As filed with the Securities and Exchange Commission on May 2, 2013

Registration No. 333-187513

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

Amendment No. 3 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)

Copies to:

David C. Wright
S. Gregory Cope
Hunton & Williams LLP
951 East Byrd Street
Richmond, Virginia 23219
(804) 788-8638

John A. Good
Justin R. Salon
Bass, Berry & Sims PLC
1201 Pennsylvania Ave. Suite 300
Washington, D.C. 20004
(202) 827-2950

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.

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 the New York Stock Exchange, or NYSE, listing fee and the Financial Industry Regulatory Authority, Inc., or FINRA, filing fee.

SEC Registration Fee	$ 27,451
NYSE Listing Fee	125,000
FINRA Filing Fee	30,688
Printing and Engraving Expenses	400,000
Legal Fees and Expenses (other than Blue Sky)	2,750,000
Accounting Fees and Expenses	4,000,000
Transfer Agent and Registrar Fees	2,500
Other Expenses	114,300
Total	$7,449,939

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 2nd day of May, 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)	May 2, 2013
/s/ Michael P. O'Hara Michael P. O'Hara	Chief Financial Officer (Principal Financial and Accounting Officer)	May 2, 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 for Executive Officers
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 16, 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 16, 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 16, 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 May 1, 2013
10.36	Asset Purchase Agreement by and among AHP Asset Services, LLC and Armada Hoffler Holding Company, Inc., dated as of May 1, 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 May 1, 2013
10.38	Option and Right of First Refusal Agreement by and between and Armada Hoffler, L.P. and Courthouse Marketplace Parcel 7, L.L.C., dated as of May 1, 2013
10.39	Option and Right of First Refusal Agreement by and between and Armada Hoffler, L.P. and Courthouse Outparcel A-1-B-2, LLC, dated as of May 1, 2013
10.40	Option and Right of First Refusal Agreement by and between and Armada Hoffler, L.P. and Hanbury Village, LLC, dated as of May 1, 2013
10.41	Option and Right of First Refusal Agreement by and between and Armada Hoffler, L.P. and Lake View AH-VNG, LLC, dated as of May 1, 2013
10.42	Option and Right of First Refusal Agreement by and between and Armada Hoffler, L.P. and Oyster Point Hotel Associates, L.L.C., dated as of May 1, 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
10.44†	Form of Restricted Stock Award Agreement for Directors
10.45	Option Agreement dated May 1, 2013 by and between Armada/Hoffler Properties, L.L.C. and Armada Hoffler, L.P.
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)

Exhibit	Exhibit Description
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.

EXHIBIT 4.1

Number *0* Shares *0*

SEE REVERSE FOR IMPORTANT NOTICE ON TRANSFER RESTRICTIONS AND OTHER INFORMATION

THIS CERTIFICATE IS TRANSFERABLE IN THE CITIES OF _____ CUSIP _____

ARMADA HOFFLER PROPERTIES, INC.

a Corporation Formed Under the Laws of the State of Maryland

THIS CERTIFIES THAT **Specimen** is the owner of **Zero (0)** fully paid and nonassessable shares of Common Stock, $0.01 par value per share, of

Armada Hoffler Properties, Inc.

(the "Corporation") transferable on the books of the Corporation by the holder hereof in person or by its duly authorized attorney, upon surrender of this Certificate properly endorsed. This Certificate and the shares represented hereby are issued and shall be held subject to all of the provisions of the Charter of the Corporation and the Bylaws of the Corporation and any amendments thereto. This Certificate is not valid unless countersigned and registered by the Transfer Agent and Registrar.

IN WITNESS WHEREOF, the Corporation has caused this Certificate to be executed on its behalf by its duly authorized officers this __ day of ____, _____.

Countersigned and Registered:
Transfer Agent
and Registrar

By: _____
Authorized Signature

_____ (SEAL)
Chief Executive Officer and President

_____
Chief Financial Officer and Treasurer

IMPORTANT NOTICE

The Corporation will furnish to any stockholder, on request and without charge, a full statement of the information required by Section 2-211(b) of the Corporations and Associations Article of the Annotated Code of Maryland with respect to the designations and any preferences, conversion and other rights, voting powers, restrictions, limitations as to dividends and other distributions, qualifications, and terms and conditions of redemption of the stock of each class which the Corporation has authority to issue and, if the Corporation is authorized to issue any preferred or special class in series, (i) the differences in the relative rights and preferences between the shares of each series to the extent set, and (ii) the authority of the Board of Directors to set such rights and preferences of subsequent series. The foregoing summary does not purport to be complete and is subject to and qualified in its entirety by reference to the Charter of the Corporation, a copy of which will be sent without charge to each stockholder who so requests. Such request must be made to the Secretary of the Corporation at its principal office.

The shares represented by this certificate are subject to restrictions on Beneficial Ownership and Constructive Ownership and Transfer for the purpose, among others, of the Corporation's maintenance of its status as a Real Estate Investment Trust under the Internal Revenue Code of 1986, as amended (the "Code"). Subject to certain further restrictions and except as expressly provided in the Corporation's Charter, (i) no Person may Beneficially Own or Constructively Own shares of any class or series of Capital Stock of the Corporation in excess of the Stock Ownership Limit, unless such Person is an Excepted Holder (in which case the Excepted Holder Limit shall be applicable); (ii) no Person may Beneficially Own shares of Capital Stock that would result in the Corporation being "closely held" under Section 856(h) of the Code; (iii) no Person may Transfer shares of Capital Stock if such Transfer would result in the Capital Stock of the Corporation being owned by fewer than 100 Persons; (iv) no Person may Beneficially Own or Constructively Own shares of Capital Stock that would cause the Corporation to Constructively Own 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; and (v) no Person may Beneficially Own or Constructively Own shares of Capital Stock that would otherwise cause the Corporation to fail to qualify as a REIT, 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. Any Person who acquires or attempts or intends to acquire Beneficial Ownership or Constructive Ownership of shares of Capital Stock which causes or may cause a Person to Beneficially Own or Constructively Own shares of Capital Stock in excess or in violation of the above limitations must immediately notify the Corporation or, in the case of a proposed or attempted transaction, give at least 15 days prior written notice to the Corporation. If any of the restrictions on transfer or ownership provided in (i), (ii), (iv) or (v) above are violated, the shares of Capital Stock in excess or in violation of the above limitations will be automatically transferred to a Trustee of a Charitable Trust for the benefit of one or more Charitable Beneficiaries. In addition, the Corporation may redeem shares upon the terms and conditions specified by the Board of Directors in its sole discretion if the Board of Directors determines that ownership or a Transfer or other event may violate the restrictions described above. Furthermore, if the ownership restriction provided in (iii) above would be violated, or upon the occurrence of certain events, attempted Transfers in violation of the restrictions described above may be void ab initio. All capitalized terms in this legend have the meanings given to them in the Charter of the Corporation, as the same may be amended from time to time, a copy of which, including the restrictions on transfer and ownership, will be furnished to each holder of shares of Capital Stock of the Corporation on request and without charge. Requests for such a copy may be directed to the Secretary of the Corporation at its principal office.

KEEP THIS CERTIFICATE IN A SAFE PLACE. IF IT IS LOST, DESTROYED, STOLEN OR MUTILATED, THE CORPORATION WILL REQUIRE A BOND OF INDEMNITY AS A CONDITION TO THE ISSUANCE OF A REPLACEMENT CERTIFICATE.

The following abbreviations, when used in the inscription on the face of this Certificate, shall be construed as though they were written out in full according to applicable laws or regulations:

TEN COM	-	as tenants in common
TEN ENT	-	as tenants by the entireties
JT TEN	-	as joint tenants with right of survivorship and not as tenants in common

UNIF GIFT MIN ACT _____ Custodian _____
(Custodian) (Minor)
under Uniform Gifts to Minors Act of

_____
(State)

Additional abbreviations may also be used though not in the above list.

FOR VALUE RECEIVED, _____ HEREBY SELLS, ASSIGNS AND TRANSFERS UNTO

_____
(Please Print or Typewrite Name and Address, Including Zip Code, of Assignee)

_____
(Please Insert Social Security or other Identifying Number of Assignee)

_____ (_____) shares of Common Stock of the Corporation represented by this Certificate and does hereby irrevocably constitute and appoint _____ attorney to transfer the said shares of Common Stock on the books of the Corporation, with full power of substitution in the premises.

Dated _____

_____
NOTICE: The Signature To This Assignment Must Correspond With The Name As Written Upon The Face Of The Certificate In Every Particular, Without Alteration Or Enlargement Or Any Change Whatsoever.

Exhibit 5.1

VENABLE LLP

750 E. PRATT STREET SUITE 900 BALTIMORE, MD 21202
T 410.244.7400 F 410.244.7742 www.Venable.com

May 2, 2013

Armada Hoffler Properties, Inc.
222 Central Park Avenue, Suite 2100
Virginia Beach, Virginia 23462

Re: Registration Statement on Form S-11 (File No. 333-187513)

Ladies and Gentlemen:

We have served as Maryland counsel to Armada Hoffler Properties, Inc., a Maryland corporation (the "Company"), in connection with certain matters of Maryland law relating to the registration by the Company of up to 16,770,833 shares (the "Shares") of common stock, $0.01 par value per share, of the Company. The Shares are covered by the above-referenced Registration Statement, and all amendments thereto (the "Registration Statement"), filed by the Company with the United States Securities and Exchange Commission (the "Commission") under the Securities Act of 1933, as amended (the "1933 Act").

In connection with our representation of the Company, and as a basis for the opinion hereinafter set forth, we have examined originals, or copies certified or otherwise identified to our satisfaction, of the following documents (hereinafter collectively referred to as the "Documents"):

1. The Registration Statement and the related form of prospectus included therein in the form in which it was transmitted to the Commission under the 1933 Act;

2. The charter of the Company, certified by the State Department of Assessments and Taxation of Maryland (the "SDAT");

3. The form of Articles of Amendment and Restatement of the Company to be filed prior to the issuance of the Shares (the "Charter"), certified as of the date hereof by an officer of the Company;

4. The Bylaws of the Company, certified as of the date hereof by an officer of the Company;

5. A certificate of the SDAT as to the good standing of the Company, dated as of a recent date;

6. Resolutions adopted by the Board of Directors of the Company (the "Board") relating to, among other matters, the Charter and the authorization of the sale, issuance and registration of the Shares (the "Board Resolutions"), certified as of the date hereof by an officer of the Company;

7. Resolutions adopted by the sole stockholder of the Company relating to, among other matters, the Charter, certified as of the date hereof by an officer of the Company

8. A certificate executed by an officer of the Company, dated as of the date hereof; and

9. Such other documents and matters as we have deemed necessary or appropriate to express the opinion set forth below, subject to the assumptions, limitations and qualifications stated herein.

In expressing the opinion set forth below, we have assumed the following:

1. Each individual executing any of the Documents, whether on behalf of such individual or another person, is legally competent to do so.

2. Each individual executing any of the Documents on behalf of a party (other than the Company) is duly authorized to do so.

3. Each of the parties (other than the Company) executing any of the Documents has duly and validly executed and delivered each of the Documents to which such party is a signatory, and such party's obligations set forth therein are legal, valid and binding and are enforceable in accordance with all stated terms.

4. All Documents submitted to us as originals are authentic. The form and content of all Documents submitted to us as unexecuted drafts do not differ in any respect relevant to this opinion from the form and content of such Documents as executed and delivered. All Documents submitted to us as certified or photostatic copies conform to the original documents. All signatures on all Documents are genuine. All public records reviewed or relied upon by us or on our behalf are true and complete. All representations, warranties, statements and information contained in the Documents are true and complete. There has been no oral or written modification of or amendment to any of the Documents, and there has been no waiver of any provision of any of the Documents, by action or omission of the parties or otherwise.

5. Prior to the issuance of the Shares, the Charter will be filed with, and accepted for record by, the SDAT.

6. The Shares will not be issued or transferred in violation of the restrictions on transfer and ownership contained in Article VII of the Charter.

Based upon the foregoing, and subject to the assumptions, limitations and qualifications stated herein, it is our opinion that:

1. The Company is a corporation duly incorporated and existing under and by virtue of the laws of the State of Maryland and is in good standing with the SDAT.

2. The issuance of the Shares has been duly authorized and, when issued and delivered by the Company in accordance with the Board Resolutions, the Charter and the Registration Statement against payment of the consideration set forth therein, the Shares will be validly issued, fully paid and nonassessable.

The foregoing opinion is limited to the laws of the State of Maryland and we do not express any opinion herein concerning any other law. We express no opinion as to the applicability or effect of federal or state securities laws, including the securities laws of the State of Maryland, or as to federal or state laws regarding fraudulent transfers. To the extent that any matter as to which our opinion is expressed herein would be governed by the laws of any jurisdiction other than the State of Maryland, we do not express any opinion on such matter. The opinion expressed herein is subject to the effect of any judicial decision which may permit the introduction of parol evidence to modify the terms or the interpretation of agreements.

The opinion expressed herein is limited to the matters specifically set forth herein and no other opinion shall be inferred beyond the matters expressly stated. We assume no obligation to supplement this opinion if any applicable law changes after the date hereof or if we become aware of any fact that might change the opinion expressed herein after the date hereof.

This opinion is being furnished to you for submission to the Commission as an exhibit to the Registration Statement. We hereby consent to the filing of this opinion as an exhibit to the Registration Statement and to the use of the name of our firm therein. In giving this consent, we do not admit that we are within the category of persons whose consent is required by Section 7 of the 1933 Act.

Very truly yours,

/s/ Venable LLP

Exhibit 8.1

HUNTON & WILLIAMS LLP
RIVERFRONT PLAZA, EAST TOWER
951 EAST BYRD STREET
RICHMOND, VIRGINIA 23219-4074

TEL 804 • 788 • 8200
FAX 804 • 788 • 8218

May 1, 2013

Armada Hoffler Properties, Inc.
222 Central Park Avenue
Suite 2100
Virginia Beach, VA 23462

Armada Hoffler Properties, Inc.
Qualification as
Real Estate Investment Trust

Ladies and Gentlemen:

We have acted as counsel to Armada Hoffler Properties, Inc., a Maryland corporation (the "Company"), in connection with the preparation of a Registration Statement on Form S-11 (File No. 333-187513) filed with the Securities and Exchange Commission on March 26, 2013, as amended through the date hereof, (the "Registration Statement"), with respect to the offer and sale (the "Offering"), of up to 16,770,833 shares of common stock, par value $0.01 per share, of the Company. You have requested our opinion regarding certain U.S. federal income tax matters in connection with the Offering.

