of this Agreement to arbitrate) that is not resolved pursuant to clause (a) above shall be submitted to final and binding arbitration in Virginia Beach, Virginia before one neutral and impartial arbitrator, in accordance with the laws of the Commonwealth of Virginia for agreements made in and to be performed in Virginia. The arbitration shall be administered by JAMS, Inc. ("JAMS")

pursuant to its Comprehensive Arbitration Rules and Procedures, as in effect on the date hereof. The parties hereto shall appoint one arbitrator within fifteen (15) days of a demand for arbitration. If an arbitrator is not appointed within such 15-day period, the arbitrator shall be appointed by JAMS in accordance with its Comprehensive Arbitration Rules and Procedures, as in effect on the date hereof. The arbitrator shall designate the place and time of the hearing. The hearing shall be scheduled to begin as soon as practicable and no later than sixty (60) days after the appointment of the arbitrator (unless such period is extended by the arbitrator for good cause shown) and shall be conducted as expeditiously as possible. The award, which shall set forth the arbitrator's findings of fact and conclusions of law, shall be filed with JAMS and mailed to the parties no later than thirty (30) days after the close of the arbitration hearing. The arbitration award shall be final and binding on the parties and not subject to collateral attack. Judgment upon the arbitration award may be entered in any federal or state court having jurisdiction thereof.

(c) Notwithstanding the parties' agreement to submit all Disputes to final and binding arbitration before JAMS, the parties shall have the right to seek and obtain temporary or preliminary injunctive relief in any court having jurisdiction thereof. Such courts shall have authority to, among other things, grant temporary or provisional injunctive relief in order to protect any party's rights under this Agreement. Without prejudice to such provisional remedies as may be available under the jurisdiction of a court, the arbitral tribunal shall have full authority to grant provisional remedies and to direct the parties to request that any court modify or vacate any temporary or preliminary relief issued by such court, and to award damages for the failure of any party to respect the arbitral tribunal's orders to that effect.

(d) The prevailing party shall be entitled to recover its costs and reasonable attorneys' fees, and the non-prevailing party shall pay all expenses and fees of JAMS, all costs of the stenographic record, all expenses of witnesses or proofs that may have been produced at the direction of the arbitrator, and the fees, costs and expenses of the arbitrator. The arbitrator shall allocate such costs and designate the prevailing party or parties for these purposes.

[*Signature Page Follows.*]

IN WITNESS WHEREOF, this Agreement has been entered into effective as of the date first written above.

CONTRIBUTOR:

WILLIAM CHRISTOPHER HARVEY

/s/ William Christopher Harvey
By: William Christopher Harvey

OPERATING PARTNERSHIP:

ARMADA HOFFLER, L.P., a Virginia limited partnership

By: Armada Hoffler Properties, Inc.,
its general partner

By: /s/ Louis S. Haddad
Name: Louis S. Haddad
Title: Chief Executive Officer and President

REIT:

ARMADA HOFFLER PROPERTIES, INC., a Maryland corporation

By: /s/ Louis S. Haddad
Name: Louis S. Haddad
Title: Chief Executive Officer and President

EXHIBIT A

Contributor – William Christopher Harvey

CONTRIBUTED ENTITY/ CONTRIBUTED INTEREST	SUBSIDIARY INTERESTS	PROPERTY	PROPERTY ENTITY
New Armada Hoffler Properties I, LLC[1] (all interests owned by Contributor)	0.75% interest in HT Tyre Neck, L.L.C.	Harris Teeter Portsmouth, VA	HT Tyre Neck, L.L.C.
	1.0% interest in Lake View AH-VNG, LLC	Virginia Natural Gas Headquarters Building Virginia Beach, VA	Lake View AH-VNG, LLC
	1.0% interest in AH Sandbridge, L.L.C.	Sandbridge Commons Virginia Beach, VA	AH Sandbridge, L.L.C.
New Armada Hoffler Properties II, LLC[2] (all interests owned by Contributor)	1.0% interest in AH Durham Apartments, L.L.C.	Jackson Street Apartments Durham, NC	AH Durham Apartments, L.L.C.
	0.8% interest in Town Center Associates 11, L.L.C.	Block 11 Town Center Project Virginia Beach, VA	TCA Block 11 Office, LLC TCA Block 11 Apartments, LLC
	1.0% interest in AH Southeast Commerce Center, L.L.C.	Brooks Crossing Newport News, VA	AH Southeast Commerce Center, L.L.C.
	1.0% interest in AH Greentree, L.L.C.	Greentree Shopping Center Chesapeake, VA	AH Greentree, L.L.C.

[1] Prior to the Closing, pursuant to the Master Contribution and Distribution Agreement, Armada/Hoffler Properties, LLC ("AHP") will contribute to New Armada Hoffler Properties I, LLC ("New AHP I") the interests in the subsidiary entities described below and will distribute to William Christopher Harvey ("Harvey") an interest in New AHP I. At Closing, pursuant to the Contribution Agreement, Harvey will contribute his interest in New AHP I to the Operating Partnership.

[2] Prior to the Closing, pursuant to the Master Contribution and Distribution Agreement, Armada/Hoffler Properties II, LLC ("AHP II") will contribute to New Armada Hoffler Properties II, LLC ("New AHP II") the interests in the subsidiary entities described below and will distribute to William Christopher Harvey ("Harvey") an interest in New AHP II. At Closing, pursuant to the Contribution Agreement, Harvey will contribute his interest in New AHP II to the Operating Partnership.

Cash[3] - $173,230

OP Units: Determined as set forth below.
Total AH Partners' OP Unit Allocation Percentage: 0.295%

The cash portion of the Consideration that Contributor will receive shall be fixed at the amount shown above. The number of OP Units that Contributor will receive as part of the Consideration is not known as of the date of this Agreement, but shall be calculated as follows:

1. Prior to commencement of marketing of the IPO, the REIT and the managing underwriters for the IPO shall determine a valuation range for the combined equity interests (after deduction of debt) of all of the properties, assets and businesses that will be contributed to the OP and its subsidiaries pursuant to the transactions described in the PPM (the "Formation Transactions"). From the midpoint of this range, there will be deducted the amount of cash that will be paid by the OP as consideration to all of the contributors in connection with the Formation Transactions, with the resulting amount after such deduction being herein referred to as the "Total OP Unit Valuation".

2. The Total OP Unit Valuation shall be divided by the midpoint of the price range for the shares of the REIT's common stock in the IPO (the "IPO Price Range") as set forth on the front cover of the REIT's preliminary prospectus for the IPO filed with the SEC (the "Preliminary Prospectus") to determine a fixed number of OP Units issuable to all the contributors in connection with the Formation Transactions (the "Total OP Units") and the number of Total OP Units shall be reflected in the Preliminary Prospectus.

3. The Total OP Units will be allocated among contributors who are not officers, employees or affiliates of Armada Hoffler Holding Company and its affiliates (collectively, the "Non-AH Partners") and the contributors who are officers, employees or affiliates of Armada Hoffler Holding Company and its affiliates, including certain trusts established by such officers and employees (collectively, the "AH Partners"), including Contributor.

4. Each Non-AH Partners will receive a number of OP Units equal to the amount of consideration set forth in such Non-AH Partner's contribution agreement with the OP as allocable to OP Units, divided by the IPO Price (the "Total Non-AH Partners' OP Units"). To the extent the IPO Price is greater or less than the mid-point of the IPO Price Range, the number of OP Units issuable to each Non-AH Partner (as described and set forth in the Preliminary Prospectus) will decrease or increase, respectively, in an amount sufficient to cause the value of the OP Units issuable to the Non-AH Partner to equal the amount of the consideration set forth in such Non-AH Partner's contribution agreement (utilizing a value per OP Unit equal to the IPO Price).

5. The aggregate number of OP Units issuable to the AH Partners (the "Total AH Partners' OP Units") will be equal to the difference between (a) the Total OP Units and (b) the Total Non-AH Partners' OP Units.

6. The number of OP Units issuable as Consideration to Contributor pursuant to this Agreement will be determined by multiplying (a) the Total AH Partners' OP Units by (b) the percentage set forth above under the heading "Total AH Partners' OP Unit Allocation Percentage" divided by the IPO Price.

[3] In the event that, at or prior to Closing, the OP has not arranged financing in the form of a credit facility or other debt financing in an amount sufficient to pay to Contributor at Closing the full amount of the cash consideration amount shown above, the OP may deliver to Contributor at Closing a promissory note payable by the OP to Contributor in a principal amount up to $30,000. The promissory note shall not bear interest, shall mature on the first anniversary of the date of issuance and may be prepaid by the OP at any time.

[*Signature Page Follows*]

The undersigned hereby agrees that this Exhibit A represents the definitive Exhibit A to the Contribution Agreement and supersedes any and all prior versions.

CONTRIBUTOR:

WILLIAM CHRISTOPHER HARVEY

/s/ William Christopher Harvey
By: William Christopher Harvey

OPERATING PARTNERSHIP:

ARMADA HOFFLER, L.P., a Virginia limited partnership

By: Armada Hoffler Properties, Inc.,
its general partner

By: /s/ Louis S. Haddad
Name: Louis S. Haddad
Title: Chief Executive Officer and President

REIT:

ARMADA HOFFLER PROPERTIES, INC., a Maryland corporation

By: /s/ Louis S. Haddad
Name: Louis S. Haddad
Title: Chief Executive Officer and President

Exhibit B

Assignment

The undersigned, for good and valuable consideration paid to the Assignor by ARMADA HOFFLER, L.P., a Virginia limited partnership ("Assignee"), pursuant to the Contribution Agreement dated as of , 2012, by and between Assignor and Assignee (the "Agreement") and for other good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, does hereby sell, assign, transfer, convey and deliver to the Assignee, its successors and assigns, good and indefeasible right, title and interest to the **[partnership or limited liability company interests/shares of common stock]** described on *Schedule A* hereto, including, without limitation, all right, title and interest, if any, of the undersigned in and to the assets of each such **[partnership/limited liability company/corporation]** and the right to receive distributions of money, profits and other assets from each such partnership, presently existing or hereafter at any time arising or accruing, free and clear of all liens, encumbrances, security interests, pledges, voting agreements, prior assignments or conveyances, conditions, restrictions, claims, and any other matters affecting title thereto.

The undersigned, for itself, its successors and assigns, hereby covenants and agrees that, at any time and from time to time after the date hereof, upon the written request of Assignee, the undersigned will, without further consideration, do, execute, acknowledge, and deliver or cause to be done, executed, acknowledged and delivered, each of and all of such further acts, deeds, assignments, transfers, conveyances and assurances as may reasonably be required by Assignee in order to assign, transfer, set over, convey, assure and confirm unto and vest in Assignee, its successors and assigns, title to the interests described in *Schedule A* hereto

Capitalized terms used but not defined herein shall have the respective meanings ascribed to them in the Agreement.

IN WITNESS WHEREOF, the parties hereto have caused this Assignment to be signed by a duly authorized officer this day of , 201 .

, a

By: _____
Name:
Title:

Exhibit 10.20

CONTRIBUTION AGREEMENT

Rickard E. Burnell

This CONTRIBUTION AGREEMENT (this "Agreement") is made as of February 12, 2013 by and among the undersigned persons and entities under the heading "Contributors" on the signature page of this Agreement (each, a "Contributor" and, if more than one Contributor, collectively, "Contributors"), Armada Hoffler, L.P., a Virginia limited partnership (the "Operating Partnership") and Armada Hoffler Properties, Inc., a Maryland corporation (the "REIT").

RECITALS

WHEREAS, Contributors are or may become the record and beneficial owner of equity interests in the amount or percentage described on Exhibit A hereto (the "Contributed Interests") in each of the entities described in Exhibit A hereto (each, a "Contributed Entity" and collectively, the "Contributed Entities"), which are the direct or indirect owners of the respective properties or property entities described on Exhibit A hereto (each a "Property" and collectively, the "Properties"). Contributors desire to contribute any and all interests that they may now or hereafter own in the Contributed Interests to the Operating Partnership, and the Operating Partnership desires to acquire the Contributed Interests from Contributors, on the terms and conditions hereinafter set forth.

NOW, THEREFORE, for and in consideration of the foregoing, and the representations, warranties and other terms contained in this Agreement, and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties hereto, intending to be legally bound hereby, agree as follows:

ARTICLE I

THE CONTRIBUTION

1.1 Contribution of Contributed Interests. Each of the Contributors irrevocably agrees to contribute, transfer and assign at Closing (as defined herein) any and all interests that they may now or hereafter own in the Contributed Interests set forth opposite such Contributor's name on Exhibit A hereto, together with any other interests such Contributor may have in any of the Contributed Entities and any other properties or entities being acquired by the Operating Partnership as described in the Confidential Private Placement Memorandum for the Offering of Limited Partnership Interests of the Operating Partnership dated January 16, 2013 (the "PPM"), to the Operating Partnership, and the Operating Partnership agrees to accept transfer of the Contributed Interests and any such other interests pursuant to the terms and subject to the conditions set forth in this Agreement. The Contributed Interests shall be transferred to the Operating Partnership free and clear of all liens, encumbrances, security interests, pledges, voting agreements, prior assignments or conveyances, conditions, restrictions, claims, and any other matters affecting title thereto.

1.2 Consideration.

(a) Consideration Amount. The total consideration (the "Consideration") for which Contributors agree to contribute, transfer and assign the Contributed Interests to the Operating Partnership, and for which the Operating Partnership agrees to pay, issue or deliver to Contributors, subject to the terms of this Agreement, at Closing (as defined herein) shall be the amount set forth on Exhibit A as "Total Consideration". The Consideration may be adjusted, upward or downward, by the amount of any adjustments arising from the Prorations (as defined herein). Any decrease to the amount of the Consideration will be deducted first from the cash portion of the Consideration, if any, and the balance will be deducted from the OP Units. Any increase in the Consideration as a result of the Prorations will be paid in cash. In addition to the Consideration set forth on Exhibit A hereto, Contributors shall be entitled to receive in cash, at Closing or shortly thereafter, Contributors' pro rata share (based on Contributors' direct or indirect ownership interest in each Property Entity) of any tenant improvement, leasing commission and replacement reserves held by lenders with respect to each Property in which Contributors own an interest.

(b) Election Form. The Consideration shall be payable in accordance with the election made by Contributors in the Consideration Election Form ("Election Form") accompanying the PPM, the results of which election are set forth on Exhibit A hereto. If, pursuant to the Election Form, Contributors (A) elected all or part of Contributors' consideration payable hereunder to be in the form of units of limited partnership interests of the Operating Partnership ("OP Units") and (B) submitted to the Operating Partnership (x) an executed Investor Questionnaire representing and warranting to the Operating Partnership that Contributor is an "accredited investor" as defined in the Investor Questionnaire and (y) any other documentation required by the Operating Partnership, including, but not limited to, a signature page to the Partnership Agreement (as hereinafter defined), Contributors shall receive an aggregate number of OP Units equal to the dollar amounts of the Consideration payable hereunder that Contributors have elected to receive in OP Units as set forth in the duly executed Election Form (the "Unit Election Percentage") divided by the IPO Price (as defined herein). The remainder of the Consideration, if any, will be payable in cash. Contributors agree that the cash payment shall be made and the OP Units shall be registered in the name of the persons or entities set forth on the Election Form. OP Units will only be delivered to a Contributor that has represented to the Operating Partnership that such Contributor is an "accredited investor". No fractional OP Units will be issued and OP Units will be rounded to the nearest whole number. The Consideration payable to a Contributor, whether in cash, in OP Units or a combination thereof, may be reduced by the amount the Operating Partnership reasonably determines must be withheld for tax purposes. The rights and obligations of holders of OP Units as of the Closing will be as set forth in the First Amended and Restated Agreement of Limited Partnership of the Operating Partnership (the "Partnership Agreement"), a draft copy of which is included as an exhibit to the PPM.

1.3 OP Units. Although initially the OP Units will not be certificated, certificates, if any, subsequently evidencing the OP Units will bear appropriate legends (i) indicating that the OP Units have not been registered under the Securities Act of 1933, as amended ("Securities Act"), (ii) indicating that the Partnership Agreement will restrict the transfer of the OP Units, and (iii) describing the ownership limitations and transfer restrictions imposed by the charter of the REIT with respect to shares of the REIT's common stock.

1.4 No Further Interest. Contributor acknowledges and agrees that effective upon the Closing, and without any further action by Contributor, the Contributed Interests shall be transferred, assigned and conveyed to the Operating Partnership, or a subsidiary thereof, and Contributor shall no longer be an equity holder of any of the Contributed Entities, shall no longer be entitled to receive any distributions from any of the Contributed Entities, and shall have no further right, title or interest in any of the Contributed Interests, the Contributed Entities or the Property Entities.

1.5 Tax Consequences to Contributor. Notwithstanding anything to the contrary contained in this Agreement, including without limitation the use of words and phrases such as "sell," "sale," "purchase," and "pay," the parties hereto acknowledge, agree and consent that the transactions contemplated hereby will be treated for federal income tax purposes (i) in accordance with Section 721 of the Internal Revenue Code of 1986, as amended (the "Code") with respect to any portion of the Consideration that is payable in OP Units; (ii) as an "assets over form" of transaction pursuant to Treasury Regulations Section 1.708-1(c)(3)(i); and (iii) as a sale of the Contributor's Contributed Interests to the Operating Partnership under Treasury Regulations Section 1.708-1(c)(4) to the extent of the Contributor's receipt of cash Consideration pursuant to Section 1.2(a), except to the extent that such cash Consideration is treated as (a) the reimbursement of "preformation expenditures" under Treasury Regulations Section 1.707-4(d); and/or (b) a "debt financed transfer of consideration" by the Operating Partnership under Treasury Regulations Section 1.707-5(b), as applicable.

1.6 Definitions. As used in this Agreement, the following terms have the following meanings:

"Contributor's Percentage Interest" means, with respect to each Contributed Entity, the percentage set forth on Exhibit A hereto under the heading "Contributed Entity/Contributed Interest", which reflects the Contributor's percentage ownership interest in each Contributed Entity pursuant to and in accordance with the applicable Governing Agreement (as defined herein) of the Contributed Entity.

"IPO" means the underwritten initial public offering of common stock of the REIT.

"IPO Price" means the public offering price set forth on the front cover of the final prospectus for the IPO, as filed with the U.S. Securities and Exchange Commission (the "SEC").

"Property Entity" means an entity owning a Property, as set forth on Exhibit A hereto.

"Prorations" means those proration and adjustment amounts that are customarily applied to closings of commercial real estate transactions in the county in which the Property is located, which amounts shall be calculated as of midnight (Eastern time) of the day immediately preceding the Closing Date and shall include:

(A) Taxes. All real estate and personal property taxes and special assessments, if any, with respect to each Property shall be prorated at Closing;

(B) Utilities. All telephone, electric, sewer, water and other utility bills, trash removal bills, janitorial and maintenance service bills and all other expenses relating to a Property that are obligations of the Property Entity and which are allocable to the period prior to the Closing Date shall be determined and paid, or caused to be paid, by the Property Entity or Contributed Entity before Closing, if possible, or if such is not determinable before Closing, then the Parties shall use their commercially reasonable efforts to determine and pay such amounts as promptly as possible following Closing and the Operating Partnership may withhold from any cash amount of the Consideration payable at Closing hereunder an amount of cash reasonably estimated to cover any estimated Proration for the items described in this subsection (B);

(C) Rents. All rents, including, without limitation, base rents, operating expense payments or common area maintenance charges and all other forms of additional rents, payable under the leases of the Property and all other income from the Property shall be prorated at Closing; and

(D) Other Items. Any other items of revenue, operating expenses or other items which are customarily prorated between a transferor and transferee of real estate in the county in which the Property is located shall be prorated at Closing.

"Representation, Warranty and Indemnity Agreement" means the Representation, Warranty and Indemnity Agreement by and among the REIT, the Operating Partnership and Daniel A. Hoffler.

ARTICLE II

REPRESENTATIONS AND WARRANTIES

2.1 Representations by the Operating Partnership. The Operating Partnership hereby represents and warrants to Contributors that the following statements are true, correct, and complete as of the date of this Agreement and will be true, correct and complete as of the Closing Date (as defined herein):

(a) Organization and Power. The Operating Partnership is duly organized, validly existing, and in good standing under the laws of the Commonwealth of Virginia, and has full right, power, and authority to enter into this Agreement and to assume and perform all of its obligations under this Agreement. The execution and delivery of this Agreement and the performance by the Operating Partnership of its obligations hereunder have been duly authorized by all requisite action of the Operating Partnership and require no further action or approval of the Operating Partnership's partners or of any other individuals or entities in order to constitute this Agreement as a binding and enforceable obligation of the Operating Partnership.

(b) OP Units Validly Issued. The OP Units, when issued in accordance with the terms of this Agreement and the Partnership Agreement, will have been duly and validly authorized and issued, free of any preemptive or similar rights, and will be fully paid, without any obligation to restore capital, except as required by the Virginia Revised Uniform Limited Partnership Act (the "Limited Partnership Act").

2.2 Representations by Contributors. Each Contributor hereby represents and warrants to the Operating Partnership that the following statements are true, correct, and complete as of the date of this Agreement and will be true, correct, and complete as of the Closing Date:

(a) Organization and Power; Due Authorization. Contributor, if an entity or trust, is duly incorporated, formed or organized, validly existing, and in good standing under the laws of its state of incorporation, formation or organization. Contributor has full right, power, and authority to enter into this Agreement and to assume and perform all of its obligations under this Agreement; and the execution and delivery of this Agreement and the performance by Contributor of its obligations hereunder have been duly authorized by all requisite action of Contributor and require no further action or approval of Contributor's members, partners, stockholders, managers, board of directors, trustees or of any other individuals or entities, as applicable, in order to constitute this Agreement as a binding and enforceable obligation of Contributor. No person has any community property rights, by virtue of marriage or otherwise, with respect to the Contributed Interests. This Agreement and each agreement, document and instrument executed and delivered by or on behalf of Contributor pursuant to this Agreement constitutes, or when executed and delivered will constitute, the legal, valid and binding obligation of Contributor, each enforceable against Contributor in accordance with its terms, except as such enforceability may be limited by bankruptcy or the application of equitable principles.

(b) Noncontravention. Neither the entry into nor the performance of, or compliance with, this Agreement by Contributor has resulted, or will result, in any violation of, or default under, or result in the acceleration of, any obligation under any charter, bylaws, limited liability company agreement, partnership agreement, declaration of trust, mortgage indenture, lien agreement, note, contract, agreement, permit, judgment, decree, order, restrictive covenant, statute, rule, or regulation applicable to Contributor or to any Contributed Interests, any Contributed Entity or any Property Entity.

(c) Litigation. There is no action, suit, or proceeding, pending or known to be threatened, against or affecting Contributor in any court or before any arbitrator or before any federal, state, municipal, or other governmental department, commission, board, bureau, agency or instrumentality which (1) in any manner raises any question affecting the validity or enforceability of this Agreement, (2) could materially and adversely affect the business, financial position, or results of operations of Contributor, any Contributed Entity, Property Entity or Property, (3) could adversely affect the ability of Contributor to perform its obligations hereunder, or under any document to be delivered pursuant hereto, (4) could create a lien on the Contributed Interests, any part thereof, or any interest therein, or (5) could adversely affect the Contributed Interests, any part thereof, or any interest therein.

(d) Good Title. Exhibit A accurately sets forth each Contributor's Percentage Interest. Contributor is the sole record and beneficial owner of the Contributed Interests and has full power and authority to convey the Contributed Interests pursuant to the terms of this

Agreement. Contributor has good and marketable title to the Contributed Interests. Except as set forth on Schedule 2.1(d), the Contributed Interests are free and clear of all liens, encumbrances, security interests, pledges, voting agreements, prior assignments or conveyances, conditions, restrictions, claims or any other matters affecting title thereto and at the Closing will be contributed to the Operating Partnership free and clear of all liens, encumbrances, security interests, pledges, voting agreements, prior assignments or conveyances, conditions, restrictions, claims or other matters affecting title thereto. No other person or entity has an option to purchase or a right of first refusal to purchase the Contributed Interests nor are there any agreements or understandings with respect to the voting, ownership or disposition of the Contributed Interests that could adversely affect Contributor's ability to perform its obligations hereunder or the Operating Partnership's rights to the Contributed Interests following the Closing.

(e) Contributed Interests. There are no rights to purchase, subscriptions, warrants, options, conversion rights or preemptive rights relating to the Contributed Interests or any equity interest in any Contributed Entity that will be in effect as of the Closing.

(f) No Consents. Each consent, approval, authorization, order, license, certificate, permit, registration, designation, or filing by or with any governmental agency or body necessary for the execution, delivery and performance of this Agreement or the transactions contemplated hereby by Contributor has been obtained or will be obtained on or before the Closing Date. Each consent or approval required under any Governing Agreement (as defined herein), contract or agreement of any Contributed Entity, or among the partners, members or stockholders of any Contributed Entity to which Contributor is a party, relating to indebtedness or otherwise, necessary for the execution, delivery and performance of this Agreement and the contribution, acquisition and transfer of the Contributed Interests has been obtained or will be obtained on or before the Closing Date.

(g) Actions Prior to Closing. From the date hereof until the Closing Date, Contributor shall not take any action or fail to take any action the result of which would (1) have a material adverse effect on the Contributed Interests or the Operating Partnership's ownership thereof, or any material adverse effect on the assets, business, condition (financial or otherwise), results or operation of any Property or any Contributed Entity or Property Entity after the Closing Date or (2) cause any of the representations and warranties contained in this Section 2.2 to be untrue as of the Closing Date.

(h) Governing Documents. Contributor has performed all of its obligations under the Limited Partnership Agreement, Limited Liability Company Agreement, Operating Agreement, Charter and Bylaws, as such may have been amended from time to time, as applicable, of each Contributed Entity in which it owns an interest, (each a "Governing Agreement" and collectively, the "Governing Agreements").

(i) Securities Law Matters.

(1) In deciding to engage in the transaction contemplated by this Agreement, including, if applicable, acquiring OP Units, neither Contributor nor any equity holder thereof is relying upon any representations made to it by the Operating

Partnership, or any of its partners, officers, employees, or agents that are not contained herein. Contributor is aware of the risks involved in investing in the OP Units and in the securities issuable upon redemption of such OP Units. Contributor is knowledgeable, sophisticated and experienced in business and financial matters and fully understands the limitations on transfer imposed by the federal securities laws and as described in this Agreement and the PPM and related materials, including the Partnership Agreement. Contributor has received the PPM and related materials, including the Partnership Agreement, has reviewed all documents and has had an opportunity to ask questions of, and to receive answers from, the Operating Partnership and the REIT or a person or persons authorized to act on their behalf, concerning the terms and conditions of an investment in the OP Units and the financial condition, affairs, and business of the Operating Partnership and the REIT. Contributor confirms that all documents, records, and information pertaining to its investment in OP Units that have been requested by Contributor have been made available or delivered to Contributor prior to the date hereof.

(2) Contributor understands and acknowledges that (i) certain of the information contained in the PPM is incomplete or may be revised, amended or supplemented in the registration statement to be filed by the REIT with the SEC in connection with the IPO and (ii) the financial information included in the PPM has not been audited, but will be audited prior to the REIT's filing of the registration statement with the SEC, and such information could change upon audit, and any such changes could be material.

(3) Contributor and each equity holder thereof understands that the offer and sale of OP Units have not been registered under the Securities Act or any state securities laws and are instead being offered and sold in reliance on an exemption from such registration requirements and that the Operating Partnership's reliance on such exemption is predicated in part on the accuracy and completeness of the representations and warranties of Contributor contained herein. The OP Units issuable to Contributor are being acquired by Contributor solely for its own account, for investment, and are not being acquired with a view to, or for resale in connection with, any distribution, subdivision, or fractionalization thereof, in violation of such laws, and Contributor does not have any present intention to enter into any contract, undertaking, agreement, or arrangement with respect to any such resale.

(4) Contributor is able to bear the economic risk of holding the OP Units for an indefinite period and is able to afford the complete loss of its investment in the OP Units.

(5) Contributor understands that no federal agency (including the SEC) or state agency has made or will make any finding or determination as to the fairness of an investment in the OP Units (including as to the value of the Consideration payable in OP Units in accordance with Section 1.2 hereof).

(6) Contributor understands that there is no established public, private or other market for the OP Units to be acquired by Contributor hereunder and it is not anticipated that there will be any public, private or other market for such OP Units in the foreseeable future.

(7) Contributor understands that Rule 144 promulgated under the Securities Act is not currently available with respect to the sale of OP Units.

(j) Accredited Investor. If Contributor is electing to receive OP Units as some or all of the Consideration, Contributor is an "accredited investor", as that term is defined in Rule 501 of Regulation D under the Securities Act, and has previously provided the Operating Partnership and the REIT with a duly executed questionnaire confirming Contributor's accredited investor status. No event or circumstance has occurred since delivery of such questionnaire to make the statements therein false or misleading.

(k) Tax Matters. Contributor represents and warrants that it has obtained from its own counsel advice regarding the tax consequences of (i) the transfer of the Contributed Interests to the Operating Partnership and the receipt of OP Units and/or cash as the Consideration therefor, (ii) its admission as a limited partner of the Operating Partnership, if applicable and (iii) any other transaction contemplated by this Agreement. Neither the Operating Partnership nor the REIT has made any representation to Contributor regarding the tax treatment of the transactions contemplated by this Agreement, and Contributor further represents and warrants that it has not relied on the Operating Partnership or the Operating Partnership's representatives or counsel for any tax advice.

(l) Bankruptcy with respect to Contributor. No Act of Bankruptcy has occurred with respect to Contributor. As used herein, "Act of Bankruptcy" means if Contributor or any equity holder, partner, manager or director thereof shall (A) apply for or consent to the appointment of, or the taking of possession by, a receiver, custodian, trustee or liquidator of itself or of all or a substantial part of its property, (B) admit in writing its inability to pay its debts as they become due, (C) make a general assignment for the benefit of its creditors, (D) file a voluntary petition or commence a voluntary case or proceeding under the Federal Bankruptcy Code (as now or hereafter in effect), (E) be adjudicated bankrupt or insolvent, (F) file a petition seeking to take advantage of any other law relating to bankruptcy, insolvency, reorganization, receivership, dissolution, winding-up or composition or adjustment of debts, (G) fail to controvert in a timely and appropriate manner, or acquiesce in writing to, any petition filed against it in an involuntary case or proceeding under the Federal Bankruptcy Code (as now or hereafter in effect), or (H) take any entity action for the purpose of effecting any of the foregoing.

(m) Brokerage Commission. Contributor has not engaged the services of any real estate agent, broker, finder or any other person or entity for any brokerage or finder's fee, commission or other amount with respect to the transactions described herein.

(n) No Other Equity Interests. Except for the Contributed Interests, neither Contributor nor any of its affiliates owns, directly or indirectly, any equity interest in any partnership, limited liability company, corporation, trust or other entity owning a property being acquired by the Operating Partnership as part of the formation transactions described in the PPM and does not own any interest in any Property other than through the Contributed Interests.

ARTICLE III

INDEMNIFICATION

3.1 Survival of Representations and Warranties; Remedy for Breach.

(a) Subject to Section 3.5 hereof, all representations and warranties of Contributor contained in this Agreement or in any Schedule, Exhibit, certificate or affidavit delivered pursuant to this Agreement shall survive the Closing.

(b) Subject to Section 3.4 hereof, following the Closing, each Contributor shall be liable under this Agreement for monetary damages (or otherwise) for breach of any of its representations, warranties, covenants and obligations contained in this Agreement or in any Schedule, Exhibit, certificate or affidavit delivered by Contributor pursuant thereto.

3.2 General Indemnification.

(a) From and after the Closing Date, each Contributor shall indemnify, hold harmless and defend the Operating Partnership and the REIT, and their respective officers, directors, employees, stockholders, partners, agents and affiliates (each of which is an "Indemnified Party"), from and against any and all claims, losses, damages, liabilities and expenses, including, without limitation, interest, penalties, amounts paid in settlement, reasonable attorneys' fees, costs of investigation, judicial or administrative proceedings or appeals therefrom and costs of attachment or similar bonds (collectively, "Losses") asserted against, imposed upon or incurred by the Indemnified Party, to the extent resulting from any breach of a representation, warranty or covenant of Contributor contained in this Agreement, or in any Schedule, Exhibit, certificate or affidavit delivered by Contributor pursuant thereto. In each case, Contributor shall only bear the fees, costs or expenses in connection with the employment of one counsel (regardless of the number of Indemnified Parties).

(b) Each Contributor shall also indemnify and hold harmless the Indemnified Parties from and against any and all Losses asserted against, imposed upon or incurred by the Indemnified Parties to the extent resulting from an unrelated third-party claim relating to the Contributed Interests arising from matters that occurred prior to Closing.

(c) With respect to any claim of an Indemnified Party pursuant to this Section 3.2, to the extent available, the Operating Partnership agrees to use diligent good faith efforts to pursue and collect any and all available proceeds and benefits of any right to defense under any insurance policy that covers the matter which is the subject of the indemnification prior to seeking indemnification from Contributor until all proceeds and benefits, if any, to which the Operating Partnership or the Indemnified Party is entitled pursuant to such insurance policy have been exhausted; provided, however, that the Operating Partnership may make a claim under this Section 3.2 even if an insurance coverage dispute is pending, in which case, if the Indemnified Party later receives insurance proceeds with respect to any Losses paid by either Contributor for the benefit of any Indemnified Party, then the Indemnified Party shall reimburse Contributor in an amount equivalent to such proceeds in excess of any deductible amount pursuant to Section 3.2(a) hereof up to the amount actually paid (or deemed paid) by Contributor

to the Indemnified Party in connection with such indemnification (it being understood that all costs and expenses incurred by Contributor with respect to insurance coverage disputes shall constitute Losses paid by Contributor for purposes of Section 3.2(a) hereof).

3.3 Notice and Defense of Claims. As soon as reasonably practicable after receipt by the Indemnified Party of notice of any liability or claim incurred by or asserted against the Indemnified Party that is subject to indemnification under this Article III, the Indemnified Party shall give notice thereof to Contributor, including liabilities or claims to be applied against the indemnification deductible established pursuant to Section 3.4 hereof; provided that failure to give notice to Contributor will not relieve Contributor from any liability that it may have to any Indemnified Party, unless, and only to the extent that, such failure (a) shall have caused prejudice to the defense of such claim or (b) shall have materially increased the costs or potential liability of Contributor by reason of the inability or failure of Contributor (due to such lack of prompt notice) to be involved in any investigations or negotiations regarding any such claim. Such notice shall describe in reasonable detail the facts known to such Indemnified Party giving rise to such claim, and the amount or good faith estimate of the amount of Losses arising therefrom. Unless prohibited by law, such Indemnified Party shall deliver to Contributor, promptly after such Indemnified Party's receipt thereof, copies of all notices and documents received by such Indemnified Party relating to such claim. The Indemnified Party shall permit Contributor, at Contributor's option and expense, to assume the defense of any such claim by counsel selected by Contributor and reasonably satisfactory to the Indemnified Party, and to settle or otherwise dispose of the same; provided, however, that the Indemnified Party may at all times participate in such defense at its sole expense; and provided further, however, that Contributor shall not, in defense of any such claim, except with the prior written consent of the Indemnified Party in its sole and absolute discretion, consent to the entry of any judgment or enter into any settlement that does not include as an unconditional term thereof the giving by the claimant or plaintiff in question to all Indemnified Parties a full and complete release of all liabilities in respect of such claims, or that does not result only in the payment of money damages which are paid (or deemed paid) in full by Contributor. If Contributor shall not have undertaken such defense within 20 days after such notice, or within such shorter time as may be reasonable under the circumstances to the extent required by applicable law, then the Indemnified Party shall have the right to undertake the defense, compromise or settlement of such liability or claim on behalf of and for the account of Contributor and at Contributor's sole cost and expense (subject to the limitations in Section 3.4 hereof).

3.4 Limitations on Indemnification Under Section 3.2(a).

(a) Contributors shall not be liable under Section 3.2(a) hereof unless and until the total amount recoverable by the Indemnified Parties under Section 3.2(a) exceeds one percent (1%) of the value of the aggregate Consideration (valuing OP Units at the IPO Price) and then only to the extent of such excess.

(b) Notwithstanding anything contained herein to the contrary, before taking recourse against any assets of Contributor and subject to the limitations set forth in the following sentence, the Indemnified Parties shall look, first to available insurance proceeds (including without limitation any title insurance proceeds, if applicable) pursuant to Section 3.2(c) above, and then to indemnification under this Article III, (and agree to treat any return of OP Units in

satisfaction of indemnification obligations hereunder as an adjustment to the consideration delivered to Contributor pursuant to the Formation Transactions). Notwithstanding anything to the contrary in this Agreement, except in the case of fraud or in the event of Losses relating to a third-party claim, Contributor shall not be liable to the Indemnified Parties for any indirect, special or consequential damages, loss of profits, taxes relating to tax years beginning on or after Closing, loss of value or other similar speculative damages asserted or claimed by the Indemnified Parties.

(c) The limitations in this Section 3.4 shall not apply to any obligations of Contributor with respect to Prorations under this Agreement.

3.5 Limitation Period.

(a) Any claim for indemnification under Section 3.2 hereof must be asserted in writing by the Indemnified Party, stating the nature of the Losses and the basis for indemnification therefor on or prior to the fifth (5th) anniversary of the Closing.

(b) If asserted in writing on or prior to the date specified in Section 3.5(a) hereof for the applicable claim, any claims for indemnification pursuant to Section 3.2 hereof shall survive until resolved by mutual agreement between Contributor and the Indemnified Party or by arbitration or court proceeding.

3.6 Delivery of Indemnity Amounts. Indemnity payments may be made by Contributor in the form of cash or OP Units. To the extent indemnification is made through delivery by Contributor of OP Units, such OP Units shall be valued at an amount per OP Unit equal to the IPO Price. Contributor hereby authorizes the REIT, as general partner of the Operating Partnership, to take all such action as may be necessary to amend the Partnership Agreement, and any exhibits or schedules thereto, to reflect the delivery of any OP Units by Contributor to the Operating Partnership as an indemnification payment hereunder and to reflect that Contributor has no further right, title or interest with respect to any such OP Units.

ARTICLE IV

COVENANTS

4.1 Covenants of the Contributors.

(a) Satisfaction of Conditions. Each Contributor hereby covenants that Contributor shall: (A) use commercially reasonable efforts and diligence in order to satisfy all of the conditions to Closing set forth herein, and (B) cooperate and assist in the Operating Partnership's efforts to satisfy all of the conditions to Closing set forth herein, and agrees that the Operating Partnership shall not have any obligation to consummate the Closing hereunder unless and until such conditions have been satisfied or waived by the Operating Partnership in writing.

(b) Consent to Transfers. Each Contributor hereby consents to the transfer of, and waives any rights of first refusal, right of first offer, buy-sell agreements, put, option or similar parallel or dissenter rights or similar rights afforded to Contributor under the Governing Agreements or otherwise with respect to any equity ownership interest in any Contributed Entity,

Property Entity or Property or any other company or property being contributed or transferred to the Operating Partnership pursuant to a separate contribution or other agreement or as otherwise described in the PPM.

(c) No Disposition or Encumbrance of Contributed Interests. From the date hereof through the Closing, except as specifically contemplated by this Agreement, no Contributor shall, without the prior written consent of the Operating Partnership: (i) sell, transfer (or agree to sell or transfer) or otherwise dispose of, or cause the sale, transfer or disposition of (or agree to do any of the foregoing) all or any portion of its interest in the Contributed Interests or all or any portion of its interest in any Property Partnership or Property; or (ii) mortgage, assign, pledge or otherwise encumber in any manner the Contributed Interests.

(d) Ordinary Course of Business. From the date hereof through the Closing, and except as specifically contemplated by this Agreement, each Contributor shall, to the extent within its control, cause each Contributed Entity, subsidiary and Property Entity to conduct its business in the ordinary course of business consistent with past practice, and shall, to the extent within its control, not permit any Contributed Entity, any subsidiary or any Property Entity without the prior written consent of the Operating Partnership, to: (i) enter into any material transaction not in the ordinary course of business; (ii) mortgage, pledge or encumber any assets of the Contributed Entity, any subsidiary, any Property Entity or any Property, (iii) cause or permit any Property Entity to change the existing use of any Property; (iv) cause or take any action that would render any of the representations or warranties set forth herein untrue; (v) file an entity classification election pursuant to Treasury Regulations Section 301.7701-3(c) on Internal Revenue Service Form 8832 (Entity Classification Election) to treat the Contributed Entity as an association taxable as a corporation for federal income tax purposes; (vi) make or change any other tax elections; (vii) settle or compromise any claim, notice, audit report or assessment in respect of taxes; (viii) change any annual tax accounting period; (ix) adopt or change any method of tax accounting; (x) file any amended return, report or form (including an election, declaration, amendment, schedule, information return or attachment thereto) required to be filed with a governmental authority with respect to taxes (each, a "Tax Return"); (xi) enter into any tax allocation agreement, tax sharing agreement, tax indemnity agreement or closing agreement relating to any tax; (xii) surrender of any right to claim a tax refund; (xiii) consent to any extension or waiver of the statute of limitations period applicable to any tax claim or assessment; or (xiv) make any distribution to its partners or members, except for cash distributions in the ordinary course of business consistent with past practices or as permitted by this Agreement.

4.2 Tax Covenants.

(a) Each Contributor and the Operating Partnership shall provide each other with such cooperation and information relating to any of the Contributed Interests, the Contributed Entities, their subsidiaries, the Property Entities or the Properties as the parties reasonably may request in (i) filing any Tax Return, amended Tax Return or claim for tax refund, (ii) determining any liability for taxes or a right to a tax refund, (iii) conducting or defending any proceeding in respect of taxes, or (iv) performing tax diligence, including with respect to the impact of this transaction on the REIT's tax status as a REIT. Such reasonable cooperation shall include making employees available on a mutually convenient basis to provide additional

information and explanation of any material provided hereunder. The Operating Partnership shall promptly notify Contributor upon receipt by the Operating Partnership or any of its affiliates of notice of (i) any pending or threatened tax audits or assessments with respect to the income, properties or operations of any of the Contributed Entities, their subsidiaries, the Property Entities or their subsidiaries or with respect to any Property and (ii) any pending or threatened federal, state, local or foreign tax audits or assessments of the Operating Partnership or any of its affiliates, in each case, which may affect the liabilities for taxes of Contributor with respect to any tax period ending before or as a result of the Closing. Each Contributor shall promptly notify the Operating Partnership in writing upon receipt by Contributor or any of its affiliates of notice of any pending or threatened federal, state, local or foreign tax audits or assessments relating to the income, properties or operations of any of the Contributed Entities, the Property Entities or their subsidiaries or with respect to any Property. Each of the Operating Partnership and Contributors may participate at its own expense in the prosecution of any claim or audit with respect to taxes attributable to any taxable period ending on or before the Closing Date; provided, that a Contributor shall have the right to control the conduct of any such audit or proceeding or portion thereof for which such Contributor has acknowledged liability (except as a partner of the Operating Partnership) for the payment of any additional tax liability, and the Operating Partnership shall have the right to control any other audits and proceedings. Notwithstanding the foregoing, neither the Operating Partnership nor a Contributor may settle or otherwise resolve any such claim, suit or proceeding which could have an adverse tax effect on the other party or its affiliates (other than on a Contributor or any of its affiliates as a partner of the Operating Partnership) without the consent of the other party, such consent not to be unreasonably withheld. Each Contributor and the Operating Partnership shall retain all Tax Returns, schedules and work papers with respect to the Contributed Entities, the Property Entities, their subsidiaries, and the Properties, and all material records and other documents relating thereto, until the expiration of the statute of limitations (and, to the extent notified by any party, any extensions thereof) of the taxable years to which such Tax Returns and other documents relate and until the final determination of any tax in respect of such years.

(b) The Operating Partnership shall prepare or cause to be prepared and file or cause to be filed all Tax Returns of the Contributed Entities, the Property Entities or their subsidiaries and their subsidiaries that are due after the Closing Date. To the extent such returns relate to a period ending on or prior to the Closing Date, such Tax Returns (including, for the avoidance of doubt, any amended Tax Returns) shall be prepared in a manner consistent with past practice, except as otherwise required by applicable law.

(c) For purposes of allocating items of income, gain, loss and deduction with respect to the Property and/or the Contributed Interests in the manner required by Section 704(c) of the Code, the Operating Partnership shall employ, and shall cause any entity controlled by the Operating Partnership which holds title to the Property or the Contributed Interests to employ, the “traditional method” (without curative allocations) as set forth in Treasury Regulations section 1.704-3(b)(1).

4.3 Relationship to Contributed Entities. Contributors and the Operating Partnership acknowledge and agree that, from and after the Closing (as defined herein), Contributors shall no longer be a member, partner, stockholder or equity owner, or, if applicable, managing member or general partner, of any Contributed Entity and shall have no rights or benefits under any Governing Agreement.

ARTICLE V

CONDITIONS PRECEDENT TO THE CLOSING

5.1 Conditions to the Operating Partnership's Obligation. In addition to any other conditions set forth in this Agreement, the Operating Partnership's obligation to consummate the Closing is subject to the timely satisfaction of each and every one of the conditions and requirements set forth in this Section 5.1, all of which shall be conditions precedent to the Operating Partnership's obligations under this Agreement.

(a) IPO. The IPO, in such form and substance as the REIT, in its sole and absolute discretion, shall have determined to be acceptable, shall have been completed (or be completed simultaneously with the Closing).

(b) Formation Transactions. The formation transactions described in the PPM shall have occurred or be scheduled to occur contemporaneously with the Closing hereunder.

(c) Representations and Warranties. The representations and warranties made by each Contributor pursuant to this Agreement, as well as those contained in the Representation, Warranty and Indemnity Agreement, shall be true and correct as of the Closing as though such representations and warranties were made at the Closing and, if requested by the Operating Partnership, each Contributor shall have delivered a certificate to the Operating Partnership to such effect in regard to Contributor's representations and warranties set forth in this Agreement.

(d) Performance. Each Contributor shall have performed and complied with all agreements and covenants that it is required to perform or comply with pursuant to this Agreement prior to the Closing, including having delivered each of the items set forth in Section 5.2 hereof.

(e) Legal Proceedings. No order, statute, rule, regulation, executive order, injunction, stay, decree, or restraining order shall have been enacted, entered, promulgated or enforced by any court of competent jurisdiction or governmental entity that restrains, prohibits or otherwise invalidates the consummation of the transactions contemplated by this Agreement, and no litigation or governmental proceeding seeking such an order shall be pending or threatened.

(f) Consents and Approvals. All necessary approvals and consents of governmental and private parties, including, without limitation, all ground lessors, tenants, other parties to service contracts, lenders and ratings agencies, partners, members or stockholders of any Contributed Entity, Property Entity or their subsidiaries, to effect the transactions contemplated by this Agreement, shall have been obtained.

(g) Reliance on Regulation D. If a Contributor has elected to receive OP Units, the Operating Partnership shall, based on the advice of its counsel and the representations made by Contributor in Contributor's Investor Questionnaire, be reasonably satisfied that the issuance of OP Units to Contributor may be made without registration under the Securities Act in reliance on Regulation D under the Securities Act.

(h) Representation, Warranty and Indemnity Agreement. Daniel A. Hoffler and each other party thereto shall have entered into the Representation, Warranty and Indemnity Agreement.

(i) No Material Adverse Change. There shall have not occurred between the date hereof and the Closing Date any material adverse change with respect to any of the Contributed Interests or any material adverse change in any of the assets, business, condition (financial or otherwise), results of operation or prospects of any Property, any Property Entity or any Contributed Entity.

(j) Tenant and Lender Estoppels. The Operating Partnership shall have received tenant and lender estoppels in form and substance satisfactory to the Operating Partnership and its counsel.

5.2 Conditions to Contributor's Obligation. In addition to any other conditions set forth in this Agreement, Contributor's obligation to consummate the Closing is subject to the timely satisfaction of each and every one of the conditions and requirements set forth in this Section 5.2, all of which shall be conditions precedent to Contributor's obligations under this Agreement.

(a) Representations and Warranties. The representations and warranties made by the Operating Partnership pursuant to this Agreement shall be true and correct as of the Closing as though such representations and warranties were made at the Closing.

(b) Performance. The Operating Partnership shall have performed and complied in all material respects with all agreements and covenants that it is required to perform or comply with pursuant to this Agreement prior to the Closing.

(c) Legal Proceedings. No order, statute, rule, regulation, executive order, injunction, stay, decree, or restraining order shall have been enacted, entered, promulgated or enforced by any court of competent jurisdiction or governmental entity that prohibits the consummation of the transactions contemplated by this Agreement, and no litigation or governmental proceeding seeking such an order shall be pending or threatened.

ARTICLE VI

CLOSING AND CLOSING DOCUMENTS

6.1 Closing. The consummation and closing (the "Closing") of the transactions contemplated pursuant to this Agreement shall take place at the offices of Hunton & Williams LLP in Richmond, Virginia, or such other place as the Operating Partnership may designate, promptly following satisfaction of the conditions to Closing set forth herein (the "Closing Date"), or as otherwise set by agreement of the parties; provided, however, termination shall not relieve any party from a breach occurring prior to that date.

6.2 Contributor's Deliveries. At the Closing, Contributors shall deliver the following to the Operating Partnership in addition to all other items required to be delivered to the Operating Partnership by Contributors:

(a) Assignment of Contributed Interests. Each Contributor shall have executed and delivered an Assignment, in substantially the form of Exhibit B attached hereto.

(b) Execution of Partnership Agreement. If a Contributor has elected to receive OP Units, signature pages of the Partnership Agreement (which Partnership Agreement shall be in substantially the form attached as an exhibit to the PPM) duly executed by Contributor, as limited partner.

(c) FIRPTA Certificate. An affidavit from each Contributor certifying pursuant to Section 1445 of the Internal Revenue Code that Contributor is not a foreign corporation, foreign partnership, foreign trust, foreign estate or foreign person (as those terms are defined in the Code and the Treasury Regulations promulgated thereunder).

(d) Other Documents. Any other document or instrument reasonably requested by the Operating Partnership or required hereby.

6.3 Default Remedies. If a Contributor defaults in performing any of Contributor's obligations under this Agreement, the Operating Partnership shall have all rights and remedies available to it at law or in equity resulting from Contributor's default, including without limitation, the right to seek specific performance of this Agreement and Contributor's obligation to convey the Contributed Interests to the Operating Partnership hereunder. The parties acknowledge and agree that the failure of a condition precedent to occur, notwithstanding the good faith and commercially reasonable efforts of the applicable party, shall not be a default hereunder.

ARTICLE VII

MISCELLANEOUS

7.1 Notices. Any notice provided for by this Agreement and any other notice, demand, or communication required hereunder shall be in writing and either delivered in person (including by confirmed facsimile transmission) or sent by hand delivered against receipt or sent by recognized overnight delivery service or by certified or registered mail, postage prepaid, with return receipt requested. All notices shall be addressed as follows:

Operating Partnership:

c/o Armada Hoffler Properties, Inc.
222 Central Park Avenue, Suite 2100,
Virginia Beach, Virginia 23462
Attention: A. Russell Kirk
Fax No.: 757-424-2513

with a copy to (which shall not constitute notice):

Hunton & Williams LLP
Riverfront Plaza, East Tower
951 E. Byrd Street
Richmond, Virginia 23219
Attention: David C. Wright
Fax No.: 804-343-4580

and

Faggert & Frieden, P.C.
222 Central Park Avenue, Suite 1300
Virginia Beach, Virginia 23462
Attention: David Y. Faggert
Fax No.: 757-424-0102

Contributors:

Rickard E. Burnell
President
Atlantic Commercial Real Estate Services, Inc.
131 W. Hanbury Road, Suite D
Chesapeake, Virginia 23322

Any address or name specified above may be changed by a notice given by the addressee to the other party. Any notice, demand or other communication shall be deemed given and effective as of the date of delivery in person or set forth on the return receipt. The inability to deliver because of changed address of which no notice was given, or rejection or other refusal to accept any notice, demand or other communication, shall be deemed to be receipt of the notice, demand or other communication as of the date of such attempt to deliver or rejection or refusal to accept.

7.2 Entire Agreement; Third-Party Beneficiaries. This Agreement, including, without limitation, the exhibits hereto and thereto, constitute the entire agreement and supersede each prior agreement and understanding, whether written or oral, among the parties regarding the subject matter of this Agreement. This Agreement is not intended to confer any rights or remedies on any Person other than the parties hereto.

7.3 Amendment. This Agreement may not be amended except by an instrument in writing signed on behalf of each of the parties hereto.

7.4 Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the Commonwealth of Virginia, without regard to the conflicts of law rules thereof.

7.5 Counterparts. This Agreement may be executed by the parties hereto in separate counterparts, each of which when so executed and delivered shall be an original, but all such counterparts shall together constitute one and the same instrument. Each counterpart may consist

of a number of copies hereof, each signed by less than all, but together signed by all of the parties hereto. Each party may rely upon the facsimile or electronic pdf email signature of any other party as if such signature were an original signature.

7.6 Headings. Headings of the Articles and Sections of this Agreement are for the convenience of the parties only, and shall be given no substantive or interpretive effect whatsoever.

7.7 Incorporation. All Exhibits attached hereto and referred to herein are hereby incorporated herein and made a part hereof for all purposes as if fully set forth herein.

7.8 Severability. Any term or provision of this Agreement which is invalid or unenforceable in any jurisdiction shall, as to that jurisdiction, be ineffective to the extent of such invalidity or unenforceability without rendering invalid or unenforceable the remaining terms and provisions of this Agreement or affecting the validity or enforceability of any of the terms or provisions of this Agreement in any other jurisdiction. If any provision of this Agreement is so broad as to be unenforceable, the provision shall be interpreted to be only so broad as is enforceable.

7.9 Waiver of Conditions. The conditions to each party's obligations hereunder are for the sole benefit of such party and may be waived by such party in whole or in part to the extent permitted by applicable law.

7.10 Dispute Resolution. The parties intend that this Section 7.1010 will be valid, binding, enforceable, exclusive and irrevocable and that it shall survive any termination of this Agreement.

(a) Upon any dispute, controversy or claim arising out of or relating to this Agreement or the enforcement, breach, termination or validity thereof ("Dispute"), the party raising the Dispute will give written notice to the other parties to the Dispute describing the nature of the Dispute following which the parties to such Dispute shall attempt for a period of ten (10) Business Days from receipt by the parties of notice of such Dispute to resolve such Dispute by negotiation between representatives of the parties hereto who have authority to settle such Dispute. All such negotiations shall be confidential and any statements or offers made therein shall be treated as compromise and settlement negotiations for purposes of any applicable rules of evidence and shall not be admissible as evidence in any subsequent proceeding for any purpose. The statute of limitations applicable to the commencement of a lawsuit shall apply to the commencement of an arbitration hereunder, except that no defense based on the running of the statute of limitations will be available based upon the passage of time during any such negotiation. Regardless of the foregoing, a party shall have the right to seek immediate injunctive relief pursuant to clause (c) below without regard to any such ten (10) Business Day negotiation period.

(b) Any Dispute (including the determination of the scope or applicability of this Agreement to arbitrate) that is not resolved pursuant to clause (a) above shall be submitted to final and binding arbitration in Virginia Beach, Virginia before one neutral and impartial arbitrator, in accordance with the laws of the Commonwealth of Virginia for agreements made in

and to be performed in Virginia. The arbitration shall be administered by JAMS, Inc. ("JAMS") pursuant to its Comprehensive Arbitration Rules and Procedures, as in effect on the date hereof. The parties hereto shall appoint one arbitrator within fifteen (15) days of a demand for arbitration. If an arbitrator is not appointed within such 15-day period, the arbitrator shall be appointed by JAMS in accordance with its Comprehensive Arbitration Rules and Procedures, as in effect on the date hereof. The arbitrator shall designate the place and time of the hearing. The hearing shall be scheduled to begin as soon as practicable and no later than sixty (60) days after the appointment of the arbitrator (unless such period is extended by the arbitrator for good cause shown) and shall be conducted as expeditiously as possible. The award, which shall set forth the arbitrator's findings of fact and conclusions of law, shall be filed with JAMS and mailed to the parties no later than thirty (30) days after the close of the arbitration hearing. The arbitration award shall be final and binding on the parties and not subject to collateral attack. Judgment upon the arbitration award may be entered in any federal or state court having jurisdiction thereof.

(c) Notwithstanding the parties' agreement to submit all Disputes to final and binding arbitration before JAMS, the parties shall have the right to seek and obtain temporary or preliminary injunctive relief in any court having jurisdiction thereof. Such courts shall have authority to, among other things, grant temporary or provisional injunctive relief in order to protect any party's rights under this Agreement. Without prejudice to such provisional remedies as may be available under the jurisdiction of a court, the arbitral tribunal shall have full authority to grant provisional remedies and to direct the parties to request that any court modify or vacate any temporary or preliminary relief issued by such court, and to award damages for the failure of any party to respect the arbitral tribunal's orders to that effect.

(d) The prevailing party shall be entitled to recover its costs and reasonable attorneys' fees, and the non-prevailing party shall pay all expenses and fees of JAMS, all costs of the stenographic record, all expenses of witnesses or proofs that may have been produced at the direction of the arbitrator, and the fees, costs and expenses of the arbitrator. The arbitrator shall allocate such costs and designate the prevailing party or parties for these purposes.

[*Signature Page Follows.*]

IN WITNESS WHEREOF, this Agreement has been entered into effective as of the date first written above.

CONTRIBUTORS:

RICKARD E. BURNELL

By: /s/ Rickard E. Burnell
Name: Rickard E. Burnell
Title:

OPERATING PARTNERSHIP:

ARMADA HOFFLER, L.P., a Virginia limited partnership

By: Armada Hoffler Properties, Inc.,
its general partner

By: /s/ Louis S. Haddad
Name: Louis S. Haddad
Title: Chief Executive Officer and President

REIT:

ARMADA HOFFLER PROPERTIES, INC., a Maryland corporation

By: /s/ Louis S. Haddad
Name: Louis S. Haddad
Title: Chief Executive Officer and President

EXHIBIT A

Contributor – Rickard E. Burnell

CONTRIBUTED ENTITY/ CONTRIBUTED INTEREST	SUBSIDIARY INTERESTS	PROPERTY	PROPERTY ENTITY
New Armada Hoffler Properties I, L.L.C. [1] (all interests owned by Contributor)	2.35125% interest in Bermuda Shopping Center, L.L.C.	Bermuda Shopping Center Chesterfield County, VA	Bermuda Shopping Center, L.L.C.
	0.4% interest in BSE/AH Blacksburg Apartments, LLC	Apartments at Smith's Landing Blacksburg, VA	BSE/AH Blacksburg Apartments, LLC
	5.0% interest in Broad Creek PH. I, L.L.C.	Broad Creek Shopping Center Norfolk, VA	Broad Creek PH. I, L.L.C.
	1.0% interest in Broad Creek PH. III, L.L.C.	Broad Creek Shopping Center Norfolk, VA	Broad Creek PH. III, L.L.C.
	4.0% interest in Columbus Tower, L.L.C.	Town Center Block 5-A1 Virginia Beach, VA	Columbus Tower, L.L.C.
	0.8% interest in Columbus Tower Block 5-A2 Associates, L.L.C.	Town Center Block 5-A2 Virginia Beach, VA	Columbus Tower Block 5-A2 Associates, L.L.C.
	0.8% interest in AH Columbus II, L.L.C.	Leasehold Interest in Block 5-A2, Town Center Virginia Beach, VA	AH Columbus II, L.L.C.
	25.0% interest in HT Tyre Neck, L.L.C.	Harris Teeter Portsmouth, VA	HT Tyre Neck, L.L.C.
	25.0% interest in Hanbury Village, II L.L.C.	Hanbury Village Shopping Center Chesapeake, VA	Hanbury Village II, L.L.C.
	5.06894% on first $356,090, 25.0% thereafter interest in Hoffler and Associates EAT, LLC	Hanbury Village, Outparcel 3A Chesapeake, VA	Hoffler and Associates EAT, LLC
	5.00753% interest in Armada/Hoffler Charleston Associates, L.P.	Gainsborough Square Chesapeake, VA	Armada/Hoffler Charleston Associates, L.P.
	3.25% interest in North Pointe PH. 1 Limited Partnership	Lots 2, 3, and 4, Phase I, North Pointe Shopping Center Durham, NC	North Pointe Ph. 1 Limited Partnership

[1] Prior to the Closing, pursuant to the Master Contribution and Distribution Agreement, Armada/Hoffler Properties, LLC ("AHP") will contribute to New Armada Hoffler Properties I, LLC ("New AHP I") the interests in the subsidiary entities described below and will distribute to Rickard Burnell ("Burnell") an interest in New AHP I. At Closing, pursuant to the Contribution Agreement, Burnell will contribute his interest in New AHP I to the Operating Partnership.

CONTRIBUTED ENTITY/ CONTRIBUTED INTEREST	SUBSIDIARY INTERESTS	PROPERTY	PROPERTY ENTITY
	3.65671% interest in North Pointe-CGL, L.L.C.	Lot 2, Phase II, North Pointe Shopping Center Durham, NC	North Pointe-CGL, L.L.C.
	3.65671% interest in North Point Development Associates, L.P.	Lot I, Phase III Durham, NC	North Point Development Associates, L.P.
	3.17092% interest in North Pointe Outparcels, L.L.C.	Lot 1, North Pointe Shopping Center Durham, MC	North Pointe Outparcels, L.L.C.
	5.0% interest in Ferrell Parkway Associates, L.L.C.	Parkway Marketplace Virginia Beach, VA	Ferrell Parkway Associates, L.L.C.
	4.0% interest in TCA Block 4 Retail, L.L.C.	South Retail Unit, Town Center Condominium 4 Virginia Beach, VA	TCA Block 4 Retail, L.L.C.
	4.23214% interest in Armada/Hoffler Tower 4, L.L.C.	Office Tower Unit, North Office Unit and West Retail Unit, Town Center Condominium 4 Virginia Beach, VA	Armada/Hoffler Tower 4, L.L.C.
	0.8% interest in Town Center Associates 7, L.L.C.	East and West A Retail Units, Town Center Condominium 7 Virginia Beach, VA	Town Center Associates 7, L.L.C.
	4.0% interest in Town Center Associates 12, L.L.C.	Anchor Unit and Commercial Unit, Town Center Condominium 12 Virginia Beach, VA	Town Center Associates 12, L.L.C.
	1.0% interest in Williamsburg Medical Building, L.L.C.	Williamsburg Sentara Medical Building Williamsburg, VA	Williamsburg Medical Building, L.L.C.
New Armada Hoffler Properties II, L.L.C. [2] (all interests owned by Contributor)	17.77006% interest in Courthouse Marketplace Outparcels, L.L.C.	Parcel A-1-B, A-1-C, A-1-D Virginia Beach, VA	Courthouse Marketplace Outparcels, L.L.C.
	0.8% interest in Greenbrier Technology Center II Associates, L.L.C.	Town Center Block 3 Virginia Beach, VA	Greenbrier Technology Center II Associates, L.L.C.

[2] Prior to the Closing, pursuant to the Master Contribution and Distribution Agreement, Armada/Hoffler Properties II, LLC ("AHP II") will contribute to New Armada Hoffler Properties II, LLC ("New AHP II") the interests in the subsidiary entities described below and will distribute to Burnell an interest in New AHP II. At Closing, pursuant to the Contribution Agreement, Burnell will contribute his interest in New AHP II to the Operating Partnership.

CONTRIBUTED ENTITY/ CONTRIBUTED INTEREST	SUBSIDIARY INTERESTS	PROPERTY	PROPERTY ENTITY
	0.8% interest in Town Center Associates 6, L.L.C.	Retail Unit, 56 Condominium Virginia Beach, VA	Town Center Associates 6, L.L.C.
	0.8% interest in Town Center Associates 11, L.L.C.	Block 11 Town Center Project Virginia Beach, VA	TCA Block 11 Office, LLC TCA Block 11 Apartments, LLC
	0.8% interest in Armada/Hoffler Block 8 Associates, L.L.C.	Town Center Block 8B Virginia Beach, VA	Armada/Hoffler Block 8 Associates, L.L.C.
3.25% interest in North Pointe Development Associates, L.L.C.	—	North Point Shopping Center (Bed Bath & Beyond and others) Durham, NC	North Point Development Associates, L.P.
1% interest in TCA Block 3, Inc.	—	Town Center Block 3 Virginia Beach, VA	Greenbrier Technology Center II Associates, L.L.C.
1% interest in TCA Block 8, Inc.	—	Town Center Block 8B Virginia Beach, VA	Armada/Hoffler Block B Associates, L.L.C.
10.0% interest in Broad Creek Ph. II, L.L.C.	—	Broad Creek Shopping Center Norfolk, VA	Broad Creek Ph. II, L.L.C.
8.0% interest in A/H Harrisonburg Regal, L.L.C.	—	Regal Cinemas Harrisonburg, VA	A/H Harrisonburg Regal L.L.C.
2.57465% interest in Town Center Block 10 Apartments, L.P.	—	Apartment Units and Retail Unit Town Center Condominium 10 Virginia Beach, VA	Town Center Block 10 Apartments, L.P.

Total Consideration:	$6,283,080.00
Consideration Election:	
Cash[3]:	$ 588,500
OP Units:	$5,625,000.00

Cash payable and deliverable to:

OP Units registered in the name of:

[*Signature Page Follows*]

[3] In the event that, at or prior to Closing, the OP has not arranged financing in the form of a credit facility or other debt financing in an amount sufficient to pay to Contributor at Closing the full amount of the cash consideration amount shown above, the OP may deliver to Contributor at Closing a promissory note payable by the OP to Contributor in a principal amount up to $21,580. The promissory note shall not bear interest, shall mature on the first anniversary of the date of issuance and may be prepaid by the OP at any time.

The undersigned hereby agrees that this Exhibit A represents the definitive Exhibit A to the Contribution Agreement and supersedes any and all prior versions.

CONTRIBUTOR:

RICKARD E. BURNELL

/s/ Rickard E. Burnell

By: Rickard E. Burnell

OPERATING PARTNERSHIP:

ARMADA HOFFLER, L.P., a Virginia limited partnership

By: Armada Hoffler Properties, Inc.,
its general partner

By: /s/ Louis S. Haddad

Name: Louis S. Haddad
Title: Chief Executive Officer and President

REIT:

ARMADA HOFFLER PROPERTIES, INC., a Maryland corporation

By: /s/ Louis S. Haddad

Name: Louis S. Haddad
Title: Chief Executive Officer and President

EXHIBIT B

Assignment

The undersigned, for good and valuable consideration paid to the Assignor by ARMADA HOFFLER, L.P., a Virginia limited partnership ("Assignee"), pursuant to the Contribution Agreement dated as of , 2013, by and between Assignor and Assignee (the "Agreement") and for other good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, does hereby sell, assign, transfer, convey and deliver to the Assignee, its successors and assigns, good and indefeasible right, title and interest to the **[partnership or limited liability company interests/shares of common stock]** described on *Schedule A* hereto, including, without limitation, all right, title and interest, if any, of the undersigned in and to the assets of each such **[partnership/limited liability company/corporation]** and the right to receive distributions of money, profits and other assets from each such partnership, presently existing or hereafter at any time arising or accruing, free and clear of all liens, encumbrances, security interests, pledges, voting agreements, prior assignments or conveyances, conditions, restrictions, claims, and any other matters affecting title thereto.

The undersigned, for itself, its successors and assigns, hereby covenants and agrees that, at any time and from time to time after the date hereof, upon the written request of Assignee, the undersigned will, without further consideration, do, execute, acknowledge, and deliver or cause to be done, executed, acknowledged and delivered, each of and all of such further acts, deeds, assignments, transfers, conveyances and assurances as may reasonably be required by Assignee in order to assign, transfer, set over, convey, assure and confirm unto and vest in Assignee, its successors and assigns, title to the interests described in *Schedule A* hereto

Capitalized terms used but not defined herein shall have the respective meanings ascribed to them in the Agreement.

IN WITNESS WHEREOF, the parties hereto have caused this Assignment to be signed by a duly authorized officer this day of , 2013.

, a

By: _____
Name:
Title:

Exhibit 10.24

CONTRIBUTION AGREEMENT

Chris A. Sanders

This CONTRIBUTION AGREEMENT (this "Agreement") is made as of January 25, 2013 by and among the undersigned persons and entities under the heading "Contributors" on the signature page of this Agreement (each, a "Contributor" and, if more than one Contributor, collectively, "Contributors"), Armada Hoffler, L.P., a Virginia limited partnership (the "Operating Partnership") and Armada Hoffler Properties, Inc., a Maryland corporation (the "REIT").

RECITALS

WHEREAS, Contributors are the record and beneficial owner of equity interests in the amount or percentage described on Exhibit A hereto (the "Contributed Interests") in each of the entities described in Exhibit A hereto (each, a "Contributed Entity" and collectively, the "Contributed Entities"), which are the direct or indirect owners of the respective properties or property entities described on Exhibit A hereto (each a "Property" and collectively, the "Properties"). Contributors desire to contribute the Contributed Interests to the Operating Partnership, and the Operating Partnership desires to acquire the Contributed Interests from Contributors, on the terms and conditions hereinafter set forth.

NOW, THEREFORE, for and in consideration of the foregoing, and the representations, warranties and other terms contained in this Agreement, and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties hereto, intending to be legally bound hereby, agree as follows:

ARTICLE I

THE CONTRIBUTION

1.1 Contribution of Contributed Interests. Each of the Contributors irrevocably agrees to contribute, transfer and assign at Closing (as defined herein) the Contributed Interests set forth opposite such Contributor's name on Exhibit A hereto, together with any other interests such Contributor may have in any of the Contributed Entities and any other properties or entities being acquired by the Operating Partnership as described in the Confidential Private Placement Memorandum for the Offering of Limited Partnership Interests of the Operating Partnership dated January 16, 2013 (the "PPM"), to the Operating Partnership, and the Operating Partnership agrees to accept transfer of the Contributed Interests and any such other interests pursuant to the terms and subject to the conditions set forth in this Agreement. The Contributed Interests shall be transferred to the Operating Partnership free and clear of all liens, encumbrances, security interests, pledges, voting agreements, prior assignments or conveyances, conditions, restrictions, claims, and any other matters affecting title thereto.

1.2 Consideration.

(a) Consideration Amount. The total consideration (the "Consideration") for which Contributors agree to contribute, transfer and assign the Contributed Interests to the

Operating Partnership, and for which the Operating Partnership agrees to pay, issue or deliver to Contributors, subject to the terms of this Agreement, at Closing (as defined herein) shall be the amount set forth on Exhibit A as "Total Consideration". The Consideration may be adjusted, upward or downward, by the amount of any adjustments arising from the Prorations (as defined herein). Any decrease to the amount of the Consideration will be deducted first from the cash portion of the Consideration, if any, and the balance will be deducted from the OP Units. Any increase in the Consideration as a result of the Prorations will be paid in cash. In addition to the Consideration set forth on Exhibit A hereto, Contributors shall be entitled to receive in cash, at Closing or shortly thereafter, Contributors' pro rata share (based on Contributors' direct or indirect ownership interest in each Property Entity) of any tenant improvement, leasing commission and replacement reserves held by lenders with respect to each Property in which Contributors own an interest.

(b) Election Form. The Consideration shall be payable in accordance with the election made by Contributors in the Consideration Election Form ("Election Form") accompanying the PPM, the results of which election are set forth on Exhibit A hereto. If, pursuant to the Election Form, Contributors (A) elected all or part of Contributors' consideration payable hereunder to be in the form of units of limited partnership interests of the Operating Partnership ("OP Units") and (B) submitted to the Operating Partnership (x) an executed Investor Questionnaire representing and warranting to the Operating Partnership that Contributor is an "accredited investor" as defined in the Investor Questionnaire and (y) any other documentation required by the Operating Partnership, including, but not limited to, a signature page to the Partnership Agreement (as hereinafter defined), Contributors shall receive an aggregate number of OP Units equal to the dollar amounts of the Consideration payable hereunder that Contributors have elected to receive in OP Units as set forth in the duly executed Election Form (the "Unit Election Percentage") divided by the IPO Price (as defined herein). The remainder of the Consideration, if any, will be payable in cash. Contributors agree that the cash payment shall be made and the OP Units shall be registered in the name of the persons or entities set forth on the Election Form. OP Units will only be delivered to a Contributor that has represented to the Operating Partnership that such Contributor is an "accredited investor". No fractional OP Units will be issued and OP Units will be rounded to the nearest whole number. The Consideration payable to a Contributor, whether in cash, in OP Units or a combination thereof, may be reduced by the amount the Operating Partnership reasonably determines must be withheld for tax purposes. The rights and obligations of holders of OP Units as of the Closing will be as set forth in the First Amended and Restated Agreement of Limited Partnership of the Operating Partnership (the "Partnership Agreement"), a draft copy of which is included as an exhibit to the PPM.

1.3 OP Units. Although initially the OP Units will not be certificated, certificates, if any, subsequently evidencing the OP Units will bear appropriate legends (i) indicating that the OP Units have not been registered under the Securities Act of 1933, as amended ("Securities Act"), (ii) indicating that the Partnership Agreement will restrict the transfer of the OP Units, and (iii) describing the ownership limitations and transfer restrictions imposed by the charter of the REIT with respect to shares of the REIT's common stock.

1.4 No Further Interest. Contributor acknowledges and agrees that effective upon the Closing, and without any further action by Contributor, the Contributed Interests shall be

transferred, assigned and conveyed to the Operating Partnership, or a subsidiary thereof, and Contributor shall no longer be an equity holder of any of the Contributed Entities, shall no longer be entitled to receive any distributions from any of the Contributed Entities, and shall have no further right, title or interest in any of the Contributed Interests, the Contributed Entities or the Property Entities.

1.5 Tax Consequences to Contributor. Notwithstanding anything to the contrary contained in this Agreement, including without limitation the use of words and phrases such as "sell," "sale," "purchase," and "pay," the parties hereto acknowledge, agree and consent that the transactions contemplated hereby will be treated for federal income tax purposes (i) in accordance with Section 721 of the Internal Revenue Code of 1986, as amended (the "Code") with respect to any portion of the Consideration that is payable in OP Units; (ii) as an "assets over form" of transaction pursuant to Treasury Regulations Section 1.708-1(c)(3)(i); and (iii) as a sale of the Contributor's Contributed Interests to the Operating Partnership under Treasury Regulations Section 1.708-1(c)(4) to the extent of the Contributor's receipt of cash Consideration pursuant to Section 1.2(a).

1.6 Definitions. As used in this Agreement, the following terms have the following meanings:

"Contributor's Percentage Interest" means, with respect to each Contributed Entity, the percentage set forth on Exhibit A hereto under the heading "Contributed Entity/Contributed Interest", which reflects the Contributor's percentage ownership interest in each Contributed Entity pursuant to and in accordance with the applicable Governing Agreement (as defined herein) of the Contributed Entity.

"IPO" means the underwritten initial public offering of common stock of the REIT.

"IPO Price" means the public offering price set forth on the front cover of the final prospectus for the IPO, as filed with the U.S. Securities and Exchange Commission (the "SEC").

"Property Entity" means an entity owning a Property, as set forth on Exhibit A hereto.

"Prorations" means those proration and adjustment amounts that are customarily applied to closings of commercial real estate transactions in the county in which the Property is located, which amounts shall be calculated as of midnight (Eastern time) of the day immediately preceding the Closing Date and shall include:

(A) Taxes. All real estate and personal property taxes and special assessments, if any, with respect to each Property shall be prorated at Closing;

(B) Utilities. All telephone, electric, sewer, water and other utility bills, trash removal bills, janitorial and maintenance service bills and all other expenses relating to a Property that are obligations of the Property Entity and which are allocable to the period prior to the Closing Date shall be determined and paid, or caused to be paid, by the Property Entity or Contributed Entity before Closing, if possible, or if such is not determinable before Closing, then the Parties shall use their commercially reasonable efforts to determine and pay such amounts as promptly

as possible following Closing and the Operating Partnership may withhold from any cash amount of the Consideration payable at Closing hereunder an amount of cash reasonably estimated to cover any estimated Proration for the items described in this subsection (B);

(C) Rents. All rents, including, without limitation, base rents, operating expense payments or common area maintenance charges and all other forms of additional rents, payable under the leases of the Property and all other income from the Property shall be prorated at Closing; and

(D) Other Items. Any other items of revenue, operating expenses or other items which are customarily prorated between a transferor and transferee of real estate in the county in which the Property is located shall be prorated at Closing.

"Representation, Warranty and Indemnity Agreement" means the Representation, Warranty and Indemnity Agreement by and among the REIT, the Operating Partnership and Daniel A. Hoffler.

ARTICLE II

REPRESENTATIONS AND WARRANTIES

2.1 Representations by the Operating Partnership. The Operating Partnership hereby represents and warrants to Contributors that the following statements are true, correct, and complete as of the date of this Agreement and will be true, correct and complete as of the Closing Date (as defined herein):

(a) Organization and Power. The Operating Partnership is duly organized, validly existing, and in good standing under the laws of the Commonwealth of Virginia, and has full right, power, and authority to enter into this Agreement and to assume and perform all of its obligations under this Agreement. The execution and delivery of this Agreement and the performance by the Operating Partnership of its obligations hereunder have been duly authorized by all requisite action of the Operating Partnership and require no further action or approval of the Operating Partnership's partners or of any other individuals or entities in order to constitute this Agreement as a binding and enforceable obligation of the Operating Partnership.

(b) OP Units Validly Issued. The OP Units, when issued in accordance with the terms of this Agreement and the Partnership Agreement, will have been duly and validly authorized and issued, free of any preemptive or similar rights, and will be fully paid, without any obligation to restore capital, except as required by the Virginia Revised Uniform Limited Partnership Act (the "Limited Partnership Act").

2.2 Representations by Contributors. Each Contributor hereby represents and warrants to the Operating Partnership that the following statements are true, correct, and complete as of the date of this Agreement and will be true, correct, and complete as of the Closing Date:

(a) Organization and Power; Due Authorization. Contributor, if an entity or trust, is duly incorporated, formed or organized, validly existing, and in good standing under the laws of its state of incorporation, formation or organization. Contributor has full right, power, and authority to enter into this Agreement and to assume and perform all of its obligations under this Agreement; and the execution and delivery of this Agreement and the performance by Contributor of its obligations hereunder have been duly authorized by all requisite action of Contributor and require no further action or approval of Contributor's members, partners, stockholders, managers, board of directors, trustees or of any other individuals or entities, as applicable, in order to constitute this Agreement as a binding and enforceable obligation of Contributor. No person has any community property rights, by virtue of marriage or otherwise, with respect to the Contributed Interests. This Agreement and each agreement, document and instrument executed and delivered by or on behalf of Contributor pursuant to this Agreement constitutes, or when executed and delivered will constitute, the legal, valid and binding obligation of Contributor, each enforceable against Contributor in accordance with its terms, except as such enforceability may be limited by bankruptcy or the application of equitable principles.

(b) Noncontravention. Neither the entry into nor the performance of, or compliance with, this Agreement by Contributor has resulted, or will result, in any violation of, or default under, or result in the acceleration of, any obligation under any charter, bylaws, limited liability company agreement, partnership agreement, declaration of trust, mortgage indenture, lien agreement, note, contract, agreement, permit, judgment, decree, order, restrictive covenant, statute, rule, or regulation applicable to Contributor or to any Contributed Interests, any Contributed Entity or any Property Entity.

(c) Litigation. There is no action, suit, or proceeding, pending or known to be threatened, against or affecting Contributor in any court or before any arbitrator or before any federal, state, municipal, or other governmental department, commission, board, bureau, agency or instrumentality which (1) in any manner raises any question affecting the validity or enforceability of this Agreement, (2) could materially and adversely affect the business, financial position, or results of operations of Contributor, any Contributed Entity, Property Entity or Property, (3) could adversely affect the ability of Contributor to perform its obligations hereunder, or under any document to be delivered pursuant hereto, (4) could create a lien on the Contributed Interests, any part thereof, or any interest therein, or (5) could adversely affect the Contributed Interests, any part thereof, or any interest therein.

(d) Good Title. Exhibit A accurately sets forth each Contributor's Percentage Interest. Contributor is the sole record and beneficial owner of the Contributed Interests and has full power and authority to convey the Contributed Interests pursuant to the terms of this Agreement. Contributor has good and marketable title to the Contributed Interests. Except as set forth on Schedule 2.1(d), the Contributed Interests are free and clear of all liens, encumbrances, security interests, pledges, voting agreements, prior assignments or conveyances, conditions, restrictions, claims or any other matters affecting title thereto and at the Closing will be contributed to the Operating Partnership free and clear of all liens, encumbrances, security interests, pledges, voting agreements, prior assignments or conveyances, conditions, restrictions, claims or other matters affecting title thereto. No other person or entity has an option to purchase or a right of first refusal to purchase the Contributed Interests nor are there any

agreements or understandings with respect to the voting, ownership or disposition of the Contributed Interests that could adversely affect Contributor's ability to perform its obligations hereunder or the Operating Partnership's rights to the Contributed Interests following the Closing.

(e) Contributed Interests. There are no rights to purchase, subscriptions, warrants, options, conversion rights or preemptive rights relating to the Contributed Interests or any equity interest in any Contributed Entity that will be in effect as of the Closing.

(f) No Consents. Each consent, approval, authorization, order, license, certificate, permit, registration, designation, or filing by or with any governmental agency or body necessary for the execution, delivery and performance of this Agreement or the transactions contemplated hereby by Contributor has been obtained or will be obtained on or before the Closing Date. Each consent or approval required under any Governing Agreement (as defined herein), contract or agreement of any Contributed Entity, or among the partners, members or stockholders of any Contributed Entity to which Contributor is a party, relating to indebtedness or otherwise, necessary for the execution, delivery and performance of this Agreement and the contribution, acquisition and transfer of the Contributed Interests has been obtained or will be obtained on or before the Closing Date.

(g) Actions Prior to Closing. From the date hereof until the Closing Date, Contributor shall not take any action or fail to take any action the result of which would (1) have a material adverse effect on the Contributed Interests or the Operating Partnership's ownership thereof, or any material adverse effect on the assets, business, condition (financial or otherwise), results or operation of any Property or any Contributed Entity or Property Entity after the Closing Date or (2) cause any of the representations and warranties contained in this Section 2.2 to be untrue as of the Closing Date.

(h) Governing Documents. Contributor has performed all of its obligations under the Limited Partnership Agreement, Limited Liability Company Agreement, Operating Agreement, Charter and Bylaws, as such may have been amended from time to time, as applicable, of each Contributed Entity in which it owns an interest, (each a "Governing Agreement" and collectively, the "Governing Agreements").

(i) Securities Law Matters.

(1) In deciding to engage in the transaction contemplated by this Agreement, including, if applicable, acquiring OP Units, neither Contributor nor any equity holder thereof is relying upon any representations made to it by the Operating Partnership, or any of its partners, officers, employees, or agents that are not contained herein. Contributor is aware of the risks involved in investing in the OP Units and in the securities issuable upon redemption of such OP Units. Contributor is knowledgeable, sophisticated and experienced in business and financial matters and fully understands the limitations on transfer imposed by the federal securities laws and as described in this Agreement and the PPM and related materials, including the Partnership Agreement. Contributor has received the PPM and related materials, including the Partnership Agreement, has reviewed all documents and has had an opportunity to ask questions of,

and to receive answers from, the Operating Partnership and the REIT or a person or persons authorized to act on their behalf, concerning the terms and conditions of an investment in the OP Units and the financial condition, affairs, and business of the Operating Partnership and the REIT. Contributor confirms that all documents, records, and information pertaining to its investment in OP Units that have been requested by Contributor have been made available or delivered to Contributor prior to the date hereof.