In giving this opinion letter, we have examined the following:

1. the Registration Statement and the prospectus (the "Prospectus") filed as part of the Registration Statement;

2. the Company's Articles of Incorporation filed on October 12, 2012 with the Department of Assessments and Taxation of the State of Maryland, and the Articles of Amendment and Restatement (the "Amended Articles"), in the form attached as an exhibit to the Registration Statement;

3. the Company's Bylaws (the "Bylaws"), in the form attached as an exhibit to the Registration Statement;

4. the Amended and Restated Agreement of Limited Partnership of Armada Hoffler, L.P., a Virginia limited partnership (the "Operating Partnership Agreement"), in the form attached as an exhibit to the Registration Statement; and

5. such other documents as we have deemed necessary or appropriate for purposes of this opinion.

In connection with the opinions rendered below, we have assumed, with your consent, that:

1. each of the documents referred to above is authentic, if an original, or is accurate, if a copy; and has not been amended;

2. the Amended Articles, the Bylaws and the Operating Partnership Agreement will be executed, delivered, adopted, and filed, as applicable, in a form substantially similar to the forms filed as exhibits to the Registration Statement;

3. during its taxable year ending December 31, 2013, and future taxable years, the Company will operate in a manner that will make the factual representations contained in a certificate, dated the date hereof and executed by a duly appointed officer of the Company (the "Officer's Certificate"), true for such years;

4. the Company will not make any amendments to its organizational documents after the date of this opinion that would affect its qualification as a real estate investment trust (a "REIT") for any taxable year; and

5. no action will be taken by the Company after the date hereof that would have the effect of altering the facts upon which the opinions set forth below are based.

In connection with the opinions rendered below, we also have relied upon the correctness of the factual representations contained in the Officer's Certificate. No facts have come to our attention that would cause us to question the accuracy and completeness of such factual representations. Furthermore, where such factual representations involve terms defined in the Internal Revenue Code of 1986, as amended (the "Code"), the Treasury regulations thereunder (the "Regulations"), published rulings of the Internal Revenue Service (the "Service"), or other relevant authority, we have reviewed with the individuals making such representations the relevant provisions of the Code, the applicable Regulations and published administrative interpretations thereof.

Based solely on the documents and assumptions set forth above, the representations set forth in the Officer's Certificate and the discussion in the Prospectus under the caption "Material U.S. Federal Income Tax Considerations" (which is incorporated herein by reference), we are of the opinion that:

(a) commencing with its short taxable year ending December 31, 2013, the Company will be organized in conformity with the requirements for qualification and taxation as a REIT pursuant to sections 856 through 860 of the Code, and the Company's proposed method of operation will enable it to satisfy the requirements for qualification and taxation as a REIT under the Code for its taxable year ending December 31, 2013 and thereafter; and

(b) the descriptions of the law and the legal conclusions in the Prospectus under the caption "Material U.S. Federal Income Tax Considerations" are correct in all material respects.

We will not review on a continuing basis the Company's compliance with the documents or assumptions set forth above, or the factual representations set forth in the Officer's Certificate. Accordingly, no assurance can be given that the actual results of the Company's operations for any given taxable year will satisfy the requirements for qualification and taxation as a REIT. Although we have made such inquiries and performed such investigations as we have deemed necessary to fulfill our professional responsibilities as counsel, we have not undertaken an independent investigation of all of the facts referred to in this letter or the Officer's Certificate.

The foregoing opinions are based on current provisions of the Code, the Regulations, published administrative interpretations thereof, and published court decisions. The Service has not issued Regulations or administrative interpretations with respect to various provisions of the Code relating to REIT qualification. No assurance can be given that the law will not change in a way that will prevent the Company from qualifying as a REIT.

The foregoing opinions are limited to the U.S. federal income tax matters addressed herein, and no other opinions are rendered with respect to other U.S. federal tax matters or to any issues arising under the tax laws of any other country, or any state or locality. We undertake no obligation to update the opinions expressed herein after the date of this letter. This opinion letter speaks only as of the date hereof. Except as provided in the next paragraph, this opinion letter may not be distributed, quoted in whole or in part or otherwise reproduced in any document, or filed with any governmental agency without our express written consent.

We hereby consent to the filing of this opinion as an exhibit to the Registration Statement. We also consent to the references to Hunton & Williams LLP under the captions “Material U.S. Federal Income Tax Considerations” and “Legal Matters” in the Prospectus. In giving this consent, we do not admit that we are in the category of persons whose consent is required by Section 7 of the Securities Act of 1933, as amended, or the rules and regulations promulgated thereunder by the Securities and Exchange Commission

Very truly yours,

/s/ Hunton & Williams LLP

Exhibit 10.3

ARMADA HOFFLER PROPERTIES, INC.

Executive Stock Award Agreement

THIS EXECUTIVE STOCK AWARD AGREEMENT (the "Agreement"), dated as of the _____ day of _____, 2013, governs the Stock Award granted by ARMADA HOFFLER PROPERTIES, INC., a Maryland corporation (the "Company"), to _____ (the "Participant"), in accordance with and subject to the provisions of the Company's 2013 Equity Incentive Plan (the "Plan"). A copy of the Plan has been made available to the Participant. All terms used in this Agreement that are defined in the Plan have the same meaning given them in the Plan.

1. Grant of Stock Award. In accordance with the Plan, and effective as of ____ __, 2013 (the "Date of Grant"), the Company granted to the Participant, subject to the terms and conditions of the Plan and this Agreement, a Stock Award of _____shares of Common Stock (the "Stock Award").

2. Vesting. The Participant's interest in the shares of Common Stock covered by the Stock Award shall become vested and nonforfeitable to the extent provided in paragraphs (a), (b), (c), (d) and (e) below.

(a) **Continued Employment.** The Participant's interest in the number of shares of Common Stock that most nearly equals (but does not exceed) one-third of the Common Stock covered by the Stock Award shall be vested and nonforfeitable on the Date of Grant. The Participant's interest in the number of shares of Common Stock that most nearly equals (but does not exceed) one-third of the Common Stock covered by the Stock Award shall become vested and nonforfeitable on _____ ____, 2014, if the Participant remains in the continuous employ of the Company or an Affiliate from the Date of Grant until such date. The Participant's interest in the remaining shares of Common Stock covered by the Stock Award shall become vested and nonforfeitable on _____ ____, 2015, if the Participant remains in the continuous employ of the Company or an Affiliate from the Date of Grant until such date.

(b) **Change in Control.** The Participant's interest in all of the shares of Common Stock covered by the Stock Award (if not sooner vested), shall become vested and nonforfeitable on a Control Change Date if the Participant remains in the continuous employ of the Company or an Affiliate from the Date of Grant until the Control Change Date.

(c) **Death or Disability.** The Participant's interest in all of the shares of Common Stock covered by the Stock Award (if not sooner vested), shall become vested and nonforfeitable on the date that the Participant's employment by the Company and its Affiliates ends if (i) such employment ends on account of the Participant's death or because the Participant is "disabled"(as defined in Code section 409A(a)(2)(c)) and (ii) the Participant remains in the continuous employ of the Company or an Affiliate from the Date of Grant until the date such employment ends on account of the Participant's death or because the Participant is disabled.

(d) **Termination of Employment Without Cause.** The Participant's interest in all of the shares of Common Stock covered by the Stock Award (if not sooner vested), shall become vested and nonforfeitable on the date that the Participant's employment by the Company and its Affiliates ends if (i) such employment is terminated by the Company or an Affiliate without Cause and (ii) the Participant remains in the continuous employ of the Company or an Affiliate from the Date of Grant until the date such employment ends on account of a termination by the Company or an Affiliate without Cause. For purposes of this Agreement, a termination of the Participant's employment with the Company or an Affiliate is with Cause if such employment is terminated by action of the Board on account of (*w*) the Participant's failure to perform a material duty or the Participant's material breach of an obligation under an agreement with the Company or a breach of a material and written Company policy other than by reason of mental or physical illness or injury, (*x*) the Participant's breach of a fiduciary duty to the Company, (*y*) the Participant's conduct that is demonstrably and materially injurious to the Company, materially or otherwise or (*z*) the Participant's conviction of, or plea of *nolo contendre* to, a felony or crime involving moral turpitude or fraud or dishonesty involving assets of the Company and that in all cases is described in a written notice from the Board and that is not cured, to the reasonable satisfaction of the Board, within thirty (30) days after such notice is received by the Participant.

(e) **Resignation With Good Reason.** The Participant's interest in all of the shares of Common Stock covered by the Stock Award (if not sooner vested) shall become vested and nonforfeitable on the date that the Participant's employment by the Company and its Affiliates ends if (i) such employment is terminated by the Participant with Good Reason and (ii) the Participant remains in the continuous employ of the Company or an Affiliate from the Date of Grant until the date such employment ends on account of the Participant's resignation with Good Reason. For purposes of this Agreement, the Participant's resignation is with Good Reason if the Participant resigns on account of (*w*) the Company's material breach of an agreement with the Participant or a direction from the Board that the Participant act or refrain from acting which in either case would be unlawful or contrary to a material and written Company policy, (*x*) a material diminution in the Participant's duties, functions and responsibilities to the Company and its Affiliates without the Participant's consent or the Company preventing the Participant from fulfilling or exercising the Participant's material duties, functions and responsibilities to the Company and its Affiliates without the Participant's consent, (*y*) a material reduction in the Participant's base salary or annual bonus opportunity or (*z*) a requirement that the Participant relocate the Participant's employment more than fifty (50) miles from the location of the Participant's principal office on the Date of Grant, without the consent of the Participant. The Participant's resignation shall not be a resignation with Good Reason unless the Participant gives the Board written notice (delivered within thirty (30) days after the Participant knows of the event, action, etc. that the Participant asserts constitutes Good Reason), the event, action, etc. that the Participant asserts constitutes Good Reason is not cured, to the reasonable satisfaction of the Participant, within thirty (30) days after such notice and the Participant resigns effective not later than thirty (30) days after the expiration of such cure period.

Except as provided in this Section 2, any shares of Common Stock covered by the Stock Award that are not vested and nonforfeitable on or before the date that the Participant's employment by the Company and its Affiliates ends shall be forfeited on the date that such employment terminates.

3. Transferability. Shares of Common Stock covered by the Stock Award that have not become vested and nonforfeitable as provided in Section 2 cannot be transferred. Shares of Common Stock covered by the Stock Award may be transferred, subject to the requirements of applicable securities laws, after they become vested and nonforfeitable as provided in Section 2.

4. Stockholder Rights. On and after the Date of Grant and prior to their forfeiture, the Participant shall have all of the rights of a stockholder of the Company with respect to the shares of Common Stock covered by the Stock Award, including the right to vote the shares and to receive, free of all restrictions, all dividends declared and paid on the shares. Notwithstanding the preceding sentence, the Company shall retain custody of the certificates evidencing the shares of Common Stock covered by the Stock Award until the date that the shares of Common Stock become vested and nonforfeitable and the Participant hereby appoints the Company's Secretary as the Participant's attorney in fact, with full power of substitution, with the power to transfer to the Company and cancel any shares of Common Stock covered by the Stock Award that are forfeited under Section 2.

5. No Right to Continued Employment. This Agreement and the grant of the Stock Award does not give the Participant any rights with respect to continued employment by the Company or an Affiliate. This Agreement and the grant of the Stock Award shall not interfere with the right of the Company or an Affiliate to terminate the Participant's employment.

6. Governing Law. This Agreement shall be governed by the laws of the State of Maryland except to the extent that Maryland law would require the application of the laws of another State.

7. Conflicts. In the event of any conflict between the provisions of the Plan as in effect on the Date of Grant and this Agreement, the provisions of the Plan shall govern. All references herein to the Plan shall mean the Plan as in effect on the Date of Grant.

8. Participant Bound by Plan. The Participant hereby acknowledges that a copy of the Plan has been made available to the Participant and the Participant agrees to be bound by all the terms and provisions of the Plan.

9. Binding Effect. Subject to the limitations stated above and in the Plan, this Agreement shall be binding upon the Participant and the Participant's successors in interest and the Company and any successors of the Company.

[signature page follows]

IN WITNESS WHEREOF, the Company and the Participant have executed this Agreement as of the date first set forth above.

ARMADA HOFFLER PROPERTIES, INC.

By: _____

Title: _____

[NAME OF PARTICIPANT]

_____

EXHIBIT 10.5

TAX PROTECTION AGREEMENT

THIS TAX PROTECTION AGREEMENT (this "Agreement") is made and entered into as of _____, 2013 by and among ARMADA HOFFLER PROPERTIES, INC., a Maryland corporation (the "REIT"), ARMADA HOFFLER, L.P., a Virginia limited partnership (the "Partnership"), and the contributors listed on the signature page to this Agreement (the "Contributors").

WHEREAS, pursuant to those certain Contribution Agreements, dated as of January 28, 2013, January 31, 2013, February 1, 2013, February 11, 2013, February 12, 2013 and February 16, 2013 (the "Contribution Agreements"), the Contributors are contributing (the "Contribution"), as applicable, their partnership interests in New Armada Hoffler Properties I, LLC, a Virginia limited liability company, New Armada Hoffler Properties II, LLC, a Virginia limited liability company, and certain other entities which are the direct or indirect owners of the respective properties described on Exhibit A to the Contribution Agreements, to the Partnership in exchange for common partnership units of limited partnership interest in the Partnership ("Units");

WHEREAS, it is intended for federal income tax purposes that the Contribution for Units will be treated as a tax-deferred contribution of assets to the Partnership for Units under Section 721 of the Code;

WHEREAS, in consideration for the agreement of the Contributors to make the Contribution, the parties desire to enter into this Agreement regarding certain tax matters as set forth herein; and

WHEREAS, the REIT and the Partnership desire to evidence their agreement regarding amounts that may be payable in the event of certain actions being taken by the Partnership regarding the disposition of certain of the contributed assets and regarding certain minimum debt obligations of the Partnership and its subsidiaries.

NOW, THEREFORE, in consideration of the promises and the mutual representations, warranties, covenants and agreements contained herein and in the Contribution Agreements, the parties hereto hereby agree as follows:

ARTICLE 1
DEFINITIONS

To the extent not otherwise defined herein, capitalized terms used in this Agreement have the meanings ascribed to them in the Partnership Agreement (as defined below).

"Accounting Firm" has the meaning set forth in the Section 4.2.

"Agreement" has the meaning set forth in the Preamble.

"Applicable Percentage" means, with respect to each Gain Limitation Property, the percentage applied to the Protected Gain to determine the amount of monetary damages per Section 4.1(a), as set forth on Schedule 2.1(d).

"Bottom Guarantee" has the meaning set forth in Section 3.1.

"Cash Consideration" has the meaning set forth in Section 2.1(a).

"Closing Date" means the date on which the Contribution will be effective.

"Code" means the Internal Revenue Code of 1986, as amended.

"Contribution" has the meaning set forth in the Recitals.

"Contribution Agreements" has the meaning set forth in the Recitals.

"Contributors" has the meaning set forth in the Preamble.

"Deficit Restoration Obligation" means a written obligation by a Protected Partner to restore part or all of its deficit capital account in the Partnership upon the occurrence of certain events (which written obligation may provide for an indemnity in favor of the REIT as general partner of the Partnership).

"Gain Limitation Property" means (i) each of the properties identified on Schedule 2.1(b)(i) and Schedule 2.1(b)(ii) hereto as a Gain Limitation Property; (ii) any direct or indirect interest owned by the Partnership in any entity that owns an interest in a Gain Limitation Property, if the disposition of that interest would result in the recognition of Protected Gain by a Protected Partner; and (iii) any other property that the Partnership directly or indirectly receives that is in whole or in part a "substituted basis property" as defined in Section 7701(a)(42) of the Code with respect to a Gain Limitation Property.

"Guaranteed Amount" means the aggregate amount of each Guaranteed Debt that is guaranteed at any time by Partner Guarantors.

"Guaranteed Debt" means any loans incurred (or assumed) by the Partnership or any of its subsidiaries that are guaranteed by Partner Guarantors at any time after the Closing Date pursuant to Article 3 hereof.

"Indirect Owner" means, in the case of a Protected Partner that is an entity that is classified as a partnership, disregarded entity or subchapter S corporation for federal income tax purposes, any person owning an equity interest in such Protected Partner, and in the case of any Indirect Owner that itself is an entity that is classified as a partnership, disregarded entity or subchapter S corporation for federal income tax purposes, any person owning an equity interest in such entity.

"Minimum Liability Amount" means, for each Protected Partner, the amount set forth next to such Protected Partner's name on Schedule 3.1(a) hereto, of which an aggregate of $_____ will be guaranteed by the Partner Guarantors pursuant to Section 3.1

immediately after the Closing Date. The aggregate Minimum Liability Amount shall not exceed $103,000,000. To the extent negative tax capital accounts of the Protected Partners, determined as of the Closing Date, exceed $103,000,000, the Minimum Liability Amounts of the Protected Partners shall be reduced pro rata such that the aggregate Minimum Liability Amount equals $103,000,000.

"Nonrecourse Liability" has the meaning set forth in Treasury Regulations Section 1.752-1(a)(2).

"Partner Guarantors" means those Protected Partners who have guaranteed any portion of the Guaranteed Debt.

"Partnership" has the meaning set forth in the Preamble.

"Partnership Agreement" means the First Amended and Restated Agreement of Limited Partnership of the Partnership, dated as of _____, 2013, as amended, and as the same may be further amended in accordance with the terms thereof.

"Partnership Interest Consideration" has the meaning set forth in Section 2.1(a).

"Protected Gain" shall mean the gain that would be allocable to and recognized by a Protected Partner for federal income tax purposes under Section 704(c) of the Code in the event of the sale of a Gain Limitation Property in a fully taxable transaction. The initial amount of Protected Gain with respect to each Protected Partner shall be determined as if the Partnership sold each Gain Limitation Property in a fully taxable transaction on the Closing Date for consideration equal to the Section 704(c) Value of such Gain Limitation Property on the Closing Date, and is set forth on Schedule 2.1(b)(i) and Schedule 2.1(b)(ii) hereto. Gain that would be allocated to a Protected Partner upon a sale of a Gain Limitation Property that is "book gain" (for example, any gain attributable to appreciation in the actual value of the Gain Limitation Property following the Closing Date or any gain resulting from reductions in the "book value" of the Gain Limitation Property following the Closing Date) shall not be considered Protected Gain. As used in this definition, "book gain" is any gain that would not be required under Section 704(c) of the Code and the applicable regulations to be specially allocated to the Protected Partners for federal income tax purposes.

"Protected Partner" means those persons set forth as Protected Partners on Schedule 2.1(a), and any person who (i) acquires Units from a Protected Partner in a transaction in which gain or loss is not recognized in whole or in part and in which such transferee's adjusted basis for federal income tax purposes is determined in whole or in part by reference to the adjusted basis of the Protected Partner in such Units, (ii) has notified the Partnership of its status as a Protected Partner and (iii) provides all documentation reasonably requested by the Partnership to verify such status, but excludes any person that ceases to be a Protected Partner pursuant to this Agreement.

"Section 704(c) Value" means the fair market value of any Gain Limitation Property as of the Closing Date, as determined by the Partnership and as set forth next to each Gain Limitation Property on Schedule 2.1(c) hereto. Notwithstanding the preceding sentence, with respect to each Gain Limitation Property, the Section 704(c) Value shall not exceed the "Maximum Agreed Value" set forth next to each Gain Limitation Property on Schedule 2.1(c) hereto.

"Subsidiary" means any entity in which the Partnership owns a direct or indirect interest that owns a Gain Limitation Property on the Closing Date or that thereafter is a successor to the Partnership's direct or indirect interests in a Gain Limitation Property.

"Successor Partnership" has the meaning set forth in Section 2.1(b).

"Tax Protection Period" means, (i) with respect to Article II of this Agreement, (X) with respect to the Gain Limitation Properties set forth on Schedule 2.1(b)(i), the period commencing on the Closing Date and ending at 12:01 AM on _____ 2023, and (Y) with respect to the Gain Limitation Properties set forth on Schedule 2.1(b)(ii), the period commencing on the Closing Date and ending at 12:01 AM on _____ 2020, and (ii) with respect to Article III of this Agreement, the period commencing on the Closing Date and ending at 12:01 AM on _____, 2023.

"Units" has the meaning set forth in the Recitals.

ARTICLE 2
RESTRICTIONS ON DISPOSITIONS OF GAIN LIMITATION PROPERTIES

2.1 Restrictions on Disposition of Gain Limitation Properties.

(a) The Partnership agrees for the benefit of each Protected Partner, for the term of the Tax Protection Period, not to directly or indirectly sell, exchange, transfer, or otherwise dispose of a Gain Limitation Property or any interest therein, without regard to whether such disposition is voluntary or involuntary, in a transaction that would cause any Protected Partner to recognize any Protected Gain.

Without limiting the foregoing, the term "sale, exchange, transfer or disposition" by the Partnership shall be deemed to include, and the prohibition shall extend to:

(i) any direct or indirect disposition by any direct or indirect Subsidiary of any Gain Limitation Property or any interest therein;

(ii) any direct or indirect disposition by the Partnership of any Gain Limitation Property (or any direct or indirect interest therein) that is subject to Section 704(c)(1)(B) of the Code and the Treasury Regulations thereunder; and

(iii) any distribution by the Partnership to a Protected Partner that is subject to Section 737 of the Code and the Treasury Regulations thereunder.

Without limiting the foregoing, a disposition shall include any transfer, voluntary or involuntary, by the Partnership or any Subsidiary in a foreclosure proceeding, pursuant to a deed in lieu of foreclosure, or in a bankruptcy proceeding.

Notwithstanding the foregoing, this Section 2.1 shall not apply to a voluntary, actual disposition by a Protected Partner of Units in connection with a merger or consolidation of the Partnership pursuant to which (1) the Protected Partner is offered as consideration for the Units either cash or property treated as cash pursuant to Section 731 of the Code ("Cash Consideration") or partnership interests and the receipt of such partnership interests would not result in the recognition of gain for federal income tax purposes by the Protected Partner ("Partnership Interest Consideration"); (2) the Protected Partner has the right to elect to receive solely Partnership Interest Consideration in exchange for his Units, and the continuing partnership has agreed in writing to assume the obligations of the Partnership under this Agreement; (3) no Protected Gain is recognized by the Partnership as a result of any partner of the Partnership receiving Cash Consideration; and (4) the Protected Partner elects or is deemed to elect to receive solely Cash Consideration.

(b) Notwithstanding the restriction set forth in this Section 2.1, the Partnership and any Subsidiary may dispose of any Gain Limitation Property (or any interest therein) if such disposition qualifies as a "like-kind exchange" under Section 1031 of the Code, or an involuntary conversion under Section 1033 of the Code, or other transaction (including, but not limited to, a contribution of property to any entity that qualifies for the non-recognition of gain under Section 721 or Section 351 of the Code, or a merger or consolidation of the Partnership with or into another entity that qualifies for taxation as a "partnership" for federal income tax purposes (a "Successor Partnership")) that, as to each of the foregoing, does not result in the recognition of any taxable income or gain to any Protected Partner with respect to any of the Units; *provided*, *however*, that in the case of a "like-kind exchange" under Section 1031 of the Code, if such exchange is with a "related party" within the meaning of Section 1031(f)(3) of the Code, any direct or indirect disposition by such related party of the Gain Limitation Property or any other transaction prior to the expiration of the two (2) year period following such exchange that would cause Section 1031(f)(1) of the Code to apply with respect to such Gain Limitation Property (including by reason of the application of Section 1031(f)(4) of the Code) shall be considered a violation of this Section 2.1 by the Partnership.

ARTICLE 3
ALLOCATION OF LIABILITIES; GUARANTEE AND DEFICIT RESTORATION OBLIGATION OPPORTUNITY; NOTIFICATION OF REDUCTION OF LIABILITIES; COOPERATION REGARDING ADDITIONAL ALLOCATION OF LIABILITIES

3.1 Minimum Liability Allocation.

(a) During the Tax Protection Period, the Partnership will offer to each Protected Partner the opportunity, in the Partnership's discretion, either (i) to enter into a "bottom dollar guarantee" of certain liabilities of the Partnership (substantially in the form set forth in Schedule 3.1(b)) pursuant to which the lender for the guaranteed liability is required to pursue all other collateral and security for the guaranteed liability (other than any "bottom dollar guarantees") prior to seeking to collect on such a guarantee, and the lender shall have recourse against the guarantor only if, and solely to the extent that, the total amount recovered by the lender with respect to the guaranteed liability after the lender has exhausted its remedies is less than the

aggregate of the guaranteed amounts with respect to such liability, and the maximum aggregate liability of each partner for all guaranteed liabilities shall be limited to the amount actually guaranteed by such partner (a "Bottom Guarantee") or (ii) to enter into a Deficit Restoration Obligation, in such amount or amounts so as to cause a special allocation of partnership liabilities to such Protected Partner for purposes of Section 752 of the Code such that the Protected Partner's allocable share of Partnership liabilities equals such Protected Partner's Minimum Liability Amount and to cause a special allocation of partnership liabilities for purposes of Section 465 of the Code that increases the Protected Partner's "at risk" amount such that the Protected Partner's "at-risk" amount equals such Protected Partner's Minimum Liability Amount. In order to minimize the need for Protected Partners to enter into such Bottom Guarantees or Deficit Restoration Obligations, the Partnership will use the additional method under Treasury Regulations Section 1.752-3(a)(3) to allocate Nonrecourse Liabilities considered secured by a Gain Limitation Property to the Protected Partners to the extent that the "built-in gain" with respect to those properties exceeds the amount of the Nonrecourse Liabilities considered secured by such Gain Limitation Property allocated to the Protected Partners under Treasury Regulations Section 1.752-3(a)(2). In the event that applicable Treasury Regulations (the "Applicable Rules") are issued which modify the requirements for bottom dollar guarantees to be effective in causing special allocations of partnership liabilities to Protected Partners for purposes of Section 752 of the Code and/or Section 465 of the Code, the Partnership, at its option and in its sole discretion, may agree to work with the Protected Partners together to modify such bottom guarantees to the extent necessary such that they will be effective under the Applicable Rules.

(b) Following the Tax Protection Period, the Partnership, at its option and in its sole discretion, may continue to make available the Bottom Guarantee and/or Deficit Restoration Obligation opportunities provided for in Section 3.1(a) above, provided that Partnership shall be under no obligation to do so.

3.2 Notification Requirement. During the Tax Protection Period, the Partnership shall provide prior written notice to a Protected Partner if the Partnership intends to repay, retire, refinance or otherwise reduce (other than due to scheduled amortization) the amount of liabilities with respect to a Gain Limitation Property in a manner that would cause a Protected Partner to recognize gain for federal income tax purposes as a result of a decrease of the Protected Partner's share of Partnership liabilities below the Minimum Liability Amount (determined as of the Closing Date)

3.3 Additional Allocation of Liabilities. If the Partnership provides notice to a Protected Partner pursuant to Section 3.2, the Partnership shall cooperate with the Protected Partner to arrange an additional allocation of liabilities of the Partnership to the Protected Partner in such amount or amounts so as to increase the amount of partnership liabilities allocated to such Protected Partner for purposes of Section 752 of the Code by an amount necessary to prevent the Protected Partner from recognizing gain for federal income tax purposes up to the Minimum Liability Amount (determined as of the Closing Date) as a result of the intended repayment, retirement, refinancing or other reduction (other than scheduled amortization) in the amount of liabilities with respect to a Gain Limitation Property, including, without limitation, offering to the Protected Partner the opportunity, in the Partnership's discretion, either (i) to enter into additional Bottom Guarantees (substantially in the form set forth in Schedule 3.1(b)) or (ii)

to enter into additional Deficit Restoration Obligations, in either case to the extent of the amount of the Minimum Liability Amount (determined as of the Closing Date). In order to minimize the need to make additional special allocations of liabilities of the Partnership pursuant to the preceding sentence, the Partnership will use the additional method under Treasury Regulations Section 1.752-3(a)(3) to allocate Nonrecourse Liabilities considered secured by a Gain Limitation Property to the Protected Partner to the extent that the "built-in gain" with respect to those properties exceeds the amount of the Nonrecourse Liabilities considered secured by such Gain Limitation Property and allocated to the Protected Partner under Treasury Regulations Section 1.752-3(a)(2).

3.4 Deficit Restoration Obligation. The Partnership will maintain an amount of indebtedness of the Partnership that is considered "recourse" indebtedness (taking into account all of the facts and circumstances related to the indebtedness, the Partnership and the general partner) equal to or greater than the sum of the amounts subject to a Deficit Restoration Obligation of all Protected Partners and other partners in the Partnership. The Deficit Restoration Obligation shall be conclusively presumed to cause the Protected Partner to be allocated an amount of liabilities equal to the Deficit Restoration Obligation amount of such Protected Partner for purposes of Sections 465 and 752 of the Code, *provided that* (1) the Partnership maintains an amount of debt that is considered "recourse" indebtedness (determined for purposes of Section 752 of the Code and taking into account all of the facts and circumstances related to the indebtedness, the Partnership and the general partner) equal to the aggregate Deficit Restoration Obligation amounts of all partners of the Partnership and (2) all other terms and conditions of the Partnership Agreement with respect to such Deficit Restoration Obligation are met.