(2) Contributor understands and acknowledges that (i) certain of the information contained in the PPM is incomplete or may be revised, amended or supplemented in the registration statement to be filed by the REIT with the SEC in connection with the IPO and (ii) the financial information included in the PPM has not been audited, but will be audited prior to the REIT's filing of the registration statement with the SEC, and such information could change upon audit, and any such changes could be material.

(3) Contributor and each equity holder thereof understands that the offer and sale of OP Units have not been registered under the Securities Act or any state securities laws and are instead being offered and sold in reliance on an exemption from such registration requirements and that the Operating Partnership's reliance on such exemption is predicated in part on the accuracy and completeness of the representations and warranties of Contributor contained herein. The OP Units issuable to Contributor are being acquired by Contributor solely for its own account, for investment, and are not being acquired with a view to, or for resale in connection with, any distribution, subdivision, or fractionalization thereof, in violation of such laws, and Contributor does not have any present intention to enter into any contract, undertaking, agreement, or arrangement with respect to any such resale.

(4) Contributor is able to bear the economic risk of holding the OP Units for an indefinite period and is able to afford the complete loss of its investment in the OP Units.

(5) Contributor understands that no federal agency (including the SEC) or state agency has made or will make any finding or determination as to the fairness of an investment in the OP Units (including as to the value of the Consideration payable in OP Units in accordance with Section 1.2 hereof).

(6) Contributor understands that there is no established public, private or other market for the OP Units to be acquired by Contributor hereunder and it is not anticipated that there will be any public, private or other market for such OP Units in the foreseeable future.

(7) Contributor understands that Rule 144 promulgated under the Securities Act is not currently available with respect to the sale of OP Units.

(j) Accredited Investor. If Contributor is electing to receive OP Units as some or all of the Consideration, Contributor is an "accredited investor", as that term is defined in Rule 501 of Regulation D under the Securities Act, and has previously provided the Operating

Partnership and the REIT with a duly executed questionnaire confirming Contributor's accredited investor status. No event or circumstance has occurred since delivery of such questionnaire to make the statements therein false or misleading.

(k) Tax Matters. Contributor represents and warrants that it has obtained from its own counsel advice regarding the tax consequences of (i) the transfer of the Contributed Interests to the Operating Partnership and the receipt of OP Units and/or cash as the Consideration therefor, (ii) its admission as a limited partner of the Operating Partnership, if applicable and (iii) any other transaction contemplated by this Agreement. Neither the Operating Partnership nor the REIT has made any representation to Contributor regarding the tax treatment of the transactions contemplated by this Agreement, and Contributor further represents and warrants that it has not relied on the Operating Partnership or the Operating Partnership's representatives or counsel for any tax advice.

(l) Bankruptcy with respect to Contributor. No Act of Bankruptcy has occurred with respect to Contributor. As used herein, "Act of Bankruptcy" means if Contributor or any equity holder, partner, manager or director thereof shall (A) apply for or consent to the appointment of, or the taking of possession by, a receiver, custodian, trustee or liquidator of itself or of all or a substantial part of its property, (B) admit in writing its inability to pay its debts as they become due, (C) make a general assignment for the benefit of its creditors, (D) file a voluntary petition or commence a voluntary case or proceeding under the Federal Bankruptcy Code (as now or hereafter in effect), (E) be adjudicated bankrupt or insolvent, (F) file a petition seeking to take advantage of any other law relating to bankruptcy, insolvency, reorganization, receivership, dissolution, winding-up or composition or adjustment of debts, (G) fail to controvert in a timely and appropriate manner, or acquiesce in writing to, any petition filed against it in an involuntary case or proceeding under the Federal Bankruptcy Code (as now or hereafter in effect), or (H) take any entity action for the purpose of effecting any of the foregoing.

(m) Brokerage Commission. Contributor has not engaged the services of any real estate agent, broker, finder or any other person or entity for any brokerage or finder's fee, commission or other amount with respect to the transactions described herein.

(n) No Other Equity Interests. Except for the Contributed Interests, neither Contributor nor any of its affiliates owns, directly or indirectly, any equity interest in any partnership, limited liability company, corporation, trust or other entity owning a property being acquired by the Operating Partnership as part of the formation transactions described in the PPM and does not own any interest in any Property other than through the Contributed Interests.

ARTICLE III

INDEMNIFICATION

3.1 Survival of Representations and Warranties; Remedy for Breach.

(a) Subject to Section 3.5 hereof, all representations and warranties of Contributor contained in this Agreement or in any Schedule, Exhibit, certificate or affidavit delivered pursuant to this Agreement shall survive the Closing.

(b) Subject to Section 3.4 hereof, following the Closing, each Contributor shall be liable under this Agreement for monetary damages (or otherwise) for breach of any of its representations, warranties, covenants and obligations contained in this Agreement or in any Schedule, Exhibit, certificate or affidavit delivered by Contributor pursuant thereto.

3.2 General Indemnification.

(a) From and after the Closing Date, each Contributor shall indemnify, hold harmless and defend the Operating Partnership and the REIT, and their respective officers, directors, employees, stockholders, partners, agents and affiliates (each of which is an "Indemnified Party"), from and against any and all claims, losses, damages, liabilities and expenses, including, without limitation, interest, penalties, amounts paid in settlement, reasonable attorneys' fees, costs of investigation, judicial or administrative proceedings or appeals therefrom and costs of attachment or similar bonds (collectively, "Losses") asserted against, imposed upon or incurred by the Indemnified Party, to the extent resulting from any breach of a representation, warranty or covenant of Contributor contained in this Agreement, or in any Schedule, Exhibit, certificate or affidavit delivered by Contributor pursuant thereto. In each case, Contributor shall only bear the fees, costs or expenses in connection with the employment of one counsel (regardless of the number of Indemnified Parties).

(b) Each Contributor shall also indemnify and hold harmless the Indemnified Parties from and against any and all Losses asserted against, imposed upon or incurred by the Indemnified Parties to the extent resulting from an unrelated third-party claim relating to the Contributed Interests arising from matters that occurred prior to Closing.

(c) With respect to any claim of an Indemnified Party pursuant to this Section 3.2, to the extent available, the Operating Partnership agrees to use diligent good faith efforts to pursue and collect any and all available proceeds and benefits of any right to defense under any insurance policy that covers the matter which is the subject of the indemnification prior to seeking indemnification from Contributor until all proceeds and benefits, if any, to which the Operating Partnership or the Indemnified Party is entitled pursuant to such insurance policy have been exhausted; provided, however, that the Operating Partnership may make a claim under this Section 3.2 even if an insurance coverage dispute is pending, in which case, if the Indemnified Party later receives insurance proceeds with respect to any Losses paid by either Contributor for the benefit of any Indemnified Party, then the Indemnified Party shall reimburse Contributor in an amount equivalent to such proceeds in excess of any deductible amount pursuant to Section 3.2(a) hereof up to the amount actually paid (or deemed paid) by Contributor to the Indemnified Party in connection with such indemnification (it being understood that all costs and expenses incurred by Contributor with respect to insurance coverage disputes shall constitute Losses paid by Contributor for purposes of Section 3.2(a) hereof).

3.3 Notice and Defense of Claims. As soon as reasonably practicable after receipt by the Indemnified Party of notice of any liability or claim incurred by or asserted against the

Indemnified Party that is subject to indemnification under this Article III, the Indemnified Party shall give notice thereof to Contributor, including liabilities or claims to be applied against the indemnification deductible established pursuant to Section 3.4 hereof; provided that failure to give notice to Contributor will not relieve Contributor from any liability that it may have to any Indemnified Party, unless, and only to the extent that, such failure (a) shall have caused prejudice to the defense of such claim or (b) shall have materially increased the costs or potential liability of Contributor by reason of the inability or failure of Contributor (due to such lack of prompt notice) to be involved in any investigations or negotiations regarding any such claim. Such notice shall describe in reasonable detail the facts known to such Indemnified Party giving rise to such claim, and the amount or good faith estimate of the amount of Losses arising therefrom. Unless prohibited by law, such Indemnified Party shall deliver to Contributor, promptly after such Indemnified Party's receipt thereof, copies of all notices and documents received by such Indemnified Party relating to such claim. The Indemnified Party shall permit Contributor, at Contributor's option and expense, to assume the defense of any such claim by counsel selected by Contributor and reasonably satisfactory to the Indemnified Party, and to settle or otherwise dispose of the same; provided, however, that the Indemnified Party may at all times participate in such defense at its sole expense; and provided further, however, that Contributor shall not, in defense of any such claim, except with the prior written consent of the Indemnified Party in its sole and absolute discretion, consent to the entry of any judgment or enter into any settlement that does not include as an unconditional term thereof the giving by the claimant or plaintiff in question to all Indemnified Parties a full and complete release of all liabilities in respect of such claims, or that does not result only in the payment of money damages which are paid (or deemed paid) in full by Contributor. If Contributor shall not have undertaken such defense within 20 days after such notice, or within such shorter time as may be reasonable under the circumstances to the extent required by applicable law, then the Indemnified Party shall have the right to undertake the defense, compromise or settlement of such liability or claim on behalf of and for the account of Contributor and at Contributor's sole cost and expense (subject to the limitations in Section 3.4 hereof).

3.4 Limitations on Indemnification Under Section 3.2(a).

(a) Contributors shall not be liable under Section 3.2(a) hereof unless and until the total amount recoverable by the Indemnified Parties under Section 3.2(a) exceeds one percent (1%) of the value of the aggregate Consideration (valuing OP Units at the IPO Price) and then only to the extent of such excess.

(b) Notwithstanding anything contained herein to the contrary, before taking recourse against any assets of Contributor and subject to the limitations set forth in the following sentence, the Indemnified Parties shall look, first to available insurance proceeds (including without limitation any title insurance proceeds, if applicable) pursuant to Section 3.2(c) above, and then to indemnification under this Article III, (and agree to treat any return of OP Units in satisfaction of indemnification obligations hereunder as an adjustment to the consideration delivered to Contributor pursuant to the Formation Transactions). Notwithstanding anything to the contrary in this Agreement, except in the case of fraud or in the event of Losses relating to a third-party claim, Contributor shall not be liable to the Indemnified Parties for any indirect, special or consequential damages, loss of profits, taxes relating to tax years beginning on or after Closing, loss of value or other similar speculative damages asserted or claimed by the Indemnified Parties.

(c) The limitations in this Section 3.4 shall not apply to any obligations of Contributor with respect to Prorations under this Agreement.

3.5 Limitation Period.

(a) Any claim for indemnification under Section 3.2 hereof must be asserted in writing by the Indemnified Party, stating the nature of the Losses and the basis for indemnification therefor on or prior to the fifth (5th) anniversary of the Closing.

(b) If asserted in writing on or prior to the date specified in Section 3.5(a) hereof for the applicable claim, any claims for indemnification pursuant to Section 3.2 hereof shall survive until resolved by mutual agreement between Contributor and the Indemnified Party or by arbitration or court proceeding.

3.6 Delivery of Indemnity Amounts. Indemnity payments may be made by Contributor in the form of cash or OP Units. To the extent indemnification is made through delivery by Contributor of OP Units, such OP Units shall be valued at an amount per OP Unit equal to the IPO Price. Contributor hereby authorizes the REIT, as general partner of the Operating Partnership, to take all such action as may be necessary to amend the Partnership Agreement, and any exhibits or schedules thereto, to reflect the delivery of any OP Units by Contributor to the Operating Partnership as an indemnification payment hereunder and to reflect that Contributor has no further right, title or interest with respect to any such OP Units.

ARTICLE IV

COVENANTS

4.1 Covenants of the Contributors.

(a) Satisfaction of Conditions. Each Contributor hereby covenants that Contributor shall: (A) use commercially reasonable efforts and diligence in order to satisfy all of the conditions to Closing set forth herein, and (B) cooperate and assist in the Operating Partnership's efforts to satisfy all of the conditions to Closing set forth herein, and agrees that the Operating Partnership shall not have any obligation to consummate the Closing hereunder unless and until such conditions have been satisfied or waived by the Operating Partnership in writing.

(b) Consent to Transfers. Each Contributor hereby consents to the transfer of, and waives any rights of first refusal, right of first offer, buy-sell agreements, put, option or similar parallel or dissenter rights or similar rights afforded to Contributor under the Governing Agreements or otherwise with respect to any equity ownership interest in any Contributed Entity, Property Entity or Property or any other company or property being contributed or transferred to the Operating Partnership pursuant to a separate contribution or other agreement or as otherwise described in the PPM.

(c) No Disposition or Encumbrance of Contributed Interests. From the date hereof through the Closing, except as specifically contemplated by this Agreement, no Contributor shall, without the prior written consent of the Operating Partnership: (i) sell, transfer (or agree to sell or transfer) or otherwise dispose of, or cause the sale, transfer or disposition of (or agree to do any of the foregoing) all or any portion of its interest in the Contributed Interests or all or any portion of its interest in any Property Partnership or Property; or (ii) mortgage, assign, pledge or otherwise encumber in any manner the Contributed Interests.

(d) Ordinary Course of Business. From the date hereof through the Closing, and except as specifically contemplated by this Agreement, each Contributor shall, to the extent within its control, cause each Contributed Entity, subsidiary and Property Entity to conduct its business in the ordinary course of business consistent with past practice, and shall, to the extent within its control, not permit any Contributed Entity, any subsidiary or any Property Entity without the prior written consent of the Operating Partnership, to: (i) enter into any material transaction not in the ordinary course of business; (ii) mortgage, pledge or encumber any assets of the Contributed Entity, any subsidiary, any Property Entity or any Property, (iii) cause or permit any Property Entity to change the existing use of any Property; (iv) cause or take any action that would render any of the representations or warranties set forth herein untrue; (v) file an entity classification election pursuant to Treasury Regulations Section 301.7701-3(c) on Internal Revenue Service Form 8832 (Entity Classification Election) to treat the Contributed Entity as an association taxable as a corporation for federal income tax purposes; (vi) make or change any other tax elections; (vii) settle or compromise any claim, notice, audit report or assessment in respect of taxes; (viii) change any annual tax accounting period; (ix) adopt or change any method of tax accounting; (x) file any amended return, report or form (including an election, declaration, amendment, schedule, information return or attachment thereto) required to be filed with a governmental authority with respect to taxes (each, a "Tax Return"); (xi) enter into any tax allocation agreement, tax sharing agreement, tax indemnity agreement or closing agreement relating to any tax; (xii) surrender of any right to claim a tax refund; (xiii) consent to any extension or waiver of the statute of limitations period applicable to any tax claim or assessment; or (xiv) make any distribution to its partners or members, except for cash distributions in the ordinary course of business consistent with past practices or as permitted by this Agreement.

4.2 Tax Covenants.

(a) Each Contributor and the Operating Partnership shall provide each other with such cooperation and information relating to any of the Contributed Interests, the Contributed Entities, their subsidiaries, the Property Entities or the Properties as the parties reasonably may request in (i) filing any Tax Return, amended Tax Return or claim for tax refund, (ii) determining any liability for taxes or a right to a tax refund, (iii) conducting or defending any proceeding in respect of taxes, or (iv) performing tax diligence, including with respect to the impact of this transaction on the REIT's tax status as a REIT. Such reasonable cooperation shall include making employees available on a mutually convenient basis to provide additional information and explanation of any material provided hereunder. The Operating Partnership shall promptly notify Contributor upon receipt by the Operating Partnership or any of its affiliates of notice of (i) any pending or threatened tax audits or assessments with respect to the income, properties or operations of any of the Contributed Entities, their subsidiaries, the

Property Entities or their subsidiaries or with respect to any Property and (ii) any pending or threatened federal, state, local or foreign tax audits or assessments of the Operating Partnership or any of its affiliates, in each case, which may affect the liabilities for taxes of Contributor with respect to any tax period ending before or as a result of the Closing. Each Contributor shall promptly notify the Operating Partnership in writing upon receipt by Contributor or any of its affiliates of notice of any pending or threatened federal, state, local or foreign tax audits or assessments relating to the income, properties or operations of any of the Contributed Entities, the Property Entities or their subsidiaries or with respect to any Property. Each of the Operating Partnership and Contributors may participate at its own expense in the prosecution of any claim or audit with respect to taxes attributable to any taxable period ending on or before the Closing Date; provided, that a Contributor shall have the right to control the conduct of any such audit or proceeding or portion thereof for which such Contributor has acknowledged liability (except as a partner of the Operating Partnership) for the payment of any additional tax liability, and the Operating Partnership shall have the right to control any other audits and proceedings. Notwithstanding the foregoing, neither the Operating Partnership nor a Contributor may settle or otherwise resolve any such claim, suit or proceeding which could have an adverse tax effect on the other party or its affiliates (other than on a Contributor or any of its affiliates as a partner of the Operating Partnership) without the consent of the other party, such consent not to be unreasonably withheld. Each Contributor and the Operating Partnership shall retain all Tax Returns, schedules and work papers with respect to the Contributed Entities, the Property Entities, their subsidiaries, and the Properties, and all material records and other documents relating thereto, until the expiration of the statute of limitations (and, to the extent notified by any party, any extensions thereof) of the taxable years to which such Tax Returns and other documents relate and until the final determination of any tax in respect of such years.

(b) The Operating Partnership shall prepare or cause to be prepared and file or cause to be filed all Tax Returns of the Contributed Entities, the Property Entities or their subsidiaries and their subsidiaries that are due after the Closing Date. To the extent such returns relate to a period ending on or prior to the Closing Date, such Tax Returns (including, for the avoidance of doubt, any amended Tax Returns) shall be prepared in a manner consistent with past practice, except as otherwise required by applicable law.

(c) For purposes of allocating items of income, gain, loss and deduction with respect to the Property and/or the Contributed Interests in the manner required by Section 704(c) of the Code, the Operating Partnership shall employ, and shall cause any entity controlled by the Operating Partnership which holds title to the Property or the Contributed Interests to employ, the “traditional method” (without curative allocations) as set forth in Treasury Regulations section 1.704-3(b)(1).

4.3 Relationship to Contributed Entities. Contributors and the Operating Partnership acknowledge and agree that, from and after the Closing (as defined herein), Contributors shall no longer be a member, partner, stockholder or equity owner, or, if applicable, managing member or general partner, of any Contributed Entity and shall have no rights or benefits under any Governing Agreement.

ARTICLE V

CONDITIONS PRECEDENT TO THE CLOSING

5.1 Conditions to the Operating Partnership's Obligation. In addition to any other conditions set forth in this Agreement, the Operating Partnership's obligation to consummate the Closing is subject to the timely satisfaction of each and every one of the conditions and requirements set forth in this Section 5.1, all of which shall be conditions precedent to the Operating Partnership's obligations under this Agreement.

(a) IPO. The IPO, in such form and substance as the REIT, in its sole and absolute discretion, shall have determined to be acceptable, shall have been completed (or be completed simultaneously with the Closing).

(b) Formation Transactions. The formation transactions described in the PPM shall have occurred or be scheduled to occur contemporaneously with the Closing hereunder.

(c) Representations and Warranties. The representations and warranties made by each Contributor pursuant to this Agreement, as well as those contained in the Representation, Warranty and Indemnity Agreement, shall be true and correct as of the Closing as though such representations and warranties were made at the Closing and, if requested by the Operating Partnership, each Contributor shall have delivered a certificate to the Operating Partnership to such effect in regard to Contributor's representations and warranties set forth in this Agreement.

(d) Performance. Each Contributor shall have performed and complied with all agreements and covenants that it is required to perform or comply with pursuant to this Agreement prior to the Closing, including having delivered each of the items set forth in Section 5.2 hereof.

(e) Legal Proceedings. No order, statute, rule, regulation, executive order, injunction, stay, decree, or restraining order shall have been enacted, entered, promulgated or enforced by any court of competent jurisdiction or governmental entity that restrains, prohibits or otherwise invalidates the consummation of the transactions contemplated by this Agreement, and no litigation or governmental proceeding seeking such an order shall be pending or threatened.

(f) Consents and Approvals. All necessary approvals and consents of governmental and private parties, including, without limitation, all ground lessors, tenants, other parties to service contracts, lenders and ratings agencies, partners, members or stockholders of any Contributed Entity, Property Entity or their subsidiaries, to effect the transactions contemplated by this Agreement, shall have been obtained.

(g) Reliance on Regulation D. If a Contributor has elected to receive OP Units, the Operating Partnership shall, based on the advice of its counsel and the representations made by Contributor in Contributor's Investor Questionnaire, be reasonably satisfied that the issuance of OP Units to Contributor may be made without registration under the Securities Act in reliance on Regulation D under the Securities Act.

(h) Representation, Warranty and Indemnity Agreement. Daniel A. Hoffler and each other party thereto shall have entered into the Representation, Warranty and Indemnity Agreement.

(i) No Material Adverse Change. There shall have not occurred between the date hereof and the Closing Date any material adverse change with respect to any of the Contributed Interests or any material adverse change in any of the assets, business, condition (financial or otherwise), results of operation or prospects of any Property, any Property Entity or any Contributed Entity.

(j) Tenant and Lender Estoppels. The Operating Partnership shall have received tenant and lender estoppels in form and substance satisfactory to the Operating Partnership and its counsel.

5.2 Conditions to Contributor's Obligation. In addition to any other conditions set forth in this Agreement, Contributor's obligation to consummate the Closing is subject to the timely satisfaction of each and every one of the conditions and requirements set forth in this Section 5.2, all of which shall be conditions precedent to Contributor's obligations under this Agreement.

(a) Representations and Warranties. The representations and warranties made by the Operating Partnership pursuant to this Agreement shall be true and correct as of the Closing as though such representations and warranties were made at the Closing.

(b) Performance. The Operating Partnership shall have performed and complied in all material respects with all agreements and covenants that it is required to perform or comply with pursuant to this Agreement prior to the Closing.

(c) Legal Proceedings. No order, statute, rule, regulation, executive order, injunction, stay, decree, or restraining order shall have been enacted, entered, promulgated or enforced by any court of competent jurisdiction or governmental entity that prohibits the consummation of the transactions contemplated by this Agreement, and no litigation or governmental proceeding seeking such an order shall be pending or threatened.

ARTICLE VI

CLOSING AND CLOSING DOCUMENTS

6.1 Closing. The consummation and closing (the "Closing") of the transactions contemplated pursuant to this Agreement shall take place at the offices of Hunton & Williams LLP in Richmond, Virginia, or such other place as the Operating Partnership may designate, promptly following satisfaction of the conditions to Closing set forth herein (the "Closing Date"), or as otherwise set by agreement of the parties; provided, however, termination shall not relieve any party from a breach occurring prior to that date.

6.2 Contributor's Deliveries. At the Closing, Contributors shall deliver the following to the Operating Partnership in addition to all other items required to be delivered to the Operating Partnership by Contributors:

(a) Assignment of Contributed Interests. Each Contributor shall have executed and delivered an Assignment, in substantially the form of Exhibit B attached hereto.

(b) Execution of Partnership Agreement. If a Contributor has elected to receive OP Units, signature pages of the Partnership Agreement (which Partnership Agreement shall be in substantially the form attached as an exhibit to the PPM) duly executed by Contributor, as limited partner.

(c) FIRPTA Certificate. An affidavit from each Contributor certifying pursuant to Section 1445 of the Internal Revenue Code that Contributor is not a foreign corporation, foreign partnership, foreign trust, foreign estate or foreign person (as those terms are defined in the Code and the Treasury Regulations promulgated thereunder).

(d) Other Documents. Any other document or instrument reasonably requested by the Operating Partnership or required hereby.

6.3 Default Remedies. If a Contributor defaults in performing any of Contributor's obligations under this Agreement, the Operating Partnership shall have all rights and remedies available to it at law or in equity resulting from Contributor's default, including without limitation, the right to seek specific performance of this Agreement and Contributor's obligation to convey the Contributed Interests to the Operating Partnership hereunder. The parties acknowledge and agree that the failure of a condition precedent to occur, notwithstanding the good faith and commercially reasonable efforts of the applicable party, shall not be a default hereunder.

ARTICLE VII

MISCELLANEOUS

7.1 Notices. Any notice provided for by this Agreement and any other notice, demand, or communication required hereunder shall be in writing and either delivered in person (including by confirmed facsimile transmission) or sent by hand delivered against receipt or sent by recognized overnight delivery service or by certified or registered mail, postage prepaid, with return receipt requested. All notices shall be addressed as follows:

Operating Partnership:

c/o Armada Hoffler Properties, Inc.
222 Central Park Avenue, Suite 2100,
Virginia Beach, Virginia 23462
Attention: A. Russell Kirk
Fax No.: 757-424-2513

with a copy to (which shall not constitute notice):

Hunton & Williams LLP
Riverfront Plaza, East Tower
951 E. Byrd Street
Richmond, Virginia 23219
Attention: David C. Wright
Fax No.: 804-343-4580

and

Faggert & Frieden, P.C.
222 Central Park Avenue, Suite 1300
Virginia Beach, Virginia 23462
Attention: David Y. Faggert
Fax No.: 757-424-0102

Contributors:

Chris A. Sanders
1620 Duke of Windsor Street
Virginia Beach, Virginia 23454

Any address or name specified above may be changed by a notice given by the addressee to the other party. Any notice, demand or other communication shall be deemed given and effective as of the date of delivery in person or set forth on the return receipt. The inability to deliver because of changed address of which no notice was given, or rejection or other refusal to accept any notice, demand or other communication, shall be deemed to be receipt of the notice, demand or other communication as of the date of such attempt to deliver or rejection or refusal to accept.

7.2 Entire Agreement; Third-Party Beneficiaries. This Agreement, including, without limitation, the exhibits hereto and thereto, constitute the entire agreement and supersede each prior agreement and understanding, whether written or oral, among the parties regarding the subject matter of this Agreement. This Agreement is not intended to confer any rights or remedies on any Person other than the parties hereto.

7.3 Amendment. This Agreement may not be amended except by an instrument in writing signed on behalf of each of the parties hereto.

7.4 Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the Commonwealth of Virginia, without regard to the conflicts of law rules thereof.

7.5 Counterparts. This Agreement may be executed by the parties hereto in separate counterparts, each of which when so executed and delivered shall be an original, but all such counterparts shall together constitute one and the same instrument. Each counterpart may consist of a number of copies hereof, each signed by less than all, but together signed by all of the parties hereto. Each party may rely upon the facsimile or electronic pdf email signature of any other party as if such signature were an original signature.

7.6 Headings. Headings of the Articles and Sections of this Agreement are for the convenience of the parties only, and shall be given no substantive or interpretive effect whatsoever.

7.7 Incorporation. All Exhibits attached hereto and referred to herein are hereby incorporated herein and made a part hereof for all purposes as if fully set forth herein.

7.8 Severability. Any term or provision of this Agreement which is invalid or unenforceable in any jurisdiction shall, as to that jurisdiction, be ineffective to the extent of such invalidity or unenforceability without rendering invalid or unenforceable the remaining terms and provisions of this Agreement or affecting the validity or enforceability of any of the terms or provisions of this Agreement in any other jurisdiction. If any provision of this Agreement is so broad as to be unenforceable, the provision shall be interpreted to be only so broad as is enforceable.

7.9 Waiver of Conditions. The conditions to each party's obligations hereunder are for the sole benefit of such party and may be waived by such party in whole or in part to the extent permitted by applicable law.

7.10 Dispute Resolution. The parties intend that this Section 7.1010 will be valid, binding, enforceable, exclusive and irrevocable and that it shall survive any termination of this Agreement.

(a) Upon any dispute, controversy or claim arising out of or relating to this Agreement or the enforcement, breach, termination or validity thereof ("Dispute"), the party raising the Dispute will give written notice to the other parties to the Dispute describing the nature of the Dispute following which the parties to such Dispute shall attempt for a period of ten (10) Business Days from receipt by the parties of notice of such Dispute to resolve such Dispute by negotiation between representatives of the parties hereto who have authority to settle such Dispute. All such negotiations shall be confidential and any statements or offers made therein shall be treated as compromise and settlement negotiations for purposes of any applicable rules of evidence and shall not be admissible as evidence in any subsequent proceeding for any purpose. The statute of limitations applicable to the commencement of a lawsuit shall apply to the commencement of an arbitration hereunder, except that no defense based on the running of the statute of limitations will be available based upon the passage of time during any such negotiation. Regardless of the foregoing, a party shall have the right to seek immediate injunctive relief pursuant to clause (c) below without regard to any such ten (10) Business Day negotiation period.

(b) Any Dispute (including the determination of the scope or applicability of this Agreement to arbitrate) that is not resolved pursuant to clause (a) above shall be submitted to final and binding arbitration in Virginia Beach, Virginia before one neutral and impartial arbitrator, in accordance with the laws of the Commonwealth of Virginia for agreements made in and to be performed in Virginia. The arbitration shall be administered by JAMS, Inc. ("JAMS") pursuant to its Comprehensive Arbitration Rules and Procedures, as in effect on the date hereof. The parties hereto shall appoint one arbitrator within fifteen (15) days of a demand for arbitration. If an arbitrator is not appointed within such 15-day period, the arbitrator shall be

appointed by JAMS in accordance with its Comprehensive Arbitration Rules and Procedures, as in effect on the date hereof. The arbitrator shall designate the place and time of the hearing. The hearing shall be scheduled to begin as soon as practicable and no later than sixty (60) days after the appointment of the arbitrator (unless such period is extended by the arbitrator for good cause shown) and shall be conducted as expeditiously as possible. The award, which shall set forth the arbitrator's findings of fact and conclusions of law, shall be filed with JAMS and mailed to the parties no later than thirty (30) days after the close of the arbitration hearing. The arbitration award shall be final and binding on the parties and not subject to collateral attack. Judgment upon the arbitration award may be entered in any federal or state court having jurisdiction thereof.

(c) Notwithstanding the parties' agreement to submit all Disputes to final and binding arbitration before JAMS, the parties shall have the right to seek and obtain temporary or preliminary injunctive relief in any court having jurisdiction thereof. Such courts shall have authority to, among other things, grant temporary or provisional injunctive relief in order to protect any party's rights under this Agreement. Without prejudice to such provisional remedies as may be available under the jurisdiction of a court, the arbitral tribunal shall have full authority to grant provisional remedies and to direct the parties to request that any court modify or vacate any temporary or preliminary relief issued by such court, and to award damages for the failure of any party to respect the arbitral tribunal's orders to that effect.

(d) The prevailing party shall be entitled to recover its costs and reasonable attorneys' fees, and the non-prevailing party shall pay all expenses and fees of JAMS, all costs of the stenographic record, all expenses of witnesses or proofs that may have been produced at the direction of the arbitrator, and the fees, costs and expenses of the arbitrator. The arbitrator shall allocate such costs and designate the prevailing party or parties for these purposes.

[*Signature Page Follows.*]

IN WITNESS WHEREOF, this Agreement has been entered into effective as of the date first written above.

CONTRIBUTORS:

CHRIS A. SANDERS

By: /s/ Chris A. Sanders
Name: Chris A. Sanders
Title:

OPERATING PARTNERSHIP:

ARMADA HOFFLER, L.P., a Virginia limited partnership

By: Armada Hoffler Properties, Inc.,
its general partner

By: /s/ Louis S. Haddad
Name: Louis S. Haddad
Title: Chief Executive Officer and President

REIT:

ARMADA HOFFLER PROPERTIES, INC., a Maryland corporation

By: /s/ Louis S. Haddad
Name: Louis S. Haddad
Title: Chief Executive Officer and President

EXHIBIT A

Contributor – Chris A. Sanders

CONTRIBUTED ENTITY/ CONTRIBUTED INTEREST	PROPERTY	PROPERTY ENTITY
0.04% interest in Broad Creek Ph. II, LLC	Broad Creek Shopping Center Norfolk, VA	Broad Creek Ph. II, L.L.C.
4.0% interest in Armada/Hoffler Charleston Associates, L.P.	Gainsborough Square Chesapeake, VA	Armada Hoffler Charleston Associates, L.P.
3.0% interest in Ferrell Parkway Associates, L.L.C.	Parkway Marketplace Virginia Beach, VA	Ferrell Parkway Associates, L.L.C.
3.03158% interest in A/H Harrisonburg Regal, L.L.C.	Harrisonburg Regal Chesapeake, VA	A/H Harrisonburg Regal, L.L.C.

Total Consideration:	$	349,000.00
Consideration Election:		
Cash:	$	0
OP Units:	$	349,000.00
Cash payable and deliverable to:		N/A
OP Units registered in the name of:		Chris A. Sanders

The undersigned hereby agrees that this Exhibit A represents the definitive Exhibit A to the Contribution Agreement and supersedes any and all prior versions.

CONTRIBUTOR:

CHRIS A. SANDERS

/s/ Chris A. Sanders
By: Chris A. Sanders

OPERATING PARTNERSHIP:

ARMADA HOFFLER, L.P., a Virginia limited partnership

By: Armada Hoffler Properties, Inc.,
its general partner

By: /s/ Louis S. Haddad
Name: Louis S. Haddad
Title: Chief Executive Officer and President

REIT:

ARMADA HOFFLER PROPERTIES, INC., a Maryland corporation

By: /s/ Louis S. Haddad
Name: Louis S. Haddad
Title: Chief Executive Officer and President

EXHIBIT B

Assignment

The undersigned, for good and valuable consideration paid to the Assignor by ARMADA HOFFLER, L.P., a Virginia limited partnership ("Assignee"), pursuant to the Contribution Agreement dated as of , 2013, by and between Assignor and Assignee (the "Agreement") and for other good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, does hereby sell, assign, transfer, convey and deliver to the Assignee, its successors and assigns, good and indefeasible right, title and interest to the **[partnership or limited liability company interests/shares of common stock]** described on *Schedule A* hereto, including, without limitation, all right, title and interest, if any, of the undersigned in and to the assets of each such **[partnership/limited liability company/corporation]** and the right to receive distributions of money, profits and other assets from each such partnership, presently existing or hereafter at any time arising or accruing, free and clear of all liens, encumbrances, security interests, pledges, voting agreements, prior assignments or conveyances, conditions, restrictions, claims, and any other matters affecting title thereto.

The undersigned, for itself, its successors and assigns, hereby covenants and agrees that, at any time and from time to time after the date hereof, upon the written request of Assignee, the undersigned will, without further consideration, do, execute, acknowledge, and deliver or cause to be done, executed, acknowledged and delivered, each of and all of such further acts, deeds, assignments, transfers, conveyances and assurances as may reasonably be required by Assignee in order to assign, transfer, set over, convey, assure and confirm unto and vest in Assignee, its successors and assigns, title to the interests described in *Schedule A* hereto

Capitalized terms used but not defined herein shall have the respective meanings ascribed to them in the Agreement.

IN WITNESS WHEREOF, the parties hereto have caused this Assignment to be signed by a duly authorized officer this day of , 2013.

_____, a

_____ _____

By: _____

Name:
Title:

Exhibit 10.27

CONTRIBUTION AGREEMENT

DIAN, LLC

This CONTRIBUTION AGREEMENT (this "Agreement") is made as of January 28, 2013 by and among the undersigned persons and entities under the heading "Contributors" on the signature page of this Agreement (each, a "Contributor" and, if more than one Contributor, collectively, "Contributors"), Armada Hoffler, L.P., a Virginia limited partnership (the "Operating Partnership") and Armada Hoffler Properties, Inc., a Maryland corporation (the "REIT").

RECITALS

WHEREAS, Contributors are the record and beneficial owner of equity interests in the amount or percentage described on Exhibit A hereto (the "Contributed Interests") in each of the entities described in Exhibit A hereto (each, a "Contributed Entity" and collectively, the "Contributed Entities"), which are the direct or indirect owners of the respective properties or property entities described on Exhibit A hereto (each a "Property" and collectively, the "Properties"). Contributors desire to contribute the Contributed Interests to the Operating Partnership, and the Operating Partnership desires to acquire the Contributed Interests from Contributors, on the terms and conditions hereinafter set forth.

NOW, THEREFORE, for and in consideration of the foregoing, and the representations, warranties and other terms contained in this Agreement, and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties hereto, intending to be legally bound hereby, agree as follows:

ARTICLE I

THE CONTRIBUTION

1.1 Contribution of Contributed Interests. Each of the Contributors irrevocably agrees to contribute, transfer and assign at Closing (as defined herein) the Contributed Interests set forth opposite such Contributor's name on Exhibit A hereto, together with any other interests such Contributor may have in any of the Contributed Entities and any other properties or entities being acquired by the Operating Partnership as described in the Confidential Private Placement Memorandum for the Offering of Limited Partnership Interests of the Operating Partnership dated January 16, 2013 (the "PPM"), to the Operating Partnership, and the Operating Partnership agrees to accept transfer of the Contributed Interests and any such other interests pursuant to the terms and subject to the conditions set forth in this Agreement. The Contributed Interests shall be transferred to the Operating Partnership free and clear of all liens, encumbrances, security interests, pledges, voting agreements, prior assignments or conveyances, conditions, restrictions, claims, and any other matters affecting title thereto.

1.2 Consideration.

(a) Consideration Amount. The total consideration (the "Consideration") for which Contributors agree to contribute, transfer and assign the Contributed Interests to the

Operating Partnership, and for which the Operating Partnership agrees to pay, issue or deliver to Contributors, subject to the terms of this Agreement, at Closing (as defined herein) shall be the amount set forth on Exhibit A as "Total Consideration". The Consideration may be adjusted, upward or downward, by the amount of any adjustments arising from the Prorations (as defined herein). Any decrease to the amount of the Consideration will be deducted first from the cash portion of the Consideration, if any, and the balance will be deducted from the OP Units. Any increase in the Consideration as a result of the Prorations will be paid in cash. In addition to the Consideration set forth on Exhibit A hereto, Contributors shall be entitled to receive in cash, at Closing or shortly thereafter, Contributors' pro rata share (based on Contributors' direct or indirect ownership interest in each Property Entity) of any tenant improvement, leasing commission and replacement reserves held by lenders with respect to each Property in which Contributors own an interest.

(b) Election Form. The Consideration shall be payable in accordance with the election made by Contributors in the Consideration Election Form ("Election Form") accompanying the PPM, the results of which election are set forth on Exhibit A hereto. If, pursuant to the Election Form, Contributors (A) elected all or part of Contributors' consideration payable hereunder to be in the form of units of limited partnership interests of the Operating Partnership ("OP Units") and (B) submitted to the Operating Partnership (x) an executed Investor Questionnaire representing and warranting to the Operating Partnership that Contributor is an "accredited investor" as defined in the Investor Questionnaire and (y) any other documentation required by the Operating Partnership, including, but not limited to, a signature page to the Partnership Agreement (as hereinafter defined), Contributors shall receive an aggregate number of OP Units equal to the dollar amounts of the Consideration payable hereunder that Contributors have elected to receive in OP Units as set forth in the duly executed Election Form (the "Unit Election Percentage") divided by the IPO Price (as defined herein). The remainder of the Consideration, if any, will be payable in cash. Contributors agree that the cash payment shall be made and the OP Units shall be registered in the name of the persons or entities set forth on the Election Form. OP Units will only be delivered to a Contributor that has represented to the Operating Partnership that such Contributor is an "accredited investor". No fractional OP Units will be issued and OP Units will be rounded to the nearest whole number. The Consideration payable to a Contributor, whether in cash, in OP Units or a combination thereof, may be reduced by the amount the Operating Partnership reasonably determines must be withheld for tax purposes. The rights and obligations of holders of OP Units as of the Closing will be as set forth in the First Amended and Restated Agreement of Limited Partnership of the Operating Partnership (the "Partnership Agreement"), a draft copy of which is included as an exhibit to the PPM.

1.3 OP Units. Although initially the OP Units will not be certificated, certificates, if any, subsequently evidencing the OP Units will bear appropriate legends (i) indicating that the OP Units have not been registered under the Securities Act of 1933, as amended ("Securities Act"), (ii) indicating that the Partnership Agreement will restrict the transfer of the OP Units, and (iii) describing the ownership limitations and transfer restrictions imposed by the charter of the REIT with respect to shares of the REIT's common stock.

1.4 No Further Interest. Contributor acknowledges and agrees that effective upon the Closing, and without any further action by Contributor, the Contributed Interests shall be

transferred, assigned and conveyed to the Operating Partnership, or a subsidiary thereof, and Contributor shall no longer be an equity holder of any of the Contributed Entities, shall no longer be entitled to receive any distributions from any of the Contributed Entities, and shall have no further right, title or interest in any of the Contributed Interests, the Contributed Entities or the Property Entities.

1.5 Tax Consequences to Contributor. Notwithstanding anything to the contrary contained in this Agreement, including without limitation the use of words and phrases such as "sell," "sale," "purchase," and "pay," the parties hereto acknowledge, agree and consent that the transactions contemplated hereby will be treated for federal income tax purposes (i) in accordance with Section 721 of the Internal Revenue Code of 1986, as amended (the "Code") with respect to any portion of the Consideration that is payable in OP Units; (ii) as an "assets over form" of transaction pursuant to Treasury Regulations Section 1.708-1(c)(3)(i); and (iii) as a sale of the Contributor's Contributed Interests to the Operating Partnership under Treasury Regulations Section 1.708-1(c)(4) to the extent of the Contributor's receipt of cash Consideration pursuant to Section 1.2(a).

1.6 Definitions. As used in this Agreement, the following terms have the following meanings:

"Contributor's Percentage Interest" means, with respect to each Contributed Entity, the percentage set forth on Exhibit A hereto under the heading "Contributed Entity/Contributed Interest", which reflects the Contributor's percentage ownership interest in each Contributed Entity pursuant to and in accordance with the applicable Governing Agreement (as defined herein) of the Contributed Entity.

"IPO" means the underwritten initial public offering of common stock of the REIT.

"IPO Price" means the public offering price set forth on the front cover of the final prospectus for the IPO, as filed with the U.S. Securities and Exchange Commission (the "SEC").

"Property Entity" means an entity owning a Property, as set forth on Exhibit A hereto.

"Prorations" means those proration and adjustment amounts that are customarily applied to closings of commercial real estate transactions in the county in which the Property is located, which amounts shall be calculated as of midnight (Eastern time) of the day immediately preceding the Closing Date and shall include:

(A) Taxes. All real estate and personal property taxes and special assessments, if any, with respect to each Property shall be prorated at Closing;

(B) Utilities. All telephone, electric, sewer, water and other utility bills, trash removal bills, janitorial and maintenance service bills and all other expenses relating to a Property that are obligations of the Property Entity and which are allocable to the period prior to the Closing Date shall be determined and paid, or caused to be paid, by the Property Entity or Contributed Entity before Closing, if possible, or if such is not determinable before Closing, then the Parties shall use their commercially reasonable efforts to determine and pay such amounts as promptly

as possible following Closing and the Operating Partnership may withhold from any cash amount of the Consideration payable at Closing hereunder an amount of cash reasonably estimated to cover any estimated Proration for the items described in this subsection (B);

(C) Rents. All rents, including, without limitation, base rents, operating expense payments or common area maintenance charges and all other forms of additional rents, payable under the leases of the Property and all other income from the Property shall be prorated at Closing; and

(D) Other Items. Any other items of revenue, operating expenses or other items which are customarily prorated between a transferor and transferee of real estate in the county in which the Property is located shall be prorated at Closing.

"Representation, Warranty and Indemnity Agreement" means the Representation, Warranty and Indemnity Agreement by and among the REIT, the Operating Partnership and Daniel A. Hoffler.

ARTICLE II

REPRESENTATIONS AND WARRANTIES

2.1 Representations by the Operating Partnership. The Operating Partnership hereby represents and warrants to Contributors that the following statements are true, correct, and complete as of the date of this Agreement and will be true, correct and complete as of the Closing Date (as defined herein):

(a) Organization and Power. The Operating Partnership is duly organized, validly existing, and in good standing under the laws of the Commonwealth of Virginia, and has full right, power, and authority to enter into this Agreement and to assume and perform all of its obligations under this Agreement. The execution and delivery of this Agreement and the performance by the Operating Partnership of its obligations hereunder have been duly authorized by all requisite action of the Operating Partnership and require no further action or approval of the Operating Partnership's partners or of any other individuals or entities in order to constitute this Agreement as a binding and enforceable obligation of the Operating Partnership.

(b) OP Units Validly Issued. The OP Units, when issued in accordance with the terms of this Agreement and the Partnership Agreement, will have been duly and validly authorized and issued, free of any preemptive or similar rights, and will be fully paid, without any obligation to restore capital, except as required by the Virginia Revised Uniform Limited Partnership Act (the "Limited Partnership Act").

2.2 Representations by Contributors. Each Contributor hereby represents and warrants to the Operating Partnership that the following statements are true, correct, and complete as of the date of this Agreement and will be true, correct, and complete as of the Closing Date:

(a) Organization and Power; Due Authorization. Contributor, if an entity or trust, is duly incorporated, formed or organized, validly existing, and in good standing under the laws of its state of incorporation, formation or organization. Contributor has full right, power, and authority to enter into this Agreement and to assume and perform all of its obligations under this Agreement; and the execution and delivery of this Agreement and the performance by Contributor of its obligations hereunder have been duly authorized by all requisite action of Contributor and require no further action or approval of Contributor's members, partners, stockholders, managers, board of directors, trustees or of any other individuals or entities, as applicable, in order to constitute this Agreement as a binding and enforceable obligation of Contributor. No person has any community property rights, by virtue of marriage or otherwise, with respect to the Contributed Interests. This Agreement and each agreement, document and instrument executed and delivered by or on behalf of Contributor pursuant to this Agreement constitutes, or when executed and delivered will constitute, the legal, valid and binding obligation of Contributor, each enforceable against Contributor in accordance with its terms, except as such enforceability may be limited by bankruptcy or the application of equitable principles.

(b) Noncontravention. Neither the entry into nor the performance of, or compliance with, this Agreement by Contributor has resulted, or will result, in any violation of, or default under, or result in the acceleration of, any obligation under any charter, bylaws, limited liability company agreement, partnership agreement, declaration of trust, mortgage indenture, lien agreement, note, contract, agreement, permit, judgment, decree, order, restrictive covenant, statute, rule, or regulation applicable to Contributor or to any Contributed Interests, any Contributed Entity or any Property Entity.

(c) Litigation. There is no action, suit, or proceeding, pending or known to be threatened, against or affecting Contributor in any court or before any arbitrator or before any federal, state, municipal, or other governmental department, commission, board, bureau, agency or instrumentality which (1) in any manner raises any question affecting the validity or enforceability of this Agreement, (2) could materially and adversely affect the business, financial position, or results of operations of Contributor, any Contributed Entity, Property Entity or Property, (3) could adversely affect the ability of Contributor to perform its obligations hereunder, or under any document to be delivered pursuant hereto, (4) could create a lien on the Contributed Interests, any part thereof, or any interest therein, or (5) could adversely affect the Contributed Interests, any part thereof, or any interest therein.

(d) Good Title. Exhibit A accurately sets forth each Contributor's Percentage Interest. Contributor is the sole record and beneficial owner of the Contributed Interests and has full power and authority to convey the Contributed Interests pursuant to the terms of this Agreement. Contributor has good and marketable title to the Contributed Interests. Except as set forth on Schedule 2.1(d), the Contributed Interests are free and clear of all liens, encumbrances, security interests, pledges, voting agreements, prior assignments or conveyances, conditions, restrictions, claims or any other matters affecting title thereto and at the Closing will be contributed to the Operating Partnership free and clear of all liens, encumbrances, security interests, pledges, voting agreements, prior assignments or conveyances, conditions, restrictions, claims or other matters affecting title thereto. No other person or entity has an option to purchase or a right of first refusal to purchase the Contributed Interests nor are there any

agreements or understandings with respect to the voting, ownership or disposition of the Contributed Interests that could adversely affect Contributor's ability to perform its obligations hereunder or the Operating Partnership's rights to the Contributed Interests following the Closing.

(e) Contributed Interests. There are no rights to purchase, subscriptions, warrants, options, conversion rights or preemptive rights relating to the Contributed Interests or any equity interest in any Contributed Entity that will be in effect as of the Closing.

(f) No Consents. Each consent, approval, authorization, order, license, certificate, permit, registration, designation, or filing by or with any governmental agency or body necessary for the execution, delivery and performance of this Agreement or the transactions contemplated hereby by Contributor has been obtained or will be obtained on or before the Closing Date. Each consent or approval required under any Governing Agreement (as defined herein), contract or agreement of any Contributed Entity, or among the partners, members or stockholders of any Contributed Entity to which Contributor is a party, relating to indebtedness or otherwise, necessary for the execution, delivery and performance of this Agreement and the contribution, acquisition and transfer of the Contributed Interests has been obtained or will be obtained on or before the Closing Date.

(g) Actions Prior to Closing. From the date hereof until the Closing Date, Contributor shall not take any action or fail to take any action the result of which would (1) have a material adverse effect on the Contributed Interests or the Operating Partnership's ownership thereof, or any material adverse effect on the assets, business, condition (financial or otherwise), results or operation of any Property or any Contributed Entity or Property Entity after the Closing Date or (2) cause any of the representations and warranties contained in this Section 2.2 to be untrue as of the Closing Date.

(h) Governing Documents. Contributor has performed all of its obligations under the Limited Partnership Agreement, Limited Liability Company Agreement, Operating Agreement, Charter and Bylaws, as such may have been amended from time to time, as applicable, of each Contributed Entity in which it owns an interest, (each a "Governing Agreement" and collectively, the "Governing Agreements").

(i) Securities Law Matters.

(1) In deciding to engage in the transaction contemplated by this Agreement, including, if applicable, acquiring OP Units, neither Contributor nor any equity holder thereof is relying upon any representations made to it by the Operating Partnership, or any of its partners, officers, employees, or agents that are not contained herein. Contributor is aware of the risks involved in investing in the OP Units and in the securities issuable upon redemption of such OP Units. Contributor is knowledgeable, sophisticated and experienced in business and financial matters and fully understands the limitations on transfer imposed by the federal securities laws and as described in this Agreement and the PPM and related materials, including the Partnership Agreement. Contributor has received the PPM and related materials, including the Partnership Agreement, has reviewed all documents and has had an opportunity to ask questions of,

and to receive answers from, the Operating Partnership and the REIT or a person or persons authorized to act on their behalf, concerning the terms and conditions of an investment in the OP Units and the financial condition, affairs, and business of the Operating Partnership and the REIT. Contributor confirms that all documents, records, and information pertaining to its investment in OP Units that have been requested by Contributor have been made available or delivered to Contributor prior to the date hereof.

(2) Contributor understands and acknowledges that (i) certain of the information contained in the PPM is incomplete or may be revised, amended or supplemented in the registration statement to be filed by the REIT with the SEC in connection with the IPO and (ii) the financial information included in the PPM has not been audited, but will be audited prior to the REIT's filing of the registration statement with the SEC, and such information could change upon audit, and any such changes could be material.

(3) Contributor and each equity holder thereof understands that the offer and sale of OP Units have not been registered under the Securities Act or any state securities laws and are instead being offered and sold in reliance on an exemption from such registration requirements and that the Operating Partnership's reliance on such exemption is predicated in part on the accuracy and completeness of the representations and warranties of Contributor contained herein. The OP Units issuable to Contributor are being acquired by Contributor solely for its own account, for investment, and are not being acquired with a view to, or for resale in connection with, any distribution, subdivision, or fractionalization thereof, in violation of such laws, and Contributor does not have any present intention to enter into any contract, undertaking, agreement, or arrangement with respect to any such resale.

(4) Contributor is able to bear the economic risk of holding the OP Units for an indefinite period and is able to afford the complete loss of its investment in the OP Units.

(5) Contributor understands that no federal agency (including the SEC) or state agency has made or will make any finding or determination as to the fairness of an investment in the OP Units (including as to the value of the Consideration payable in OP Units in accordance with Section 1.2 hereof).

(6) Contributor understands that there is no established public, private or other market for the OP Units to be acquired by Contributor hereunder and it is not anticipated that there will be any public, private or other market for such OP Units in the foreseeable future.

(7) Contributor understands that Rule 144 promulgated under the Securities Act is not currently available with respect to the sale of OP Units.

(j) Accredited Investor. If Contributor is electing to receive OP Units as some or all of the Consideration, Contributor is an "accredited investor", as that term is defined in Rule 501 of Regulation D under the Securities Act, and has previously provided the Operating

Partnership and the REIT with a duly executed questionnaire confirming Contributor's accredited investor status. No event or circumstance has occurred since delivery of such questionnaire to make the statements therein false or misleading.

(k) Tax Matters. Contributor represents and warrants that it has obtained from its own counsel advice regarding the tax consequences of (i) the transfer of the Contributed Interests to the Operating Partnership and the receipt of OP Units and/or cash as the Consideration therefor, (ii) its admission as a limited partner of the Operating Partnership, if applicable and (iii) any other transaction contemplated by this Agreement. Neither the Operating Partnership nor the REIT has made any representation to Contributor regarding the tax treatment of the transactions contemplated by this Agreement, and Contributor further represents and warrants that it has not relied on the Operating Partnership or the Operating Partnership's representatives or counsel for any tax advice.

(l) Bankruptcy with respect to Contributor. No Act of Bankruptcy has occurred with respect to Contributor. As used herein, "Act of Bankruptcy" means if Contributor or any equity holder, partner, manager or director thereof shall (A) apply for or consent to the appointment of, or the taking of possession by, a receiver, custodian, trustee or liquidator of itself or of all or a substantial part of its property, (B) admit in writing its inability to pay its debts as they become due, (C) make a general assignment for the benefit of its creditors, (D) file a voluntary petition or commence a voluntary case or proceeding under the Federal Bankruptcy Code (as now or hereafter in effect), (E) be adjudicated bankrupt or insolvent, (F) file a petition seeking to take advantage of any other law relating to bankruptcy, insolvency, reorganization, receivership, dissolution, winding-up or composition or adjustment of debts, (G) fail to controvert in a timely and appropriate manner, or acquiesce in writing to, any petition filed against it in an involuntary case or proceeding under the Federal Bankruptcy Code (as now or hereafter in effect), or (H) take any entity action for the purpose of effecting any of the foregoing.

(m) Brokerage Commission. Contributor has not engaged the services of any real estate agent, broker, finder or any other person or entity for any brokerage or finder's fee, commission or other amount with respect to the transactions described herein.

(n) No Other Equity Interests. Except for the Contributed Interests, neither Contributor nor any of its affiliates owns, directly or indirectly, any equity interest in any partnership, limited liability company, corporation, trust or other entity owning a property being acquired by the Operating Partnership as part of the formation transactions described in the PPM and does not own any interest in any Property other than through the Contributed Interests.

ARTICLE III

INDEMNIFICATION

3.1 Survival of Representations and Warranties; Remedy for Breach.

(a) Subject to Section 3.5 hereof, all representations and warranties of Contributor contained in this Agreement or in any Schedule, Exhibit, certificate or affidavit delivered pursuant to this Agreement shall survive the Closing.

(b) Subject to Section 3.4 hereof, following the Closing, each Contributor shall be liable under this Agreement for monetary damages (or otherwise) for breach of any of its representations, warranties, covenants and obligations contained in this Agreement or in any Schedule, Exhibit, certificate or affidavit delivered by Contributor pursuant thereto.

3.2 General Indemnification.

(a) From and after the Closing Date, each Contributor shall indemnify, hold harmless and defend the Operating Partnership and the REIT, and their respective officers, directors, employees, stockholders, partners, agents and affiliates (each of which is an "Indemnified Party"), from and against any and all claims, losses, damages, liabilities and expenses, including, without limitation, interest, penalties, amounts paid in settlement, reasonable attorneys' fees, costs of investigation, judicial or administrative proceedings or appeals therefrom and costs of attachment or similar bonds (collectively, "Losses") asserted against, imposed upon or incurred by the Indemnified Party, to the extent resulting from any breach of a representation, warranty or covenant of Contributor contained in this Agreement, or in any Schedule, Exhibit, certificate or affidavit delivered by Contributor pursuant thereto. In each case, Contributor shall only bear the fees, costs or expenses in connection with the employment of one counsel (regardless of the number of Indemnified Parties).

(b) Each Contributor shall also indemnify and hold harmless the Indemnified Parties from and against any and all Losses asserted against, imposed upon or incurred by the Indemnified Parties to the extent resulting from an unrelated third-party claim relating to the Contributed Interests arising from matters that occurred prior to Closing.

(c) With respect to any claim of an Indemnified Party pursuant to this Section 3.2, to the extent available, the Operating Partnership agrees to use diligent good faith efforts to pursue and collect any and all available proceeds and benefits of any right to defense under any insurance policy that covers the matter which is the subject of the indemnification prior to seeking indemnification from Contributor until all proceeds and benefits, if any, to which the Operating Partnership or the Indemnified Party is entitled pursuant to such insurance policy have been exhausted; provided, however, that the Operating Partnership may make a claim under this Section 3.2 even if an insurance coverage dispute is pending, in which case, if the Indemnified Party later receives insurance proceeds with respect to any Losses paid by either Contributor for the benefit of any Indemnified Party, then the Indemnified Party shall reimburse Contributor in an amount equivalent to such proceeds in excess of any deductible amount pursuant to Section 3.2(a) hereof up to the amount actually paid (or deemed paid) by Contributor to the Indemnified Party in connection with such indemnification (it being understood that all costs and expenses incurred by Contributor with respect to insurance coverage disputes shall constitute Losses paid by Contributor for purposes of Section 3.2(a) hereof).

3.3 Notice and Defense of Claims. As soon as reasonably practicable after receipt by the Indemnified Party of notice of any liability or claim incurred by or asserted against the

Indemnified Party that is subject to indemnification under this Article III, the Indemnified Party shall give notice thereof to Contributor, including liabilities or claims to be applied against the indemnification deductible established pursuant to Section 3.4 hereof; provided that failure to give notice to Contributor will not relieve Contributor from any liability that it may have to any Indemnified Party, unless, and only to the extent that, such failure (a) shall have caused prejudice to the defense of such claim or (b) shall have materially increased the costs or potential liability of Contributor by reason of the inability or failure of Contributor (due to such lack of prompt notice) to be involved in any investigations or negotiations regarding any such claim. Such notice shall describe in reasonable detail the facts known to such Indemnified Party giving rise to such claim, and the amount or good faith estimate of the amount of Losses arising therefrom. Unless prohibited by law, such Indemnified Party shall deliver to Contributor, promptly after such Indemnified Party's receipt thereof, copies of all notices and documents received by such Indemnified Party relating to such claim. The Indemnified Party shall permit Contributor, at Contributor's option and expense, to assume the defense of any such claim by counsel selected by Contributor and reasonably satisfactory to the Indemnified Party, and to settle or otherwise dispose of the same; provided, however, that the Indemnified Party may at all times participate in such defense at its sole expense; and provided further, however, that Contributor shall not, in defense of any such claim, except with the prior written consent of the Indemnified Party in its sole and absolute discretion, consent to the entry of any judgment or enter into any settlement that does not include as an unconditional term thereof the giving by the claimant or plaintiff in question to all Indemnified Parties a full and complete release of all liabilities in respect of such claims, or that does not result only in the payment of money damages which are paid (or deemed paid) in full by Contributor. If Contributor shall not have undertaken such defense within 20 days after such notice, or within such shorter time as may be reasonable under the circumstances to the extent required by applicable law, then the Indemnified Party shall have the right to undertake the defense, compromise or settlement of such liability or claim on behalf of and for the account of Contributor and at Contributor's sole cost and expense (subject to the limitations in Section 3.4 hereof).

3.4 Limitations on Indemnification Under Section 3.2(a).

(a) Contributors shall not be liable under Section 3.2(a) hereof unless and until the total amount recoverable by the Indemnified Parties under Section 3.2(a) exceeds one percent (1%) of the value of the aggregate Consideration (valuing OP Units at the IPO Price) and then only to the extent of such excess.

(b) Notwithstanding anything contained herein to the contrary, before taking recourse against any assets of Contributor and subject to the limitations set forth in the following sentence, the Indemnified Parties shall look, first to available insurance proceeds (including without limitation any title insurance proceeds, if applicable) pursuant to Section 3.2(c) above, and then to indemnification under this Article III, (and agree to treat any return of OP Units in satisfaction of indemnification obligations hereunder as an adjustment to the consideration delivered to Contributor pursuant to the Formation Transactions). Notwithstanding anything to the contrary in this Agreement, except in the case of fraud or in the event of Losses relating to a third-party claim, Contributor shall not be liable to the Indemnified Parties for any indirect, special or consequential damages, loss of profits, taxes relating to tax years beginning on or after Closing, loss of value or other similar speculative damages asserted or claimed by the Indemnified Parties.

(c) The limitations in this Section 3.4 shall not apply to any obligations of Contributor with respect to Prorations under this Agreement.

3.5 Limitation Period.

(a) Any claim for indemnification under Section 3.2 hereof must be asserted in writing by the Indemnified Party, stating the nature of the Losses and the basis for indemnification therefor on or prior to the fifth (5th) anniversary of the Closing.

(b) If asserted in writing on or prior to the date specified in Section 3.5(a) hereof for the applicable claim, any claims for indemnification pursuant to Section 3.2 hereof shall survive until resolved by mutual agreement between Contributor and the Indemnified Party or by arbitration or court proceeding.

3.6 Delivery of Indemnity Amounts. Indemnity payments may be made by Contributor in the form of cash or OP Units. To the extent indemnification is made through delivery by Contributor of OP Units, such OP Units shall be valued at an amount per OP Unit equal to the IPO Price. Contributor hereby authorizes the REIT, as general partner of the Operating Partnership, to take all such action as may be necessary to amend the Partnership Agreement, and any exhibits or schedules thereto, to reflect the delivery of any OP Units by Contributor to the Operating Partnership as an indemnification payment hereunder and to reflect that Contributor has no further right, title or interest with respect to any such OP Units.

ARTICLE IV

COVENANTS

4.1 Covenants of the Contributors.

(a) Satisfaction of Conditions. Each Contributor hereby covenants that Contributor shall: (A) use commercially reasonable efforts and diligence in order to satisfy all of the conditions to Closing set forth herein, and (B) cooperate and assist in the Operating Partnership's efforts to satisfy all of the conditions to Closing set forth herein, and agrees that the Operating Partnership shall not have any obligation to consummate the Closing hereunder unless and until such conditions have been satisfied or waived by the Operating Partnership in writing.

(b) Consent to Transfers. Each Contributor hereby consents to the transfer of, and waives any rights of first refusal, right of first offer, buy-sell agreements, put, option or similar parallel or dissenter rights or similar rights afforded to Contributor under the Governing Agreements or otherwise with respect to any equity ownership interest in any Contributed Entity, Property Entity or Property or any other company or property being contributed or transferred to the Operating Partnership pursuant to a separate contribution or other agreement or as otherwise described in the PPM.

(c) No Disposition or Encumbrance of Contributed Interests. From the date hereof through the Closing, except as specifically contemplated by this Agreement, no Contributor shall, without the prior written consent of the Operating Partnership: (i) sell, transfer (or agree to sell or transfer) or otherwise dispose of, or cause the sale, transfer or disposition of (or agree to do any of the foregoing) all or any portion of its interest in the Contributed Interests or all or any portion of its interest in any Property Partnership or Property; or (ii) mortgage, assign, pledge or otherwise encumber in any manner the Contributed Interests.

(d) Ordinary Course of Business. From the date hereof through the Closing, and except as specifically contemplated by this Agreement, each Contributor shall, to the extent within its control, cause each Contributed Entity, subsidiary and Property Entity to conduct its business in the ordinary course of business consistent with past practice, and shall, to the extent within its control, not permit any Contributed Entity, any subsidiary or any Property Entity without the prior written consent of the Operating Partnership, to: (i) enter into any material transaction not in the ordinary course of business; (ii) mortgage, pledge or encumber any assets of the Contributed Entity, any subsidiary, any Property Entity or any Property, (iii) cause or permit any Property Entity to change the existing use of any Property; (iv) cause or take any action that would render any of the representations or warranties set forth herein untrue; (v) file an entity classification election pursuant to Treasury Regulations Section 301.7701-3(c) on Internal Revenue Service Form 8832 (Entity Classification Election) to treat the Contributed Entity as an association taxable as a corporation for federal income tax purposes; (vi) make or change any other tax elections; (vii) settle or compromise any claim, notice, audit report or assessment in respect of taxes; (viii) change any annual tax accounting period; (ix) adopt or change any method of tax accounting; (x) file any amended return, report or form (including an election, declaration, amendment, schedule, information return or attachment thereto) required to be filed with a governmental authority with respect to taxes (each, a "Tax Return"); (xi) enter into any tax allocation agreement, tax sharing agreement, tax indemnity agreement or closing agreement relating to any tax; (xii) surrender of any right to claim a tax refund; (xiii) consent to any extension or waiver of the statute of limitations period applicable to any tax claim or assessment; or (xiv) make any distribution to its partners or members, except for cash distributions in the ordinary course of business consistent with past practices or as permitted by this Agreement.

4.2 Tax Covenants.

(a) Each Contributor and the Operating Partnership shall provide each other with such cooperation and information relating to any of the Contributed Interests, the Contributed Entities, their subsidiaries, the Property Entities or the Properties as the parties reasonably may request in (i) filing any Tax Return, amended Tax Return or claim for tax refund, (ii) determining any liability for taxes or a right to a tax refund, (iii) conducting or defending any proceeding in respect of taxes, or (iv) performing tax diligence, including with respect to the impact of this transaction on the REIT's tax status as a REIT. Such reasonable cooperation shall include making employees available on a mutually convenient basis to provide additional information and explanation of any material provided hereunder. The Operating Partnership shall promptly notify Contributor upon receipt by the Operating Partnership or any of its affiliates of notice of (i) any pending or threatened tax audits or assessments with respect to the income, properties or operations of any of the Contributed Entities, their subsidiaries, the

Property Entities or their subsidiaries or with respect to any Property and (ii) any pending or threatened federal, state, local or foreign tax audits or assessments of the Operating Partnership or any of its affiliates, in each case, which may affect the liabilities for taxes of Contributor with respect to any tax period ending before or as a result of the Closing. Each Contributor shall promptly notify the Operating Partnership in writing upon receipt by Contributor or any of its affiliates of notice of any pending or threatened federal, state, local or foreign tax audits or assessments relating to the income, properties or operations of any of the Contributed Entities, the Property Entities or their subsidiaries or with respect to any Property. Each of the Operating Partnership and Contributors may participate at its own expense in the prosecution of any claim or audit with respect to taxes attributable to any taxable period ending on or before the Closing Date; provided, that a Contributor shall have the right to control the conduct of any such audit or proceeding or portion thereof for which such Contributor has acknowledged liability (except as a partner of the Operating Partnership) for the payment of any additional tax liability, and the Operating Partnership shall have the right to control any other audits and proceedings. Notwithstanding the foregoing, neither the Operating Partnership nor a Contributor may settle or otherwise resolve any such claim, suit or proceeding which could have an adverse tax effect on the other party or its affiliates (other than on a Contributor or any of its affiliates as a partner of the Operating Partnership) without the consent of the other party, such consent not to be unreasonably withheld. Each Contributor and the Operating Partnership shall retain all Tax Returns, schedules and work papers with respect to the Contributed Entities, the Property Entities, their subsidiaries, and the Properties, and all material records and other documents relating thereto, until the expiration of the statute of limitations (and, to the extent notified by any party, any extensions thereof) of the taxable years to which such Tax Returns and other documents relate and until the final determination of any tax in respect of such years.

(b) The Operating Partnership shall prepare or cause to be prepared and file or cause to be filed all Tax Returns of the Contributed Entities, the Property Entities or their subsidiaries and their subsidiaries that are due after the Closing Date. To the extent such returns relate to a period ending on or prior to the Closing Date, such Tax Returns (including, for the avoidance of doubt, any amended Tax Returns) shall be prepared in a manner consistent with past practice, except as otherwise required by applicable law.

(c) For purposes of allocating items of income, gain, loss and deduction with respect to the Property and/or the Contributed Interests in the manner required by Section 704(c) of the Code, the Operating Partnership shall employ, and shall cause any entity controlled by the Operating Partnership which holds title to the Property or the Contributed Interests to employ, the “traditional method” (without curative allocations) as set forth in Treasury Regulations section 1.704-3(b)(1).

4.3 Relationship to Contributed Entities. Contributors and the Operating Partnership acknowledge and agree that, from and after the Closing (as defined herein), Contributors shall no longer be a member, partner, stockholder or equity owner, or, if applicable, managing member or general partner, of any Contributed Entity and shall have no rights or benefits under any Governing Agreement.

ARTICLE V

CONDITIONS PRECEDENT TO THE CLOSING

5.1 Conditions to the Operating Partnership's Obligation. In addition to any other conditions set forth in this Agreement, the Operating Partnership's obligation to consummate the Closing is subject to the timely satisfaction of each and every one of the conditions and requirements set forth in this Section 5.1, all of which shall be conditions precedent to the Operating Partnership's obligations under this Agreement.

(a) IPO. The IPO, in such form and substance as the REIT, in its sole and absolute discretion, shall have determined to be acceptable, shall have been completed (or be completed simultaneously with the Closing).

(b) Formation Transactions. The formation transactions described in the PPM shall have occurred or be scheduled to occur contemporaneously with the Closing hereunder.

(c) Representations and Warranties. The representations and warranties made by each Contributor pursuant to this Agreement, as well as those contained in the Representation, Warranty and Indemnity Agreement, shall be true and correct as of the Closing as though such representations and warranties were made at the Closing and, if requested by the Operating Partnership, each Contributor shall have delivered a certificate to the Operating Partnership to such effect in regard to Contributor's representations and warranties set forth in this Agreement.

(d) Performance. Each Contributor shall have performed and complied with all agreements and covenants that it is required to perform or comply with pursuant to this Agreement prior to the Closing, including having delivered each of the items set forth in Section 5.2 hereof.

(e) Legal Proceedings. No order, statute, rule, regulation, executive order, injunction, stay, decree, or restraining order shall have been enacted, entered, promulgated or enforced by any court of competent jurisdiction or governmental entity that restrains, prohibits or otherwise invalidates the consummation of the transactions contemplated by this Agreement, and no litigation or governmental proceeding seeking such an order shall be pending or threatened.

(f) Consents and Approvals. All necessary approvals and consents of governmental and private parties, including, without limitation, all ground lessors, tenants, other parties to service contracts, lenders and ratings agencies, partners, members or stockholders of any Contributed Entity, Property Entity or their subsidiaries, to effect the transactions contemplated by this Agreement, shall have been obtained.

(g) Reliance on Regulation D. If a Contributor has elected to receive OP Units, the Operating Partnership shall, based on the advice of its counsel and the representations made by Contributor in Contributor's Investor Questionnaire, be reasonably satisfied that the issuance of OP Units to Contributor may be made without registration under the Securities Act in reliance on Regulation D under the Securities Act.

(h) Representation, Warranty and Indemnity Agreement. Daniel A. Hoffler and each other party thereto shall have entered into the Representation, Warranty and Indemnity Agreement.

(i) No Material Adverse Change. There shall have not occurred between the date hereof and the Closing Date any material adverse change with respect to any of the Contributed Interests or any material adverse change in any of the assets, business, condition (financial or otherwise), results of operation or prospects of any Property, any Property Entity or any Contributed Entity.

(j) Tenant and Lender Estoppels. The Operating Partnership shall have received tenant and lender estoppels in form and substance satisfactory to the Operating Partnership and its counsel.

5.2 Conditions to Contributor's Obligation. In addition to any other conditions set forth in this Agreement, Contributor's obligation to consummate the Closing is subject to the timely satisfaction of each and every one of the conditions and requirements set forth in this Section 5.2, all of which shall be conditions precedent to Contributor's obligations under this Agreement.

(a) Representations and Warranties. The representations and warranties made by the Operating Partnership pursuant to this Agreement shall be true and correct as of the Closing as though such representations and warranties were made at the Closing.

(b) Performance. The Operating Partnership shall have performed and complied in all material respects with all agreements and covenants that it is required to perform or comply with pursuant to this Agreement prior to the Closing.

(c) Legal Proceedings. No order, statute, rule, regulation, executive order, injunction, stay, decree, or restraining order shall have been enacted, entered, promulgated or enforced by any court of competent jurisdiction or governmental entity that prohibits the consummation of the transactions contemplated by this Agreement, and no litigation or governmental proceeding seeking such an order shall be pending or threatened.

ARTICLE VI

CLOSING AND CLOSING DOCUMENTS

6.1 Closing. The consummation and closing (the "Closing") of the transactions contemplated pursuant to this Agreement shall take place at the offices of Hunton & Williams LLP in Richmond, Virginia, or such other place as the Operating Partnership may designate, promptly following satisfaction of the conditions to Closing set forth herein (the "Closing Date"), or as otherwise set by agreement of the parties; provided, however, termination shall not relieve any party from a breach occurring prior to that date.

6.2 Contributor's Deliveries. At the Closing, Contributors shall deliver the following to the Operating Partnership in addition to all other items required to be delivered to the Operating Partnership by Contributors:

(a) Assignment of Contributed Interests. Each Contributor shall have executed and delivered an Assignment, in substantially the form of Exhibit B attached hereto.

(b) Execution of Partnership Agreement. If a Contributor has elected to receive OP Units, signature pages of the Partnership Agreement (which Partnership Agreement shall be in substantially the form attached as an exhibit to the PPM) duly executed by Contributor, as limited partner.

(c) FIRPTA Certificate. An affidavit from each Contributor certifying pursuant to Section 1445 of the Internal Revenue Code that Contributor is not a foreign corporation, foreign partnership, foreign trust, foreign estate or foreign person (as those terms are defined in the Code and the Treasury Regulations promulgated thereunder).

(d) Other Documents. Any other document or instrument reasonably requested by the Operating Partnership or required hereby.

6.3 Default Remedies. If a Contributor defaults in performing any of Contributor's obligations under this Agreement, the Operating Partnership shall have all rights and remedies available to it at law or in equity resulting from Contributor's default, including without limitation, the right to seek specific performance of this Agreement and Contributor's obligation to convey the Contributed Interests to the Operating Partnership hereunder. The parties acknowledge and agree that the failure of a condition precedent to occur, notwithstanding the good faith and commercially reasonable efforts of the applicable party, shall not be a default hereunder.

ARTICLE VII

MISCELLANEOUS

7.1 Notices. Any notice provided for by this Agreement and any other notice, demand, or communication required hereunder shall be in writing and either delivered in person (including by confirmed facsimile transmission) or sent by hand delivered against receipt or sent by recognized overnight delivery service or by certified or registered mail, postage prepaid, with return receipt requested. All notices shall be addressed as follows:

Operating Partnership:

c/o Armada Hoffler Properties, Inc.
222 Central Park Avenue, Suite 2100,
Virginia Beach, Virginia 23462
Attention: A. Russell Kirk
Fax No.: 757-424-2513

with a copy to (which shall not constitute notice):

Hunton & Williams LLP
Riverfront Plaza, East Tower
951 E. Byrd Street
Richmond, Virginia 23219
Attention: David C. Wright
Fax No.: 804-343-4580

and

Faggert & Frieden, P.C.
222 Central Park Avenue, Suite 1300
Virginia Beach, Virginia 23462
Attention: David Y. Faggert
Fax No.: 757-424-0102

Contributors:

DIAN, LLC
c/o North Pointe Development
Attn: Jerry L. Dickens
8402 Six Forks Road
Suite 201
Raleigh, North Carolina 27615

Any address or name specified above may be changed by a notice given by the addressee to the other party. Any notice, demand or other communication shall be deemed given and effective as of the date of delivery in person or set forth on the return receipt. The inability to deliver because of changed address of which no notice was given, or rejection or other refusal to accept any notice, demand or other communication, shall be deemed to be receipt of the notice, demand or other communication as of the date of such attempt to deliver or rejection or refusal to accept.

7.2 Entire Agreement; Third-Party Beneficiaries. This Agreement, including, without limitation, the exhibits hereto and thereto, constitute the entire agreement and supersede each prior agreement and understanding, whether written or oral, among the parties regarding the subject matter of this Agreement. This Agreement is not intended to confer any rights or remedies on any Person other than the parties hereto.

7.3 Amendment. This Agreement may not be amended except by an instrument in writing signed on behalf of each of the parties hereto.

7.4 Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the Commonwealth of Virginia, without regard to the conflicts of law rules thereof.

7.5 Counterparts. This Agreement may be executed by the parties hereto in separate counterparts, each of which when so executed and delivered shall be an original, but all such counterparts shall together constitute one and the same instrument. Each counterpart may consist of a number of copies hereof, each signed by less than all, but together signed by all of the parties hereto. Each party may rely upon the facsimile or electronic pdf email signature of any other party as if such signature were an original signature.

7.6 Headings. Headings of the Articles and Sections of this Agreement are for the convenience of the parties only, and shall be given no substantive or interpretive effect whatsoever.

7.7 Incorporation. All Exhibits attached hereto and referred to herein are hereby incorporated herein and made a part hereof for all purposes as if fully set forth herein.

7.8 Severability. Any term or provision of this Agreement which is invalid or unenforceable in any jurisdiction shall, as to that jurisdiction, be ineffective to the extent of such invalidity or unenforceability without rendering invalid or unenforceable the remaining terms and provisions of this Agreement or affecting the validity or enforceability of any of the terms or provisions of this Agreement in any other jurisdiction. If any provision of this Agreement is so broad as to be unenforceable, the provision shall be interpreted to be only so broad as is enforceable.

7.9 Waiver of Conditions. The conditions to each party's obligations hereunder are for the sole benefit of such party and may be waived by such party in whole or in part to the extent permitted by applicable law.

7.10 Dispute Resolution. The parties intend that this Section 7.1010 will be valid, binding, enforceable, exclusive and irrevocable and that it shall survive any termination of this Agreement.

(a) Upon any dispute, controversy or claim arising out of or relating to this Agreement or the enforcement, breach, termination or validity thereof ("Dispute"), the party raising the Dispute will give written notice to the other parties to the Dispute describing the nature of the Dispute following which the parties to such Dispute shall attempt for a period of ten (10) Business Days from receipt by the parties of notice of such Dispute to resolve such Dispute by negotiation between representatives of the parties hereto who have authority to settle such Dispute. All such negotiations shall be confidential and any statements or offers made therein shall be treated as compromise and settlement negotiations for purposes of any applicable rules of evidence and shall not be admissible as evidence in any subsequent proceeding for any purpose. The statute of limitations applicable to the commencement of a lawsuit shall apply to the commencement of an arbitration hereunder, except that no defense based on the running of the statute of limitations will be available based upon the passage of time during any such negotiation. Regardless of the foregoing, a party shall have the right to seek immediate injunctive relief pursuant to clause (c) below without regard to any such ten (10) Business Day negotiation period.

(b) Any Dispute (including the determination of the scope or applicability of this Agreement to arbitrate) that is not resolved pursuant to clause (a) above shall be submitted to final and binding arbitration in Virginia Beach, Virginia before one neutral and impartial arbitrator, in accordance with the laws of the Commonwealth of Virginia for agreements made in and to be performed in Virginia. The arbitration shall be administered by JAMS, Inc. ("JAMS") pursuant to its Comprehensive Arbitration Rules and Procedures, as in effect on the date hereof. The parties hereto shall appoint one arbitrator within fifteen (15) days of a demand for arbitration. If an arbitrator is not appointed within such 15-day period, the arbitrator shall be

appointed by JAMS in accordance with its Comprehensive Arbitration Rules and Procedures, as in effect on the date hereof. The arbitrator shall designate the place and time of the hearing. The hearing shall be scheduled to begin as soon as practicable and no later than sixty (60) days after the appointment of the arbitrator (unless such period is extended by the arbitrator for good cause shown) and shall be conducted as expeditiously as possible. The award, which shall set forth the arbitrator's findings of fact and conclusions of law, shall be filed with JAMS and mailed to the parties no later than thirty (30) days after the close of the arbitration hearing. The arbitration award shall be final and binding on the parties and not subject to collateral attack. Judgment upon the arbitration award may be entered in any federal or state court having jurisdiction thereof.

(c) Notwithstanding the parties' agreement to submit all Disputes to final and binding arbitration before JAMS, the parties shall have the right to seek and obtain temporary or preliminary injunctive relief in any court having jurisdiction thereof. Such courts shall have authority to, among other things, grant temporary or provisional injunctive relief in order to protect any party's rights under this Agreement. Without prejudice to such provisional remedies as may be available under the jurisdiction of a court, the arbitral tribunal shall have full authority to grant provisional remedies and to direct the parties to request that any court modify or vacate any temporary or preliminary relief issued by such court, and to award damages for the failure of any party to respect the arbitral tribunal's orders to that effect.

(d) The prevailing party shall be entitled to recover its costs and reasonable attorneys' fees, and the non-prevailing party shall pay all expenses and fees of JAMS, all costs of the stenographic record, all expenses of witnesses or proofs that may have been produced at the direction of the arbitrator, and the fees, costs and expenses of the arbitrator. The arbitrator shall allocate such costs and designate the prevailing party or parties for these purposes.

[*Signature Page Follows.*]

IN WITNESS WHEREOF, this Agreement has been entered into effective as of the date first written above.

CONTRIBUTORS:

DIAN, L.L.C., a North Carolina limited liability company

By: /s/ Jerry L. Dickens
Name: Jerry L. Dickens
Title: Member Manager

OPERATING PARTNERSHIP:

ARMADA HOFFLER, L.P., a Virginia limited partnership

By: Armada Hoffler Properties, Inc.,
its general partner

By: /s/ Louis S. Haddad
Name: Louis S. Haddad
Title: Chief Executive Officer and President

REIT:

ARMADA HOFFLER PROPERTIES, INC., a Maryland Corporation

By: /s/ Louis S. Haddad
Name: Louis S. Haddad
Title: Chief Executive Officer and President

EXHIBIT A

CONTRIBUTOR	CONTRIBUTED ENTITY/ CONTRIBUTED INTEREST	PROPERTY	PROPERTY ENTITY
DIAN, LLC	35% interest in North Pointe Ph. I Limited Partnership	Lots 2, 3 and 4 North Point Shopping Center Durham, NC	North Pointe Ph. I Limited Partnership
DIAN, LLC	34.67% interest in North Pointe Development Associates, L.P.	Lot 1, Phase III North Point Shopping Center Durham, NC	North Pointe Development Associates, LP
DIAN, LLC	35% interest in North Pointe Development Associates, LLC	Lot 1, Phase III North Point Shopping Center Durham, NC	North Pointe Development Associates, LP
DIAN, LLC	35.02% interest in North Pointe-CGL LLC	Lot 2, Phase 2, North Point Shopping Center Durham, NC	North Pointe-CGL, LLC
DIAN, LLC	35.0% interest in North Pointe Outparcels, L.L.C.	Lot 1 (IHOP and Texas Roadhouse) North Point Shopping Center Durham, NC	North Pointe Outparcels, L.L.C.
DIAN, LLC	35.0% interest in North Pointe VW4, L.L.C.	Lot 1A (Verizon Wireless) North Point Shopping Center Durham, NC	North Pointe VW4, L.L.C.

Total Consideration:	$	6,000,000.00
Consideration Elections:		
Cash:	$	1,500,000
OP Units:	$	4,500,000
Cash payable and deliverable to:	William T. Anderson Jr. ($1,500,000)	
OP Units registered in the name of:	Dickens Family, LLC ($4,500,000)	

The undersigned hereby agrees that this Exhibit A represents the definitive Exhibit A to the Contribution Agreement and supersedes any and all prior versions.