ARTICLE 4
REMEDIES FOR BREACH

4.1 Monetary Damages. In the event that the Partnership breaches its obligations set forth in Article 2 or Article 3, with respect to a Protected Partner, the Protected Partner's sole remedy shall be to receive from the Partnership, and the Partnership shall pay to such Protected Partner as damages, an amount equal to:

(a) in the case of a violation of Article 2, the aggregate federal, state, and local income taxes incurred by the Protected Partner or an Indirect Owner with respect to the Protected Gain that is allocable to such Protected Partner under the Partnership Agreement as a result of the disposition of the Gain Limitation Property times the Applicable Percentage; and

(b) in the case of a violation of Article 3, the aggregate federal, state and local income taxes incurred by the Protected Partner or an Indirect Owner as a result of the income or gain allocated to, or otherwise recognized by, such Protected Partner with respect to its Units by reason of such breach.

plus in the case of either (a) or (b), an amount equal to the aggregate federal, state, and local income taxes payable by the Protected Partner or an Indirect Owner as a result of the receipt of any payment required under this Section 4.1.

For the avoidance of doubt, so long as the Partnership provides the opportunities referenced in Sections 3.1 and 3.3 and complies with the notification requirement of Section 3.2, the Partnership shall have no liability pursuant to this Section 4.1 in the event it is determined that a Protected Partner has not been specially allocated for purposes of Section 752 of the Code an amount of partnership liabilities equal to such Protected Partner's Minimum Liability Amount or is not treated as receiving a special allocation of partnership liabilities for purposes of Section 465 of the Code that increases such Protected Partner's "at risk" amount by an amount equal to such Protected Partner's Minimum Liability Amount. Furthermore, the Partnership shall have no liability pursuant to this Section 4.1 if the Partnership merges into another entity treated as a partnership for federal income tax purposes or the Protected Partner accepts an offer to exchange its Units for equity interests in another entity treated as a partnership for federal income tax purposes so long as, in either case, such successor entity assumes or agrees to assume the Partnership's obligations pursuant to this Agreement.

For purposes of computing the amount of federal, state, and local income taxes required to be paid by a Protected Partner (or Indirect Owner), (i) any deduction for state income taxes payable as a result thereof actually allowed in computing federal income taxes shall be taken into account, and (ii) a Protected Partner's (or Indirect Owner's) tax liability shall be computed using the highest federal, state and local marginal income tax rates that would be applicable to such Protected Partner's (or Indirect Owner's) taxable income (taking into account the character and type of such income or gain) for the year with respect to which the taxes must be paid, without regard to any deductions, losses or credits that may be available to such Protected Partner (or Indirect Owner) that would reduce or offset its actual taxable income or actual tax liability if such deductions, losses or credits could be utilized by the Protected Partner (or Indirect Owner) to offset other income, gain or taxes of the Protected Partner (or Indirect Owner), either in the current year, in earlier years, or in later years.

4.2 Process for Determining Damages. If the Partnership has breached or violated any of the covenants set forth in Article 2 or Article 3 (or a Protected Partner asserts that the Partnership has breached or violated any of the covenants set forth in Article 2 or Article 3), the Partnership and the Protected Partner (or Indirect Owner) agree to negotiate in good faith to resolve any disagreements regarding any such breach or violation and the amount of damages, if any, payable to such Protected Partner (or Indirect Owner) under Section 4.1. If any such disagreement cannot be resolved by the Partnership and such Protected Partner (or Indirect Owner) within sixty (60) days after the receipt of notice from the Partnership of such breach and the amount of income to be recognized by reason thereof (or, if applicable, receipt by the Partnership of an assertion by a Protected Partner that the Partnership has breached or violated any of the covenants set forth in Article 2 or Article 3), the Partnership and the Protected Partner shall jointly retain a nationally recognized independent public accounting firm (an "Accounting Firm") to act as an arbitrator to resolve as expeditiously as possible all points of any such disagreement (including, without limitation, whether a breach of any of the covenants set forth in Article 2 or Article 3, has occurred and, if so, the amount of damages to which the Protected Partner is entitled as a result thereof, determined as set forth in Section 4.1). All determinations made by the Accounting Firm with respect to the resolution of any breach or violation of any of the covenants set forth in Article 2 or Article 3 and the amount of damages payable to the Protected Partner under Section 4.1 shall be final, conclusive and binding on the Partnership and the Protected Partner. The fees and expenses of any Accounting Firm incurred in connection

with any such determination shall be shared equally by the Partnership and the Protected Partner, *provided that* if the amount determined by the Accounting Firm to be owed by the Partnership to the Protected Partner is more than five percent (5%) higher than the amount proposed by the Partnership to be owed to such Protected Partner prior to the submission of the matter to the Accounting Firm, then all of the fees and expenses of any Accounting Firm incurred in connection with any such determination shall be paid by the Partnership and if the amount determined by the Accounting Firm to be owed by the Partnership to the Protected Partner is more than five percent (5%) less than the amount proposed by the Partnership to be owed to such Protected Partner prior to the submission of the matter to the Accounting Firm, then all of the fees and expenses of any Accounting Firm incurred in connection with any such determination shall be paid by the Protected Partner.

4.3 Required Notices; Time for Payment. In the event that there has been a breach of Article 2 or Article 3, the Partnership shall provide to each affected Protected Partner notice of the transaction or event giving rise to such breach not later than at such time as the Partnership provides to the Protected Partners the IRS Schedule K-1's to the Partnership's federal income tax return for the year of such transaction. All payments required to be made under this Article 4 to any Protected Partner shall be made to such Protected Partner on or before April 15 of the year following the year in which the gain recognition event giving rise to such payment took place; *provided that*, if the Protected Partner is required to make estimated tax payments that would include such gain (taking into account all available safe harbors), the Partnership shall make a payment to the Protected Partner on or before the due date for such estimated tax payment and such payment from the Partnership shall be in an amount that corresponds to the amount of the estimated tax being paid by such Protected Partner at such time as a result of the gain recognition event. In the event of a payment made after the date required pursuant to this Section 4.3, interest shall accrue on the aggregate amount required to be paid from such date to the date of actual payment at a rate equal to the "prime rate" of interest, as published in the Wall Street Journal (or if no longer published there, as announced by Citibank) effective as of the date the payment is required to be made.

ARTICLE 5
SECTION 704(C) METHOD AND ALLOCATIONS

Notwithstanding any provision of the Partnership Agreement, the Partnership shall use the "traditional method" under Treasury Regulations Section 1.704-3(b) for purposes of making all allocations under Section 704(c) of the Code with respect to any Gain Limitation Property.

ARTICLE 6
AMENDMENT OF THIS AGREEMENT; WAIVER OF CERTAIN PROVISIONS

6.1 Amendment. This Agreement may not be amended, directly or indirectly (including by reason of a merger between either the Partnership or the REIT and another entity) except by a written instrument signed by the REIT, the Partnership, and each of the Protected Partners to be subject to such amendment, except that the Partnership may amend Schedules 2.1(a) and 3.1(a) upon a person becoming a Protected Partner as a result of a transfer of Units.

6.2 Waiver. Notwithstanding the foregoing, upon written request by the Partnership, each Protected Partner, in its sole discretion, may waive the payment of any damages that is otherwise payable to such Protected Partner pursuant to Article 4 hereof. Such a waiver shall be effective only if obtained in writing from the affected Protected Partner.

ARTICLE 7
MISCELLANEOUS

7.1 Additional Actions and Documents. Each of the parties hereto hereby agrees to take or cause to be taken such further actions, to execute, deliver, and file or cause to be executed, delivered and filed such further documents, and will obtain such consents, as may be necessary or as may be reasonably requested in order to fully effectuate the purposes, terms and conditions of this Agreement.

7.2 Assignment. No party hereto shall assign its or his rights or obligations under this Agreement, in whole or in part, except by operation of law, without the prior written consent of the other parties hereto, and any such assignment contrary to the terms hereof shall be null and void and of no force and effect.

7.3 Successors and Assigns. This Agreement shall be binding upon and shall inure to the benefit of the Protected Partners and their respective successors and permitted assigns, whether so expressed or not. This Agreement shall be binding upon the REIT, the Partnership, and any entity that is a direct or indirect successor, whether by merger, transfer, spin-off or otherwise, to all or substantially all of the assets of either the REIT or the Partnership (or any prior successor thereto as set forth in the preceding portion of this sentence), *provided that* none of the foregoing shall result in the release of liability of the REIT and the Partnership hereunder. The REIT and the Partnership covenant with and for the benefit of the Protected Partners not to undertake any transfer of all or substantially all of the assets of either entity (whether by merger, transfer, spin-off or otherwise) unless the transferee has acknowledged in writing and agreed in writing to be bound by this Agreement, *provided that* the foregoing shall not be deemed to permit any transaction otherwise prohibited by this Agreement.

7.4 Modification; Waiver. No failure or delay on the part of any party hereto in exercising any power or right hereunder shall operate as a waiver thereof, nor shall any single or partial exercise of any such right or power, or any abandonment or discontinuance of steps to enforce such a right or power, preclude any other or further exercise thereof or the exercise of any other right or power. The rights and remedies of the parties hereunder are cumulative and not exclusive of any rights or remedies which they would otherwise have. No modification or waiver of any provision of this Agreement, nor consent to any departure by any party therefrom, shall in any event be effective unless the same shall be in writing, and then such waiver or consent shall be effective only in the specific instance and for the purpose for which given. No notice to or demand on any party in any case shall entitle such party to any other or further notice or demand in similar or other circumstances.

7.5 Representations and Warranties Regarding Authority; Noncontravention. Each of the REIT and the Partnership has the requisite corporate or other (as the case may be) power and

authority to enter into this Agreement and to perform its respective obligations hereunder. The execution and delivery of this Agreement by each of the REIT and the Partnership and the performance of each of its respective obligations hereunder have been duly authorized by all necessary trust, partnership, or other (as the case may be) action on the part of each of the REIT and the Partnership. This Agreement has been duly executed and delivered by each of the REIT and the Partnership and constitutes a valid and binding obligation of each of the REIT and the Partnership, enforceable against each of the REIT and the Partnership in accordance with its terms, except as such enforcement may be limited by (i) applicable bankruptcy or insolvency laws (or other laws affecting creditors' rights generally) or (ii) general principles of equity. The execution and delivery of this Agreement by each of the REIT and the Partnership do not, and the performance by each of its respective obligations hereunder will not, conflict with, or result in any violation of (i) the Partnership Agreement or (ii) any other agreement applicable to the REIT and/or the Partnership, other than, in the case of clause (ii), any such conflicts or violations that would not materially adversely affect the performance by the Partnership and the REIT of their obligations hereunder.

7.6 Captions. The Article and Section headings contained in this Agreement are inserted for convenience of reference only, shall not be deemed to be a part of this Agreement for any purpose, and shall not in any way define or affect the meaning, construction or scope of any of the provisions hereof.

7.7 Notices. All notices and other communications given or made pursuant hereto shall be in writing, shall be deemed to have been duly given or made as of the date delivered, mailed or transmitted, and shall be effective upon receipt, if delivered personally, mailed by registered or certified mail (postage prepaid, return receipt requested) to the parties at the following addresses (or at such other address for a party as shall be specified by like changes of address) or sent by electronic transmission to the telecopier number specified below:

(i) if to the Partnership or the REIT, to:

Armada Hoffler Properties, Inc.
222 Central Park Avenue, Suite 2100
Virginia Beach, Virginia 23462
Attention: Mr. Michael P. O'Hara
Fax No.: 757-424-2513

(ii) if to a Protected Partner, to the address on file with the Partnership.

Each party may designate by notice in writing a new address to which any notice, demand, request or communication may thereafter be so given, served or sent. Each notice, demand, request, or communication which shall be hand delivered, sent, mailed, telecopied or telexed in the manner described above, or which shall be delivered to a telegraph company, shall be deemed sufficiently given, served, sent, received or delivered for all purposes at such time as it is delivered to the addressee (with the return receipt, the delivery receipt, or (with respect to a telecopy or telex) the answerback being deemed conclusive, but not exclusive, evidence of such delivery) or at such time as delivery is refused by the addressee upon presentation.

7.8 Counterparts. This Agreement may be executed in two or more counterparts, all of which shall be considered one and the same agreement and each of which shall be deemed an original.

7.9 Governing Law. The interpretation and construction of this Agreement, and all matters relating thereto, shall be governed by the laws of the Commonwealth of Virginia, without regard to the choice of law provisions thereof.

7.10 Consent to Jurisdiction; Enforceability.

7.10.1 This Agreement and the duties and obligations of the parties hereunder shall be enforceable against any of the parties in the courts of the Commonwealth of Virginia. For such purpose, each party hereto and the Protected Partners hereby irrevocably submits to the nonexclusive jurisdiction of such courts and agrees that all claims in respect of this Agreement may be heard and determined in any of such courts.

7.10.2 Each party hereto hereby irrevocably agrees that a final judgment of any of the courts specified above in any action or proceeding relating to this Agreement shall be conclusive and may be enforced in other jurisdictions by suit on the judgment or in any other manner provided by law.

7.11 Severability. If any part of any provision of this Agreement shall be invalid or unenforceable in any respect, such part shall be ineffective to the extent of such invalidity or unenforceability only, without in any way affecting the remaining parts of such provision or the remaining provisions of this Agreement.

7.12 Costs of Disputes. Except as otherwise expressly set forth in this Agreement, the nonprevailing party in any dispute arising hereunder shall bear and pay the costs and expenses (including, without limitation, reasonable attorneys' fees and expenses) incurred by the prevailing party or parties in connection with resolving such dispute.

7.13 Enforcement by Protected Partners. The Protected Partners are the beneficiaries of this Agreement and shall be able to enforce this Agreement as if they were parties to this Agreement.

IN WITNESS WHEREOF, the REIT, the Partnership and the Contributors have caused this Agreement to be signed by their respective officers, general partners, or delegates thereunto duly authorized all as of the date first written above.