CONTRIBUTOR:

DIAN, L.L.C., a North Carolina limited liability company

By: /s/ Jerry L. Dickens
Name: Jerry L. Dickens
Title: Member Manager

OPERATING PARTNERSHIP:

ARMADA HOFFLER, L.P., a Virginia limited partnership

By: Armada Hoffler Properties, Inc.,
its general partner

By: /s/ Louis S. Haddad
Name: Louis S. Haddad
Title: Chief Executive Officer and President

REIT:

ARMADA HOFFLER PROPERTIES, INC., a Maryland corporation

By: /s/ Louis S. Haddad
Name: Louis S. Haddad
Title: Chief Executive Officer and President

EXHIBIT B

Assignment

The undersigned, for good and valuable consideration paid to the Assignor by ARMADA HOFFLER, L.P., a Virginia limited partnership ("Assignee"), pursuant to the Contribution Agreement dated as of , 2013, by and between Assignor and Assignee (the "Agreement") and for other good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, does hereby sell, assign, transfer, convey and deliver to the Assignee, its successors and assigns, good and indefeasible right, title and interest to the **[partnership or limited liability company interests/shares of common stock]** described on *Schedule A* hereto, including, without limitation, all right, title and interest, if any, of the undersigned in and to the assets of each such **[partnership/limited liability company/corporation]** and the right to receive distributions of money, profits and other assets from each such partnership, presently existing or hereafter at any time arising or accruing, free and clear of all liens, encumbrances, security interests, pledges, voting agreements, prior assignments or conveyances, conditions, restrictions, claims, and any other matters affecting title thereto.

The undersigned, for itself, its successors and assigns, hereby covenants and agrees that, at any time and from time to time after the date hereof, upon the written request of Assignee, the undersigned will, without further consideration, do, execute, acknowledge, and deliver or cause to be done, executed, acknowledged and delivered, each of and all of such further acts, deeds, assignments, transfers, conveyances and assurances as may reasonably be required by Assignee in order to assign, transfer, set over, convey, assure and confirm unto and vest in Assignee, its successors and assigns, title to the interests described in *Schedule A* hereto

Capitalized terms used but not defined herein shall have the respective meanings ascribed to them in the Agreement.

IN WITNESS WHEREOF, the parties hereto have caused this Assignment to be signed by a duly authorized officer this day of , 2013.

, a

By: _____
Name:
Title:

CONTRIBUTION AGREEMENT

Compson of Richmond, L.C.
Thomas Comparato
Lindsay Smith Comparato

This CONTRIBUTION AGREEMENT (this "Agreement") is made as of January 31, 2013 by and among the undersigned persons and entities under the heading "Contributors" on the signature page of this Agreement (each, a "Contributor" and, if more than one Contributor, collectively, "Contributors"), Armada Hoffler, L.P., a Virginia limited partnership (the "Operating Partnership") and Armada Hoffler Properties, Inc., a Maryland corporation (the "REIT").

RECITALS

WHEREAS, Contributors are the record and beneficial owner of equity interests in the amount or percentage described on Exhibit A hereto (the "Contributed Interests") in each of the entities described in Exhibit A hereto (each, a "Contributed Entity" and collectively, the "Contributed Entities"), which are the direct or indirect owners of the respective properties or property entities described on Exhibit A hereto (each a "Property" and collectively, the "Properties"). Contributors desire to contribute the Contributed Interests to the Operating Partnership, and the Operating Partnership desires to acquire the Contributed Interests from Contributors, on the terms and conditions hereinafter set forth.

NOW, THEREFORE, for and in consideration of the foregoing, and the representations, warranties and other terms contained in this Agreement, and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties hereto, intending to be legally bound hereby, agree as follows:

ARTICLE I

THE CONTRIBUTION

1.1 Contribution of Contributed Interests. Each of the Contributors irrevocably agrees to contribute, transfer and assign at Closing (as defined herein) the Contributed Interests set forth opposite such Contributor's name on Exhibit A hereto, together with any other interests such Contributor may have in any of the Contributed Entities and any other properties or entities being acquired by the Operating Partnership as described in the Confidential Private Placement Memorandum for the Offering of Limited Partnership Interests of the Operating Partnership dated January 16, 2013 (the "PPM"), to the Operating Partnership, and the Operating Partnership agrees to accept transfer of the Contributed Interests and any such other interests pursuant to the terms and subject to the conditions set forth in this Agreement. The Contributed Interests shall be transferred to the Operating Partnership free and clear of all liens, encumbrances, security interests, pledges, voting agreements, prior assignments or conveyances, conditions, restrictions, claims, and any other matters affecting title thereto.

1.2 Consideration.

(a) Consideration Amount. The total consideration (the "Consideration") for which Contributors agree to contribute, transfer and assign the Contributed Interests to the Operating Partnership, and for which the Operating Partnership agrees to pay, issue or deliver to Contributors, subject to the terms of this Agreement, at Closing (as defined herein) shall be the amount set forth on Exhibit A as "Total Consideration". The Consideration may be adjusted, upward or downward, by the amount of any adjustments arising from the Prorations (as defined herein). Any decrease to the amount of the Consideration will be deducted first from the cash portion of the Consideration, if any, and the balance will be deducted from the OP Units. Any increase in the Consideration as a result of the Prorations will be paid in cash. In addition to the Consideration set forth on Exhibit A hereto, Contributors shall be entitled to receive in cash, at Closing or shortly thereafter, Contributors' pro rata share (based on Contributors' direct or indirect ownership interest in each Property Entity) of any tenant improvement, leasing commission and replacement reserves held by lenders with respect to each Property in which Contributors own an interest.

(b) Election Form. The Consideration shall be payable in accordance with the election made by Contributors in the Consideration Election Form ("Election Form") accompanying the PPM, the results of which election are set forth on Exhibit A hereto. If, pursuant to the Election Form, Contributors (A) elected all or part of Contributors' consideration payable hereunder to be in the form of units of limited partnership interests of the Operating Partnership ("OP Units") and (B) submitted to the Operating Partnership (x) an executed Investor Questionnaire representing and warranting to the Operating Partnership that Contributor is an "accredited investor" as defined in the Investor Questionnaire and (y) any other documentation required by the Operating Partnership, including, but not limited to, a signature page to the Partnership Agreement (as hereinafter defined), Contributors shall receive an aggregate number of OP Units equal to the dollar amounts of the Consideration payable hereunder that Contributors have elected to receive in OP Units as set forth in the duly executed Election Form (the "Unit Election Percentage") divided by the IPO Price (as defined herein). The remainder of the Consideration, if any, will be payable in cash. Contributors agree that the cash payment shall be made and the OP Units shall be registered in the name of the persons or entities set forth on the Election Form. OP Units will only be delivered to a Contributor that has represented to the Operating Partnership that such Contributor is an "accredited investor". No fractional OP Units will be issued and OP Units will be rounded to the nearest whole number. The Consideration payable to a Contributor, whether in cash, in OP Units or a combination thereof, may be reduced by the amount the Operating Partnership reasonably determines must be withheld for tax purposes. The rights and obligations of holders of OP Units as of the Closing will be as set forth in the First Amended and Restated Agreement of Limited Partnership of the Operating Partnership (the "Partnership Agreement"), a draft copy of which is included as an exhibit to the PPM.

1.3 OP Units. Although initially the OP Units will not be certificated, certificates, if any, subsequently evidencing the OP Units will bear appropriate legends (i) indicating that the OP Units have not been registered under the Securities Act of 1933, as amended ("Securities Act"), (ii) indicating that the Partnership Agreement will restrict the transfer of the OP Units, and (iii) describing the ownership limitations and transfer restrictions imposed by the charter of the REIT with respect to shares of the REIT's common stock.

1.4 No Further Interest. Contributor acknowledges and agrees that effective upon the Closing, and without any further action by Contributor, the Contributed Interests shall be transferred, assigned and conveyed to the Operating Partnership, or a subsidiary thereof, and Contributor shall no longer be an equity holder of any of the Contributed Entities, shall no longer be entitled to receive any distributions from any of the Contributed Entities, and shall have no further right, title or interest in any of the Contributed Interests, the Contributed Entities or the Property Entities.

1.5 Tax Consequences to Contributor. Notwithstanding anything to the contrary contained in this Agreement, including without limitation the use of words and phrases such as "sell," "sale," "purchase," and "pay," the parties hereto acknowledge, agree and consent that the transactions contemplated hereby will be treated for federal income tax purposes (i) in accordance with Section 721 of the Internal Revenue Code of 1986, as amended (the "Code") with respect to any portion of the Consideration that is payable in OP Units; (ii) as an "assets over form" of transaction pursuant to Treasury Regulations Section 1.708-1(c)(3)(i); and (iii) as a sale of the Contributor's Contributed Interests to the Operating Partnership under Treasury Regulations Section 1.708-1(c)(4) to the extent of the Contributor's receipt of cash Consideration pursuant to Section 1.2(a).

1.6 Definitions. As used in this Agreement, the following terms have the following meanings:

"Contributor's Percentage Interest" means, with respect to each Contributed Entity, the percentage set forth on Exhibit A hereto under the heading "Contributed Entity/Contributed Interest", which reflects the Contributor's percentage ownership interest in each Contributed Entity pursuant to and in accordance with the applicable Governing Agreement (as defined herein) of the Contributed Entity.

"IPO" means the underwritten initial public offering of common stock of the REIT.

"IPO Price" means the public offering price set forth on the front cover of the final prospectus for the IPO, as filed with the U.S. Securities and Exchange Commission (the "SEC").

"Property Entity" means an entity owning a Property, as set forth on Exhibit A hereto.

"Prorations" means those proration and adjustment amounts that are customarily applied to closings of commercial real estate transactions in the county in which the Property is located, which amounts shall be calculated as of midnight (Eastern time) of the day immediately preceding the Closing Date and shall include:

(A) Taxes. All real estate and personal property taxes and special assessments, if any, with respect to each Property shall be prorated at Closing;

(B) Utilities. All telephone, electric, sewer, water and other utility bills, trash removal bills, janitorial and maintenance service bills and all other expenses relating to a Property that are obligations of the Property Entity and which are allocable to the period prior to the Closing Date shall be determined and paid, or caused to be paid, by the Property Entity or Contributed Entity before Closing, if possible, or if such is not determinable before Closing, then the Parties shall use their commercially reasonable efforts to determine and pay such amounts as promptly as possible following Closing and the Operating Partnership may withhold from any cash amount of the Consideration payable at Closing hereunder an amount of cash reasonably estimated to cover any estimated Proration for the items described in this subsection (B);

(C) Rents. All rents, including, without limitation, base rents, operating expense payments or common area maintenance charges and all other forms of additional rents, payable under the leases of the Property and all other income from the Property shall be prorated at Closing; and

(D) Other Items. Any other items of revenue, operating expenses or other items which are customarily prorated between a transferor and transferee of real estate in the county in which the Property is located shall be prorated at Closing.

"Representation, Warranty and Indemnity Agreement" means the Representation, Warranty and Indemnity Agreement by and among the REIT, the Operating Partnership and Daniel A. Hoffler.

ARTICLE II

REPRESENTATIONS AND WARRANTIES

2.1 Representations by the Operating Partnership. The Operating Partnership hereby represents and warrants to Contributors that the following statements are true, correct, and complete as of the date of this Agreement and will be true, correct and complete as of the Closing Date (as defined herein):

(a) Organization and Power. The Operating Partnership is duly organized, validly existing, and in good standing under the laws of the Commonwealth of Virginia, and has full right, power, and authority to enter into this Agreement and to assume and perform all of its obligations under this Agreement. The execution and delivery of this Agreement and the performance by the Operating Partnership of its obligations hereunder have been duly authorized by all requisite action of the Operating Partnership and require no further action or approval of the Operating Partnership's partners or of any other individuals or entities in order to constitute this Agreement as a binding and enforceable obligation of the Operating Partnership.

(b) OP Units Validly Issued. The OP Units, when issued in accordance with the terms of this Agreement and the Partnership Agreement, will have been duly and validly authorized and issued, free of any preemptive or similar rights, and will be fully paid, without any obligation to restore capital, except as required by the Virginia Revised Uniform Limited Partnership Act (the "Limited Partnership Act").

2.2 Representations by Contributors. Each Contributor hereby represents and warrants to the Operating Partnership that the following statements are true, correct, and complete as of the date of this Agreement and will be true, correct, and complete as of the Closing Date:

(a) Organization and Power; Due Authorization. Contributor, if an entity or trust, is duly incorporated, formed or organized, validly existing, and in good standing under the laws of its state of incorporation, formation or organization. Contributor has full right, power, and authority to enter into this Agreement and to assume and perform all of its obligations under this Agreement; and the execution and delivery of this Agreement and the performance by Contributor of its obligations hereunder have been duly authorized by all requisite action of Contributor and require no further action or approval of Contributor's members, partners, stockholders, managers, board of directors, trustees or of any other individuals or entities, as applicable, in order to constitute this Agreement as a binding and enforceable obligation of Contributor. No person has any community property rights, by virtue of marriage or otherwise, with respect to the Contributed Interests. This Agreement and each agreement, document and instrument executed and delivered by or on behalf of Contributor pursuant to this Agreement constitutes, or when executed and delivered will constitute, the legal, valid and binding obligation of Contributor, each enforceable against Contributor in accordance with its terms, except as such enforceability may be limited by bankruptcy or the application of equitable principles.

(b) Noncontravention. Neither the entry into nor the performance of, or compliance with, this Agreement by Contributor has resulted, or will result, in any violation of, or default under, or result in the acceleration of, any obligation under any charter, bylaws, limited liability company agreement, partnership agreement, declaration of trust, mortgage indenture, lien agreement, note, contract, agreement, permit, judgment, decree, order, restrictive covenant, statute, rule, or regulation applicable to Contributor or to any Contributed Interests, any Contributed Entity or any Property Entity.

(c) Litigation. There is no action, suit, or proceeding, pending or known to be threatened, against or affecting Contributor in any court or before any arbitrator or before any federal, state, municipal, or other governmental department, commission, board, bureau, agency or instrumentality which (1) in any manner raises any question affecting the validity or enforceability of this Agreement, (2) could materially and adversely affect the business, financial position, or results of operations of Contributor, any Contributed Entity, Property Entity or Property, (3) could adversely affect the ability of Contributor to perform its obligations hereunder, or under any document to be delivered pursuant hereto, (4) could create a lien on the Contributed Interests, any part thereof, or any interest therein, or (5) could adversely affect the Contributed Interests, any part thereof, or any interest therein.

(d) Good Title. Exhibit A accurately sets forth each Contributor's Percentage Interest. Contributor is the sole record and beneficial owner of the Contributed Interests and has full power and authority to convey the Contributed Interests pursuant to the terms of this Agreement. Contributor has good and marketable title to the Contributed Interests. Except as set forth on Schedule 2.1(d), the Contributed Interests are free and clear of all liens, encumbrances, security interests, pledges, voting agreements, prior assignments or conveyances,

conditions, restrictions, claims or any other matters affecting title thereto and at the Closing will be contributed to the Operating Partnership free and clear of all liens, encumbrances, security interests, pledges, voting agreements, prior assignments or conveyances, conditions, restrictions, claims or other matters affecting title thereto. No other person or entity has an option to purchase or a right of first refusal to purchase the Contributed Interests nor are there any agreements or understandings with respect to the voting, ownership or disposition of the Contributed Interests that could adversely affect Contributor's ability to perform its obligations hereunder or the Operating Partnership's rights to the Contributed Interests following the Closing.

(e) Contributed Interests. There are no rights to purchase, subscriptions, warrants, options, conversion rights or preemptive rights relating to the Contributed Interests or any equity interest in any Contributed Entity that will be in effect as of the Closing.

(f) No Consents. Each consent, approval, authorization, order, license, certificate, permit, registration, designation, or filing by or with any governmental agency or body necessary for the execution, delivery and performance of this Agreement or the transactions contemplated hereby by Contributor has been obtained or will be obtained on or before the Closing Date. Each consent or approval required under any Governing Agreement (as defined herein), contract or agreement of any Contributed Entity, or among the partners, members or stockholders of any Contributed Entity to which Contributor is a party, relating to indebtedness or otherwise, necessary for the execution, delivery and performance of this Agreement and the contribution, acquisition and transfer of the Contributed Interests has been obtained or will be obtained on or before the Closing Date.

(g) Actions Prior to Closing. From the date hereof until the Closing Date, Contributor shall not take any action or fail to take any action the result of which would (1) have a material adverse effect on the Contributed Interests or the Operating Partnership's ownership thereof, or any material adverse effect on the assets, business, condition (financial or otherwise), results or operation of any Property or any Contributed Entity or Property Entity after the Closing Date or (2) cause any of the representations and warranties contained in this Section 2.2 to be untrue as of the Closing Date.

(h) Governing Documents. Contributor has performed all of its obligations under the Limited Partnership Agreement, Limited Liability Company Agreement, Operating Agreement, Charter and Bylaws, as such may have been amended from time to time, as applicable, of each Contributed Entity in which it owns an interest, (each a "Governing Agreement" and collectively, the "Governing Agreements").

(i) Securities Law Matters.

(1) In deciding to engage in the transaction contemplated by this Agreement, including, if applicable, acquiring OP Units, neither Contributor nor any equity holder thereof is relying upon any representations made to it by the Operating Partnership, or any of its partners, officers, employees, or agents that are not contained herein. Contributor is aware of the risks involved in investing in the OP Units and in the securities issuable upon redemption of such OP Units. Contributor is knowledgeable,

sophisticated and experienced in business and financial matters and fully understands the limitations on transfer imposed by the federal securities laws and as described in this Agreement and the PPM and related materials, including the Partnership Agreement. Contributor has received the PPM and related materials, including the Partnership Agreement, has reviewed all documents and has had an opportunity to ask questions of, and to receive answers from, the Operating Partnership and the REIT or a person or persons authorized to act on their behalf, concerning the terms and conditions of an investment in the OP Units and the financial condition, affairs, and business of the Operating Partnership and the REIT. Contributor confirms that all documents, records, and information pertaining to its investment in OP Units that have been requested by Contributor have been made available or delivered to Contributor prior to the date hereof.

(2) Contributor understands and acknowledges that (i) certain of the information contained in the PPM is incomplete or may be revised, amended or supplemented in the registration statement to be filed by the REIT with the SEC in connection with the IPO and (ii) the financial information included in the PPM has not been audited, but will be audited prior to the REIT's filing of the registration statement with the SEC, and such information could change upon audit, and any such changes could be material.

(3) Contributor and each equity holder thereof understands that the offer and sale of OP Units have not been registered under the Securities Act or any state securities laws and are instead being offered and sold in reliance on an exemption from such registration requirements and that the Operating Partnership's reliance on such exemption is predicated in part on the accuracy and completeness of the representations and warranties of Contributor contained herein. The OP Units issuable to Contributor are being acquired by Contributor solely for its own account, for investment, and are not being acquired with a view to, or for resale in connection with, any distribution, subdivision, or fractionalization thereof, in violation of such laws, and Contributor does not have any present intention to enter into any contract, undertaking, agreement, or arrangement with respect to any such resale.

(4) Contributor is able to bear the economic risk of holding the OP Units for an indefinite period and is able to afford the complete loss of its investment in the OP Units.

(5) Contributor understands that no federal agency (including the SEC) or state agency has made or will make any finding or determination as to the fairness of an investment in the OP Units (including as to the value of the Consideration payable in OP Units in accordance with Section 1.2 hereof).

(6) Contributor understands that there is no established public, private or other market for the OP Units to be acquired by Contributor hereunder and it is not anticipated that there will be any public, private or other market for such OP Units in the foreseeable future.

(7) Contributor understands that Rule 144 promulgated under the Securities Act is not currently available with respect to the sale of OP Units.

(j) Accredited Investor. If Contributor is electing to receive OP Units as some or all of the Consideration, Contributor is an "accredited investor", as that term is defined in Rule 501 of Regulation D under the Securities Act, and has previously provided the Operating Partnership and the REIT with a duly executed questionnaire confirming Contributor's accredited investor status. No event or circumstance has occurred since delivery of such questionnaire to make the statements therein false or misleading.

(k) Tax Matters. Contributor represents and warrants that it has obtained from its own counsel advice regarding the tax consequences of (i) the transfer of the Contributed Interests to the Operating Partnership and the receipt of OP Units and/or cash as the Consideration therefor, (ii) its admission as a limited partner of the Operating Partnership, if applicable and (iii) any other transaction contemplated by this Agreement. Neither the Operating Partnership nor the REIT has made any representation to Contributor regarding the tax treatment of the transactions contemplated by this Agreement, and Contributor further represents and warrants that it has not relied on the Operating Partnership or the Operating Partnership's representatives or counsel for any tax advice.

(l) Bankruptcy with respect to Contributor. No Act of Bankruptcy has occurred with respect to Contributor. As used herein, "Act of Bankruptcy" means if Contributor or any equity holder, partner, manager or director thereof shall (A) apply for or consent to the appointment of, or the taking of possession by, a receiver, custodian, trustee or liquidator of itself or of all or a substantial part of its property, (B) admit in writing its inability to pay its debts as they become due, (C) make a general assignment for the benefit of its creditors, (D) file a voluntary petition or commence a voluntary case or proceeding under the Federal Bankruptcy Code (as now or hereafter in effect), (E) be adjudicated bankrupt or insolvent, (F) file a petition seeking to take advantage of any other law relating to bankruptcy, insolvency, reorganization, receivership, dissolution, winding-up or composition or adjustment of debts, (G) fail to controvert in a timely and appropriate manner, or acquiesce in writing to, any petition filed against it in an involuntary case or proceeding under the Federal Bankruptcy Code (as now or hereafter in effect), or (H) take any entity action for the purpose of effecting any of the foregoing.

(m) Brokerage Commission. Contributor has not engaged the services of any real estate agent, broker, finder or any other person or entity for any brokerage or finder's fee, commission or other amount with respect to the transactions described herein.

(n) No Other Equity Interests. Except for the Contributed Interests, neither Contributor nor any of its affiliates owns, directly or indirectly, any equity interest in any partnership, limited liability company, corporation, trust or other entity owning a property being acquired by the Operating Partnership as part of the formation transactions described in the PPM and does not own any interest in any Property other than through the Contributed Interests.

ARTICLE III

INDEMNIFICATION

3.1 Survival of Representations and Warranties; Remedy for Breach.

(a) Subject to Section 3.5 hereof, all representations and warranties of Contributor contained in this Agreement or in any Schedule, Exhibit, certificate or affidavit delivered pursuant to this Agreement shall survive the Closing.

(b) Subject to Section 3.4 hereof, following the Closing, each Contributor shall be liable under this Agreement for monetary damages (or otherwise) for breach of any of its representations, warranties, covenants and obligations contained in this Agreement or in any Schedule, Exhibit, certificate or affidavit delivered by Contributor pursuant thereto.

3.2 General Indemnification.

(a) From and after the Closing Date, each Contributor shall indemnify, hold harmless and defend the Operating Partnership and the REIT, and their respective officers, directors, employees, stockholders, partners, agents and affiliates (each of which is an "Indemnified Party"), from and against any and all claims, losses, damages, liabilities and expenses, including, without limitation, interest, penalties, amounts paid in settlement, reasonable attorneys' fees, costs of investigation, judicial or administrative proceedings or appeals therefrom and costs of attachment or similar bonds (collectively, "Losses") asserted against, imposed upon or incurred by the Indemnified Party, to the extent resulting from any breach of a representation, warranty or covenant of Contributor contained in this Agreement, or in any Schedule, Exhibit, certificate or affidavit delivered by Contributor pursuant thereto. In each case, Contributor shall only bear the fees, costs or expenses in connection with the employment of one counsel (regardless of the number of Indemnified Parties).

(b) Each Contributor shall also indemnify and hold harmless the Indemnified Parties from and against any and all Losses asserted against, imposed upon or incurred by the Indemnified Parties to the extent resulting from an unrelated third-party claim relating to the Contributed Interests arising from matters that occurred prior to Closing.

(c) With respect to any claim of an Indemnified Party pursuant to this Section 3.2, to the extent available, the Operating Partnership agrees to use diligent good faith efforts to pursue and collect any and all available proceeds and benefits of any right to defense under any insurance policy that covers the matter which is the subject of the indemnification prior to seeking indemnification from Contributor until all proceeds and benefits, if any, to which the Operating Partnership or the Indemnified Party is entitled pursuant to such insurance policy have been exhausted; provided, however, that the Operating Partnership may make a claim under this Section 3.2 even if an insurance coverage dispute is pending, in which case, if the Indemnified Party later receives insurance proceeds with respect to any Losses paid by either Contributor for the benefit of any Indemnified Party, then the Indemnified Party shall reimburse Contributor in an amount equivalent to such proceeds in excess of any deductible amount pursuant to Section 3.2(a) hereof up to the amount actually paid (or deemed paid) by Contributor

to the Indemnified Party in connection with such indemnification (it being understood that all costs and expenses incurred by Contributor with respect to insurance coverage disputes shall constitute Losses paid by Contributor for purposes of Section 3.2(a) hereof).

3.3 Notice and Defense of Claims. As soon as reasonably practicable after receipt by the Indemnified Party of notice of any liability or claim incurred by or asserted against the Indemnified Party that is subject to indemnification under this Article III, the Indemnified Party shall give notice thereof to Contributor, including liabilities or claims to be applied against the indemnification deductible established pursuant to Section 3.4 hereof; provided that failure to give notice to Contributor will not relieve Contributor from any liability that it may have to any Indemnified Party, unless, and only to the extent that, such failure (a) shall have caused prejudice to the defense of such claim or (b) shall have materially increased the costs or potential liability of Contributor by reason of the inability or failure of Contributor (due to such lack of prompt notice) to be involved in any investigations or negotiations regarding any such claim. Such notice shall describe in reasonable detail the facts known to such Indemnified Party giving rise to such claim, and the amount or good faith estimate of the amount of Losses arising therefrom. Unless prohibited by law, such Indemnified Party shall deliver to Contributor, promptly after such Indemnified Party's receipt thereof, copies of all notices and documents received by such Indemnified Party relating to such claim. The Indemnified Party shall permit Contributor, at Contributor's option and expense, to assume the defense of any such claim by counsel selected by Contributor and reasonably satisfactory to the Indemnified Party, and to settle or otherwise dispose of the same; provided, however, that the Indemnified Party may at all times participate in such defense at its sole expense; and provided further, however, that Contributor shall not, in defense of any such claim, except with the prior written consent of the Indemnified Party in its sole and absolute discretion, consent to the entry of any judgment or enter into any settlement that does not include as an unconditional term thereof the giving by the claimant or plaintiff in question to all Indemnified Parties a full and complete release of all liabilities in respect of such claims, or that does not result only in the payment of money damages which are paid (or deemed paid) in full by Contributor. If Contributor shall not have undertaken such defense within 20 days after such notice, or within such shorter time as may be reasonable under the circumstances to the extent required by applicable law, then the Indemnified Party shall have the right to undertake the defense, compromise or settlement of such liability or claim on behalf of and for the account of Contributor and at Contributor's sole cost and expense (subject to the limitations in Section 3.4 hereof).

3.4 Limitations on Indemnification Under Section 3.2(a).

(a) Contributors shall not be liable under Section 3.2(a) hereof unless and until the total amount recoverable by the Indemnified Parties under Section 3.2(a) exceeds one percent (1%) of the value of the aggregate Consideration (valuing OP Units at the IPO Price) and then only to the extent of such excess.

(b) Notwithstanding anything contained herein to the contrary, before taking recourse against any assets of Contributor and subject to the limitations set forth in the following sentence, the Indemnified Parties shall look, first to available insurance proceeds (including without limitation any title insurance proceeds, if applicable) pursuant to Section 3.2(c) above, and then to indemnification under this Article III, (and agree to treat any return of OP Units in

satisfaction of indemnification obligations hereunder as an adjustment to the consideration delivered to Contributor pursuant to the Formation Transactions). Notwithstanding anything to the contrary in this Agreement, except in the case of fraud or in the event of Losses relating to a third-party claim, Contributor shall not be liable to the Indemnified Parties for any indirect, special or consequential damages, loss of profits, taxes relating to tax years beginning on or after Closing, loss of value or other similar speculative damages asserted or claimed by the Indemnified Parties.

(c) The limitations in this Section 3.4 shall not apply to any obligations of Contributor with respect to Prorations under this Agreement.

3.5 Limitation Period.

(a) Any claim for indemnification under Section 3.2 hereof must be asserted in writing by the Indemnified Party, stating the nature of the Losses and the basis for indemnification therefor on or prior to the fifth (5th) anniversary of the Closing.

(b) If asserted in writing on or prior to the date specified in Section 3.5(a) hereof for the applicable claim, any claims for indemnification pursuant to Section 3.2 hereof shall survive until resolved by mutual agreement between Contributor and the Indemnified Party or by arbitration or court proceeding.

3.6 Delivery of Indemnity Amounts. Indemnity payments may be made by Contributor in the form of cash or OP Units. To the extent indemnification is made through delivery by Contributor of OP Units, such OP Units shall be valued at an amount per OP Unit equal to the IPO Price. Contributor hereby authorizes the REIT, as general partner of the Operating Partnership, to take all such action as may be necessary to amend the Partnership Agreement, and any exhibits or schedules thereto, to reflect the delivery of any OP Units by Contributor to the Operating Partnership as an indemnification payment hereunder and to reflect that Contributor has no further right, title or interest with respect to any such OP Units.

ARTICLE IV

COVENANTS

4.1 Covenants of the Contributors.

(a) Satisfaction of Conditions. Each Contributor hereby covenants that Contributor shall: (A) use commercially reasonable efforts and diligence in order to satisfy all of the conditions to Closing set forth herein, and (B) cooperate and assist in the Operating Partnership's efforts to satisfy all of the conditions to Closing set forth herein, and agrees that the Operating Partnership shall not have any obligation to consummate the Closing hereunder unless and until such conditions have been satisfied or waived by the Operating Partnership in writing.

(b) Consent to Transfers. Each Contributor hereby consents to the transfer of, and waives any rights of first refusal, right of first offer, buy-sell agreements, put, option or similar parallel or dissenter rights or similar rights afforded to Contributor under the Governing Agreements or otherwise with respect to any equity ownership interest in any Contributed Entity, Property Entity or Property or any other company or property being contributed or transferred to the Operating Partnership pursuant to a separate contribution or other agreement or as otherwise described in the PPM.

(c) No Disposition or Encumbrance of Contributed Interests. From the date hereof through the Closing, except as specifically contemplated by this Agreement, no Contributor shall, without the prior written consent of the Operating Partnership: (i) sell, transfer (or agree to sell or transfer) or otherwise dispose of, or cause the sale, transfer or disposition of (or agree to do any of the foregoing) all or any portion of its interest in the Contributed Interests or all or any portion of its interest in any Property Partnership or Property; or (ii) mortgage, assign, pledge or otherwise encumber in any manner the Contributed Interests.

(d) Ordinary Course of Business. From the date hereof through the Closing, and except as specifically contemplated by this Agreement, each Contributor shall, to the extent within its control, cause each Contributed Entity, subsidiary and Property Entity to conduct its business in the ordinary course of business consistent with past practice, and shall, to the extent within its control, not permit any Contributed Entity, any subsidiary or any Property Entity without the prior written consent of the Operating Partnership, to: (i) enter into any material transaction not in the ordinary course of business; (ii) mortgage, pledge or encumber any assets of the Contributed Entity, any subsidiary, any Property Entity or any Property, (iii) cause or permit any Property Entity to change the existing use of any Property; (iv) cause or take any action that would render any of the representations or warranties set forth herein untrue; (v) file an entity classification election pursuant to Treasury Regulations Section 301.7701-3(c) on Internal Revenue Service Form 8832 (Entity Classification Election) to treat the Contributed Entity as an association taxable as a corporation for federal income tax purposes; (vi) make or change any other tax elections; (vii) settle or compromise any claim, notice, audit report or assessment in respect of taxes; (viii) change any annual tax accounting period; (ix) adopt or change any method of tax accounting; (x) file any amended return, report or form (including an election, declaration, amendment, schedule, information return or attachment thereto) required to be filed with a governmental authority with respect to taxes (each, a "Tax Return"); (xi) enter into any tax allocation agreement, tax sharing agreement, tax indemnity agreement or closing agreement relating to any tax; (xii) surrender of any right to claim a tax refund; (xiii) consent to any extension or waiver of the statute of limitations period applicable to any tax claim or assessment; or (xiv) make any distribution to its partners or members, except for cash distributions in the ordinary course of business consistent with past practices or as permitted by this Agreement.

4.2 Tax Covenants.

(a) Each Contributor and the Operating Partnership shall provide each other with such cooperation and information relating to any of the Contributed Interests, the Contributed Entities, their subsidiaries, the Property Entities or the Properties as the parties reasonably may request in (i) filing any Tax Return, amended Tax Return or claim for tax refund, (ii) determining any liability for taxes or a right to a tax refund, (iii) conducting or defending any proceeding in respect of taxes, or (iv) performing tax diligence, including with respect to the impact of this transaction on the REIT's tax status as a REIT. Such reasonable cooperation shall include making employees available on a mutually convenient basis to provide additional

information and explanation of any material provided hereunder. The Operating Partnership shall promptly notify Contributor upon receipt by the Operating Partnership or any of its affiliates of notice of (i) any pending or threatened tax audits or assessments with respect to the income, properties or operations of any of the Contributed Entities, their subsidiaries, the Property Entities or their subsidiaries or with respect to any Property and (ii) any pending or threatened federal, state, local or foreign tax audits or assessments of the Operating Partnership or any of its affiliates, in each case, which may affect the liabilities for taxes of Contributor with respect to any tax period ending before or as a result of the Closing. Each Contributor shall promptly notify the Operating Partnership in writing upon receipt by Contributor or any of its affiliates of notice of any pending or threatened federal, state, local or foreign tax audits or assessments relating to the income, properties or operations of any of the Contributed Entities, the Property Entities or their subsidiaries or with respect to any Property. Each of the Operating Partnership and Contributors may participate at its own expense in the prosecution of any claim or audit with respect to taxes attributable to any taxable period ending on or before the Closing Date; provided, that a Contributor shall have the right to control the conduct of any such audit or proceeding or portion thereof for which such Contributor has acknowledged liability (except as a partner of the Operating Partnership) for the payment of any additional tax liability, and the Operating Partnership shall have the right to control any other audits and proceedings. Notwithstanding the foregoing, neither the Operating Partnership nor a Contributor may settle or otherwise resolve any such claim, suit or proceeding which could have an adverse tax effect on the other party or its affiliates (other than on a Contributor or any of its affiliates as a partner of the Operating Partnership) without the consent of the other party, such consent not to be unreasonably withheld. Each Contributor and the Operating Partnership shall retain all Tax Returns, schedules and work papers with respect to the Contributed Entities, the Property Entities, their subsidiaries, and the Properties, and all material records and other documents relating thereto, until the expiration of the statute of limitations (and, to the extent notified by any party, any extensions thereof) of the taxable years to which such Tax Returns and other documents relate and until the final determination of any tax in respect of such years.

(b) The Operating Partnership shall prepare or cause to be prepared and file or cause to be filed all Tax Returns of the Contributed Entities, the Property Entities or their subsidiaries and their subsidiaries that are due after the Closing Date. To the extent such returns relate to a period ending on or prior to the Closing Date, such Tax Returns (including, for the avoidance of doubt, any amended Tax Returns) shall be prepared in a manner consistent with past practice, except as otherwise required by applicable law.

(c) For purposes of allocating items of income, gain, loss and deduction with respect to the Property and/or the Contributed Interests in the manner required by Section 704(c) of the Code, the Operating Partnership shall employ, and shall cause any entity controlled by the Operating Partnership which holds title to the Property or the Contributed Interests to employ, the “traditional method” (without curative allocations) as set forth in Treasury Regulations section 1.704-3(b)(1).

4.3 Relationship to Contributed Entities. Contributors and the Operating Partnership acknowledge and agree that, from and after the Closing (as defined herein), Contributors shall no longer be a member, partner, stockholder or equity owner, or, if applicable, managing member or general partner, of any Contributed Entity and shall have no rights or benefits under any Governing Agreement.

ARTICLE V

CONDITIONS PRECEDENT TO THE CLOSING

5.1 Conditions to the Operating Partnership's Obligation. In addition to any other conditions set forth in this Agreement, the Operating Partnership's obligation to consummate the Closing is subject to the timely satisfaction of each and every one of the conditions and requirements set forth in this Section 5.1, all of which shall be conditions precedent to the Operating Partnership's obligations under this Agreement.

(a) IPO. The IPO, in such form and substance as the REIT, in its sole and absolute discretion, shall have determined to be acceptable, shall have been completed (or be completed simultaneously with the Closing).

(b) Formation Transactions. The formation transactions described in the PPM shall have occurred or be scheduled to occur contemporaneously with the Closing hereunder.

(c) Representations and Warranties. The representations and warranties made by each Contributor pursuant to this Agreement, as well as those contained in the Representation, Warranty and Indemnity Agreement, shall be true and correct as of the Closing as though such representations and warranties were made at the Closing and, if requested by the Operating Partnership, each Contributor shall have delivered a certificate to the Operating Partnership to such effect in regard to Contributor's representations and warranties set forth in this Agreement.

(d) Performance. Each Contributor shall have performed and complied with all agreements and covenants that it is required to perform or comply with pursuant to this Agreement prior to the Closing, including having delivered each of the items set forth in Section 5.2 hereof.

(e) Legal Proceedings. No order, statute, rule, regulation, executive order, injunction, stay, decree, or restraining order shall have been enacted, entered, promulgated or enforced by any court of competent jurisdiction or governmental entity that restrains, prohibits or otherwise invalidates the consummation of the transactions contemplated by this Agreement, and no litigation or governmental proceeding seeking such an order shall be pending or threatened.

(f) Consents and Approvals. All necessary approvals and consents of governmental and private parties, including, without limitation, all ground lessors, tenants, other parties to service contracts, lenders and ratings agencies, partners, members or stockholders of any Contributed Entity, Property Entity or their subsidiaries, to effect the transactions contemplated by this Agreement, shall have been obtained.

(g) Reliance on Regulation D. If a Contributor has elected to receive OP Units, the Operating Partnership shall, based on the advice of its counsel and the representations made by Contributor in Contributor's Investor Questionnaire, be reasonably satisfied that the issuance of OP Units to Contributor may be made without registration under the Securities Act in reliance on Regulation D under the Securities Act.

(h) Representation, Warranty and Indemnity Agreement. Daniel A. Hoffler and each other party thereto shall have entered into the Representation, Warranty and Indemnity Agreement.

(i) No Material Adverse Change. There shall have not occurred between the date hereof and the Closing Date any material adverse change with respect to any of the Contributed Interests or any material adverse change in any of the assets, business, condition (financial or otherwise), results of operation or prospects of any Property, any Property Entity or any Contributed Entity.

(j) Tenant and Lender Estoppels. The Operating Partnership shall have received tenant and lender estoppels in form and substance satisfactory to the Operating Partnership and its counsel.

5.2 Conditions to Contributor's Obligation. In addition to any other conditions set forth in this Agreement, Contributor's obligation to consummate the Closing is subject to the timely satisfaction of each and every one of the conditions and requirements set forth in this Section 5.2, all of which shall be conditions precedent to Contributor's obligations under this Agreement.

(a) Representations and Warranties. The representations and warranties made by the Operating Partnership pursuant to this Agreement shall be true and correct as of the Closing as though such representations and warranties were made at the Closing.

(b) Performance. The Operating Partnership shall have performed and complied in all material respects with all agreements and covenants that it is required to perform or comply with pursuant to this Agreement prior to the Closing.

(c) Legal Proceedings. No order, statute, rule, regulation, executive order, injunction, stay, decree, or restraining order shall have been enacted, entered, promulgated or enforced by any court of competent jurisdiction or governmental entity that prohibits the consummation of the transactions contemplated by this Agreement, and no litigation or governmental proceeding seeking such an order shall be pending or threatened.

ARTICLE VI

CLOSING AND CLOSING DOCUMENTS

6.1 Closing. The consummation and closing (the "Closing") of the transactions contemplated pursuant to this Agreement shall take place at the offices of Hunton & Williams LLP in Richmond, Virginia, or such other place as the Operating Partnership may designate, promptly following satisfaction of the conditions to Closing set forth herein (the "Closing Date"), or as otherwise set by agreement of the parties; provided, however, termination shall not relieve any party from a breach occurring prior to that date.

6.2 Contributor's Deliveries. At the Closing, Contributors shall deliver the following to the Operating Partnership in addition to all other items required to be delivered to the Operating Partnership by Contributors:

(a) Assignment of Contributed Interests. Each Contributor shall have executed and delivered an Assignment, in substantially the form of Exhibit B attached hereto.

(b) Execution of Partnership Agreement. If a Contributor has elected to receive OP Units, signature pages of the Partnership Agreement (which Partnership Agreement shall be in substantially the form attached as an exhibit to the PPM) duly executed by Contributor, as limited partner.

(c) FIRPTA Certificate. An affidavit from each Contributor certifying pursuant to Section 1445 of the Internal Revenue Code that Contributor is not a foreign corporation, foreign partnership, foreign trust, foreign estate or foreign person (as those terms are defined in the Code and the Treasury Regulations promulgated thereunder).

(d) Other Documents. Any other document or instrument reasonably requested by the Operating Partnership or required hereby.

6.3 Default Remedies. If a Contributor defaults in performing any of Contributor's obligations under this Agreement, the Operating Partnership shall have all rights and remedies available to it at law or in equity resulting from Contributor's default, including without limitation, the right to seek specific performance of this Agreement and Contributor's obligation to convey the Contributed Interests to the Operating Partnership hereunder. The parties acknowledge and agree that the failure of a condition precedent to occur, notwithstanding the good faith and commercially reasonable efforts of the applicable party, shall not be a default hereunder.

ARTICLE VII

MISCELLANEOUS

7.1 Notices. Any notice provided for by this Agreement and any other notice, demand, or communication required hereunder shall be in writing and either delivered in person (including by confirmed facsimile transmission) or sent by hand delivered against receipt or sent by recognized overnight delivery service or by certified or registered mail, postage prepaid, with return receipt requested. All notices shall be addressed as follows:

Operating Partnership:

c/o Armada Hoffler Properties, Inc.
222 Central Park Avenue, Suite 2100,
Virginia Beach, Virginia 23462
Attention: A. Russell Kirk
Fax No.: 757-424-2513

with a copy to (which shall not constitute notice):

Hunton & Williams LLP
Riverfront Plaza, East Tower
951 E. Byrd Street
Richmond, Virginia 23219
Attention: David C. Wright
Fax No.: 804-343-4580

and

Faggert & Frieden, P.C.
222 Central Park Avenue, Suite 1300
Virginia Beach, Virginia 23462
Attention: David Y. Faggert
Fax No.: 757-424-0102

Contributors:

Compson of Richmond, L.C.
222 Severn Avenue
Bldg. 14, Suite 101
Annapolis, Maryland 21403
Attn: Tom Comparato

Thomas Comparato
222 Severn Avenue
Bldg. 14, Suite 101
Annapolis, Maryland 21403

Lindsay Smith Comparato
222 Severn Avenue
Bldg. 14, Suite 101
Annapolis, Maryland 21403

Any address or name specified above may be changed by a notice given by the addressee to the other party. Any notice, demand or other communication shall be deemed given and effective as of the date of delivery in person or set forth on the return receipt. The inability to deliver because of changed address of which no notice was given, or rejection or other refusal to accept any notice, demand or other communication, shall be deemed to be receipt of the notice, demand or other communication as of the date of such attempt to deliver or rejection or refusal to accept.

7.2 Entire Agreement; Third-Party Beneficiaries. This Agreement, including, without limitation, the exhibits hereto and thereto, constitute the entire agreement and supersede each prior agreement and understanding, whether written or oral, among the parties regarding the subject matter of this Agreement. This Agreement is not intended to confer any rights or remedies on any Person other than the parties hereto.

7.3 Amendment. This Agreement may not be amended except by an instrument in writing signed on behalf of each of the parties hereto.

7.4 Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the Commonwealth of Virginia, without regard to the conflicts of law rules thereof.

7.5 Counterparts. This Agreement may be executed by the parties hereto in separate counterparts, each of which when so executed and delivered shall be an original, but all such counterparts shall together constitute one and the same instrument. Each counterpart may consist of a number of copies hereof, each signed by less than all, but together signed by all of the parties hereto. Each party may rely upon the facsimile or electronic pdf email signature of any other party as if such signature were an original signature.

7.6 Headings. Headings of the Articles and Sections of this Agreement are for the convenience of the parties only, and shall be given no substantive or interpretive effect whatsoever.

7.7 Incorporation. All Exhibits attached hereto and referred to herein are hereby incorporated herein and made a part hereof for all purposes as if fully set forth herein.

7.8 Severability. Any term or provision of this Agreement which is invalid or unenforceable in any jurisdiction shall, as to that jurisdiction, be ineffective to the extent of such invalidity or unenforceability without rendering invalid or unenforceable the remaining terms and provisions of this Agreement or affecting the validity or enforceability of any of the terms or provisions of this Agreement in any other jurisdiction. If any provision of this Agreement is so broad as to be unenforceable, the provision shall be interpreted to be only so broad as is enforceable.

7.9 Waiver of Conditions. The conditions to each party's obligations hereunder are for the sole benefit of such party and may be waived by such party in whole or in part to the extent permitted by applicable law.

7.10 Dispute Resolution. The parties intend that this Section 7.1010 will be valid, binding, enforceable, exclusive and irrevocable and that it shall survive any termination of this Agreement.

(a) Upon any dispute, controversy or claim arising out of or relating to this Agreement or the enforcement, breach, termination or validity thereof ("Dispute"), the party raising the Dispute will give written notice to the other parties to the Dispute describing the nature of the Dispute following which the parties to such Dispute shall attempt for a period of ten (10) Business Days from receipt by the parties of notice of such Dispute to resolve such Dispute by negotiation between representatives of the parties hereto who have authority to settle such Dispute. All such negotiations shall be confidential and any statements or offers made therein shall be treated as compromise and settlement negotiations for purposes of any applicable rules of evidence and shall not be admissible as evidence in any subsequent proceeding for any purpose. The statute of limitations applicable to the commencement of a lawsuit shall apply to the commencement of an arbitration hereunder, except that no defense based on the running of

the statute of limitations will be available based upon the passage of time during any such negotiation. Regardless of the foregoing, a party shall have the right to seek immediate injunctive relief pursuant to clause (c) below without regard to any such ten (10) Business Day negotiation period.

(b) Any Dispute (including the determination of the scope or applicability of this Agreement to arbitrate) that is not resolved pursuant to clause (a) above shall be submitted to final and binding arbitration in Virginia Beach, Virginia before one neutral and impartial arbitrator, in accordance with the laws of the Commonwealth of Virginia for agreements made in and to be performed in Virginia. The arbitration shall be administered by JAMS, Inc. ("JAMS") pursuant to its Comprehensive Arbitration Rules and Procedures, as in effect on the date hereof. The parties hereto shall appoint one arbitrator within fifteen (15) days of a demand for arbitration. If an arbitrator is not appointed within such 15-day period, the arbitrator shall be appointed by JAMS in accordance with its Comprehensive Arbitration Rules and Procedures, as in effect on the date hereof. The arbitrator shall designate the place and time of the hearing. The hearing shall be scheduled to begin as soon as practicable and no later than sixty (60) days after the appointment of the arbitrator (unless such period is extended by the arbitrator for good cause shown) and shall be conducted as expeditiously as possible. The award, which shall set forth the arbitrator's findings of fact and conclusions of law, shall be filed with JAMS and mailed to the parties no later than thirty (30) days after the close of the arbitration hearing. The arbitration award shall be final and binding on the parties and not subject to collateral attack. Judgment upon the arbitration award may be entered in any federal or state court having jurisdiction thereof.

(c) Notwithstanding the parties' agreement to submit all Disputes to final and binding arbitration before JAMS, the parties shall have the right to seek and obtain temporary or preliminary injunctive relief in any court having jurisdiction thereof. Such courts shall have authority to, among other things, grant temporary or provisional injunctive relief in order to protect any party's rights under this Agreement. Without prejudice to such provisional remedies as may be available under the jurisdiction of a court, the arbitral tribunal shall have full authority to grant provisional remedies and to direct the parties to request that any court modify or vacate any temporary or preliminary relief issued by such court, and to award damages for the failure of any party to respect the arbitral tribunal's orders to that effect.

(d) The prevailing party shall be entitled to recover its costs and reasonable attorneys' fees, and the non-prevailing party shall pay all expenses and fees of JAMS, all costs of the stenographic record, all expenses of witnesses or proofs that may have been produced at the direction of the arbitrator, and the fees, costs and expenses of the arbitrator. The arbitrator shall allocate such costs and designate the prevailing party or parties for these purposes.

[Signature Page Follows.]

IN WITNESS WHEREOF, this Agreement has been entered into effective as of the date first written above.

CONTRIBUTORS:

COMPSON OF RICHMOND, L.C., a
Virginia limited liability company

By: /s/ Thomas Comparato
Name: Thomas Comparato
Title:

THOMAS COMPARATO

By: /s/ Thomas Comparato

LINDSEY SMITH COMPARATO

By: /s/ Lindsay Comparato

OPERATING PARTNERSHIP:

ARMADA HOFFLER, L.P., a Virginia limited
partnership

By: Armada Hoffler Properties, Inc.,
its general partner

By: /s/ Louis S. Haddad
Name: Louis S. Haddad
Title: Chief Executive Officer and
President

REIT:

ARMADA HOFFLER PROPERTIES, INC., a
Maryland corporation

By: /s/ Louis S. Haddad
Name: Louis S. Haddad
Title: Chief Executive Officer and
President

EXHIBIT A

CONTRIBUTOR	CONTRIBUTED ENTITY/ CONTRIBUTED INTEREST	PROPERTY	PROPERTY ENTITY
Compson of Richmond, L.C.	Bermuda Shopping Center, L.L.C. (49.5%)	Bermuda Shopping Center Chesterfield County, VA	Bermuda Shopping Center, L.L.C.
Thomas Comparato	Bermuda Marketplace, Inc. (475 shares)	Bermuda Shopping Center Chesterfield County, VA	Bermuda Shopping Center, L.L.C.
Lindsey Smith Comparato	Bermuda Marketplace, Inc. (25 shares)	Bermuda Shopping Center Chesterfield County, VA	Bermuda Shopping Center, L.L.C.

Total Consideration: $3,000,000.00

Consideration Elections:

Cash:	$ 600,000.00[1]
OP Units:	$2,400,000.00[2]

(1) The cash amount will be increased at Closing by a dollar amount equal to (i) the amount of documented tenant improvements and leasing commissions paid by the Property Entity to third parties for the new Sola Salon lease and the relocation of Great Taste Buffet at the Bermuda Shopping Center and any other new leases entered into after the date of this Contribution Agreement and prior to Closing, if any, multiplied by (ii) Contributors' percentage ownership interest in the Contributed Entity as shown in the table above.

(2) The amount payable in OP Units will be reduced at Closing by a dollar amount equal to (i) the amount of any unfunded tenant improvements and unpaid leasing commissions for the new Buffalo Wild Wings lease and relocation of Anytime Fitness and Golden Star Nails at the Bermuda Crossroads Shopping Center, if any, at the time of Closing, multiplied by (ii) Contributors' percentage ownership interest in the Contributed Entity as shown in the table above.

Cash payable and deliverable to: Thomas Comparato $450,000 and Lindsay Comparato $150,000

OP Units registered in the name of: Thomas Comparato

Agreed to and accepted on January 31, 2013:

COMPSON OF RICHMOND, L.C., a Virginia limited liability company

By: /s/ Thomas Comparato
Name: Thomas Comparato
Title:

THOMAS COMPARATO

By: /s/ Thomas Comparato

LINDSEY SMITH COMPARATO

By: /s/ Lindsay Comparato

EXHIBIT B

Assignment

The undersigned, for good and valuable consideration paid to the Assignor by ARMADA HOFFLER, L.P., a Virginia limited partnership ("Assignee"), pursuant to the Contribution Agreement dated as of , 2013, by and between Assignor and Assignee (the "Agreement") and for other good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, does hereby sell, assign, transfer, convey and deliver to the Assignee, its successors and assigns, good and indefeasible right, title and interest to the **[partnership or limited liability company interests/shares of common stock]** described on *Schedule A* hereto, including, without limitation, all right, title and interest, if any, of the undersigned in and to the assets of each such **[partnership/limited liability company/corporation]** and the right to receive distributions of money, profits and other assets from each such partnership, presently existing or hereafter at any time arising or accruing, free and clear of all liens, encumbrances, security interests, pledges, voting agreements, prior assignments or conveyances, conditions, restrictions, claims, and any other matters affecting title thereto.

The undersigned, for itself, its successors and assigns, hereby covenants and agrees that, at any time and from time to time after the date hereof, upon the written request of Assignee, the undersigned will, without further consideration, do, execute, acknowledge, and deliver or cause to be done, executed, acknowledged and delivered, each of and all of such further acts, deeds, assignments, transfers, conveyances and assurances as may reasonably be required by Assignee in order to assign, transfer, set over, convey, assure and confirm unto and vest in Assignee, its successors and assigns, title to the interests described in *Schedule A* hereto

Capitalized terms used but not defined herein shall have the respective meanings ascribed to them in the Agreement.

IN WITNESS WHEREOF, the parties hereto have caused this Assignment to be signed by a duly authorized officer this day of , 2013.

_____ , a

_____

By: _____
Name:
Title:

Exhibit 10.34

CONTRIBUTION AGREEMENT

This CONTRIBUTION AGREEMENT (this "Agreement") is made as of February 1, 2013 by and among the undersigned persons and entities under the heading "Contributors" on the signature page of this Agreement (each, a "Contributor" and, collectively, "Contributors"), Armada Hoffler, L.P., a Virginia limited partnership (the "Operating Partnership") and Armada Hoffler Properties, Inc., a Maryland corporation (the "REIT").

RECITALS

WHEREAS, Contributors are the record and beneficial owner of equity interests in the amount or percentage described on Exhibit A hereto (the "Contributed Interests") in each of the entities described in Exhibit A hereto (each, a "Contributed Entity" and collectively, the "Contributed Entities"), which are the direct or indirect owners of the respective properties or property entities described on Exhibit A hereto (each a "Property" and collectively, the "Properties"). Contributors desire to contribute the Contributed Interests to the Operating Partnership, and the Operating Partnership desires to acquire the Contributed Interests from Contributors, on the terms and conditions hereinafter set forth.

WHEREAS, certain affiliates of the Contributors, Town Center Associates, L.L.C., Armada/Hoffler Properties, L.L.C. and Armada/Hoffler Development Company, L.L.C. are parties to that certain Third Amendment to Co-Development Agreement dated February 1, 2013 attached hereto as Exhibit B (the "Third Amendment"), relating to certain contractual rights and obligations of the parties thereto which relate to the Contributed Interests, the Contributed Entities and the Properties.

WHEREAS, Contributors, the Operating Partnership and the REIT desire to acknowledge the terms and conditions of the Third Amendment and agree that in the event of any conflict between the terms of this Agreement and the Third Amendment, the terms and conditions of the Third Amendment shall govern and control. For the avoidance of doubt, notwithstanding any other provision in this Agreement, the rights and obligations of the parties under the Third Amendment as it relates to the Contributed Interests, the Contributed Entities and the Properties, shall not be affected by this Agreement.

NOW, THEREFORE, for and in consideration of the foregoing recitals which the parties acknowledge are contractual in nature, and the representations, warranties and other terms contained in this Agreement, and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties hereto, intending to be legally bound hereby, agree as follows:

ARTICLE I

THE CONTRIBUTION

1.1 Contribution of Contributed Interests. Each of the Contributors irrevocably agrees to contribute, transfer and assign at Closing (as defined herein) the Contributed Interests set forth opposite such Contributor's name on Exhibit A hereto, together with any other ownership interests such Contributor may have in any of the Contributed Entities and any other

properties or entities being acquired by the Operating Partnership as described in the Confidential Private Placement Memorandum for the Offering of Limited Partnership Interests of the Operating Partnership dated January 16, 2012 (the "PPM"), to the Operating Partnership, and the Operating Partnership agrees to accept transfer of the Contributed Interests and any such other ownership interests pursuant to the terms and subject to the conditions set forth in this Agreement. The Contributed Interests shall be transferred to the Operating Partnership free and clear of all liens, encumbrances, security interests, pledges, voting agreements, prior assignments or conveyances, conditions, restrictions, claims, and any other matters affecting title thereto.

1.2 Consideration.

(a) Consideration Amount. The total consideration (the "Consideration") for which Contributors agree to contribute, transfer and assign the Contributed Interests to the Operating Partnership, and for which the Operating Partnership agrees to pay, issue or deliver to Contributors, subject to the terms of this Agreement, at Closing (as defined herein) shall be the amount set forth on Exhibit A as "Total Consideration" and the amount set forth next to each Contributor's name on Exhibit A shall be the "Total Allocable Consideration" for each Contributor. The Consideration may be adjusted, upward or downward, by the amount of any adjustments arising from the Prorations (as defined herein). Any decrease to the amount of the Consideration will be deducted first from the cash portion of the Consideration, if any, and the balance will be deducted from the OP Units. Any increase in the Consideration as a result of the Prorations will be paid in cash. In addition to the Consideration set forth on Exhibit A hereto, Contributors shall be entitled to receive in cash, at Closing or shortly thereafter, Contributors' pro rata share (based on Contributors' direct or indirect ownership interest in each Property Entity) of any tenant improvement, leasing commission and replacement reserves held by lenders with respect to each Property in which Contributors own an interest. The amount of Consideration will be further adjusted by an aggregate amount equal to the Contributors' ownership percentage in each Property Entity as set forth in Exhibit A multiplied by the positive difference, if any, between (a) the sum of the outstanding debt balances with respect to each of the loans secured by the Properties described in Exhibit A as of November 1, 2012, less (b) the sum of the outstanding debt balances of such loans at the time of Closing. Any additional amount of Consideration determined in accordance with the preceding sentence will be payable entirely in the form of OP Units.

(b) Election Form. The Consideration shall be payable in accordance with the election made by Contributors in the Consideration Election Form ("Election Form") accompanying the PPM, the results of which election are set forth on Exhibit A hereto. If, pursuant to the Election Form, Contributors (A) elected all or part of Contributors' consideration payable hereunder to be in the form of units of limited partnership interests of the Operating Partnership ("OP Units") and (B) submitted to the Operating Partnership (x) an executed Investor Questionnaire representing and warranting to the Operating Partnership that Contributor is an "accredited investor" as defined in the Investor Questionnaire and (y) any other documentation required by the Operating Partnership, including, but not limited to, a signature page to the Partnership Agreement (as hereinafter defined), Contributors shall receive an aggregate number of OP Units equal to the dollar amounts of the Consideration payable hereunder that Contributors have elected to receive in OP Units as set forth in the duly executed Election Form (the "Unit Election Percentage") divided by the IPO Price (as defined herein).

The remainder of the Consideration, if any, will be payable in cash. Contributors agree that the cash payment shall be made and the OP Units shall be registered in the name of the persons or entities set forth on the Election Form. OP Units will only be delivered to a Contributor that has represented to the Operating Partnership that such Contributor is an "accredited investor". No fractional OP Units will be issued and OP Units will be rounded to the nearest whole number. The Consideration payable to Contributor, whether in cash, in OP Units or a combination thereof, may be reduced by the amount the Operating Partnership reasonably determines must be withheld for tax purposes as required by applicable law. The rights and obligations of holders of OP Units as of the Closing will be as set forth in the First Amended and Restated Agreement of Limited Partnership of the Operating Partnership (the "Partnership Agreement"), a copy of which is included as an exhibit to the PPM.

1.3 OP Units. Although initially the OP Units will not be certificated, certificates, if any, subsequently evidencing the OP Units will bear appropriate legends (i) indicating that the OP Units have not been registered under the Securities Act of 1933, as amended ("Securities Act"), (ii) indicating that the Partnership Agreement will restrict the transfer of the OP Units, and (iii) describing the ownership limitations and transfer restrictions imposed by the charter of the REIT with respect to shares of the REIT's common stock.

1.4 No Further Interest. Contributor acknowledges and agrees that effective upon the Closing, and without any further action by Contributor, the Contributed Interests shall be transferred, assigned and conveyed to the Operating Partnership, or a subsidiary thereof, and Contributor shall no longer be an equity holder of any of the Contributed Entities, shall no longer be entitled to receive any distributions from any of the Contributed Entities, and shall have no further right, title or interest in the ownership of any of the Contributed Interests, the Contributed Entities or the Property Entities.

1.5 Tax Consequences to Contributor. Notwithstanding anything to the contrary contained in this Agreement, including without limitation the use of words and phrases such as "sell," "sale," "purchase," and "pay," the parties hereto acknowledge, agree and consent that the transactions contemplated hereby will be treated for federal income tax purposes (i) in accordance with Section 721 of the Internal Revenue Code of 1986, as amended (the "Code") with respect to any portion of the Consideration that is payable in OP Units; (ii) as an "assets over form" of transaction pursuant to Treasury Regulations Section 1.708-1(c)(3)(i); and (iii) as a sale of the Contributor's Contributed Interests to the Operating Partnership under Treasury Regulations Section 1.708-1(c)(4) to the extent of the Contributor's receipt of cash Consideration pursuant to Section 1.2(a), except to the extent that such cash Consideration is treated as (a) the reimbursement of "preformation expenditures" under Treasury Regulations Section 1.707-4(d); and/or (b) a "debt financed transfer of consideration" by the Operating Partnership under Treasury Regulations Section 1.707-5(b), as applicable.

1.6 Definitions. As used in this Agreement, the following terms have the following meanings:

"Contributor's Percentage Interest" means, with respect to each Contributed Entity, the percentage set forth on Exhibit A hereto under the heading "Contributed Entity/Contributed Interest", which reflects the Contributor's percentage ownership interest in each Contributed Entity pursuant to and in accordance with the applicable Governing Agreement (as defined herein) of the Contributed Entity.

"IPO" means the underwritten initial public offering of common stock of the REIT.

"IPO Price" means the public offering price set forth on the front cover of the final prospectus for the IPO, as filed with the U.S. Securities and Exchange Commission (the "SEC").

"Property Entity" means an entity owning a Property, as set forth on Exhibit A hereto.

"Prorations" means those proration and adjustment amounts that are customarily applied to closings of commercial real estate transactions in the county in which the Property is located, which amounts shall be calculated as of midnight (Eastern time) of the day immediately preceding the Closing Date and shall include:

(A) Taxes. All real estate and personal property taxes and special assessments, if any, with respect to each Property shall be prorated at Closing;

(B) Utilities. All telephone, electric, sewer, water and other utility bills, trash removal bills, janitorial and maintenance service bills and all other expenses relating to a Property that are obligations of the Property Entity and which are allocable to the period prior to the Closing Date shall be determined and paid, or caused to be paid, by the Property Entity or Contributed Entity before Closing, if possible, or if such is not determinable before Closing, then the Parties shall use their commercially reasonable efforts to determine and pay such amounts as promptly as possible following Closing and the Operating Partnership may withhold from any cash amount of the Consideration payable at Closing hereunder an amount of cash reasonably estimated to cover any estimated Proration for the items described in this subsection (B);

(C) Rents. All rents, including, without limitation, base rents, operating expense payments or common area maintenance charges and all other forms of additional rents, payable under the leases of the Property and all other income from the Property shall be prorated at Closing; and

(D) Other Items. Any other items of revenue, operating expenses or other items which are customarily prorated between a transferor and transferee of real estate in the county in which the Property is located shall be prorated at Closing.

"Representation, Warranty and Indemnity Agreement" means the Representation, Warranty and Indemnity Agreement by and among the REIT, the Operating Partnership and Daniel A. Hoffler.

ARTICLE II

REPRESENTATIONS AND WARRANTIES

2.1 Representations by the Operating Partnership. The Operating Partnership hereby represents and warrants to Contributors that the following statements are true, correct, and complete as of the date of this Agreement and will be true, correct and complete as of the Closing Date (as defined herein):

(a) Organization and Power. The Operating Partnership is duly organized, validly existing, and in good standing under the laws of the Commonwealth of Virginia, and has full right, power, and authority to enter into this Agreement and to assume and perform all of its obligations under this Agreement. The execution and delivery of this Agreement and the performance by the Operating Partnership of its obligations hereunder have been duly authorized by all requisite action of the Operating Partnership and require no further action or approval of the Operating Partnership's partners or of any other individuals or entities in order to constitute this Agreement as a binding and enforceable obligation of the Operating Partnership.

(b) OP Units Validly Issued. The OP Units, when issued in accordance with the terms of this Agreement and the Partnership Agreement, will have been duly and validly authorized and issued, free of any preemptive or similar rights, and will be fully paid, without any obligation to restore capital, except as required by the Virginia Revised Uniform Limited Partnership Act (the "Limited Partnership Act").

2.2 Representations by Contributors. Each Contributor hereby severally, but not jointly, represents and warrants to the Operating Partnership that the following statements are true, correct, and complete as of the date of this Agreement and, subject to the provisions of the Third Amendment, will be true, correct, and complete as of the Closing Date:

(a) Organization and Power; Due Authorization. Contributor, if an entity or trust, is duly incorporated, formed or organized, validly existing, and in good standing under the laws of its state of incorporation, formation or organization. Contributor has full right, power, and authority to enter into this Agreement and to assume and perform all of its obligations under this Agreement; and the execution and delivery of this Agreement and the performance by Contributor of its obligations hereunder have been duly authorized by all requisite action of Contributor and require no further action or approval of Contributor's members, partners, stockholders, managers, board of directors, trustees or of any other individuals or entities, as applicable, in order to constitute this Agreement as a binding and enforceable obligation of Contributor. No person has any community property rights, by virtue of marriage or otherwise, with respect to the Contributed Interests. This Agreement and each agreement, document and instrument executed and delivered by or on behalf of Contributor pursuant to this Agreement constitutes, or when executed and delivered will constitute, the legal, valid and binding obligation of Contributor, each enforceable against Contributor in accordance with its terms, except as such enforceability may be limited by bankruptcy or the application of equitable principles.

(b) Noncontravention. Neither the entry into nor the performance of, or compliance with, this Agreement by Contributor has resulted, or will result, in any violation of, or default under, or result in the acceleration of, any obligation under any charter, bylaws, limited liability company agreement, partnership agreement, declaration of trust, mortgage indenture, lien agreement, note, contract, agreement, permit, judgment, decree, order, restrictive covenant, statute, rule, or regulation applicable to Contributor or to any Contributed Interests.

(c) Litigation. There is no action, suit, or proceeding, pending or known to be threatened, against or affecting Contributor in any court or before any arbitrator or before any federal, state, municipal, or other governmental department, commission, board, bureau, agency or instrumentality which (1) in any manner raises any question affecting the validity or enforceability of this Agreement, (2) could materially and adversely affect the business, financial position, or results of operations of Contributor, any Contributed Entity, Property Entity or Property, (3) could adversely affect the ability of Contributor to perform its obligations hereunder, or under any document to be delivered pursuant hereto, (4) could create a lien on the Contributed Interests, any part thereof, or any interest therein, or (5) could adversely affect the Contributed Interests, any part thereof, or any interest therein.

(d) Good Title. Exhibit A accurately sets forth each Contributor's Percentage Interest. Contributor is the sole record and beneficial owner of the Contributed Interests and has full power and authority to convey the Contributed Interests pursuant to the terms of this Agreement provided Contributor obtains the consent of all other owners of the Contributed Entities pursuant to the terms of their respective Operating Agreements. Contributor has good and marketable title to the Contributed Interests. Except as set forth on Schedule 2.2(d), the Contributed Interests are free and clear of all liens, encumbrances, security interests, pledges, voting agreements, prior assignments or conveyances, conditions, restrictions, claims or any other matters affecting title thereto and at the Closing will be contributed to the Operating Partnership free and clear of all liens, encumbrances, security interests, pledges, voting agreements, prior assignments or conveyances, conditions, restrictions, claims or other matters affecting title thereto. No other person or entity has an option to purchase or a right of first refusal to purchase the Contributed Interests, except as set forth in Schedule 2.2(d), there are not any agreements or understandings with respect to the voting, ownership or disposition of the Contributed Interests that could adversely affect Contributor's ability to perform its obligations hereunder or the Operating Partnership's rights to the Contributed Interests following the Closing.

(e) Contributed Interests. There are no rights to purchase, subscriptions, warrants, options, conversion rights or preemptive rights relating to the Contributed Interests or any equity interest in any Contributed Entity that will be in effect as of the Closing.

(f) No Consents. Each consent, approval, authorization, order, license, certificate, permit, registration, designation, or filing by or with any governmental agency or body necessary for the execution, delivery and performance of this Agreement or the transactions contemplated hereby by Contributor has been obtained or will be obtained on or before the Closing Date. Each consent or approval required under any Governing Agreement (as defined herein), contract or agreement of any Contributed Entity, or among the partners, members or stockholders of any Contributed Entity to which Contributor is a party, relating to indebtedness

or otherwise, necessary for the execution, delivery and performance of this Agreement and the contribution, acquisition and transfer of the Contributed Interests has been obtained or will be obtained on or before the Closing Date.

(g) Actions Prior to Closing. From the date hereof until the Closing Date, Contributor shall not take any action or fail to take any action the result of which would (1) have a material adverse effect on the Contributed Interests or the Operating Partnership's ownership thereof, or any material adverse effect on the assets, business, condition (financial or otherwise), results or operation of any Property or any Contributed Entity or Property Entity after the Closing Date or (2) cause any of the representations and warranties contained in this Section 2.2 to be untrue as of the Closing Date.

(h) Governing Documents. Contributor has performed all of its obligations under the Limited Partnership Agreement, Limited Liability Company Agreement, Operating Agreement, Charter and Bylaws, as such may have been amended from time to time, as applicable, of each Contributed Entity in which it owns an interest, (each a "Governing Agreement" and collectively, the "Governing Agreements").

(i) Securities Law Matters.

(1) In deciding to engage in the transaction contemplated by this Agreement, including, if applicable, acquiring OP Units, neither Contributor nor any equity holder thereof is relying upon any representations made to it by the Operating Partnership, or any of its partners, officers, employees, or agents that are not contained herein. Contributor is aware of the risks involved in investing in the OP Units and in the securities issuable upon redemption of such OP Units. Contributor is knowledgeable, sophisticated and experienced in business and financial matters and fully understands the limitations on transfer imposed by the federal securities laws and as described in this Agreement and the PPM and related materials, including the Partnership Agreement. Contributor has received the PPM and related materials, including the Partnership Agreement, has reviewed all documents and has had an opportunity to ask questions of, and to receive answers from, the Operating Partnership and the REIT or a person or persons authorized to act on their behalf, concerning the terms and conditions of an investment in the OP Units and the financial condition, affairs, and business of the Operating Partnership and the REIT. Contributor confirms that all documents, records, and information pertaining to its investment in OP Units that have been requested by Contributor have been made available or delivered to Contributor prior to the date hereof.

(2) Contributor understands and acknowledges that (i) certain of the information contained in the PPM is incomplete or may be revised, amended or supplemented in the registration statement to be filed by the REIT with the SEC in connection with the IPO and (ii) the financial information included in the PPM has not been audited, but will be audited prior to the REIT's filing of the registration statement with the SEC, and such financial information could change upon audit, and any such changes could be material.

(3) Contributor and each equity holder thereof understands that the offer and sale of OP Units have not been registered under the Securities Act or any state securities laws and are instead being offered and sold in reliance on an exemption from such registration requirements and that the Operating Partnership's reliance on such exemption is predicated in part on the accuracy and completeness of the representations and warranties of Contributor contained herein. The OP Units issuable to Contributor are being acquired by Contributor solely for its own account, for investment, and are not being acquired with a view to, or for resale in connection with, any distribution, subdivision, or fractionalization thereof, in violation of such laws, and Contributor does not have any present intention to enter into any contract, undertaking, agreement, or arrangement with respect to any such resale.

(4) Contributor is able to bear the economic risk of holding the OP Units for an indefinite period of time and is able to afford the complete loss of its investment in the OP Units.

(5) Contributor understands that no federal agency (including the SEC) or state agency has made or will make any finding or determination as to the fairness of an investment in the OP Units (including as to the value of the Consideration payable in OP Units in accordance with Section 1.2 hereof).

(6) Contributor understands that there is no established public, private or other market for the OP Units to be acquired by Contributor hereunder and it is not anticipated that there will be any public, private or other market for such OP Units in the foreseeable future.

(7) Contributor understands that Rule 144 promulgated under the Securities Act is not currently available with respect to the sale of OP Units.

(j) Accredited Investor. If Contributor is electing to receive OP Units as some or all of the Consideration, Contributor is an "accredited investor", as that term is defined in Rule 501 of Regulation D under the Securities Act, and has previously provided the Operating Partnership and the REIT with a duly executed questionnaire confirming Contributor's accredited investor status. No event or circumstance has occurred since delivery of such questionnaire to make the statements therein false or misleading.

(k) Tax Matters. Contributor represents and warrants that it has obtained from its own counsel advice regarding the tax consequences of (i) the transfer of the Contributed Interests to the Operating Partnership and the receipt of OP Units and/or cash as the Consideration therefor, (ii) its admission as a limited partner of the Operating Partnership, if applicable and (iii) any other transaction contemplated by this Agreement. Neither the Operating Partnership nor the REIT has made any representation to Contributor regarding the tax treatment of the transactions contemplated by this Agreement, and Contributor further represents and warrants that it has not relied on the Operating Partnership or the Operating Partnership's representatives or counsel for any tax advice.

(l) Bankruptcy with respect to Contributor. No Act of Bankruptcy has occurred with respect to Contributor. As used herein, "Act of Bankruptcy" means if Contributor or any equity holder, partner, manager or director thereof shall (A) apply for or consent to the appointment of, or the taking of possession by, a receiver, custodian, trustee or liquidator of itself or of all or a substantial part of its property, (B) admit in writing its inability to pay its debts as they become due, (C) make a general assignment for the benefit of its creditors, (D) file a voluntary petition or commence a voluntary case or proceeding under the Federal Bankruptcy Code (as now or hereafter in effect), (E) be adjudicated bankrupt or insolvent, (F) file a petition seeking to take advantage of any other law relating to bankruptcy, insolvency, reorganization, receivership, dissolution, winding-up or composition or adjustment of debts, (G) fail to controvert in a timely and appropriate manner, or acquiesce in writing to, any petition filed against it in an involuntary case or proceeding under the Federal Bankruptcy Code (as now or hereafter in effect), or (H) take any entity action for the purpose of effecting any of the foregoing.

(m) Brokerage Commission. Contributor has not engaged the services of any real estate agent, broker, finder or any other person or entity for any brokerage or finder's fee, commission or other amount with respect to the transactions described herein.

(n) No Other Equity Interests. Except for the Contributed Interests, neither Contributor nor any of its affiliates owns, directly or indirectly, any equity interest in any partnership, limited liability company, corporation, trust or other entity owning a property being acquired by the Operating Partnership as part of the formation transactions described in the PPM and does not own any interest in any Property other than through the Contributed Interests.

ARTICLE III

INDEMNIFICATION

3.1 Survival of Representations and Warranties; Remedy for Breach.

(a) Subject to Section 3.5 hereof, all representations and warranties of Contributor contained in this Agreement or in any Schedule, Exhibit, certificate or affidavit delivered pursuant to this Agreement shall survive the Closing.

(b) Subject to Section 3.4 hereof, following the Closing, each Contributor shall be liable under this Agreement for monetary damages (or otherwise) for breach of any of its representations, warranties, covenants and obligations contained in this Agreement or in any Schedule, Exhibit, certificate or affidavit delivered by Contributor pursuant thereto.

3.2 General Indemnification.

(a) From and after the Closing Date, each Contributor shall severally, but not jointly, indemnify, hold harmless and defend the Operating Partnership and the REIT, and their respective officers, directors, employees, stockholders, partners, agents and affiliates (each of which is an "Indemnified Party"), from and against any and all claims, losses, damages, liabilities and expenses, including, without limitation, interest, penalties, amounts paid in settlement, reasonable attorneys' fees, costs of investigation, judicial or administrative

proceedings or appeals therefrom and costs of attachment or similar bonds (collectively, "Losses") asserted against, imposed upon or incurred by the Indemnified Party, to the extent resulting from any breach of a representation, warranty or covenant of Contributor contained in this Agreement, or in any Schedule, Exhibit, certificate or affidavit delivered by Contributor pursuant thereto. In each case, Contributor shall only bear the fees, costs or expenses in connection with the employment of one counsel (regardless of the number of Indemnified Parties).

(b) Each Contributor shall also, severally, but not jointly, indemnify and hold harmless the Indemnified Parties from and against any and all Losses asserted against, imposed upon or incurred by the Indemnified Parties to the extent resulting from an unrelated third-party claim relating to the Contributed Interests arising from matters that occurred prior to Closing.

(c) With respect to any claim of an Indemnified Party pursuant to this Section 3.2, to the extent available, the Operating Partnership agrees to use diligent good faith efforts to pursue and collect any and all available proceeds and benefits of any right to defense under any insurance policy that covers the matter which is the subject of the indemnification prior to seeking indemnification from Contributor until all proceeds and benefits, if any, to which the Operating Partnership or the Indemnified Party is entitled pursuant to such insurance policy have been exhausted; provided, however, that the Operating Partnership may make a claim under this Section 3.2 even if an insurance coverage dispute is pending, in which case, if the Indemnified Party later receives insurance proceeds with respect to any Losses paid by either Contributor for the benefit of any Indemnified Party, then the Indemnified Party shall reimburse Contributor in an amount equivalent to such proceeds in excess of any deductible amount pursuant to Section 3.2(a) hereof up to the amount actually paid (or deemed paid) by Contributor to the Indemnified Party in connection with such indemnification (it being understood that all costs and expenses incurred by Contributor with respect to insurance coverage disputes shall constitute Losses paid by Contributor for purposes of Section 3.2(a) hereof).

3.3 Notice and Defense of Claims. As soon as reasonably practicable after receipt by the Indemnified Party of notice of any liability or claim incurred by or asserted against the Indemnified Party that is subject to indemnification under this Article III, the Indemnified Party shall give notice thereof to Contributor, including liabilities or claims to be applied against the indemnification deductible established pursuant to Section 3.4 hereof; provided that failure to give notice to Contributor will not relieve Contributor from any liability that it may have to any Indemnified Party, unless, and only to the extent that, such failure (a) shall have caused prejudice to the defense of such claim or (b) shall have materially increased the costs or potential liability of Contributor by reason of the inability or failure of Contributor (due to such lack of prompt notice) to be involved in any investigations or negotiations regarding any such claim. Such notice shall describe in reasonable detail the facts known to such Indemnified Party giving rise to such claim, and the amount or good faith estimate of the amount of Losses arising therefrom. Unless prohibited by law, such Indemnified Party shall deliver to Contributor, promptly after such Indemnified Party's receipt thereof, copies of all notices and documents received by such Indemnified Party relating to such claim. The Indemnified Party shall permit Contributor, at Contributor's option and expense, to assume the defense of any such claim by counsel selected by Contributor and reasonably satisfactory to the Indemnified Party, and to settle or otherwise dispose of the same; provided, however, that the Indemnified Party may at all times participate in

such defense at its sole expense; and provided further, however, that Contributor shall not, in defense of any such claim, except with the prior written consent of the Indemnified Party in its sole and absolute discretion, consent to the entry of any judgment or enter into any settlement that does not include as an unconditional term thereof the giving by the claimant or plaintiff in question to all Indemnified Parties a full and complete release of all liabilities in respect of such claims, or that does not result only in the payment of money damages which are paid (or deemed paid) in full by Contributor. If Contributor shall not have undertaken such defense within 20 days after such notice, or within such shorter time as may be reasonable under the circumstances to the extent required by applicable law, then the Indemnified Party shall have the right to undertake the defense, compromise or settlement of such liability or claim on behalf of and for the account of Contributor and at Contributor's sole cost and expense (subject to the limitations in Section 3.4 hereof).

3.4 Limitations on Indemnification Under Sections 3.2(a) and 3.2(b).

(a) Each Contributor shall not be liable under Section 3.2(a) and 3.2(b) hereof unless and until the total amount recoverable by the Indemnified Parties under Section 3.2(a) exceeds one percent (1%) of the value of the aggregate Consideration (valuing OP Units at the IPO Price) and then only to the extent of such excess, not to exceed the value of the Total Allocable Consideration received by such Contributor.

(b) Notwithstanding anything contained herein to the contrary, before taking recourse against any assets of Contributor and subject to the limitations set forth in the following sentence, the Indemnified Parties shall look, first to available insurance proceeds (including without limitation any title insurance proceeds, if applicable) pursuant to Section 3.2(c) above, and then to indemnification under this Article III, (and agree to treat any return of OP Units in satisfaction of indemnification obligations hereunder as an adjustment to the consideration delivered to Contributor pursuant to the Formation Transactions). Notwithstanding anything to the contrary in this Agreement, except in the case of fraud or in the event of Losses relating to a third-party claim, Contributor shall not be liable to the Indemnified Parties for any indirect, special or consequential damages, loss of profits, taxes relating to tax years beginning on or after Closing, loss of value or other similar speculative damages asserted or claimed by the Indemnified Parties.

(c) The limitations in this Section 3.4 shall not apply to any obligations of Contributor with respect to Prorations under this Agreement.

3.5 Limitation Period.

(a) Any claim for indemnification under Section 3.2 hereof must be asserted in writing by the Indemnified Party, stating the nature of the Losses and the basis for indemnification therefor on or prior to the fifth (5^{th}) anniversary of the Closing.

(b) If asserted in writing on or prior to the date specified in Section 3.5(a) hereof for the applicable claim, any claims for indemnification pursuant to Section 3.2 hereof shall survive until resolved by mutual agreement between Contributor and the Indemnified Party or by arbitration or court proceeding.

3.6 Delivery of Indemnity Amounts. Indemnity payments may be made by Contributor in the form of cash or OP Units. To the extent indemnification is made through delivery by Contributor of OP Units, such OP Units shall be valued at an amount per OP Unit equal to the IPO Price. If an indemnification payment is due and owing, then Contributor hereby authorizes the REIT, as general partner of the Operating Partnership, to take all such action as may be necessary to amend the Partnership Agreement, and any exhibits or schedules thereto, to reflect the delivery of any OP Units by Contributor to the Operating Partnership as an indemnification payment hereunder and to reflect that Contributor has no further right, title or interest with respect to any such delivered OP Units.

ARTICLE IV

COVENANTS

4.1 Covenants of the Contributors.

(a) Satisfaction of Conditions. Each Contributor hereby covenants that Contributor shall: (A) use commercially reasonable efforts and diligence in order to satisfy all of the conditions to Closing set forth herein, and (B) reasonably cooperate and assist in the Operating Partnership's efforts to satisfy all of the conditions to Closing set forth herein, and agrees that the Operating Partnership shall not have any obligation to consummate the Closing hereunder unless and until such conditions have been satisfied or waived by the Operating Partnership in writing.

(b) Consent to Transfers. Each Contributor hereby consents to the transfer of, and waives any rights of first refusal, right of first offer, buy-sell agreements, put, option or similar parallel or dissenter rights or similar rights afforded to Contributor under the Governing Agreements or otherwise with respect to any equity ownership interest in any Contributed Entity, Property Entity or Property or any other company or property being contributed or transferred to the Operating Partnership pursuant to a separate contribution or other agreement or as otherwise described in the PPM.

(c) No Disposition or Encumbrance of Contributed Interests. From the date hereof through the Closing, except as specifically contemplated by this Agreement, no Contributor shall, without the prior written consent of the Operating Partnership: (i) sell, transfer (or agree to sell or transfer) or otherwise dispose of, or cause the sale, transfer or disposition of (or agree to do any of the foregoing) all or any portion of its interest in the Contributed Interests or all or any portion of its interest in any Property Partnership or Property; or (ii) mortgage, assign, pledge or otherwise encumber in any manner the Contributed Interests.