ARMADA HOFFLER PROPERTIES, INC.,
a Maryland corporation

By: _____
Name:
Title:

ARMADA HOFFLER, L.P.,
a Virginia limited partnership

By: Armada Hoffler Properties, Inc.,
a Maryland corporation,
its General Partner

By: _____
Name:
Title:

Daniel A. Hoffler

Rickard E. Burnell

A. Russell Kirk

Louis S. Haddad

Anthony P. Nero

John C. Davis

John E. Babb

Eric E. Apperson

Michael P. O'Hara

Shelly R. Hampton

William Christopher Harvey

Eric L. Smith

Alan R. Hunt

A/H TWA ASSOCIATES, L.L.C., a Virginia limited liability company

By: _____

RMJ KIRK FORTUNE BAY, L.L.C., a Virginia limited liability company

By: _____

KIRK GAINSBOROUGH, L.L.C., a Virginia limited liability company

By: _____

OYSTER POINT INVESTORS, L.P., a Virginia limited partnership

By: _____

COLUMBUS ONE, LLC, a Virginia limited liability company

By: _____

DP COLUMBUS TWO, LLC, a Virginia limited liability company

By: _____

CITY CENTER ASSOCIATES, LLC, a Virginia limited liability company

By: _____

TC BLOCK 7 PARTNERS LLC, a Virginia limited liability company

By: _____

TC BLOCK 12 PARTNERS LLC, a Virginia limited liability company

By: _____

TC BLOCK 3 PARTNERS LLC, a Virginia limited liability company

By: _____

TC BLOCK 6 PARTNERS LLC, a Virginia limited liability company

By: _____

TC BLOCK 8 PARTNERS LLC, a Virginia limited liability company

By: _____

TC BLOCK 11 PARTNERS LLC, a Virginia limited liability company

By: _____

TC APARTMENT PARTNERS, LLC, a Virginia limited liability company

By: _____

DIAN, L.L.C., a Virginia limited liability company

By: _____

BRUCE SMITH ENTERPRISES, LLC, a
Virginia limited liability company

By: _____

BRUCE SMITH

By: _____

Exhibit 10.6

REPRESENTATION, WARRANTY AND INDEMNITY AGREEMENT

This REPRESENTATION, WARRANTY AND INDEMNITY AGREEMENT (this "Agreement") is made and entered into as of , 2013, and is effective as of the Closing Date (as defined herein), by and among Armada Hoffler Properties, Inc., a Maryland corporation (the "REIT"), Armada Hoffler, L.P., a Virginia limited partnership and subsidiary of the REIT (the "Operating Partnership", and collectively with the REIT, the "Acquirer"), and Daniel A. Hoffler (the "Principal"). Certain capitalized terms used herein are defined in Section 4.2 hereof.

RECITALS

WHEREAS, the Principal owns, directly or indirectly, record and beneficial ownership interests in each of the entities described on Schedule I attached hereto and incorporated by this reference (the "Contributed Entities"), which Contributed Entities are the direct or indirect owners of the respective properties described on Exhibit I (each, a "Property," and collectively, the "Properties") or the entities that own the Properties (the "Property Entities") also described on Exhibit I attached hereto;

WHEREAS, the REIT desires to acquire, through the Operating Partnership or one or more other subsidiaries of the REIT or the Operating Partnership, ownership of the Contributed Entities and, thereby, direct or indirect ownership of the Properties;

WHEREAS, concurrently with the execution of this Agreement, the Operating Partnership is entering into a contribution agreement with the Principal (the "Contribution Agreement") and contribution agreements with the other owners of record and beneficial ownership interests of the Contributed Entities (the "Contributed Interests") (the Principal and such other owners, each, a "Contributor" and collectively, the "Contributors," and such agreements, each, a Contribution Agreement and collectively, the "Contribution Agreements"), pursuant to which each Contributor shall contribute to the Operating Partnership, or a wholly-owned subsidiary of the Operating Partnership, all of the Contributor's right, title and interest in the applicable Contributed Entities, and the Operating Partnership, or such subsidiary, as applicable, shall acquire from each Contributor all of each Contributor's right, title and interest as a holder of interests in the Contributed Entities;

WHEREAS, capitalized terms used but not elsewhere defined in this Agreement shall have the meaning ascribed to such terms in Section 4.2 hereof;

WHEREAS, the Formation Transactions (as defined herein) relate to the proposed underwritten initial public offering (the "IPO") of shares of common stock, par value $0.01 per share of the REIT (the "REIT Shares"), following which the REIT will operate as a self-administered and self-managed real estate investment trust within the meaning of Section 856 of the Code;

WHEREAS, pursuant to the Formation Transaction Documentation, the Operating Partnership will pay a combination of cash, without interest, units of limited partnership interest in the Operating Partnership ("OP Units"), to the Contributors in exchange for their contribution of the Contributed Interests to the OP or its subsidiaries;

WHEREAS, the Principal, by way of his direct and indirect ownership of the Contributed Interests, will materially benefit from the consideration to be received by him from the Acquirer pursuant to his Contribution Agreement; and

WHEREAS, in order to induce the Acquirer to enter into the Formation Transaction Documentation, the Principal has agreed to provide certain representations, warranties and indemnities as set forth herein.

NOW, THEREFORE, for and in consideration of the foregoing and the representations, warranties, covenants 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

REPRESENTATION AND WARRANTIES

Except as disclosed in the Prospectus or in the schedules referenced in this Article I and attached hereto, the Principal represents and warrants to the Acquirer that, with respect to each of the Contributed Entities and its Subsidiaries and respective Properties, as of the Closing Date:

1.1 Organization; Authority. (a) Each of the Contributed Entities and Property Entities has been duly organized and is validly existing and in good standing under the Laws of its jurisdiction of organization and has all requisite power and authority to carry out the transactions contemplated by the Formation Transaction Documentation (as defined herein), and to own, lease and/or operate each Property owned, leased and/or operated by it and to carry on its business as presently conducted. Each Contributed Entity and Property Entity, to the extent required under applicable Laws, is qualified to do business and is in good standing in each jurisdiction in which the nature of its business or the character of its Properties make such qualification necessary, other than such failures to be so qualified as would not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect. The Limited Partnership Agreement, Limited Liability Company Agreement and Operating Agreement, Articles of Incorporation, Charter or Bylaws, as applicable, of each Contributed Entity, as may have been amended from time to time, (each a "Governing Agreement" and collectively, the "Governing Agreements") a complete and accurate copy of which has been delivered to the Operating Partnership and its counsel, is in force and effect as of the date hereof, and has not been further modified or amended.

(b) Schedule 1.1(b) sets forth as of the date hereof with respect to each Contributed Entity and Property Entity (i) the ownership interests of the Contributed Entity and its Subsidiaries and Property Entity, (ii) the ownership interest of each Contributed Entity in each Subsidiary, if any, and, if not wholly owned by a Contributed Entity, the identity and ownership interest of each of the other owners of such Subsidiary, and (iii) each Property owned or leased pursuant to a ground lease by each Contributed Entity or its Subsidiaries and each Property

Entity. Each Subsidiary of the Contributed Entities has been duly organized and is validly existing and is in good standing under the Laws of its jurisdiction of organization, and has all requisite power and authority to own, lease and/or operate its Properties and other assets and to carry on its business as presently conducted. Each Subsidiary of the Contributed Entities, to the extent required under applicable Laws, is qualified to do business and is in good standing in each jurisdiction in which the nature of its business or the character of its Properties and other assets make such qualification necessary, other than such failures to be so qualified as would not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect. There are no rights to purchase, subscriptions, warrants, options, conversion rights or preemptive rights relating to the Contributed Interests or any equity interest in the Contributed Entities or the Property Entities, or any other security convertible into or exchangeable for such equity interests.

1.2 Due Authorization. Each agreement, document and instrument included in or contemplated by the Formation Transaction Documentation and executed and delivered by or on behalf of any Contributed Entity or Property Entity constitutes, or when executed and delivered will constitute, the legal, valid and binding obligation of such Contributed Entity or Property Entity, each enforceable against such Contributed Entity or Property Entity in accordance with its terms, subject to applicable bankruptcy, insolvency, moratorium or other similar Laws relating to creditors' rights and general principles of equity.

1.3 Consents and Approvals. Except as shall have been obtained or satisfied on or prior to the Closing Date, no consent, waiver, approval, authorization, order, license, permit or registration of, qualification, designation, declaration or filing with, any Person or Governmental Authority or under any applicable Laws is required to be obtained by any Property Entity, Contributed Entity or Subsidiary in connection with the execution, delivery and performance of any of the agreements or documents included in or contemplated by the Formation Transaction Documentation and the transactions contemplated hereby and thereby.

1.4 No Violation. None of the execution, delivery or performance of any agreement or document included in or contemplated by the Formation Transaction Documentation nor the transactions contemplated hereby and thereby does or will, with or without the giving of notice, lapse of time, or both, violate, conflict with, result in a breach of, or constitute a default under or give to others any right of termination, acceleration, cancellation or other right under, (A) the organizational documents of any Property Entity, Contributed Entity or Subsidiary, (B) any agreement, document or instrument to which such Property Entity, Contributed Entity or Subsidiary or any of their respective assets or properties (including the Properties) is bound or (C) any term or provision of any judgment, order, writ, injunction, or decree binding on such Property Entity, Contributed Entity or any Subsidiary.

1.5 Capitalization. All of the issued and outstanding equity interests of each Contributed Entity, Property Entity and Subsidiary are duly authorized, validly issued and fully paid and are not subject to preemptive rights or appraisal, dissenters' or other similar rights under the organizational documents of or any contract to which any Contributed Entity, Property Entity or its Subsidiaries is a party or otherwise bound.

1.6 Licenses and Permits. All notices, licenses, permits, certificates and authorizations required for the continued use, occupancy, management, leasing and operation of

the Properties have been obtained, are in full force and effect, are in good standing and (to the extent required in connection with the transactions contemplated by the Formation Transaction Documentation) are assignable to the Operating Partnership. No Property Entity, Contributed Entity, or Subsidiary or, to the Principal's Knowledge, any Contributor or third party has taken any action that (or failed to take any action the omission of which) would result in the revocation of any such notice, license, permit, certificate or authorization where such revocation or revocations would, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect, nor has any of them received any written notice of violation from any Governmental Authority or written notice of the intention of any entity to revoke any of such notice, license, permit, certificate or authorization, that in each case has not been cured or otherwise resolved to the satisfaction of such Governmental Authority except as would not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect.

1.7 Litigation. Except for actions, suits or proceedings fully covered by policies of insurance, there is no action, suit or proceeding pending or, to the Principal's Knowledge, threatened against any Property Entity, Contributed Entity or any Contributor, Subsidiary or Property, which, if adversely determined, would, individually or together with all such other actions, reasonably be expected to have a Material Adverse Effect. There is no action, suit or proceeding pending or, to the Principal's Knowledge, threatened against any Property Entity, Contributed Entity, Subsidiary or any Contributor which challenges or impairs the ability of any Contributed Entity, Subsidiary or any Contributor to execute or deliver, or perform its obligations under any of the Formation Transaction Documentation or to consummate the transactions contemplated hereby and thereby. There is no judgment, decree, injunction, or order of a Governmental Authority outstanding against any Property Entity, Contributed Entity or Subsidiary or, to the Principal's Knowledge, any officer, director, principal, managing member, or general partner of any of the foregoing in their capacity as such, or, to the Principal's Knowledge, any Contributors which would reasonably be expected to have a Material Adverse Effect. No Property Entity, Contributed Entity or Subsidiary has received any written notice of any pending or threatened proceedings for the rezoning (i.e., as opposed to the current zoning) of any Property or any portion thereof which would substantially and materially impair the current or proposed use thereof.

1.8 Compliance With Laws. Each Contributed Entity and its Subsidiaries and each Property Entity has conducted its business and maintained its Property in compliance with all applicable Laws, except for such failures that would not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect. None of the Property Entities, Contributed Entities or Subsidiaries nor, to the Principal's Knowledge, any Contributor or third party has been informed in writing of any continuing violation of any such Laws or that any investigation has been commenced and is continuing or is contemplated respecting any such possible violation, except in each case for violations that would not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect.

1.9 Properties.

(a) Each Property Entity is the insured under a policy of title insurance as the owner of, and, to the Principal's Knowledge, is the owner of, the fee simple estate to such Property Entity's Property, in each case free and clear of all Liens, except for Permitted Liens (as defined herein).

(b) Except for matters that would not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect, (1) no Property Entity, Contributed Entity, nor Subsidiary, nor any other party to any material agreement affecting any Property (other than a Lease (as such term is hereinafter defined) for space within such Property, but including any agreement that constitutes a Permitted Lien), is in breach or default of any such agreement, (2) to the Principal's Knowledge, no event has occurred or has been threatened in writing, which with or without the passage of time or the giving of notice, or both, would, individually or together with all such other events, constitute a default under any such agreement, or would, individually or together with all such other events, reasonably be expected to cause the acceleration of any material obligation of any party thereto or the creation of a Lien upon any asset of any Property Entity, Contributed Entity or Subsidiary, except for Permitted Liens, or otherwise reasonably be expected to have a Material Adverse Effect and (3) all agreements affecting any Property required for the continued use, occupancy, management, leasing and operation of such Property (exclusive of space Leases) are valid and binding and in full force and effect, subject to applicable bankruptcy, insolvency, moratorium or other similar Laws relating to creditors' rights and general principles of equity.

(c) To the Principal's Knowledge, as presently conducted, none of the operation of the buildings, fixtures and other improvements comprising a part of the Properties is in violation of any applicable building code, zoning ordinance or other "land use" Law.

(d) Each Property Entity holds the lessor's interest under the leases, licenses, tenancies, possession agreements and occupancy agreements with tenants of its Property (the "Leases"). Except for matters that would not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect, (1) no Property Entity, nor any of its Subsidiaries, nor, to the Principal's Knowledge, any other party to any Lease, is in breach or default of any such Lease, (2) to the Principal's Knowledge, no event has occurred or has been threatened in writing, which with or without the passage of time or the giving of notice, or both, would, individually or together with all such other events, constitute a default under any Lease, or would, permit termination, modification or acceleration under such Lease, and (3) to the Principal's Knowledge, each of the Leases is valid and binding and in full force and effect, subject to applicable bankruptcy, insolvency, moratorium or other similar Laws relating to creditors' rights and general principles of equity. To the Principal's Knowledge, no tenant under any of such Leases is presently the subject of any voluntary or involuntary bankruptcy or insolvency proceedings.

1.10 Existing Loans. Schedule 1.10 lists, as of the date hereof, all secured loans encumbering the Properties or any direct or indirect interest in the applicable Property Entity or Contributed Entity (the "Disclosed Loans") and the outstanding aggregate principal balance as of the date set forth on Schedule 1.10. To the Principal's Knowledge, no monetary default (beyond applicable notice and cure periods) by any party exists under any of the Disclosed Loans and the documents entered into in connection therewith (collectively, the "Disclosed Loan Documents") and no non-monetary default (beyond applicable notice and cure periods) by any party exists under any of such Disclosed Loan Documents.