(d) Ordinary Course of Business. From the date hereof through the Closing, and except as specifically contemplated by this Agreement or otherwise agreed to by all the parties hereto, each Contributor shall, to the extent within its control, cause each Contributed Entity, subsidiary and Property Entity to conduct its business in the ordinary course of business consistent with past practice, and shall, to the extent within its control, not permit any Contributed Entity, any subsidiary or any Property Entity without the prior written consent of the Operating Partnership, to: (i) enter into any material transaction not in the ordinary course of

business; (ii) mortgage, pledge or encumber any assets of the Contributed Entity, any subsidiary, any Property Entity or any Property, (iii) cause or permit any Property Entity to change the existing use of any Property; (iv) cause or take any action that would render any of the representations or warranties set forth herein untrue; (v) file an entity classification election pursuant to Treasury Regulations Section 301.7701-3(c) on Internal Revenue Service Form 8832 (Entity Classification Election) to treat the Contributed Entity as an association taxable as a corporation for federal income tax purposes; (vi) make or change any other tax elections; (vii) settle or compromise any claim, notice, audit report or assessment in respect of taxes; (viii) change any annual tax accounting period; (ix) adopt or change any method of tax accounting; (x) file any amended return, report or form (including an election, declaration, amendment, schedule, information return or attachment thereto) required to be filed with a governmental authority with respect to taxes (each, a "Tax Return"); (xi) enter into any tax allocation agreement, tax sharing agreement, tax indemnity agreement or closing agreement relating to any tax; (xii) surrender any right to claim a tax refund; (xiii) consent to any extension or waiver of the statute of limitations period applicable to any tax claim or assessment; or (xiv) make any distribution to its partners or members, except for cash distributions in the ordinary course of business consistent with past practices, distributions of net working capital or as otherwise permitted by this Agreement.

4.2 Tax Covenants.

(a) Each Contributor and the Operating Partnership shall provide each other with such cooperation and information relating to any of the Contributed Interests, the Contributed Entities, their subsidiaries, the Property Entities or the Properties as the parties reasonably may request in (i) filing any Tax Return, amended Tax Return or claim for tax refund, (ii) determining any liability for taxes or a right to a tax refund, (iii) conducting or defending any proceeding in respect of taxes, or (iv) performing tax diligence, including with respect to the impact of this transaction on the REIT's tax status as a REIT. Such reasonable cooperation shall include making employees available on a mutually convenient basis to provide additional information and explanation of any material provided hereunder. The Operating Partnership shall promptly notify Contributor upon receipt by the Operating Partnership or any of its affiliates of notice of (i) any pending or threatened tax audits or assessments with respect to the income, properties or operations of any of the Contributed Entities, their subsidiaries, the Property Entities or their subsidiaries or with respect to any Property and (ii) any pending or threatened federal, state, local or foreign tax audits or assessments of the Operating Partnership or any of its affiliates, in each case, which may affect the liabilities for taxes of Contributor with respect to any tax period ending before or as a result of the Closing. Each Contributor shall promptly notify the Operating Partnership in writing upon receipt by Contributor or any of its affiliates of notice of any pending or threatened federal, state, local or foreign tax audits or assessments relating to the income, properties or operations of any of the Contributed Entities, the Property Entities or their subsidiaries or with respect to any Property. Each of the Operating Partnership and Contributors may participate at its own expense in the prosecution of any claim or audit with respect to taxes attributable to any taxable period ending on or before the Closing Date; provided, that a Contributor shall have the right to control the conduct of any such audit or proceeding or portion thereof for which such Contributor has acknowledged liability (except as a partner of the Operating Partnership) for the payment of any additional tax liability, and the Operating Partnership shall have the right to control any other audits and proceedings.

Notwithstanding the foregoing, neither the Operating Partnership nor a Contributor may settle or otherwise resolve any such claim, suit or proceeding which could have an adverse tax effect on the other party or its affiliates (other than on a Contributor or any of its affiliates as a partner of the Operating Partnership) without the consent of the other party, such consent not to be unreasonably withheld. Each Contributor and the Operating Partnership shall retain all Tax Returns, schedules and work papers with respect to the Contributed Entities, the Property Entities, their subsidiaries, and the Properties, and all material records and other documents relating thereto, until the expiration of the statute of limitations (and, to the extent notified by any party, any extensions thereof) of the taxable years to which such Tax Returns and other documents relate and until the final determination of any tax in respect of such years.

(b) The Operating Partnership shall prepare or cause to be prepared and file or cause to be filed all Tax Returns of the Contributed Entities, the Property Entities or their subsidiaries and their subsidiaries that are due after the Closing Date. To the extent such returns relate to a period ending on or prior to the Closing Date, such Tax Returns (including, for the avoidance of doubt, any amended Tax Returns) shall be prepared in a manner consistent with past practice, except as otherwise required by applicable law.

(c) For purposes of allocating items of income, gain, loss and deduction with respect to the Property and/or the Contributed Interests in the manner required by Section 704(c) of the Code, the Operating Partnership shall employ, and shall cause any entity controlled by the Operating Partnership which holds title to the Property or the Contributed Interests to employ, the "traditional method" (without curative allocations) as set forth in Treasury Regulations section 1.704-3(b)(1).

4.3 Relationship to Contributed Entities. Contributors and the Operating Partnership acknowledge and agree that, from and after the Closing (as defined herein), Contributors shall no longer be a member, partner, stockholder or equity owner, or, if applicable, managing member or general partner, of any Contributed Entity and shall have no rights or benefits under any Governing Agreement.

ARTICLE V

CONDITIONS PRECEDENT TO THE CLOSING

5.1 Conditions to the Operating Partnership's Obligation. In addition to any other conditions set forth in this Agreement, the Operating Partnership's obligation to consummate the Closing is subject to the timely satisfaction of each and every one of the conditions and requirements set forth in this Section 5.1, all of which shall be conditions precedent to the Operating Partnership's obligations under this Agreement.

(a) IPO. The IPO, in such form and substance as the REIT, in its sole and absolute discretion, shall have determined to be acceptable, shall have been completed (or be completed simultaneously with the Closing).

(b) Formation Transactions. The formation transactions described in the PPM shall have occurred or be scheduled to occur contemporaneously with the Closing hereunder.

(c) Representations and Warranties. The representations and warranties made by each Contributor pursuant to this Agreement, as well as those contained in the Representation, Warranty and Indemnity Agreement, shall be true and correct as of the Closing as though such representations and warranties were made at the Closing and, if requested by the Operating Partnership, each Contributor shall have delivered a certificate to the Operating Partnership to such effect in regard to Contributor's representations and warranties set forth in this Agreement.

(d) Performance. Each Contributor shall have performed and complied with all agreements and covenants that it is required to perform or comply with pursuant to this Agreement prior to the Closing, including having delivered each of the items set forth in Section 5.2 hereof.

(e) Legal Proceedings. No order, statute, rule, regulation, executive order, injunction, stay, decree, or restraining order shall have been enacted, entered, promulgated or enforced by any court of competent jurisdiction or governmental entity that restrains, prohibits or otherwise invalidates the consummation of the transactions contemplated by this Agreement, and no litigation or governmental proceeding seeking such an order shall be pending or threatened.

(f) Consents and Approvals. All necessary approvals and consents of governmental and private parties, including, without limitation, all ground lessors, tenants, other parties to service contracts, lenders and ratings agencies, partners, members or stockholders of any Contributed Entity, Property Entity or their subsidiaries, to effect the transactions contemplated by this Agreement, shall have been obtained.

(g) Reliance on Regulation D. If a Contributor has elected to receive OP Units, the Operating Partnership shall, based on the advice of its counsel and the representations made by Contributor in Contributor's Investor Questionnaire, be reasonably satisfied that the issuance of OP Units to Contributor may be made without registration under the Securities Act in reliance on Regulation D under the Securities Act.

(h) Representation, Warranty and Indemnity Agreement. Daniel A. Hoffler and each other party thereto shall have entered into the Representation, Warranty and Indemnity Agreement.

(i) No Material Adverse Change. There shall have not occurred between the date hereof and the Closing Date any material adverse change with respect to any of the Contributed Interests or any material adverse change in any of the assets, business, condition (financial or otherwise), results of operation or prospects of any Property, any Property Entity or any Contributed Entity.

(j) Tenant and Lender Estoppels. The Operating Partnership shall have received tenant and lender estoppels in form and substance satisfactory to the Operating Partnership and its counsel.

5.2 Conditions to Contributor's Obligation. In addition to any other conditions set forth in this Agreement, Contributor's obligation to consummate the Closing is subject to the timely satisfaction of each and every one of the conditions and requirements set forth in this Section 5.2, all of which shall be conditions precedent to Contributor's obligations under this Agreement.

(a) Representations and Warranties. The representations and warranties made by the Operating Partnership pursuant to this Agreement shall be true and correct as of the Closing as though such representations and warranties were made at the Closing.

(b) Performance. The Operating Partnership shall have performed and complied in all material respects with all agreements and covenants that it is required to perform or comply with pursuant to this Agreement prior to the Closing.

(c) IPO. The IPO, in such form and substance as the REIT, in its sole and absolute discretion, shall have determined to be acceptable, shall have been completed (or be completed simultaneously with the Closing).

(d) Partnership Agreement. The Operating Partnership shall have adopted the Partnership Agreement in substantially the form attached as an exhibit to the PPM.

(e) Legal Proceedings. No order, statute, rule, regulation, executive order, injunction, stay, decree, or restraining order shall have been enacted, entered, promulgated or enforced by any court of competent jurisdiction or governmental entity that prohibits the consummation of the transactions contemplated by this Agreement, and no litigation or governmental proceeding seeking such an order shall be pending or threatened.

ARTICLE VI

CLOSING AND CLOSING DOCUMENTS

6.1 Closing. The consummation and closing (the "Closing") of the transactions contemplated pursuant to this Agreement shall take place at the offices of Hunton & Williams LLP in Richmond, Virginia, or such other place as the Operating Partnership may designate, promptly following satisfaction of the conditions to Closing set forth herein (the "Closing Date"), or as otherwise set by agreement of the parties; provided, however, that in any case Closing shall occur by December 31, 2013 and further provided that termination of this Agreement shall not relieve any party from a breach occurring prior to that date.

6.2 Contributor's Deliveries. At the Closing, Contributors shall deliver the following to the Operating Partnership in addition to all other items required to be delivered to the Operating Partnership by Contributors:

(a) Assignment of Contributed Interests. Each Contributor shall have executed and delivered an Assignment, in substantially the form of Exhibit C attached hereto.

(b) Execution of Partnership Agreement. If a Contributor has elected to receive OP Units, signature pages of the Partnership Agreement (which Partnership Agreement shall be in substantially the form attached as an exhibit to the PPM) duly executed by Contributor, as limited partner.

(c) FIRPTA Certificate. An affidavit from each Contributor certifying pursuant to Section 1445 of the Internal Revenue Code that Contributor is not a foreign corporation, foreign partnership, foreign trust, foreign estate or foreign person (as those terms are defined in the Code and the Treasury Regulations promulgated thereunder).

(d) Other Documents. Any other document or instrument reasonably requested by the Operating Partnership or required hereby.

6.3 Default Remedies. If a Contributor defaults in performing any of Contributor's obligations under this Agreement, the Operating Partnership shall have all rights and remedies available to it at law or in equity resulting from Contributor's default, including without limitation, the right to seek specific performance of this Agreement and Contributor's obligation to convey the Contributed Interests to the Operating Partnership hereunder. The parties acknowledge and agree that the failure of a condition precedent to occur, notwithstanding the good faith and commercially reasonable efforts of the applicable party, shall not be a default hereunder.

ARTICLE VII

MISCELLANEOUS

7.1 Notices. Any notice provided for by this Agreement and any other notice, demand, or communication required hereunder shall be in writing and either delivered in person (including by confirmed facsimile transmission) or sent by hand delivered against receipt or sent by recognized overnight delivery service or by certified or registered mail, postage prepaid, with return receipt requested. All notices shall be addressed as follows:

Operating Partnership:

c/o Armada Hoffler Properties, Inc.
222 Central Park Avenue, Suite 2100,
Virginia Beach, Virginia 23462
Attention: A. Russell Kirk
Fax No.: 757-424-2513

with a copy to (which shall not constitute notice):

Hunton & Williams LLP
Riverfront Plaza, East Tower
951 E. Byrd Street
Richmond, Virginia 23219
Attention: David C. Wright
Fax No.: 804-343-4580

and

Faggert & Frieden, P.C.
222 Central Park Avenue, Suite 1300
Virginia Beach, Virginia 23462
Attention: David Y. Faggert
Fax No.: 757-424-0102

Contributors:

Columbus One, LLC
One Columbus Center
Suite 700
Virginia Beach, Virginia 23462
c/o Divaris Real Estate, Inc.
Attn: Gerald Divaris

DP Columbus Two, LLC
One Columbus Center
Suite 700
Virginia Beach, Virginia 23462
c/o Divaris Real Estate, Inc.
Attn: Gerald Divaris

City Center Associates, LLC
One Columbus Center
Suite 700
Virginia Beach, Virginia 23462
c/o Divaris Real Estate, Inc.
Attn: Gerald Divaris

TC Block 7 Partners LLC
One Columbus Center
Suite 700
Virginia Beach, Virginia 23462
c/o Divaris Real Estate, Inc.
Attn: Gerald Divaris

TC Block 12 Partners LLC
One Columbus Center
Suite 700
Virginia Beach, Virginia 23462
c/o Divaris Real Estate, Inc.
Attn: Gerald Divaris

TC Block 3 Partners LLC
One Columbus Center
Suite 700
Virginia Beach, Virginia 23462
c/o Divaris Real Estate, Inc.
Attn: Gerald Divaris

TC Block 6 Partners LLC
One Columbus Center
Suite 700
Virginia Beach, Virginia 23462
c/o Divaris Real Estate, Inc.
Attn: Gerald Divaris

TC Block 8 Partners LLC
One Columbus Center
Suite 700
Virginia Beach, Virginia 23462
c/o Divaris Real Estate, Inc.
Attn: Gerald Divaris

TC Block 11 Partners LLC
One Columbus Center
Suite 700
Virginia Beach, Virginia 23462
c/o Divaris Real Estate, Inc.
Attn: Gerald Divaris

TC Apartment Partners, LLC
One Columbus Center
Suite 700
Virginia Beach, Virginia 23462
c/o Divaris Real Estate, Inc.
Attn: Gerald Divaris

with a copy to (which shall not constitute notice):

Willcox & Savage, PC
222 Central Park Avenue, Suite 1500
Virginia Beach, VA 23462
Attention: Mark E. Slaughter
Fax No.: 757-628-5659

Any address or name specified above may be changed by a notice given by the addressee to the other party. Any notice, demand or other communication shall be deemed given and effective as of the date of delivery in person or set forth on the return receipt. The inability to deliver because of changed address of which no notice was given, or rejection or other refusal to accept any notice, demand or other communication, shall be deemed to be receipt of the notice, demand or other communication as of the date of such attempt to deliver or rejection or refusal to accept.

7.2 Entire Agreement; Third-Party Beneficiaries. This Agreement, including, without limitation, the exhibits hereto and thereto, constitute the entire agreement and supersede each

prior agreement and understanding, whether written or oral, among the parties regarding the subject matter of this Agreement. This Agreement is not intended to confer any rights or remedies on any Person other than the parties hereto.

7.3 Amendment. This Agreement may not be amended except by an instrument in writing signed on behalf of each of the parties hereto.

7.4 Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the Commonwealth of Virginia, without regard to the conflicts of law rules thereof.

7.5 Counterparts. This Agreement may be executed by the parties hereto in separate counterparts, each of which when so executed and delivered shall be an original, but all such counterparts shall together constitute one and the same instrument. Each counterpart may consist of a number of copies hereof, each signed by less than all, but together signed by all of the parties hereto. Each party may rely upon the facsimile or electronic pdf email signature of any other party as if such signature were an original signature.

7.6 Headings. Headings of the Articles and Sections of this Agreement are for the convenience of the parties only, and shall be given no substantive or interpretive effect whatsoever.

7.7 Incorporation. All Exhibits attached hereto and referred to herein are hereby incorporated herein and made a part hereof for all purposes as if fully set forth herein.

7.8 Severability. Any term or provision of this Agreement which is invalid or unenforceable in any jurisdiction shall, as to that jurisdiction, be ineffective to the extent of such invalidity or unenforceability without rendering invalid or unenforceable the remaining terms and provisions of this Agreement or affecting the validity or enforceability of any of the terms or provisions of this Agreement in any other jurisdiction. If any provision of this Agreement is so broad as to be unenforceable, the provision shall be interpreted to be only so broad as is enforceable.

7.9 Waiver of Conditions. The conditions to each party's obligations hereunder are for the sole benefit of such party and may be waived by such party in whole or in part to the extent permitted by applicable law.

7.10 Dispute Resolution. The parties intend that this Section 7.10 will be valid, binding, enforceable, exclusive and irrevocable and that it shall survive any termination of this Agreement.

(a) Upon any dispute, controversy or claim arising out of or relating to this Agreement or the enforcement, breach, termination or validity thereof ("Dispute"), the party raising the Dispute will give written notice to the other parties to the Dispute describing the nature of the Dispute following which the parties to such Dispute shall attempt for a period of ten (10) Business Days from receipt by the parties of notice of such Dispute to resolve such Dispute by negotiation between representatives of the parties hereto who have authority to settle such Dispute. All such negotiations shall be confidential and any statements or offers made therein

shall be treated as compromise and settlement negotiations for purposes of any applicable rules of evidence and shall not be admissible as evidence in any subsequent proceeding for any purpose. The statute of limitations applicable to the commencement of a lawsuit shall apply to the commencement of an arbitration hereunder, except that no defense based on the running of the statute of limitations will be available based upon the passage of time during any such negotiation. Regardless of the foregoing, a party shall have the right to seek immediate injunctive relief pursuant to clause (c) below without regard to any such ten (10) Business Day negotiation period.

(b) Any Dispute (including the determination of the scope or applicability of this Agreement to arbitrate) that is not resolved pursuant to clause (a) above shall be submitted to final and binding arbitration in Virginia Beach, Virginia before one neutral and impartial arbitrator, in accordance with the laws of the Commonwealth of Virginia for agreements made in and to be performed in Virginia. The arbitration shall be administered by The McCammon Group ("TMG") pursuant to its Arbitration Rules and Procedures, as in effect on the date hereof. The parties hereto shall appoint one arbitrator within fifteen (15) days of a demand for arbitration. If an arbitrator is not appointed within such 15-day period, the arbitrator shall be appointed by TMG in accordance with its Arbitration Rules and Procedures, as in effect on the date hereof. The arbitrator shall designate the place and time of the hearing. The hearing shall be scheduled to begin as soon as practicable and no later than sixty (60) days after the appointment of the arbitrator (unless such period is extended by the arbitrator for good cause shown) and shall be conducted as expeditiously as possible. The award, which shall set forth the arbitrator's findings of fact and conclusions of law, shall be filed with TMG and mailed to the parties no later than thirty (30) days after the close of the arbitration hearing. The arbitration award shall be final and binding on the parties and not subject to collateral attack. Judgment upon the arbitration award may be entered in any federal or state court having jurisdiction thereof.

(c) Notwithstanding the parties' agreement to submit all Disputes to final and binding arbitration before TMG, the parties shall have the right to seek and obtain temporary or preliminary injunctive relief in any court having jurisdiction thereof. Such courts shall have authority to, among other things, grant temporary or provisional injunctive relief in order to protect any party's rights under this Agreement. Without prejudice to such provisional remedies as may be available under the jurisdiction of a court, the arbitral tribunal shall have full authority to grant provisional remedies and to direct the parties to request that any court modify or vacate any temporary or preliminary relief issued by such court, and to award damages for the failure of any party to respect the arbitral tribunal's orders to that effect.

(d) The prevailing party shall be entitled to recover its costs and reasonable attorneys' fees, and the non-prevailing party shall pay all expenses and fees of TMG, all costs of the stenographic record, all expenses of witnesses or proofs that may have been produced at the direction of the arbitrator, and the fees, costs and expenses of the arbitrator. The arbitrator shall allocate such costs and designate the prevailing party or parties for these purposes.

[*Signature Page Follows.*]

IN WITNESS WHEREOF, this Agreement has been entered into effective as of the date first written above.

CONTRIBUTORS:

COLUMBUS ONE, LLC, a Virginia limited liability company

By: /s/ Gerald S. Divaris
Name: Gerald S. Divaris
Title: Manager

DP COLUMBUS TWO, LLC, a Virginia limited liability company

By: /s/ Gerald S. Divaris
Name: Gerald S. Divaris
Title: Manager

CITY CENTER ASSOCIATES, LLC, a Virginia limited liability company

By: /s/ Gerald S. Divaris
Name: Gerald S. Divaris
Title: Manager

TC BLOCK 7 PARTNERS LLC, a Virginia limited liability company

By: /s/ Gerald S. Divaris
Name: Gerald S. Divaris
Title: Manager

TC BLOCK 12 PARTNERS LLC, a Virginia limited liability company

By: /s/ Gerald S. Divaris
Name: Gerald S. Divaris
Title: Manager

TC BLOCK 3 PARTNERS LLC, a Virginia limited liability company

By: /s/ Gerald S. Divaris
Name: Gerald S. Divaris
Title: Manager

TC BLOCK 6 PARTNERS LLC, a Virginia limited liability company

By: /s/ Gerald S. Divaris
Name: Gerald S. Divaris
Title: Manager

TC BLOCK 8 PARTNERS LLC, a Virginia limited liability company

By: /s/ Gerald S. Divaris
Name: Gerald S. Divaris
Title: Manager

TC BLOCK 11 PARTNERS LLC, a Virginia limited liability company

By: /s/ Gerald S. Divaris
Name: Gerald S. Divaris
Title: Manager

TC APARTMENT PARTNERS, LLC, a Virginia limited liability company

By: /s/ Gerald S. Divaris
Name: Gerald S. Divaris
Title: Manager

OPERATING PARTNERSHIP:

ARMADA HOFFLER, L.P., a Virginia limited partnership

By: Armada Hoffler Properties, Inc.,
its general partner

By: /s/ Louis S. Haddad
Name: Louis S. Haddad
Title: Chief Executive Officer and President

REIT:

By: /s/ Louis S. Haddad
Name: Louis S. Haddad
Title: Chief Executive Officer and President

EXHIBIT A

CONTRIBUTOR	CONTRIBUTED ENTITY/ CONTRIBUTED INTEREST	PROPERTY	TOTAL ALLOCABLE CONSIDERATION	PROPERTY ENTITY
Columbus One, LLC	Columbus Tower, L.L.C. (20%)	Block 5-A1, Town Center Virginia Beach, VA	$186,000.00	Columbus Tower, L.L.C.
DP Columbus Two, LLC	AH Columbus II, L.L.C. (20%)	Block 5-A2 Virginia Beach, VA	$161,850.00	AH Columbus II, L.L.C.
DP Columbus Two, LLC	Columbus Tower Block 5-A2 Associates, L.L.C. (20%)	Town Center Block 5-A2 Virginia Beach, VA	$161,850.00	Columbus Tower Block 5-A2 Associates, L.L.C.
City Center Associates, LLC	TCA Block 4 Retail, L.L.C. (20%)	South Retail Unit Town Center Condominium 4 Virginia Beach, VA	$100,000.00	TCA Block 4 Retail, L.L.C.
City Center Associates, LLC	Armada Hoffler Tower 4, L.L.C. (20%)	Office Tower Unit, North Office Tower Unit and West Retail Unit Town Center, Condominium 4 Virginia Beach, VA	$6,693,600.00	Armada Hoffler Tower 4, L.L.C.
TC Block 7 Partners LLC	Town Center Associates 7, L.L.C. (20%)	East Retail Unit and West Retail Unit A Town Center Condominium 7 Virginia Beach, VA	$417,000.00	Town Center Associates 7, L.L.C.
TC Block 12 Partners LLC	Town Center Associates 12, L.L.C. (20%)	Anchor Unit and Commercial Unit Town Center Condominium 12 Virginia Beach, VA	$252,700.00	Town Center Associates 12, L.L.C.
TC Block 3 Partners LLC	Greenbrier Technology Center II Associates, L.L.C. (20%)	Town Center, Block 3 Virginia Beach, VA	$1,318,000.00	Greenbrier Technology Center II Associates, L.L.C.
TC Block 6 Partners LLC	Town Center Associates 6, L.L.C. (20%)	Retail Unit Studio 56 Condominium Virginia Beach, VA	$290,000.00	Town Center Associates 6, L.L.C.
TC Block 8 Partners LLC	Armada/Hoffler Block 8 Associates, L.L.C. (20%)	Town Center, Block 8 Virginia Beach, VA	$362,000.00	Armada/Hoffler Block 8 Associates, L.L.C.

CONTRIBUTOR	CONTRIBUTED ENTITY/ CONTRIBUTED INTEREST	PROPERTY	TOTAL ALLOCABLE CONSIDERATION	PROPERTY ENTITY
TC Block 11 Partners LLC	New Armada Hoffler Properties II, LLC[1] (all interests owned by Contributor) Subsidiary interest: 20% interest in Town Center Associates 11, L.L.C.	Town Center, Block 11 Virginia Beach, VA	$800,000.00	TCA Block 11 Office, LLC TCA Block 11 Apartments, LLC
TC Apartment Partners, LLC	Town Center Associates 10, L.L.C. (9.6301%)	Apartments Unit and Retail Unit Town Center, Condominium 10 Virginia Beach, VA	$2,757,952.30	Town Center Block 10 Apartments, L.P.
TC Apartment Partners, LLC	A/H Block 10 Partners, LLC (0.3249%)	Apartments Unit and Retail Unit Town Center, Condominium 10 Virginia Beach, VA	$93,047.70	Town Center Block 10 Apartments, L.P.

[1] Prior to the Closing, pursuant to the Contribution and Distribution Agreement, Armada/Hoffler Properties II, LLC ("AHP II") will contribute to New Armada Hoffler Properties II, LLC ("New AHP II") its interests in Town Center Associates 11, LLC and will distribute to TC Block 11 Partners, LLC an interest in New AHP II. At Closing, pursuant to this Contribution Agreement, TC Block 11 Partners, LLC will contribute its interest in New AHP II to the Operating Partnership.

Total Consideration:	$13,594,000.00
Consideration Elections:	
Cash:	$ 2,879,400.00
OP Units:	$10,714,600.00

Cash payable and deliverable to: Gerald S. Divaris ($1,480,011.60), Michael B. Divaris ($987,634.20) and Sanford M. Cohen ($411,754.20)

OP Units registered in the name of: Gerald S. Divaris ($5,507,304.40), Michael B. Divaris ($3,675,107.80) and Sanford M. Cohen ($1,532,187.80)

Agreed to and accepted on February 1, 2013

COLUMBUS ONE, LLC, a Virginia limited liability company

By: /s/ Gerald S. Divaris
Name: Gerald S. Divaris
Title: Manager

DP COLUMBUS TWO, LLC, a Virginia limited liability company

By: /s/ Gerald S. Divaris
Name: Gerald S. Divaris
Title: Manager

TC BLOCK 7 PARTNERS LLC, a Virginia limited liability company

By: /s/ Gerald S. Divaris
Name: Gerald S. Divaris
Title: Manager

TC BLOCK 12 PARTNERS LLC, a Virginia limited liability company

By: /s/ Gerald S. Divaris
Name: Gerald S. Divaris
Title: Manager

TC BLOCK 3 PARTNERS LLC, a Virginia limited liability company

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TC BLOCK 6 PARTNERS LLC, a Virginia limited liability company

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Title: Manager

TC BLOCK 11 PARTNERS LLC, a Virginia limited liability company

By: /s/ Gerald S. Divaris
Name: Gerald S. Divaris
Title: Manager

TC APARTMENT PARTNERS, LLC, a Virginia limited liability company

By: /s/ Gerald S. Divaris
Name: Gerald S. Divaris
Title: Manager

EXHIBIT C

Executed Copy of the Third Amendment

Exhibit A-5

EXHIBIT C

Assignment

The undersigned, for good and valuable consideration paid to the Assignor by ARMADA HOFFLER, L.P., a Virginia limited partnership ("Assignee"), pursuant to the Contribution Agreement dated as of , 2013, by and between Assignor and Assignee (the "Agreement") and for other good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, does hereby sell, assign, transfer, convey and deliver to the Assignee, its successors and assigns, good and indefeasible right, title and interest to the **[partnership or limited liability company interests/shares of common stock]** described on *Schedule A* hereto, including, without limitation, all right, title and interest, if any, of the undersigned in and to the assets of each such **[partnership/limited liability company/corporation]** and the right to receive distributions of money, profits and other assets from each such partnership, presently existing or hereafter at any time arising or accruing, free and clear of all liens, encumbrances, security interests, pledges, voting agreements, prior assignments or conveyances, conditions, restrictions, claims, and any other matters affecting title thereto.

The undersigned, for itself, its successors and assigns, hereby covenants and agrees that, at any time and from time to time after the date hereof, upon the written request of Assignee, the undersigned will, without further consideration, do, execute, acknowledge, and deliver or cause to be done, executed, acknowledged and delivered, each of and all of such further acts, deeds, assignments, transfers, conveyances and assurances as may reasonably be required by Assignee in order to assign, transfer, set over, convey, assure and confirm unto and vest in Assignee, its successors and assigns, title to the interests described in *Schedule A* hereto

Capitalized terms used but not defined herein shall have the respective meanings ascribed to them in the Agreement.

IN WITNESS WHEREOF, the parties hereto have caused this Assignment to be signed by a duly authorized officer this day of , 2013.

_____, a

_____ _____

By: _____

Name:

Title:

SCHEDULE 2.2(d)

Affiliates of the Contributors have certain rights relating to the Contributed Interests, Contributed Entities and the Properties as more specifically set forth in the Third Amendment.

Exhibit 10.43

CONTRIBUTION AGREEMENT

Oyster Point Investors, L.P.

This CONTRIBUTION AGREEMENT (this "Agreement") is made as of February 11, 2013 by and among Oyster Point Investors, L.P. ("Contributor"), Armada Hoffler, L.P., a Virginia limited partnership (the "Operating Partnership") and Armada Hoffler Properties, Inc., a Maryland corporation (the "REIT").

RECITALS

WHEREAS, Contributor is or may become the record and beneficial owner of equity interests in the amount or percentage described on Exhibit A hereto (the "Contributed Interests") in each of the entities described in Exhibit A hereto (each, a "Contributed Entity" and collectively, the "Contributed Entities"), which are the direct or indirect owners of the respective properties or property entities described on Exhibit A hereto (each a "Property" and collectively, the "Properties"). Entities in which certain of the Contributed Entities own interests (each, a "Subsidiary Entity") are set forth on Exhibit A as "Subsidiary Interests". Contributor desires to contribute any and all interests that it now or hereafter own in the Contributed Interests to the Operating Partnership, and the Operating Partnership desires to acquire the Contributed Entities from Contributor, on the terms and conditions hereinafter set forth.

NOW, THEREFORE, for and in consideration of the foregoing, and the representations, warranties and other terms contained in this Agreement, and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties hereto, intending to be legally bound hereby, agree as follows:

ARTICLE I

THE CONTRIBUTION

1.1 Contribution of Contributed Interests. Contributor irrevocably agrees to contribute, transfer and assign at Closing (as defined herein) any and all interests that it now or hereafter own in the Contributed Interests set forth opposite Contributor's name on Exhibit A hereto, together with any other interests Contributor may have in any of the Contributed Entities and any other properties or entities being acquired by the Operating Partnership as described in the Confidential Private Placement Memorandum for the Offering of Limited Partnership Interests of the Operating Partnership dated January 16, 2013 (the "PPM"), to the Operating Partnership, and the Operating Partnership agrees to accept transfer of the Contributed Interests and any such other interests pursuant to the terms and subject to the conditions set forth in this Agreement. The Contributed Interests shall be transferred to the Operating Partnership free and clear of all liens, encumbrances, security interests, pledges, voting agreements, prior assignments or conveyances, conditions, restrictions, claims, and any other matters affecting title thereto.

1.2 Consideration.

(a) Consideration Amount. The total consideration (the "Consideration") for which Contributor agrees to contribute, transfer and assign the Contributed Interests to the Operating Partnership, and for which the Operating Partnership agrees to pay, issue or deliver to Contributor, subject to the terms of this Agreement, at Closing (as defined herein) shall be determined in the manner set forth on Exhibit A hereto. The Consideration may be adjusted, upward or downward, by the amount of any adjustments arising from the Prorations (as defined herein). Any decrease to the amount of the Consideration will be deducted first from the cash portion of the Consideration, if any, and the balance, if any, will be deducted from the OP Units. Any increase in the Consideration as a result of the Prorations will be paid in OP Units. In addition to the Consideration set forth on Exhibit A hereto, Contributor shall be entitled to receive in cash, at Closing or shortly thereafter, Contributor's pro rata share (based on Contributor's direct or indirect ownership interest in each Property Entity) of any tenant improvement, leasing commission and replacement reserves held by lenders with respect to each Property in which Contributor owns an interest.

(b) Election Form. The Consideration shall be payable in accordance with the election made by Contributor in the Consideration Election Form ("Election Form") accompanying the PPM, the results of which election are set forth on Exhibit A hereto. If, pursuant to the Election Form, Contributor (A) elected all or part of Contributor's consideration payable hereunder to be in the form of units of limited partnership interests of the Operating Partnership ("OP Units") and (B) submitted to the Operating Partnership (x) an executed Investor Questionnaire representing and warranting to the Operating Partnership that Contributor is an "accredited investor" as defined in the Investor Questionnaire and (y) any other documentation required by the Operating Partnership, including, but not limited to, a signature page to the Partnership Agreement (as hereinafter defined), Contributor shall receive OP Units in an amount determined in the manner described on Exhibit A hereto. The portion of the Consideration, if any, payable in cash is set forth on Exhibit A. Contributor agrees that the cash payment shall be made and the OP Units shall be registered in the name of the persons or entities set forth on the Election Form. OP Units will only be delivered to Contributor if Contributor has represented to the Operating Partnership that Contributor is an "accredited investor". No fractional OP Units will be issued and OP Units will be rounded to the nearest whole number. The Consideration payable to Contributor, whether in cash, in OP Units or a combination thereof, may be reduced by the amount the Operating Partnership reasonably determines must be withheld for tax purposes. The rights and obligations of holders of OP Units as of the Closing will be as set forth in the First Amended and Restated Agreement of Limited Partnership of the Operating Partnership (the "Partnership Agreement"), a draft copy of which is included as an exhibit to the PPM.

1.3 OP Units. Although initially the OP Units will not be certificated, certificates, if any, subsequently evidencing the OP Units will bear appropriate legends (i) indicating that the OP Units have not been registered under the Securities Act of 1933, as amended ("Securities Act"), (ii) indicating that the Partnership Agreement will restrict the transfer of the OP Units, and (iii) describing the ownership limitations and transfer restrictions imposed by the charter of the REIT with respect to shares of the REIT's common stock.

1.4 No Further Interest. Contributor acknowledges and agrees that effective upon the Closing, and without any further action by Contributor, the Contributed Interests shall be transferred, assigned and conveyed to the Operating Partnership, or a subsidiary thereof, and Contributor shall no longer be an equity holder of any of the Contributed Entities, shall no longer be entitled to receive any distributions from any of the Contributed Entities, and shall have no further right, title or interest in any of the Contributed Interests, the Contributed Entities or the Property Entities.

1.5 Tax Consequences to Contributor. Notwithstanding anything to the contrary contained in this Agreement, including without limitation the use of words and phrases such as "sell," "sale," "purchase," and "pay," the parties hereto acknowledge, agree and consent that the transactions contemplated hereby will be treated for federal income tax purposes (i) in accordance with Section 721 of the Internal Revenue Code of 1986, as amended (the "Code") with respect to any portion of the Consideration that is payable in OP Units; (ii) as an "assets over form" of transaction pursuant to Treasury Regulations Section 1.708-1(c)(3)(i); and (iii) as a sale of the Contributor's Contributed Interests to the Operating Partnership under Treasury Regulations Section 1.708-1(c)(4) to the extent of the Contributor's receipt of cash Consideration pursuant to Section 1.2(a), except to the extent that such cash Consideration is treated as (a) the reimbursement of "preformation expenditures" under Treasury Regulations Section 1.707-4(d); and/or (b) a "debt financed transfer of consideration" by the Operating Partnership under Treasury Regulations Section 1.707-5(b), as applicable.

1.6 Definitions. As used in this Agreement, the following terms have the following meanings:

"Contributor's Percentage Interest" means, with respect to each Contributed Entity, the percentage set forth on Exhibit A hereto under the heading "Contributed Entity/Contributed Interest", which reflects Contributor's percentage ownership interest in each Contributed Entity pursuant to and in accordance with the applicable Governing Agreement (as defined herein) of the Contributed Entity.

"IPO" means the underwritten initial public offering of common stock of the REIT.

"IPO Price" means the public offering price set forth on the front cover of the final prospectus for the IPO, as filed with the U.S. Securities and Exchange Commission (the "SEC").

"Property Entity" means an entity owning a Property, as set forth on Exhibit A hereto.

"Prorations" means those proration and adjustment amounts that are customarily applied to closings of commercial real estate transactions in the county in which the Property is located, which amounts shall be calculated as of midnight (Eastern time) of the day immediately preceding the Closing Date and shall include:

(A) Taxes. All real estate and personal property taxes and special assessments, if any, with respect to each Property shall be prorated at Closing;

(B) Utilities. All telephone, electric, sewer, water and other utility bills, trash removal bills, janitorial and maintenance service bills and all other expenses relating to a Property that are obligations of the Property Entity and which are allocable to the period prior to the Closing Date shall be determined and paid, or caused to be paid, by the Property Entity or Contributed Entity before Closing, if possible, or if such is not determinable before Closing, then the Parties shall use their

commercially reasonable efforts to determine and pay such amounts as promptly as possible following Closing and the Operating Partnership may withhold from any cash amount of the Consideration payable at Closing hereunder an amount of cash reasonably estimated to cover any estimated Proration for the items described in this subsection (B);

(C) Rents. All rents, including, without limitation, base rents, operating expense payments or common area maintenance charges and all other forms of additional rents, payable under the leases of the Property and all other income from the Property shall be prorated at Closing; and

(D) Other Items. Any other items of revenue, operating expenses or other items which are customarily prorated between a transferor and transferee of real estate in the county in which the Property is located shall be prorated at Closing.

"Representation, Warranty and Indemnity Agreement" means the Representation, Warranty and Indemnity Agreement by and among the REIT, the Operating Partnership and Daniel A. Hoffler.

ARTICLE II

REPRESENTATIONS AND WARRANTIES

2.1 Representations by the Operating Partnership. The Operating Partnership hereby represents and warrants to Contributor that the following statements are true, correct, and complete as of the date of this Agreement and will be true, correct and complete as of the Closing Date (as defined herein):

(a) Organization and Power. The Operating Partnership is duly organized, validly existing, and in good standing under the laws of the Commonwealth of Virginia, and has full right, power, and authority to enter into this Agreement and to assume and perform all of its obligations under this Agreement. The execution and delivery of this Agreement and the performance by the Operating Partnership of its obligations hereunder have been duly authorized by all requisite action of the Operating Partnership and require no further action or approval of the Operating Partnership's partners or of any other individuals or entities in order to constitute this Agreement as a binding and enforceable obligation of the Operating Partnership.

(b) OP Units Validly Issued. The OP Units, when issued in accordance with the terms of this Agreement and the Partnership Agreement, will have been duly and validly authorized and issued, free of any preemptive or similar rights, and will be fully paid, without any obligation to restore capital, except as required by the Virginia Revised Uniform Limited Partnership Act (the "Limited Partnership Act").

2.2 Representations by Contributor. Contributor hereby represents and warrants to the Operating Partnership that the following statements are true, correct, and complete as of the date of this Agreement and will be true, correct, and complete as of the Closing Date:

(a) Organization and Power; Due Authorization. Contributor, if an entity or trust, is duly incorporated, formed or organized, validly existing, and in good standing under the laws of its state of incorporation, formation or organization. Contributor has full right, power, and authority to enter into this Agreement and to assume and perform all of its obligations under this Agreement; and the execution and delivery of this Agreement and the performance by Contributor of its obligations hereunder have been duly authorized by all requisite action of Contributor and require no further action or approval of Contributor's members, partners, stockholders, managers, board of directors, trustees or of any other individuals or entities, as applicable, in order to constitute this Agreement as a binding and enforceable obligation of Contributor. No person has any community property rights, by virtue of marriage or otherwise, with respect to the Contributed Interests. This Agreement and each agreement, document and instrument executed and delivered by or on behalf of Contributor pursuant to this Agreement constitutes, or when executed and delivered will constitute, the legal, valid and binding obligation of Contributor, each enforceable against Contributor in accordance with its terms, except as such enforceability may be limited by bankruptcy or the application of equitable principles.

(b) Noncontravention. Neither the entry into nor the performance of, or compliance with, this Agreement by Contributor has resulted, or will result, in any violation of, or default under, or result in the acceleration of, any obligation under any charter, bylaws, limited liability company agreement, partnership agreement, declaration of trust, mortgage indenture, lien agreement, note, contract, agreement, permit, judgment, decree, order, restrictive covenant, statute, rule, or regulation applicable to Contributor or to any Contributed Interests, any Contributed Entity, Subsidiary Interests or Property Entity.

(c) Litigation. There is no action, suit, or proceeding, pending or known to be threatened, against or affecting Contributor in any court or before any arbitrator or before any federal, state, municipal, or other governmental department, commission, board, bureau, agency or instrumentality which (1) in any manner raises any question affecting the validity or enforceability of this Agreement, (2) could materially and adversely affect the business, financial position, or results of operations of Contributor, any Contributed Entity, Subsidiary Interests, Property Entity or Property, (3) could adversely affect the ability of Contributor to perform its obligations hereunder, or under any document to be delivered pursuant hereto, (4) could create a lien on the Contributed Interests, any part thereof, or any interest therein, or (5) could adversely affect the Contributed Interests, any part thereof, or any interest therein.