1.11 Insurance. Each Property Entity or Contributed Entity or its Subsidiaries has in place the public liability, casualty and other insurance coverage with respect to each Property owned, leased and/or managed by it as the Principal reasonably deems necessary and in all cases including such coverage as is required under the terms of any loan or Lease. Each of the insurance policies with respect to each Property is in full force and effect in all material respects and all premiums due and payable thereunder have been fully paid when due. To the Principal's Knowledge, no Property Entity or Contributed Entity nor any of the Contributors has received from any insurance company any notices of cancellation or intent to cancel any insurance.

1.12 Environmental Matters. Except for matters that would not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect, (A) each Property Entity, Contributed Entity and its Subsidiaries are in compliance with all Environmental Laws, (B) no Property Entity, Contributed Entity nor, to the Principal's Knowledge, any of the Contributors has received any written notice from any Governmental Authority or third party alleging that such Property Entity, Contributed Entity, Subsidiary or any Property is not in compliance with applicable Environmental Laws, and (C) there has not been a release of a hazardous substance on any Property that would require investigation or remediation under applicable Environmental Laws.

1.13 Eminent Domain. There is no existing, or to the Principal's Knowledge, proposed or threatened condemnation, eminent domain or similar proceeding, or private purchase in lieu of such a proceeding which would affect any of the Properties.

1.14 Taxes. Except as set forth in Schedule 1.14:

(a) Each Property Entity, Contributed Entity and Subsidiary has timely and properly filed all Tax returns and reports required to be filed by it (after giving effect to any filing extension properly granted by a Governmental Authority having authority to do so), and all such returns and reports are accurate and complete in all material respects, and has paid (or had paid on its behalf) all Taxes as required to be paid by it.

(b) No deficiencies for any Taxes have been proposed, asserted, assessed or, to the Principal's Knowledge, threatened against any Property Entity, Contributed Entity or Subsidiary, and no requests for waivers of the time to assess any such Taxes are pending.

(c) No Property Entity, Contributed Entity or Subsidiary holds any asset the disposition of which would be subject to rules similar to Section 1374 of the Code; and no Property Entity, Contributed Entity or Subsidiary has requested or received any ruling from the IRS or comparable rulings from other taxing authorities or has entered into any "closing agreement" as described in Section 7121 of the Code or similar arrangement. There are no liens or encumbrances for Taxes on any Property, other than liens or encumbrances for Taxes not yet due and payable, and no action, proceeding or investigation has been instituted against any Property Entity, Contributed Entity or Subsidiary or, to the Principal's Knowledge, any Contributor that would give rise to any such liens or encumbrances. Each Property Entity, Contributed Entity and Subsidiary has withheld and paid all Taxes required to have been withheld and paid in connection with any amounts paid or owing to any employee, independent contractor, creditor, member or other third party, and all Forms W-2 and 1099 required with respect thereto have been properly completed and timely filed.

(d) There are no pending or, to the Principal's Knowledge, threatened audits, assessments or other actions for or relating to any liability in respect of income or material non-income Taxes of any Property Entity, Contributed Entity or Subsidiary, there are no matters under discussion with any Tax authority with respect to income or material non-income Taxes that are likely to result in an additional liability for Taxes with respect to any Property Entity, Contributed Entity or Subsidiary and no Property Entity, Contributed Entity or Subsidiary is, or has ever been, a party to or bound by any Tax indemnity agreement, Tax sharing agreement, Tax allocation agreement or similar contract.

(e) At all times since its formation, each S Corp (including any "predecessor corporation" (within the meaning of Treasury Regulations Section 1.1374-1(e)) to such S Corp) has continuously qualified as an "S corporation" within the meaning of Section 1361(a)(1) of the Code and all applicable corresponding provisions of state and local law, and no Tax authority has claimed in writing that such S Corp does not qualify as an S corporation. No S Corp has ever elected to treat any Subsidiary as a "qualified subchapter S subsidiary" within the meaning of Section 1361(b)(3)(B) of the Code.

(f) No S Corp has any current or accumulated earnings and profits.

(g) The current and accumulated earnings and profits of each C Corp through the date hereof is set forth in Schedule 1.14(g).

(h) Since its formation, for U.S. federal income tax purposes, each Property Entity, Contributed Entity and Subsidiary, other than the S Corps (as defined herein) and the C Corps (as defined herein), has been treated as a partnership or a disregarded entity and not as a corporation or an association taxable as a corporation. Schedule 1.14(h)(i) sets forth each Property Entity, Contributed Entity and Subsidiary that is treated as a partnership for U.S. federal income Tax purposes, and except as set forth in Schedule 1.14(h)(i), each such entity has always been treated as a partnership for U.S. federal and applicable state and local income Tax purposes. Schedule 1.14(h)(ii) sets forth each Property Entity, Contributed Entity and Subsidiary that is treated as an entity disregarded from its owner for U.S. federal income Tax purposes, and except as set forth in Schedule 1.14(h)(ii), each such entity has always been treated as an entity disregarded from its owner for U.S. federal and applicable state and local income Tax purposes. The Principal has included all income, gain, loss, deduction or other Tax items in his income Tax returns in a manner consistent with the Schedule K-1's received by the Principal from each Contributed Entity.

1.15 Non-Foreign Status. To the Principal's Knowledge, except as set forth on Schedule 1.15, none of the Contributors, Property Entities or Contributed Entities is a foreign person (as defined in the Code).

1.16 Bankruptcy. No bankruptcy or similar insolvency proceeding has been filed, or is currently contemplated or, to the Principal's Knowledge, threatened, with respect to any Property Entity, Contributed Entity or Subsidiary.

1.17 Employees. Except as set forth on Schedule 1.17, no Property Entity, Contributed Entity nor Subsidiary has or has ever had any employees. No Property Entity, Contributed Entity nor Subsidiary is delinquent in payments to any of its employees, consultants or independent contractors for any wages, salaries, commissions, bonuses, or other direct compensation for any service performed or amounts required to be reimbursed to such employees, consultants or independent contractors. Each Property Entity, Contributed Entity and Subsidiary has, to the extent applicable:

(a) complied in all material respects with all applicable laws related to employment;

(b) withheld and paid to the appropriate governmental entity or is holding for payment not yet due to such governmental entity all amounts required to be withheld from employees; and

(c) no policy, practice, plan or program of paying severance or pay or any form of severance compensation in connection with the termination of employment service and no agreement pursuant to which it would be required to pay severance to any director, officer, employee or consultant.

1.18 Contracts and Commitments. Except as set forth in the organizational documents of each Property Entity, Contributed Entity or as otherwise disclosed in Schedule 1.18, no Property Entity, Contributed Entity nor Subsidiary is a party to any agreements for the sale of its assets, for the grant to any Person of any preferential right to purchase any such assets or the acquisition of any operating business, assets or capital stock of any other corporation, entity or business, other than in the ordinary course of business.

ARTICLE II

NATURE OF REPRESENTATIONS AND WARRANTIES

2.1 Survival of Representations and Warranties. All representations and warranties contained in this Agreement shall survive after the effective time of the contributions and other Formation Transactions contemplated in the Formation Transaction Documentation until the first anniversary of the Closing Date (the "Expiration Date"). If written notice of a claim in accordance with Section 3.2 has been given prior to the Expiration Date, then the relevant representation or warranty shall survive, but only with respect to such specific claim, until such claim has been finally resolved. Any claim for indemnification not so asserted in writing by the Expiration Date may not thereafter be asserted and shall forever be waived. Notwithstanding the foregoing, claims for indemnification resulting from breaches of the representations in Section 1.14 may be asserted until the expiration of the applicable statute of limitations.

ARTICLE III

INDEMNIFICATION

3.1 Indemnification of Acquirer. The Acquirer and its Affiliates and each of its directors, officers, employees, agents and representatives (each of which is an "Indemnified

Party" and collectively, the "Indemnified Parties"), shall be indemnified and held harmless by the Principal, under the terms and conditions of this Agreement, from and against any and all Losses arising out of or relating to, asserted against, imposed upon or incurred by the Indemnified Parties in connection with or as a result of any breach of a representation or warranty contained in Article I of this Agreement (subject to the survival limitations set forth in Section 2.1 hereof) (collectively, the "Indemnified Losses"); provided, the Indemnified Parties shall only be entitled to indemnification for breaches of representations and warranties made pursuant to Article I of this Agreement to the extent that the Indemnified Losses with respect to such breaches exceed, in the aggregate, One Million Dollars ($1,000,000.00) (the "Deductible"). The Principals shall only be liable for Indemnified Losses (after giving effect to and only for amounts in excess of the Deductible) up to the Maximum Indemnity Amount.

3.2 Claims.

(a) At the time when the Acquirer learns of any potential claim for Indemnified Losses under this Agreement (a "Claim"), it will promptly give written notice (a "Claim Notice") to the Principal; provided that the failure to so notify the Principal shall not prevent recovery under this Agreement, except to the extent that the Principal shall have been materially prejudiced by such failure. Each Claim Notice shall describe in reasonable detail the facts known to the Indemnified Party giving rise to such Claim. The Indemnified Party shall deliver to the Principal, promptly after the Indemnified Party's receipt thereof, copies of all notices and documents (including court papers) received by such Indemnified Party relating to a Third Party Claim (as defined below); provided that failure to do so shall not prevent recovery under this Agreement, except to the extent that the Principal shall have been materially prejudiced by such failure. Any Indemnified Party may at its option demand indemnity under this Article III as soon as a Claim has been threatened by a third party, regardless of whether an actual Loss has been suffered, so long as the Indemnified Party shall in good faith determine that such claim is not frivolous and that the Indemnified Party may be liable for, or otherwise incur, a Loss as a result thereof.

(b) The Principal shall be entitled, at his own expense, to elect to assume and control the defense of any Claim based on claims asserted by third parties ("Third Party Claims"), through counsel chosen by the Principal and reasonably acceptable to the Indemnified Parties, if the Principal gives written notice of his intention to do so to the Acquirer within twenty (20) days of the receipt of the applicable Claim Notice; provided, however, that the Indemnified Parties may at all times participate in such defense at their own expense. Without limiting the foregoing, in the event that the Principal exercises the right to undertake any such defense against a Third Party Claim, the Indemnified Party shall cooperate with the Principal in such defense and make available to the Principal, at the Principal's expense, all witnesses, pertinent records, materials and information in the Indemnified Party's possession or under such Indemnified Party's control relating thereto as is reasonably required by the Principal. No compromise or settlement of such Third Party Claim may be effected by either the Indemnified Party, on the one hand, or the Principal, on the other hand, without the other party's consent (which shall not be unreasonably withheld or delayed) unless (i) there is no finding or admission of any violation of Law and no effect on any other claims that may be made against such other party, (ii) each Indemnified Party that is party to such claim is released from all liability with respect to such claim, and (iii) there is no equitable order, judgment or term that in any manner

affects, restrains or interferes with the business of the Indemnified Party that is party to such claim or any of its Affiliates. Notwithstanding the foregoing, if the compromise or settlement of such Third Party Claim could reasonably be expected to adversely affect the status of the REIT as a real investment trust within the meaning of Section 856 of the Code, then the REIT shall make such decision to compromise or settle the Third Party Claim without the need to obtain the Principal's consent.

3.3 Delivery of Indemnity Amounts. Upon resolution of any disputed Claim or portion of a Claim as evidenced by (x) a written agreement between the Acquirer and the Principal or (y) a final award of an arbitral tribunal in accordance with this Agreement, the Principal shall deliver the amount of the indemnification to the Indemnified Party. Indemnity payments may be made by the Principal in the form of cash or OP Units. To the extent indemnification is made through delivery by the Principal of OP Units, such OP Units shall be valued at an amount per OP Unit equal to the IPO Price. The Principal 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 of the Operating Partnership, and any exhibits or schedules thereto, to reflect the delivery of any OP Units by the Principal as an indemnification payment hereunder and to reflect that the Principal has no further right, title or interest with respect to any such OP Units.

3.4 Exclusive Remedy. The sole and exclusive remedy for Indemnified Parties with respect to any and all claims relating to a breach of this Agreement (other than breaches arising out of or in connection with fraud) shall be indemnification in accordance with the terms of this Agreement. The Principal shall not be liable or obligated to make payments under this Agreement in excess of the Maximum Indemnity Amount (as defined herein).

3.5 Characterization of Payments. Any indemnity payments shall constitute an adjustment of the contribution consideration received by the Principal pursuant to his Contribution Agreement for Tax purposes and shall be treated as such by all parties on their tax returns to the extent permitted by Law.

ARTICLE IV

GENERAL PROVISIONS

4.1 Notices. All notices and other communications under this Agreement shall be in writing and shall be deemed given when (i) delivered personally, (ii) five (5) Business Days after being mailed by certified mail, return receipt requested and postage prepaid, (iii) one (1) Business Day after being sent by a nationally recognized overnight courier or (iv) transmitted by facsimile if confirmed within twenty four (24) hours thereafter by a signed original sent in the manner provided in clause (i), (ii) or (iii) to the parties at the following addresses (or at such other address for a party as shall be specified by notice from such party): If to the REIT or the Operating Partnership, to: Armada Hoffler, L.P., 222 Central Park Avenue, Suite 2100, Virginia Beach, Virginia 23462, Attention: President; if to the Principal, to: Daniel A. Hoffler, Suite 2100, 222 Central Park Avenue, Virginia Beach, Virginia.

4.2 Definitions. For purposes of this Agreement, the following terms shall have the following meanings:

(a) "Affiliate" means, with respect to any Person, a Person that, directly or indirectly, through one or more intermediaries, controls, is controlled by, or is under common control with the specified Person. For the purposes of this definition, "control" (including, with correlative meanings, 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 or policies of such Person, whether through the ownership of voting securities, by agreement or otherwise.

(b) "Business Day" means any day that is not a Saturday, Sunday or legal holiday in the Commonwealth of Virginia.

(c) "C Corp" means each of the entities listed on Schedule 4.2(c).

(d) "Closing Date" means the closing date of the transactions contemplated by the Formation Transaction Documents.

(e) "Code" means the Internal Revenue Code of 1986, as amended, together with the rules and regulations promulgated or issued thereunder.

(f) "Environmental Laws" means all federal, state and local Laws governing pollution or the protection of human health or the environment.

(g) "Formation Transaction Documentation" means all of the Contribution Agreements, the Master Reorganization Agreement, this Agreement and related documents and agreements pursuant to which all of the Contributed Entities and/or the equity interests in the Contributed Entities and the Property Entities are to be acquired by the REIT or the Operating Partnership, directly or indirectly, as part of the Formation Transactions.

(h) "Formation Transactions" means the transactions contemplated by this Agreement and the other Formation Transaction Documentation.

(i) "GAAP" means generally accepted accounting principles, as in effect in the United States of America as of the date of determination.

(j) "Governmental Authority" means any government or agency, bureau, board, commission, court, department, official, political subdivision, tribunal or other instrumentality of any government, whether federal, state or local, domestic or foreign.

(k) "Knowledge" means actual current knowledge.

(l) "Laws" means laws, statutes, rules, regulations, codes, orders, ordinances, judgments, injunctions, decrees and policies of any Governmental Authority, including, without limitation, zoning, land use or other similar rules or ordinances.

(m) "Liens" means all pledges, claims, liens, charges, restrictions, controls, easements, rights of way, exceptions, reservations, leases, licenses, grants, covenants and conditions, encumbrances and security interests of any kind or nature whatsoever.

(n) "Losses" means charges, complaints, claims, actions, causes of action, losses, damages, Taxes, liabilities and expenses of any nature whatsoever, including without limitation, amounts paid in settlement, reasonable attorneys' fees, costs of investigation, costs of investigative judicial or administrative proceedings or appeals therefrom and costs of attachment or similar bonds, as well as all collection costs and enforcement expenses incurred in retaking, holding, preparing for sale, selling or otherwise disposing of or realizing on collateral or otherwise exercising or enforcing any rights or remedies under pledge and security or other collateral documents, but does not include any diminution in value of the Acquirer.

(o) "Master Reorganization Agreement" means the Master Reorganization Agreement dated March 21, 2013 among the parties named therein.

(p) "Material Adverse Effect" means with respect to each Contributed Entity, Property Equity, Subsidiary or Property, any material adverse change in any of the assets, business, condition (financial or otherwise), results of operation or prospects of such Contributed Entity, Property Entity, Subsidiary or Property.

(q) "Maximum Indemnity Amount" means Ten Million Dollars ($10,000,000.00).

(r) "Permitted Liens" means (i) Liens, or deposits made to secure the release of such Liens, securing Taxes, the payment of which is not delinquent or the payment of which (including, without limitation, the amount or validity thereof) is being contested in good faith by appropriate proceedings for which adequate reserves have been made in accordance with GAAP; (ii) zoning, entitlement, building and other land use Laws imposed by governmental agencies having jurisdiction over the Properties; (iii) covenants, conditions, restrictions, easements for public utilities, encroachments, rights of access or other non-monetary matters that do not materially impair the use of the Properties for the purposes for which they are currently being used or proposed to be used in connection with the relevant Person's business; (iv) Liens securing Disclosed Loans; (v) Liens arising under leases disclosed in full to the Acquirer and in effect as of the Closing Date; (vi) any exceptions contained in the title policies relating to the Properties as of the Closing Date, copies of which title policies were provided to the Acquirer and their counsel, none of which substantially and materially impair the use of the Properties for the purposes for which they are currently being used; and (vii) mechanics', carriers', workers', repairers' and similar Liens arising or incurred in the ordinary course of business that are not yet due and payable and which are not, in the aggregate, material to the business, operations and financial condition of the Properties so encumbered.

(s) "Person" means an individual, corporation, partnership, limited liability company, joint venture, association, trust, unincorporated organization or other entity.

(t) "Properties" shall have the meaning given in the Recitals.

(u) "S Corp" means each of the entities listed on Schedule 4.2(u).

(v) "Subsidiary" means any corporation, partnership, limited liability company, joint venture, trust or other legal entity in which a Contributed Entity owns (either directly or through or together with another Subsidiary) either (i) a general partner, managing member or other similar interest, or (ii) outstanding capital stock or other equity interests of such corporation, partnership, limited liability company, joint venture or other legal entity. As used herein, "Subsidiary" or "Subsidiaries" refers to the Subsidiaries of the Contributed Entities, as set forth on Schedule 4.2(v), unless the context otherwise requires.

(w) "Tax" means all federal, state, local and foreign income, withholding, gross receipts, license, property, sales, franchise, employment, payroll, goods and services, stamp, environmental, customs duties, capital stock, social security, transfer, alternative minimum, excise and other taxes, tariffs or governmental charges of any nature whatsoever, including estimated taxes, together with penalties, interest or additions to Tax with respect thereto, whether or not disputed.

4.3 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 on a facsimile or electronic pdf email signature of the other party as if it were an original signature.

4.4 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.

4.5 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.

4.6 Assignment. This Agreement shall be binding upon, and shall be enforceable by and inure to the benefit of, the parties hereto and their respective heirs, legal representatives, successors and assigns; provided, however, that this Agreement may not be assigned (except by operation of law) by any party without the prior written consent of the other parties, and any attempted assignment without such consent shall be null and void and of no force and effect, except that the Acquirer may assign its rights and obligations hereunder to an Affiliate.

4.7 Jurisdiction. The parties hereto hereby:

(a) submit to the exclusive jurisdiction of any state or federal court sitting in the City of Virginia Beach, Virginia, with respect to any dispute arising out of this Agreement or any transaction contemplated hereby to the extent such courts would have subject matter jurisdiction with respect to such dispute, and

(b) irrevocably waive, and agree not to assert by way of motion, defense, or otherwise, in any such action, any claim that it is not subject personally to the jurisdiction of the above-named courts, that its property is exempt or immune from attachment or execution, that the action is brought in an inconvenient forum, or that the venue of the action is improper.

4.8 Dispute Resolution. The parties intend that this Section 4.8 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.

4.9 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.

4.10 Rules of Construction.

(a) The parties hereto agree that they have been represented by counsel during the negotiation, preparation and execution of this Agreement and, therefore, waive the application of any law, regulation, holding or rule of construction providing that ambiguities in an agreement or other document will be construed against the party drafting such agreement or document.

(b) The words "hereof," "herein" and "herewith" and words of similar import shall, unless otherwise stated, be construed to refer to this Agreement as a whole and not to any particular provision of this Agreement, and article, section, paragraph, exhibit and schedule references are to the articles, sections, paragraphs, exhibits and schedules of this Agreement unless otherwise specified. Whenever the words "include," "includes" or "including" are used in this Agreement, they shall be deemed to be followed by the words "without limitation." All terms defined in this Agreement shall have the defined meanings contained herein when used in any certificate or other document made or delivered pursuant hereto unless otherwise defined therein. The definitions contained in this Agreement are applicable to the singular as well as the plural forms of such terms and to the masculine as well as to the feminine and neuter genders of such terms, unless otherwise defined herein. Any agreement, instrument or statute defined or referred to herein or in any agreement or instrument that is referred to herein means such agreement, instrument or statute as from time to time, amended, qualified or supplemented, including (in the case of agreements and instruments) by waiver or consent and (in the case of statutes) by succession of comparable successor statutes and all attachments thereto and instruments incorporated therein. References to a Person are also to its permitted successors and assigns.

4.11 Equitable Remedies. The parties agree that irreparable damage would occur to the Acquirer in the event that any of the provisions of this Agreement were not performed in

accordance with their specific terms or were otherwise breached. It is accordingly agreed that the Acquirer shall be entitled to an injunction or injunctions to prevent breaches of this Agreement by the Principal and to enforce specifically the terms and provisions hereof in any federal or state court located in Virginia Beach, Virginia, this being in addition to any other remedy to which the Acquirer is entitled under this Agreement or otherwise at law or in equity.

4.12 Time of the Essence. Time is of the essence with respect to all obligations under this Agreement.

4.13 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.

[Signature Page Follows.]

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be signed by their respective duly authorized officers, all as of the date first written above.

ACQUIRER:

ARMADA HOFFLER PROPERTIES, INC., a Maryland corporation

By: _____
Name:
Title:

ARMADA HOFFLER, L.P., a Virginia limited partnership

By: Armada Hoffler Properties, Inc.
a Maryland corporation, its General Partner

By: _____
Name:
Title:

PRINCIPAL:

_____
_____,
Daniel A. Hoffler, an individual

Exhibit 10.35

ASSET PURCHASE AGREEMENT

by and among

AHP CONSTRUCTION, LLC,

as Buyer,

and

ARMADA/HOFFLER CONSTRUCTION COMPANY

and

ARMADA/HOFFLER CONSTRUCTION COMPANY OF VIRGINIA,

as Sellers

Dated as of May 1, 2013

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Exhibit E - Sellers’ Closing Certificate

ASSET PURCHASE AGREEMENT

This ASSET PURCHASE AGREEMENT, made as of May 1, 2013, by and among AHP Construction, LLC, a Virginia limited liability company ("Buyer"), Armada/Hoffler Construction Company, a Virginia corporation ("Armada/Hoffler"), Armada/Hoffler Construction Company of Virginia, a Virginia corporation ("Armada/Hoffler of Virginia", and together with "Armada/Hoffler", each, a "Seller", and collectively, the "Sellers"), and Daniel A. Hoffler (solely for purposes of Section 10.13) recites and provides as follows:

RECITALS

WHEREAS, Sellers own the Purchased Assets and are parties to the Assumed Contracts, which Purchased Assets and Assumed Contracts are employed by Sellers in the construction business of Sellers (the "Business"); and

WHEREAS, Sellers desire to sell the Purchased Assets and assign the Assumed Contracts and Assumed Liabilities (as such terms are hereinafter defined) to Buyer, and Buyer desires to purchase the Purchased Assets and assume the Assumed Contracts and Assumed Liabilities from Sellers, upon the terms and subject to the conditions set forth herein.

NOW, THEREFORE, in consideration of the recitals and of the mutual covenants, mutual representations, warranties, covenants, conditions and agreements set forth herein and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

ARTICLE I
DEFINITIONS

Capitalized terms used in this Agreement have the meanings specified in this Article I:

"Accounts Receivable" means all accounts receivable, notes receivable and associated rights (including, without limitation, amounts due from vendors, all security deposits, letters of credit and security interests in collateral) arising from the sale of goods and services in the ordinary course of the Business whether billed or unbilled and including accounts arising from work in progress which has not been billed but for which the work has been performed; provided that, for the avoidance of doubt, Accounts Receivable shall not include any Excluded Assets.

"Action" means any action, Claim, suit, litigation, proceeding, arbitration, mediation, investigation or inquiry (whether civil, criminal or administrative and whether formal or informal).

"Affiliate" means, as to any Person, any other Person that, directly or indirectly through one or more intermediaries, controls, is controlled by or is under common control with such Person. For purposes of this definition, "control" (including "controlling", "controlled by" and "under common control with") means the possession, direct or indirect, of the power to direct or cause the direction of the management and policies of a Person, whether through the ownership of voting securities, by contract or otherwise.

"Agreement" means this Asset Purchase Agreement, together with the Schedules and Exhibits attached hereto, as the same may be amended from time to time in accordance with the terms hereof.

"Assignment and Assumption Agreement" means the Assignment and Assumption Agreement by and between Buyer and Sellers in the form of Exhibit A attached hereto.

"Assumed Contracts" means the Construction Contracts and other Contracts listed on Schedule 1.1 attached hereto.

"Assumed Liabilities" means (i) all liabilities and obligations arising after the Effective Time under the Assumed Contracts (other than any liability or obligation arising out of or relating to a breach under the Assumed Contracts which occurred prior to the Effective Time); and (ii) all current liabilities of Sellers as of the Effective Time to the extent included in the Purchase Price "true up" calculation in accordance with Section 2.2(d).

"Bill of Sale" means the Bill of Sale executed by Sellers in favor of Buyer in the form of Exhibit B attached hereto.

"Business" has the meaning set forth in the recitals to this Agreement.

"Business Day" means each day other than a Saturday, Sunday or other day on which banks in Virginia Beach, Virginia are not required by Law to be open.

"Buyer" has the meaning set forth in the preamble to this Agreement.

"Buyer Indemnified Parties" has the meaning set forth in Section 8.2(a).

"Buyer's Closing Certificate" means the certificate of Buyer in the form of Exhibit C attached hereto.

"Claim" means any claim, demand, cause of action, chose in action, right of recovery or right of set-off whatever kind or description against any Person.

"Closing" means the meeting of the parties to be held at 10:00 a.m., Richmond, Virginia time, on the Closing Date, at the offices of Hunton & Williams LLP, 951 East Byrd Street, Richmond, Virginia 23219 or such other time and place as the parties may mutually agree in writing.

"Closing Date" means the second Business Day after the date on which all of the conditions set forth in Articles VI and VII have been satisfied or waived (other than those conditions that by their terms are to be satisfied or waived at the Closing), or such other date as may be agreed upon in writing by Buyer and Sellers.

"Code" means the Internal Revenue Code of 1986, as amended.

"Construction Bid" means any pending quotation, bid or proposal by Sellers that, if accepted or awarded, would lead to a Construction Contract.

"Construction Contract" means any prime contract, subcontract, letter contract, purchase order, delivery order, task order or other legally binding commitment thereunder that is currently in effect or relating thereto, in connection with or relating to the provision of services by Sellers.

"Contracts" means any contract, agreement, indenture, note, bond, loan, lease, sublease, mortgage, license, sublicense, franchise agreement, blanket and other purchase orders, sales orders, relationships or other legally binding commitment and invoices related thereto (in each case, whether written or oral), including but not limited to the Construction Contracts.

"Effective Time" means 12:01 a.m., Virginia Beach, Virginia time, on the Closing Date.

"Employees" means all the individuals who are employees of either Seller.

"Employee Benefit Plan" means any employee pension benefit plan, as defined in Section 3(2) of ERISA, other than a Multiemployer Plan, any employee welfare benefit plan, as defined in Section 3(1) of ERISA, and any other written (and to the extent it provides material compensation or benefits, unwritten) agreement, plan, program, fund, policy, contract or arrangement, whether or not subject to ERISA, providing compensation, pension, retirement, profit sharing, stock bonus, stock option, stock purchase, phantom or stock equivalent, bonus, short- or long-term incentive, deferred compensation, hospitalization, medical, dental, vision, vacation, life insurance, death benefit, sick pay, disability, severance, change in control, educational assistance, holiday pay, housing assistance, moving expense reimbursement or material fringe benefits to any Employee or the beneficiaries or dependents of any Employee or former employee, regardless of whether it is mandated under local Law, voluntary, private, funded, unfunded, financed by the purchase of insurance, contributory or non-contributory, in each case, sponsored or maintained by either Seller, or with respect to which either Seller may have any liability following the Closing.