(d) Good Title. Exhibit A hereto accurately sets forth Contributor's Percentage Interest. Contributor is the sole record and beneficial owner of the Contributed Interests and has full power and authority to convey the Contributed Interests pursuant to the terms of this Agreement. Contributor has good and marketable title to the Contributed Interests. Except as set forth on Schedule 2.1(d), the Contributed Interests are free and clear of all liens, encumbrances, security interests, pledges, voting agreements, prior assignments or conveyances, conditions, restrictions, claims or any other matters affecting title thereto and at the Closing will be contributed to the Operating Partnership free and clear of all liens, encumbrances, security interests, pledges, voting agreements, prior assignments or conveyances, conditions, restrictions, claims or other matters affecting title thereto. No other person or entity has an option to purchase or a right of first refusal to purchase the Contributed Interests nor are there any

agreements or understandings with respect to the voting, ownership or disposition of the Contributed Interests that could adversely affect Contributor's ability to perform its obligations hereunder or the Operating Partnership's rights to the Contributed Interests following the Closing.

(e) Contributed Interests. There are no rights to purchase, subscriptions, warrants, options, conversion rights or preemptive rights relating to the Contributed Interests or any equity interest in any Contributed Entity that will be in effect as of the Closing.

(f) No Consents. Each consent, approval, authorization, order, license, certificate, permit, registration, designation, or filing by or with any governmental agency or body necessary for the execution, delivery and performance of this Agreement or the transactions contemplated hereby by Contributor has been obtained or will be obtained on or before the Closing Date. Each consent or approval required under any Governing Agreement (as defined herein), contract or agreement of any Contributed Entity, or among the partners, members or stockholders of any Contributed Entity, Subsidiary Entity or Property Entity to which Contributor is a party, relating to indebtedness or otherwise, necessary for the execution, delivery and performance of this Agreement and the contribution, acquisition and transfer of the Contributed Interests has been obtained or will be obtained on or before the Closing Date.

(g) Actions Prior to Closing. From the date hereof until the Closing Date, Contributor shall not take any action or fail to take any action the result of which would (1) have a material adverse effect on the Contributed Interests or the Operating Partnership's ownership thereof, or any material adverse effect on the assets, business, condition (financial or otherwise), results or operation of any Property, any Contributed Entity, Subsidiary Entity or Property Entity after the Closing Date or (2) cause any of the representations and warranties contained in this Section 2.2 to be untrue as of the Closing Date.

(h) Governing Documents. Contributor has performed all of its obligations under the Limited Partnership Agreement, Limited Liability Company Agreement, Operating Agreement, Charter and Bylaws, as such may have been amended from time to time, as applicable, of each Contributed Entity in which it owns an interest, (each a "Governing Agreement" and collectively, the "Governing Agreements").

(i) Securities Law Matters.

(1) In deciding to engage in the transaction contemplated by this Agreement, including, if applicable, acquiring OP Units, neither Contributor nor any equity holder thereof is relying upon any representations made to it by the Operating Partnership, or any of its partners, officers, employees, or agents that are not contained herein. Contributor is aware of the risks involved in investing in the OP Units and in the securities issuable upon redemption of such OP Units. Contributor is knowledgeable, sophisticated and experienced in business and financial matters and fully understands the limitations on transfer imposed by the federal securities laws and as described in this Agreement and the PPM and related materials, including the Partnership Agreement. Contributor has received the PPM and related materials, including the Partnership Agreement, has reviewed all documents and has had an opportunity to ask questions of,

and to receive answers from, the Operating Partnership and the REIT or a person or persons authorized to act on their behalf, concerning the terms and conditions of an investment in the OP Units and the financial condition, affairs, and business of the Operating Partnership and the REIT. Contributor confirms that all documents, records, and information pertaining to its investment in OP Units that have been requested by Contributor have been made available or delivered to Contributor prior to the date hereof.

(2) Contributor understands and acknowledges that (i) certain of the information contained in the PPM is incomplete or may be revised, amended or supplemented in the registration statement to be filed by the REIT with the SEC in connection with the IPO and (ii) the financial information included in the PPM has not been audited, but will be audited prior to the REIT's filing of the registration statement with the SEC, and such information could change upon audit, and any such changes could be material.

(3) Contributor and each equity holder thereof understands that the offer and sale of OP Units have not been registered under the Securities Act or any state securities laws and are instead being offered and sold in reliance on an exemption from such registration requirements and that the Operating Partnership's reliance on such exemption is predicated in part on the accuracy and completeness of the representations and warranties of Contributor contained herein. The OP Units issuable to Contributor are being acquired by Contributor solely for its own account, for investment, and are not being acquired with a view to, or for resale in connection with, any distribution, subdivision, or fractionalization thereof, in violation of such laws, and Contributor does not have any present intention to enter into any contract, undertaking, agreement, or arrangement with respect to any such resale.

(4) Contributor is able to bear the economic risk of holding the OP Units for an indefinite period and is able to afford the complete loss of its investment in the OP Units.

(5) Contributor understands that no federal agency (including the SEC) or state agency has made or will make any finding or determination as to the fairness of an investment in the OP Units (including as to the value of the Consideration payable in OP Units in accordance with Section 1.2 hereof).

(6) Contributor understands that there is no established public, private or other market for the OP Units to be acquired by Contributor hereunder and it is not anticipated that there will be any public, private or other market for such OP Units in the foreseeable future.

(7) Contributor understands that Rule 144 promulgated under the Securities Act is not currently available with respect to the sale of OP Units.

(j) Accredited Investor. If Contributor is electing to receive OP Units as some or all of the Consideration, Contributor is an "accredited investor", as that term is defined in Rule 501 of Regulation D under the Securities Act, and has previously provided the Operating

Partnership and the REIT with a duly executed questionnaire confirming Contributor's accredited investor status. No event or circumstance has occurred since delivery of such questionnaire to make the statements therein false or misleading.

(k) Tax Matters. Contributor represents and warrants that it has obtained from its own counsel advice regarding the tax consequences of (i) the transfer of the Contributed Interests to the Operating Partnership and the receipt of OP Units and/or cash as the Consideration therefor, (ii) its admission as a limited partner of the Operating Partnership, if applicable and (iii) any other transaction contemplated by this Agreement. Neither the Operating Partnership nor the REIT has made any representation to Contributor regarding the tax treatment of the transactions contemplated by this Agreement, and Contributor further represents and warrants that it has not relied on the Operating Partnership or the Operating Partnership's representatives or counsel for any tax advice.

(l) Bankruptcy with respect to Contributor. No Act of Bankruptcy has occurred with respect to Contributor. As used herein, "Act of Bankruptcy" means if Contributor or any equity holder, partner, manager or director thereof shall (A) apply for or consent to the appointment of, or the taking of possession by, a receiver, custodian, trustee or liquidator of itself or of all or a substantial part of its property, (B) admit in writing its inability to pay its debts as they become due, (C) make a general assignment for the benefit of its creditors, (D) file a voluntary petition or commence a voluntary case or proceeding under the Federal Bankruptcy Code (as now or hereafter in effect), (E) be adjudicated bankrupt or insolvent, (F) file a petition seeking to take advantage of any other law relating to bankruptcy, insolvency, reorganization, receivership, dissolution, winding-up or composition or adjustment of debts, (G) fail to controvert in a timely and appropriate manner, or acquiesce in writing to, any petition filed against it in an involuntary case or proceeding under the Federal Bankruptcy Code (as now or hereafter in effect), or (H) take any entity action for the purpose of effecting any of the foregoing.

(m) Brokerage Commission. Contributor has not engaged the services of any real estate agent, broker, finder or any other person or entity for any brokerage or finder's fee, commission or other amount with respect to the transactions described herein.

(n) No Other Equity Interests. Except for the Contributed Interests, neither Contributor nor any of its affiliates owns, directly or indirectly, any equity interest in any partnership, limited liability company, corporation, trust or other entity owning a Property being acquired by the Operating Partnership as part of the formation transactions described in the PPM and does not own any interest in any Property other than through the Contributed Interests.

ARTICLE III

INDEMNIFICATION

3.1 Survival of Representations and Warranties; Remedy for Breach.

(a) Subject to Section 3.5 hereof, all representations and warranties of Contributor contained in this Agreement or in any Schedule, Exhibit, certificate or affidavit delivered pursuant to this Agreement shall survive the Closing.

(b) Subject to Section 3.4 hereof, following the Closing, Contributor shall be liable under this Agreement for monetary damages (or otherwise) for breach of any of its representations, warranties, covenants and obligations contained in this Agreement or in any Schedule, Exhibit, certificate or affidavit delivered by Contributor pursuant thereto.

3.2 General Indemnification.

(a) From and after the Closing Date, Contributor shall indemnify, hold harmless and defend the Operating Partnership and the REIT, and their respective officers, directors, employees, stockholders, partners, agents and affiliates (each of which is an "Indemnified Party"), from and against any and all claims, losses, damages, liabilities and expenses, including, without limitation, interest, penalties, amounts paid in settlement, reasonable attorneys' fees, costs of investigation, judicial or administrative proceedings or appeals therefrom and costs of attachment or similar bonds (collectively, "Losses") asserted against, imposed upon or incurred by the Indemnified Party, to the extent resulting from any breach of a representation, warranty or covenant of Contributor contained in this Agreement, or in any Schedule, Exhibit, certificate or affidavit delivered by Contributor pursuant thereto. In each case, Contributor shall only bear the fees, costs or expenses in connection with the employment of one counsel (regardless of the number of Indemnified Parties).

(b) Contributor shall also indemnify and hold harmless the Indemnified Parties from and against any and all Losses asserted against, imposed upon or incurred by the Indemnified Parties to the extent resulting from an unrelated third-party claim relating to the Contributed Interests arising from matters that occurred prior to Closing.

(c) With respect to any claim of an Indemnified Party pursuant to this Section 3.2, to the extent available, the Operating Partnership agrees to use diligent good faith efforts to pursue and collect any and all available proceeds and benefits of any right to defense under any insurance policy that covers the matter which is the subject of the indemnification prior to seeking indemnification from Contributor until all proceeds and benefits, if any, to which the Operating Partnership or the Indemnified Party is entitled pursuant to such insurance policy have been exhausted; provided, however, that the Operating Partnership may make a claim under this Section 3.2 even if an insurance coverage dispute is pending, in which case, if the Indemnified Party later receives insurance proceeds with respect to any Losses paid by either Contributor for the benefit of any Indemnified Party, then the Indemnified Party shall reimburse Contributor in an amount equivalent to such proceeds in excess of any deductible amount pursuant to Section 3.2(a) hereof up to the amount actually paid (or deemed paid) by Contributor to the Indemnified Party in connection with such indemnification (it being understood that all costs and expenses incurred by Contributor with respect to insurance coverage disputes shall constitute Losses paid by Contributor for purposes of Section 3.2(a) hereof).

3.3 Notice and Defense of Claims. As soon as reasonably practicable after receipt by the Indemnified Party of notice of any liability or claim incurred by or asserted against the Indemnified Party that is subject to indemnification under this Article III, the Indemnified Party shall give notice thereof to Contributor, including liabilities or claims to be applied against the indemnification deductible established pursuant to Section 3.4 hereof; provided that failure to give notice to Contributor will not relieve Contributor from any liability that it may have to any Indemnified Party, unless, and only to the extent that, such failure (a) shall have caused prejudice to the defense of such claim or (b) shall have materially increased the costs or potential liability of Contributor by reason of the inability or failure of Contributor (due to such lack of prompt notice) to be involved in any investigations or negotiations regarding any such claim. Such notice shall describe in reasonable detail the facts known to such Indemnified Party giving rise to such claim, and the amount or good faith estimate of the amount of Losses arising therefrom. Unless prohibited by law, such Indemnified Party shall deliver to Contributor, promptly after such Indemnified Party's receipt thereof, copies of all notices and documents received by such Indemnified Party relating to such claim. The Indemnified Party shall permit Contributor, at Contributor's option and expense, to assume the defense of any such claim by counsel selected by Contributor and reasonably satisfactory to the Indemnified Party, and to settle or otherwise dispose of the same; provided, however, that the Indemnified Party may at all times participate in such defense at its sole expense; and provided further, however, that Contributor shall not, in defense of any such claim, except with the prior written consent of the Indemnified Party in its sole and absolute discretion, consent to the entry of any judgment or enter into any settlement that does not include as an unconditional term thereof the giving by the claimant or plaintiff in question to all Indemnified Parties a full and complete release of all liabilities in respect of such claims, or that does not result only in the payment of money damages which are paid (or deemed paid) in full by Contributor. If Contributor shall not have undertaken such defense within 20 days after such notice, or within such shorter time as may be reasonable under the circumstances to the extent required by applicable law, then the Indemnified Party shall have the right to undertake the defense, compromise or settlement of such liability or claim on behalf of and for the account of Contributor and at Contributor's sole cost and expense (subject to the limitations in Section 3.4 hereof).

3.4 Limitations on Indemnification Under Section 3.2(a).

(a) Contributor shall not be liable under Section 3.2(a) hereof unless and until the total amount recoverable by the Indemnified Parties under Section 3.2(a) exceeds one percent (1%) of the value of the aggregate Consideration (valuing OP Units at the IPO Price) and then only to the extent of such excess.

(b) Notwithstanding anything contained herein to the contrary, before taking recourse against any assets of Contributor and subject to the limitations set forth in the following sentence, the Indemnified Parties shall look, first to available insurance proceeds (including without limitation any title insurance proceeds, if applicable) pursuant to Section 3.2(c) above, and then to indemnification under this Article III, (and agree to treat any return of OP Units in satisfaction of indemnification obligations hereunder as an adjustment to the consideration delivered to Contributor pursuant to the Formation Transactions). Notwithstanding anything to the contrary in this Agreement, except in the case of fraud or in the event of Losses relating to a third-party claim, Contributor shall not be liable to the Indemnified Parties for any indirect, special or consequential damages, loss of profits, taxes relating to tax years beginning on or after Closing, loss of value or other similar speculative damages asserted or claimed by the Indemnified Parties.

(c) The limitations in this Section 3.4 shall not apply to any obligations of Contributor with respect to Prorations under this Agreement.

3.5 Limitation Period.

(a) Any claim for indemnification under Section 3.2 hereof must be asserted in writing by the Indemnified Party, stating the nature of the Losses and the basis for indemnification therefor on or prior to the fifth (5th) anniversary of the Closing.

(b) If asserted in writing on or prior to the date specified in Section 3.5(a) hereof for the applicable claim, any claims for indemnification pursuant to Section 3.2 hereof shall survive until resolved by mutual agreement between Contributor and the Indemnified Party or by arbitration or court proceeding.

3.6 Delivery of Indemnity Amounts. Indemnity payments may be made by Contributor in the form of cash or OP Units. To the extent indemnification is made through delivery by Contributor of OP Units, such OP Units shall be valued at an amount per OP Unit equal to the IPO Price. Contributor hereby authorizes the REIT, as general partner of the Operating Partnership, to take all such action as may be necessary to amend the Partnership Agreement, and any exhibits or schedules thereto, to reflect the delivery of any OP Units by Contributor to the Operating Partnership as an indemnification payment hereunder and to reflect that Contributor has no further right, title or interest with respect to any such OP Units.

ARTICLE IV

COVENANTS

4.1 Covenants of the Contributor.

(a) Satisfaction of Conditions. Contributor hereby covenants that Contributor shall: (A) use commercially reasonable efforts and diligence in order to satisfy all of the conditions to Closing set forth herein, and (B) cooperate and assist in the Operating Partnership's efforts to satisfy all of the conditions to Closing set forth herein, and agrees that the Operating Partnership shall not have any obligation to consummate the Closing hereunder unless and until such conditions have been satisfied or waived by the Operating Partnership in writing.

(b) Consent to Transfers. Contributor hereby consents to the transfer of, and waives any rights of first refusal, right of first offer, buy-sell agreements, put, option or similar parallel or dissenter rights or similar rights afforded to Contributor under the Governing Agreements or otherwise with respect to any equity ownership interest in any Contributed Entity, Subsidiary Entity, Property Entity or Property or any other company or property being contributed or transferred to the Operating Partnership pursuant to a separate contribution or other agreement or as otherwise described in the PPM.

(c) No Disposition or Encumbrance of Contributed Interests. From the date hereof through the Closing, except as specifically contemplated by this Agreement, Contributor shall not, without the prior written consent of the Operating Partnership: (i) sell, transfer (or agree to sell or transfer) or otherwise dispose of, or cause the sale, transfer or disposition of (or agree to do any of the foregoing) all or any portion of its interest in the Contributed Interests or all or any portion of its interest in any Subsidiary Entity, Property Entity or Property; or (ii) mortgage, assign, pledge or otherwise encumber in any manner the Contributed Interests or Subsidiary Interests.

(d) Ordinary Course of Business. From the date hereof through the Closing, and except as specifically contemplated by this Agreement, Contributor shall, to the extent within its control, cause each Contributed Entity, Subsidiary Entity and Property Entity to conduct its business in the ordinary course of business consistent with past practice, and shall, to the extent within its control, not permit any Contributed Entity, any Subsidiary Entity or any Property Entity without the prior written consent of the Operating Partnership, to: (i) enter into any material transaction not in the ordinary course of business; (ii) mortgage, pledge or encumber any assets of the Contributed Entity, any Subsidiary Entity, any Property Entity or any Property, (iii) cause or permit any Property Entity to change the existing use of any Property; (iv) cause or take any action that would render any of the representations or warranties set forth herein untrue; (v) file an entity classification election pursuant to Treasury Regulations Section 301.7701-3(c) on Internal Revenue Service Form 8832 (Entity Classification Election) to treat the Contributed Entity as an association taxable as a corporation for federal income tax purposes; (vi) make or change any other tax elections; (vii) settle or compromise any claim, notice, audit report or assessment in respect of taxes; (viii) change any annual tax accounting period; (ix) adopt or change any method of tax accounting; (x) file any amended return, report or form (including an election, declaration, amendment, schedule, information return or attachment thereto) required to be filed with a governmental authority with respect to taxes (each, a "Tax Return"); (xi) enter into any tax allocation agreement, tax sharing agreement, tax indemnity agreement or closing agreement relating to any tax; (xii) surrender of any right to claim a tax refund; (xiii) consent to any extension or waiver of the statute of limitations period applicable to any tax claim or assessment; or (xiv) make any distribution to its partners or members, except for cash distributions in the ordinary course of business consistent with past practices or as permitted by this Agreement.

4.2 Tax Covenants.

(a) Contributor and the Operating Partnership shall provide each other with such cooperation and information relating to any of the Contributed Interests, the Contributed Entities, the Subsidiary Entities, the Property Entities or the Properties as the parties reasonably may request in (i) filing any Tax Return, amended Tax Return or claim for tax refund, (ii) determining any liability for taxes or a right to a tax refund, (iii) conducting or defending any proceeding in respect of taxes, or (iv) performing tax diligence, including with respect to the impact of this transaction on the REIT's tax status as a REIT. Such reasonable cooperation shall include making employees available on a mutually convenient basis to provide additional information and explanation of any material provided hereunder. The Operating Partnership shall promptly notify Contributor upon receipt by the Operating Partnership or any of its affiliates of notice of (i) any pending or threatened tax audits or assessments with respect to the

income, properties or operations of any of the Contributed Entities, the Subsidiary Entities, the Property Entities or their subsidiaries or with respect to any Property and (ii) any pending or threatened federal, state, local or foreign tax audits or assessments of the Operating Partnership or any of its affiliates, in each case, which may affect the liabilities for taxes of Contributor with respect to any tax period ending before or as a result of the Closing. Contributor shall promptly notify the Operating Partnership in writing upon receipt by Contributor or any of its affiliates of notice of any pending or threatened federal, state, local or foreign tax audits or assessments relating to the income, properties or operations of any of the Contributed Entities, the Property Entities or the Subsidiary Entities or with respect to any Property. Each of the Operating Partnership and Contributor may participate at its own expense in the prosecution of any claim or audit with respect to taxes attributable to any taxable period ending on or before the Closing Date; provided, that Contributor shall have the right to control the conduct of any such audit or proceeding or portion thereof for which Contributor has acknowledged liability (except as a partner of the Operating Partnership) for the payment of any additional tax liability, and the Operating Partnership shall have the right to control any other audits and proceedings. Notwithstanding the foregoing, neither the Operating Partnership nor Contributor may settle or otherwise resolve any such claim, suit or proceeding which could have an adverse tax effect on the other party or its affiliates (other than on Contributor or any of its affiliates as a partner of the Operating Partnership) without the consent of the other party, such consent not to be unreasonably withheld. Contributor and the Operating Partnership shall retain all Tax Returns, schedules and work papers with respect to the Contributed Entities, the Property Entities, the Subsidiary Entities, and the Properties, and all material records and other documents relating thereto, until the expiration of the statute of limitations (and, to the extent notified by any party, any extensions thereof) of the taxable years to which such Tax Returns and other documents relate and until the final determination of any tax in respect of such years.

(b) The Operating Partnership shall prepare or cause to be prepared and file or cause to be filed all Tax Returns of the Contributed Entities, the Property Entities or the Subsidiary Entities that are due after the Closing Date. To the extent such returns relate to a period ending on or prior to the Closing Date, such Tax Returns (including, for the avoidance of doubt, any amended Tax Returns) shall be prepared in a manner consistent with past practice, except as otherwise required by applicable law.

(c) For purposes of allocating items of income, gain, loss and deduction with respect to the Property and/or the Contributed Interests in the manner required by Section 704(c) of the Code, the Operating Partnership shall employ, and shall cause any entity controlled by the Operating Partnership which holds title to the Property or the Contributed Interests to employ, the “traditional method” (without curative allocations) as set forth in Treasury Regulations section 1.704-3(b)(1).

4.3 Relationship to Contributed Entities. Contributor and the Operating Partnership acknowledge and agree that, from and after the Closing (as defined herein), Contributor shall no longer be a member, partner, stockholder or equity owner, or, if applicable, managing member or general partner, of any Contributed Entity, Subsidiary Entity or Property Entity and shall have no rights or benefits under any Governing Agreement.

ARTICLE V

CONDITIONS PRECEDENT TO THE CLOSING

5.1 Conditions to the Operating Partnership's Obligation. In addition to any other conditions set forth in this Agreement, the Operating Partnership's obligation to consummate the Closing is subject to the timely satisfaction of each and every one of the conditions and requirements set forth in this Section 5.1, all of which shall be conditions precedent to the Operating Partnership's obligations under this Agreement.

(a) IPO. The IPO, in such form and substance as the REIT, in its sole and absolute discretion, shall have determined to be acceptable, shall have been completed (or be completed simultaneously with the Closing).

(b) Formation Transactions. The formation transactions described in the PPM shall have occurred or be scheduled to occur contemporaneously with the Closing hereunder.

(c) Representations and Warranties. The representations and warranties made by Contributor pursuant to this Agreement, as well as those contained in the Representation, Warranty and Indemnity Agreement, shall be true and correct as of the Closing as though such representations and warranties were made at the Closing and, if requested by the Operating Partnership, Contributor shall have delivered a certificate to the Operating Partnership to such effect in regard to Contributor's representations and warranties set forth in this Agreement.

(d) Performance. Contributor shall have performed and complied with all agreements and covenants that it is required to perform or comply with pursuant to this Agreement prior to the Closing, including having delivered each of the items set forth in Section 6.2 hereof.

(e) Legal Proceedings. No order, statute, rule, regulation, executive order, injunction, stay, decree, or restraining order shall have been enacted, entered, promulgated or enforced by any court of competent jurisdiction or governmental entity that restrains, prohibits or otherwise invalidates the consummation of the transactions contemplated by this Agreement, and no litigation or governmental proceeding seeking such an order shall be pending or threatened.

(f) Consents and Approvals. All necessary approvals and consents of governmental and private parties, including, without limitation, all ground lessors, tenants, other parties to service contracts, lenders and ratings agencies, partners, members or stockholders of any Contributed Entity, Property Entity or their subsidiaries, to effect the transactions contemplated by this Agreement, shall have been obtained.

(g) Reliance on Regulation D. If Contributor has elected to receive OP Units, the Operating Partnership shall, based on the advice of its counsel and the representations made by Contributor in Contributor's Investor Questionnaire, be reasonably satisfied that the issuance of OP Units to Contributor may be made without registration under the Securities Act in reliance on Regulation D under the Securities Act.

(h) Representation, Warranty and Indemnity Agreement. Daniel A. Hoffler and each other party thereto shall have entered into the Representation, Warranty and Indemnity Agreement.

(i) No Material Adverse Change. There shall have not occurred between the date hereof and the Closing Date any material adverse change with respect to any of the Contributed Interests or any material adverse change in any of the assets, business, condition (financial or otherwise), results of operation or prospects of any Subsidiary Entity, Property, Property Entity or Contributed Entity.

(j) Tenant and Lender Estoppels. The Operating Partnership shall have received tenant and lender estoppels in form and substance satisfactory to the Operating Partnership and its counsel.

5.2 Conditions to Contributor's Obligation. In addition to any other conditions set forth in this Agreement, Contributor's obligation to consummate the Closing is subject to the timely satisfaction of each and every one of the conditions and requirements set forth in this Section 5.2, all of which shall be conditions precedent to Contributor's obligations under this Agreement.

(a) Representations and Warranties. The representations and warranties made by the Operating Partnership pursuant to this Agreement shall be true and correct as of the Closing as though such representations and warranties were made at the Closing.

(b) Performance. The Operating Partnership shall have performed and complied in all material respects with all agreements and covenants that it is required to perform or comply with pursuant to this Agreement prior to the Closing.

(c) Legal Proceedings. No order, statute, rule, regulation, executive order, injunction, stay, decree, or restraining order shall have been enacted, entered, promulgated or enforced by any court of competent jurisdiction or governmental entity that prohibits the consummation of the transactions contemplated by this Agreement, and no litigation or governmental proceeding seeking such an order shall be pending or threatened.

ARTICLE VI

CLOSING AND CLOSING DOCUMENTS

6.1 Closing. The consummation and closing (the "Closing") of the transactions contemplated pursuant to this Agreement shall take place at the offices of Hunton & Williams LLP in Richmond, Virginia, or such other place as the Operating Partnership may designate, promptly following satisfaction of the conditions to Closing set forth herein (the "Closing Date"), or as otherwise set by agreement of the parties; provided, however, termination shall not relieve any party from a breach occurring prior to that date.

6.2 Contributor's Deliveries. At the Closing, Contributor shall deliver the following to the Operating Partnership in addition to all other items required to be delivered to the Operating Partnership by Contributor:

(a) Assignment of Contributed Interests. Contributor shall have executed and delivered an Assignment, in substantially the form of Exhibit B attached hereto.

(b) Execution of Partnership Agreement. If Contributor has elected to receive OP Units, signature pages of the Partnership Agreement (which Partnership Agreement shall be in substantially the form attached as an exhibit to the PPM) duly executed by Contributor, as limited partner.

(c) FIRPTA Certificate. An affidavit from Contributor certifying pursuant to Section 1445 of the Internal Revenue Code that Contributor is not a foreign corporation, foreign partnership, foreign trust, foreign estate or foreign person (as those terms are defined in the Code and the Treasury Regulations promulgated thereunder).

(d) Other Documents. Any other document or instrument reasonably requested by the Operating Partnership or required hereby.

6.3 Default Remedies. If Contributor defaults in performing any of Contributor's obligations under this Agreement, the Operating Partnership shall have all rights and remedies available to it at law or in equity resulting from Contributor's default, including without limitation, the right to seek specific performance of this Agreement and Contributor's obligation to convey the Contributed Interests to the Operating Partnership hereunder. The parties acknowledge and agree that the failure of a condition precedent to occur, notwithstanding the good faith and commercially reasonable efforts of the applicable party, shall not be a default hereunder.

ARTICLE VII

MISCELLANEOUS

7.1 Notices. Any notice provided for by this Agreement and any other notice, demand, or communication required hereunder shall be in writing and either delivered in person (including by confirmed facsimile transmission) or sent by hand delivered against receipt or sent by recognized overnight delivery service or by certified or registered mail, postage prepaid, with return receipt requested. All notices shall be addressed as follows:

Operating Partnership:

c/o Armada Hoffler Properties, Inc.
222 Central Park Avenue, Suite 2100,
Virginia Beach, Virginia 23462
Attention: A. Russell Kirk
Fax No.: 757-424-2513

with a copy to (which shall not constitute notice):

Hunton & Williams LLP
Riverfront Plaza, East Tower
951 E. Byrd Street

Richmond, Virginia 23219
Attention: David C. Wright
Fax No.: 804-343-4580

and

Faggert & Frieden, P.C.
222 Central Park Avenue, Suite 1300
Virginia Beach, Virginia 23462
Attention: David Y. Faggert
Fax No.: 757-424-0102

Contributor:

Oyster Point Investors, L.P.
222 Central Park Avenue
Suite 2100
Virginia Beach, Virginia 23462

Any address or name specified above may be changed by a notice given by the addressee to the other party. Any notice, demand or other communication shall be deemed given and effective as of the date of delivery in person or set forth on the return receipt. The inability to deliver because of changed address of which no notice was given, or rejection or other refusal to accept any notice, demand or other communication, shall be deemed to be receipt of the notice, demand or other communication as of the date of such attempt to deliver or rejection or refusal to accept.

7.2 Entire Agreement; Third-Party Beneficiaries. This Agreement, including, without limitation, the exhibits hereto and thereto, constitute the entire agreement and supersede each prior agreement and understanding, whether written or oral, among the parties regarding the subject matter of this Agreement. This Agreement is not intended to confer any rights or remedies on any Person other than the parties hereto.

7.3 Amendment. This Agreement may not be amended except by an instrument in writing signed on behalf of each of the parties hereto.

7.4 Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the Commonwealth of Virginia, without regard to the conflicts of law rules thereof.

7.5 Counterparts. This Agreement may be executed by the parties hereto in separate counterparts, each of which when so executed and delivered shall be an original, but all such counterparts shall together constitute one and the same instrument. Each counterpart may consist of a number of copies hereof, each signed by less than all, but together signed by all of the parties hereto. Each party may rely upon the facsimile or electronic pdf email signature of any other party as if such signature were an original signature.

7.6 Headings. Headings of the Articles and Sections of this Agreement are for the convenience of the parties only, and shall be given no substantive or interpretive effect whatsoever.

7.7 Incorporation. All Exhibits attached hereto and referred to herein are hereby incorporated herein and made a part hereof for all purposes as if fully set forth herein.

7.8 Severability. Any term or provision of this Agreement which is invalid or unenforceable in any jurisdiction shall, as to that jurisdiction, be ineffective to the extent of such invalidity or unenforceability without rendering invalid or unenforceable the remaining terms and provisions of this Agreement or affecting the validity or enforceability of any of the terms or provisions of this Agreement in any other jurisdiction. If any provision of this Agreement is so broad as to be unenforceable, the provision shall be interpreted to be only so broad as is enforceable.

7.9 Waiver of Conditions. The conditions to each party's obligations hereunder are for the sole benefit of such party and may be waived by such party in whole or in part to the extent permitted by applicable law.

7.10 Dispute Resolution. The parties intend that this Section 7.10 will be valid, binding, enforceable, exclusive and irrevocable and that it shall survive any termination of this Agreement.

(a) Upon any dispute, controversy or claim arising out of or relating to this Agreement or the enforcement, breach, termination or validity thereof ("Dispute"), the party raising the Dispute will give written notice to the other parties to the Dispute describing the nature of the Dispute following which the parties to such Dispute shall attempt for a period of ten (10) Business Days from receipt by the parties of notice of such Dispute to resolve such Dispute by negotiation between representatives of the parties hereto who have authority to settle such Dispute. All such negotiations shall be confidential and any statements or offers made therein shall be treated as compromise and settlement negotiations for purposes of any applicable rules of evidence and shall not be admissible as evidence in any subsequent proceeding for any purpose. The statute of limitations applicable to the commencement of a lawsuit shall apply to the commencement of an arbitration hereunder, except that no defense based on the running of the statute of limitations will be available based upon the passage of time during any such negotiation. Regardless of the foregoing, a party shall have the right to seek immediate injunctive relief pursuant to clause (c) below without regard to any such ten (10) Business Day negotiation period.

(b) Any Dispute (including the determination of the scope or applicability of this Agreement to arbitrate) that is not resolved pursuant to clause (a) above shall be submitted to final and binding arbitration in Virginia Beach, Virginia before one neutral and impartial arbitrator, in accordance with the laws of the Commonwealth of Virginia for agreements made in and to be performed in Virginia. The arbitration shall be administered by JAMS, Inc. ("JAMS") pursuant to its Comprehensive Arbitration Rules and Procedures, as in effect on the date hereof. The parties hereto shall appoint one arbitrator within fifteen (15) days of a demand for arbitration. If an arbitrator is not appointed within such 15-day period, the arbitrator shall be

appointed by JAMS in accordance with its Comprehensive Arbitration Rules and Procedures, as in effect on the date hereof. The arbitrator shall designate the place and time of the hearing. The hearing shall be scheduled to begin as soon as practicable and no later than sixty (60) days after the appointment of the arbitrator (unless such period is extended by the arbitrator for good cause shown) and shall be conducted as expeditiously as possible. The award, which shall set forth the arbitrator's findings of fact and conclusions of law, shall be filed with JAMS and mailed to the parties no later than thirty (30) days after the close of the arbitration hearing. The arbitration award shall be final and binding on the parties and not subject to collateral attack. Judgment upon the arbitration award may be entered in any federal or state court having jurisdiction thereof.

(c) Notwithstanding the parties' agreement to submit all Disputes to final and binding arbitration before JAMS, the parties shall have the right to seek and obtain temporary or preliminary injunctive relief in any court having jurisdiction thereof. Such courts shall have authority to, among other things, grant temporary or provisional injunctive relief in order to protect any party's rights under this Agreement. Without prejudice to such provisional remedies as may be available under the jurisdiction of a court, the arbitral tribunal shall have full authority to grant provisional remedies and to direct the parties to request that any court modify or vacate any temporary or preliminary relief issued by such court, and to award damages for the failure of any party to respect the arbitral tribunal's orders to that effect.

(d) The prevailing party shall be entitled to recover its costs and reasonable attorneys' fees, and the non-prevailing party shall pay all expenses and fees of JAMS, all costs of the stenographic record, all expenses of witnesses or proofs that may have been produced at the direction of the arbitrator, and the fees, costs and expenses of the arbitrator. The arbitrator shall allocate such costs and designate the prevailing party or parties for these purposes.

[*Signature Page Follows.*]

IN WITNESS WHEREOF, this Agreement has been entered into effective as of the date first written above.

CONTRIBUTOR:

Oyster Point Investors, L.P., a Virginia limited partnership

By: Oyster Point Investors, L.L.C.,
its general partner

By: /s/ A. Russell Kirk
Name: A. Russell Kirk
Title:

OPERATING PARTNERSHIP:

ARMADA HOFFLER, L.P., a Virginia limited partnership

By: Armada Hoffler Properties, Inc.,
its general partner

By: /s/ Louis S. Haddad
Name: Louis S. Haddad
Title: Chief Executive Officer and President

REIT:

ARMADA HOFFLER PROPERTIES, INC., a Maryland corporation

By: /s/ Louis S. Haddad
Name: Louis S. Haddad
Title: Chief Executive Officer and President

EXHIBIT A

Contributor – Oyster Pointe Investors, L.P.

CONTRIBUTED ENTITY/ CONTRIBUTED INTEREST	SUBSIDIARY INTERESTS	PROPERTY	PROPERTY ENTITY
Oyster Point Office Building, LLC	—	SunTrust Building Newport News, VA	Oyster Point Office Building, LLC

Total Consideration: $5,000.00

Consideration Election:

Cash: $0

OP Units: $5,000.00

Cash payable and deliverable to: N/A

OP Units registered in the name of: Oyster Point Investors, L.P.

Agreed to and accepted on February 11, 2013

Oyster Point Investors, L.P., a Virginia limited partnership

By: Oyster Point Investors, L.L.C.,
its general partner

By: /s/ A. Russell Kirk
Name: A. Russell Kirk
Title: Manager

Exhibit B

Assignment

The undersigned, for good and valuable consideration paid to the Assignor by ARMADA HOFFLER, L.P., a Virginia limited partnership ("Assignee"), pursuant to the Contribution Agreement dated as of , 2013, by and between Assignor and Assignee (the "Agreement") and for other good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, does hereby sell, assign, transfer, convey and deliver to the Assignee, its successors and assigns, good and indefeasible right, title and interest to the **[partnership or limited liability company interests/shares of common stock]** described on *Schedule A* hereto, including, without limitation, all right, title and interest, if any, of the undersigned in and to the assets of each such **[partnership/limited liability company/corporation]** and the right to receive distributions of money, profits and other assets from each such partnership, presently existing or hereafter at any time arising or accruing, free and clear of all liens, encumbrances, security interests, pledges, voting agreements, prior assignments or conveyances, conditions, restrictions, claims, and any other matters affecting title thereto.

The undersigned, for itself, its successors and assigns, hereby covenants and agrees that, at any time and from time to time after the date hereof, upon the written request of Assignee, the undersigned will, without further consideration, do, execute, acknowledge, and deliver or cause to be done, executed, acknowledged and delivered, each of and all of such further acts, deeds, assignments, transfers, conveyances and assurances as may reasonably be required by Assignee in order to assign, transfer, set over, convey, assure and confirm unto and vest in Assignee, its successors and assigns, title to the interests described in *Schedule A* hereto

Capitalized terms used but not defined herein shall have the respective meanings ascribed to them in the Agreement.

IN WITNESS WHEREOF, the parties hereto have caused this Assignment to be signed by a duly authorized officer this day of , 201 .

_____, a

By: _____
Name:
Title:

Subsidiaries of the Registrant

Name	Place of Organization
Armada Hoffler, L.P.	Virginia
AHP Holding, Inc.	Virginia
AHP Asset Services, LLC	Virginia
AHP Construction, LLC	Virginia
AHP Development, LLC	Virginia
New Armada Hoffler Properties I, LLC	Virginia
New Armada Hoffler Properties II, LLC	Virginia
Bermuda Shopping Center, L.L.C.	Virginia
BSE/AH Blacksburg Apartments, LLC	Virginia
Broad Creek PH. I, L.L.C.	Virginia
Broad Creek PH. II, L.L.C.	Virginia
Broad Creek PH. III, L.L.C.	Virginia
Columbus Tower, L.L.C.	Virginia
Columbus Tower Block 5-A2 Associates, L.L.C.	Virginia
AH Columbus II, L.L.C.	Virginia
HT Tyre Neck, L.L.C.	Virginia
Hanbury Village II, L.L.C.	Virginia
Hoffler and Associates EAT, LLC	Virginia
Armada/Hoffler Charleston Associates, L.P.	Virginia
North Pointe PH. 1 Limited Partnership	Virginia
North Pointe-CGL, L.L.C.	Virginia
North Point Development Associates, L.P.	Virginia
North Pointe Outparcels, L.L.C.	Virginia
North Pointe VW4, L.L.C.	Virginia
Ferrell Parkway Associates, L.L.C.	Virginia
TCA Block 4 Retail, L.L.C.	Virginia
Armada/Hoffler Tower 4, L.L.C.	Virginia
Town Center Associates 7, L.L.C.	Virginia
Town Center Associates 12, L.L.C.	Virginia
Lake View AH-VNG, LLC	Virginia
Williamsburg Medical Building, LLC	Virginia
AH Sandbridge, L.L.C.	Virginia
Courthouse Marketplace Outparcels, L.L.C.	Virginia
Greenbrier Technology Center II Associates, L.L.C.	Virginia
Town Center Associates 6, L.L.C.	Virginia

Armada/Hoffler Block 8 Associates, L.L.C.	Virginia
AH Richmond Tower I, L.L.C.	Virginia
Town Center Associates 11, L.L.C.	Virginia
AH Durham Apartments, L.L.C.	Virginia
AH Southeast Commerce Center, L.L.C.	Virginia
AH Greentree, L.L.C.	Virginia
Bermuda Marketplace, Inc.	Virginia
BC PH. II, LLC	Virginia
FBJ Investors, Inc.	Virginia
Gateway Centre, L.L.C.	Virginia
A/H North Pointe, Inc.	Virginia
North Point Development Associates, L.L.C.	Virginia
TCA Block 3, Inc.	Virginia
TCA Block 8, Inc.	Virginia
A/H Harrisonburg Regal L.L.C.	Virginia
Town Center Block 10 Apartments, L.P.	Virginia
TCA 10 GP, LLC	Virginia
Armada Hoffler Manager, LLC	Virginia
Oyster Point Office Building, LLC	Virginia
Tower Manager, LLC	Virginia
Hanbury GP, LLC	Virginia
FBJ GP, LLC	Virginia
TCA Block 11 Office, LLC	Virginia
TCA Block 11 Apartments, LLC	Virginia
Oyster Point Investors, L.P.	Virginia

EXHIBIT 23.1

Consent of Independent Registered Public Accounting Firm

We consent to the reference to our firm under the caption “Experts” and “Distribution Policy” and to the use of the following reports all included in Amendment No. 2 to the Registration Statement (Form S-11) and related Prospectus of Armada Hoffler Properties, Inc. for the registration of shares of its common stock:

i. our report dated March 25, 2013 with respect to the audited balance sheets of Armada Hoffler Properties, Inc.; and

ii. our report dated March 25, 2013 with respect to the audited combined financial statements and related schedule of Armada Hoffler Properties, Inc. Predecessor.

/s/ Ernst & Young LLP

Richmond, Virginia
April 24, 2013

Exhibit 23.2

Consent of Independent Auditors

We consent to the reference to our firm under the caption “Experts” and to the use of the following reports all included in Amendment No. 2 to the Registration Statement (Form S-11) and related Prospectus of Armada Hoffler Properties, Inc. for the registration of shares of its common stock:

i. our report dated March 25, 2013 with respect to the statements of revenues and certain operating expenses of Bermuda Shopping Center, LLC; and

ii. our report dated March 25, 2013 with respect to the statements of revenues and certain operating expenses of BSE/AH Blacksburg Apartments, LLC.

/s/ Ernst & Young

Richmond, Virginia
April 24, 2013