"Environmental Law" or "Environmental Laws" means any Law relating to (i) the control of any potential Hazardous Substance or protection of any Environmental Media or natural resource, (ii) the generation, use, handling, treatment, storage, Release, disposal or transportation of any Hazardous Substance, or (iii) human health and safety (specifically excluding the health and safety of workers and the United States Occupational Health and Safety Act of 1970 (29 U.S.C. §§ 651 et seq.) and any state counterpart) with respect to exposures to and management of Hazardous Substances, in all cases, including the Comprehensive Environmental Response, Compensation, and Liability Act of 1980 (42 U.S.C. §§ 9601 et seq.); the Hazardous Substances Transportation Authorization Act of 1994 (49 U.S.C. §§ 5101 et seq.); the Oil Pollution Act of 1990, 33 U.S.C. §§ 2701 et seq.; the Endangered Species Act of 1973 (16 U.S.C. 1531 et seq.); the Federal Insecticide, Fungicide, and Rodenticide Act (7 U.S.C. §§ 136 et seq.); the Solid Waste Disposal Act (42 U.S.C. §§ 6901 et seq.); the Toxic Substance Control Act (15 U.S.C. §§ 2601 et seq.); the Emergency Planning and Community Right-to-Know Act of 1986 (42 U.S.C. §§ 11001 et seq.); the Clean Air Act (42 U.S.C. §§ 7401 et seq.); the Federal Water Pollution Control Act (33 U.S.C. §§ 1251 et seq.); and the Safe Drinking Water Act (42 U.S.C. §§ 300(f) et seq.) with any amendments or reauthorization thereto or thereof, and any and all regulations promulgated thereunder, and all analogous state and local counterparts or equivalents. The term "Environmental Law" also includes any Law that (i) conditions the change of control of a business, or transfer of real property or assets, upon a

negative declaration or other approval of a Governmental Authority or certified environmental consultant of the environmental condition of the real property or assets; or (ii) requires notification or disclosure of any Release of any Hazardous Substance or other environmental condition of real property to any Person, whether or not in connection with transfer of title to or interest in real property or assets.

"Environmental Media" means any air (including ambient, workplace or indoor air), soil, sediments, land surface (whether above or below water), subsurface strata, plant or animal life, natural resources, or water (including, without limitation, territorial, coastal and inland surface waters, groundwater, streams and water in drains, tanks or sewers), sewer, septic and waste treatment, storage and disposal systems servicing real property, buildings or structures.

"ERISA" means the Employee Retirement Income Security Act of 1974, as amended.

"ERISA Affiliate" means each entity that is a member of a controlled group or affiliated service group of which either Seller is (or during the prior six years was) a member or that is (or during the prior six years was treated as a single employer with either Seller under Section 414(b), 414(c), 414(m) or 414(o) of the Code.

"Excluded Assets" means all assets of the Sellers other than the Purchased Assets including (i) all claims by Sellers arising prior to the Effective Time under Construction Contracts that are Assumed Contracts and (ii) all hedge and swap Contracts of Sellers.

"Excluded Contracts" means all Contracts (other than Assumed Contracts) to which either Seller is a party, by which either Seller is bound or to which any of either Seller's properties or assets is subject.

"Existing Liabilities" has the meaning set forth in Section 8.8.

"Facilities" means buildings, improvements and fixtures.

"Financial Statements" has the meaning set forth in Section 3.8.

"Fixed Assets" means all of Sellers' fixed assets, machinery, equipment, vehicles, leasehold improvements, computer hardware, fixtures, furniture, furnishings, handling equipment, implements, parts, tools and accessories of all kinds.

"GAAP" means generally accepted accounting principles under United States rules and regulations.

"Governmental Authority" means any transnational, domestic or foreign federal, state, municipal or local governmental, legislative, judicial, executive, regulatory or administrative authority, department, court (including any arbitral body or tribunal), agency, branch, board, department, instrumentality, entity, commission or official, including any political subdivision thereof, or any non-governmental self-regulatory agency, commission or authority, whether of the United States or another country.

"Governmental Order" means any judgment, decision, consent decree, injunction, citation, ruling, writ, order or other determination of or entered by any Governmental Authority that is binding on any Person or its property under applicable Law.

"Guarantor" has the meaning set forth in Section 10.13.

"Hazardous Substance" or "Hazardous Substances" means: (i) any chemical, waste, substance or material (whether solid, liquid or gas) designated, listed, defined, or classified by a Governmental Authority to be ignitable, corrosive, radioactive, dangerous, toxic, explosive, infectious, mutagenic or otherwise hazardous; (ii) any element, compound, chemical mixture, contaminant, pollutant, contaminant, agent, waste, chemical, by-product, process-intermedial product or other material or substance (whether solid, liquid or gas) that is defined as "pollutant," "contaminant," "solid waste," "hazardous waste," "hazardous material," "hazardous substance," "extremely hazardous waste," "restricted hazardous waste," "hazardous constituent," "special waste," "toxic substance," "toxin," "radioactive," "dangerous," "ignitable," "corrosive," "reactive," or "hazardous"; (iii) any petroleum or petroleum product (including waste or used oil, gasoline, heating oil, kerosene and any other petroleum products or substances or materials derived from or commingled with any petroleum products), off-specification commercial chemical product, solid waste, radioactive materials, infectious medical waste, lead based paint, mold, mycotoxins, microbial matter and airborne pathogens (naturally occurring or otherwise), asbestos in any form that is or could become friable, urea formaldehyde foam insulation, polychlorinated biphenyls (PCBs), and radon gas; or (iv) any substance, material or waste, which, as regulated by a Governmental Authority, requires Remedial Action.

"Indebtedness" means (without duplication): (i) all obligations of either Seller for borrowed money; (ii) all obligations, contingent or otherwise, of either Seller evidenced by bonds, debentures, notes or other similar instruments (including, without limitation, any seller notes, deferred purchase price obligations or earn-out obligations issued or entered into in connection with any acquisition undertaken by either Seller) and any other contingent and off-balance sheet liabilities, undisclosed liabilities and unpaid restructuring charges; (iii) all obligations in respect of letters of credit, performance bonds, surety bonds or similar instruments, in each case to the extent drawn, and bankers' acceptances issued for the account of either Seller; (iv) any commitment by which either Seller assures a creditor against loss; (v) any indebtedness guaranteed in any manner by either Seller (including guarantees in the form of an agreement to repurchase or reimburse); (vi) any liabilities or obligations under capitalized leases, if any, with respect to which either Seller is liable, contingently or otherwise, as obligor, guarantor or otherwise or with respect to which obligations either Seller assures a creditor against loss; (vii) any indebtedness or liabilities secured by a Lien on either Seller's assets; (viii) any net liabilities of either Seller with respect to interest rate or currency swaps, collars or similar hedging agreements; and (ix) any accrued interest, prepayment premiums or penalties related to any of the foregoing.

"Indemnification Basket" means One Hundred Thousand and 00/100 Dollars ($100,000.00).

"Indemnification Cap" means One Million and 00/100 Dollars ($1,000,000.00).

"Insurance Coverage" has the meaning set forth in Section 8.8.

"Insurance Coverage Claim" has the meaning set forth in Section 8.8.

"Insurance Policies" has the meaning set forth in Section 3.13.

"IRS" means the Internal Revenue Service of the United States.

"Knowledge of Sellers" means the actual knowledge, after reasonable inquiry, of Daniel A. Hoffler.

"Law" or "Laws" means any applicable federal, state, local, municipal, foreign, international, multinational or other law, treaty, rule, order, regulation, statute, ordinance, code, decree, directive, decision or other binding requirement of any Governmental Authority of any kind and the rules, regulations and orders promulgated thereunder.

"Leased Real Property" means the real property leased, occupied or used by either Seller pursuant to a Lease, together with all Facilities thereon and all easements, rights of way and other appurtenances thereto.

"Leased Real Property Assignment and Assumption Agreement" means the Leased Real Property Assignment and Assumption Agreement between Buyer and Sellers, in substantially the form of Exhibit D attached hereto.

"Leases" means any and all leases, subleases, concessions, licenses and other similar agreements (whether written or oral) in connection with the occupancy or use of real property, including all amendments, modifications, extensions, renewals, guaranties and other agreements with respect thereto.

"Liens" means any lien, mortgage, deed of trust, security interest, tax lien, attachment, levy, charge, claim, reservation, restriction, imposition, pledge, option, encumbrance (including, without limitation, easements, rights of way and encroachments), conditional sale or title retention arrangement, or any other interest in property or assets (or the income or profits therefrom), whether designed to secure the payment of indebtedness or otherwise, whether consensual or nonconsensual and whether arising by agreement or under any Law, or otherwise.

"Losses" has the meaning set forth in Section 8.2(a).

"Material Adverse Effect" means any event, circumstance, change, occurrence, factor, condition, development or effect that has, or could reasonably be expected to have, individually or in the aggregate, a material adverse effect on (i) the Purchased Assets, results of operations, condition (financial or otherwise) or prospects of the Business or (ii) the ability of Sellers to consummate the transactions contemplated hereby.

"Material Contracts" has the meaning set forth in Section 3.6.

"Multiemployer Plan" means any employee benefit plan of the type described in Section 4001(a)(3) of ERISA, to which either Seller or any ERISA Affiliate makes or is obligated to make contributions, or during the preceding six years has made or been obligated to make contributions.

"Obligations" has the meaning set forth in Section 10.13.

"Performance Bonds" has the meaning set forth in Section 3.7(c).

"Permit" means any permit, consent, license, franchise, certificate, registration, identification number, certification, concession, grant, variance, exclusion, exemption, approval and other similar authorization required by, issued by, granted by, given by, required by, required to be submitted to, or otherwise made available by any Governmental Authority or pursuant to any Law (including any Environmental Law).

"Permitted Liens" means: (i) Liens for current Taxes not yet due and payable or the amount or validity of which is being contested in good faith by appropriate proceedings and for which adequate reserves have been established on the Financial Statements; (ii) mechanics', carriers', workers', repairers' and similar liens arising or incurred in the ordinary course of business for amounts which are not delinquent or which are being contested in good faith by appropriate proceedings and for which adequate reserves have been established on the Financial Statements; (iii) Liens arising under zoning, building and other land use Laws applicable to the Leased Real Property that are not and have not been violated by the current use, occupancy or operation of such real property; (iv) covenants, conditions, restrictions, easements and other non-monetary Liens affecting title to any Leased Real Property that do not and would not reasonably be expected to, individually or in the aggregate, materially impair the marketability of title, value, current use, occupancy or operation of such real property as currently conducted; and (v) Liens arising under worker's compensation, unemployment insurance, social security, retirement and similar Laws.

"Person" means any individual, partnership, civil company, joint venture, firm, corporation, association, trust, limited liability company, unincorporated organization, Governmental Authority or other entity.

"Pre-Closing Tax Period" means any tax period (or portion thereof) that begins before the Closing Date and ends on or before the Closing Date.

"Post-Closing Tax Period" means any tax period (or portion thereof) that begins after the Closing Date.

"Purchased Assets" means the Accounts Receivable, the Assumed Contracts, the Fixed Assets, the Permits (to the extent transferable), the Construction Bids and those certain assets set forth on Schedule 1.2, together with all rights, causes of action, lawsuits, judgments, claims and demands of any nature available to or being pursued by Sellers relating thereto; provided, however, that notwithstanding the foregoing, the Purchased Assets shall specifically exclude the Excluded Assets.

"Purchase Price" means One Million and 00/100 Dollars ($1,000,000.00), subject to adjustment as provided in Sections 2.2(c) and 2.2(d).

"Release" or "Releases" means any release, spill, leak, emission, deposit, pumping, pouring, emptying, discharging, injecting, escaping, leaching, disposing, dumping, dispersion or migration of Hazardous Substances into, under, above, onto or from any indoor or outdoor Environmental Media, including: (i) the movement of Hazardous Substances through, in, under, above, or from any Environmental Media; (ii) the movement of Hazardous Substances off-site from any real property; and (iii) the abandonment of barrels, tanks, containers or other closed receptacles containing Hazardous Substances.

"Remedial Action" means any action to investigate, remediate, remove, abate, clean up, dispose and monitor any Release or threatened Release of Hazardous Substances.

"Required Consents" has the meaning set forth in Section 6.5.

"Retained Liabilities" has the meaning set forth in Section 2.3(a).

"Seller" or "Sellers" has the meaning set forth in the preamble to this Agreement.

"Seller Indemnified Parties" has the meaning set forth in Section 8.3(a).

"Sellers' Account Information Schedule" has the meaning set forth in Section 2.2(a).

"Sellers' Closing Certificate" means the certificate of Sellers in the form of Exhibit E attached hereto.

"Tax" or "Taxes" means any and all taxes including, without limitation, (i) any net income, alternative or add-on minimum tax, gross income, gross receipts, margin, gross margin, sales, use, value added, ad valorem, escheat or unclaimed property taxes (or similar), transfer, registration, estimated, franchise, profits, value added, net worth, capital stock, license, withholding, payroll, social security (or similar), employment, unemployment, disability, excise, severance, stamp, occupation, premium, property, environmental or windfall profit tax, custom, duty or other tax, governmental fee or other like assessment or charge of any kind whatsoever, together with any interest or any penalty, addition to tax or additional amount imposed by any Governmental Authority responsible for the imposition of any such tax (domestic or foreign), whether disputed or not, (ii) any liability for the payment of any amounts of the type described in (i) as a result of being a member of an affiliated, consolidated, combined or unitary group for any taxable period or as the result of being a transferee or successor thereof and (iii) any liability for the payment of any amounts of the type described in (i) or (ii) as a result of any express or implied obligation to indemnify any other Person.

"Tax Return" means any report, return, information return, declaration, form, claim for refund, statement or other information required to be supplied to a taxing authority in connection with Taxes, including any return of an affiliated or combined unitary group, and including any amendment thereof.

"Treasury Regulations" means regulations promulgated by the United States Department of Treasury under the Code.

"WARN Act" means the Worker Adjustment and Retraining Notification Act, as amended, or any comparable state Law.

ARTICLE II
PURCHASE AND SALE; POST-CLOSING ADJUSTMENTS TO PURCHASE PRICE

2.1. Purchase and Sale; Assignment and Assumption. Upon the terms and subject to the conditions of this Agreement, and in consideration of the Purchase Price to be paid by Buyer to Sellers, Sellers shall (a) sell, transfer, convey and deliver to Buyer, and Buyer shall purchase from Sellers, on the Closing Date, all of the Purchased Assets, free and clear of all Liens, pursuant to the execution and delivery of the Bill of Sale and such other documents as are reasonably necessary to sell, transfer, convey and deliver the Purchased Assets to Buyer and (b) assign to Buyer, and Buyer shall assume from Sellers, on the Closing Date, the Assumed Contracts and the Assumed Liabilities pursuant to the execution and delivery of the Assignment and Assumption Agreement and such other documents as are reasonably necessary to effect Seller's assignment and Buyer's assumption of the Assumed Contracts and Assumed Liabilities.

2.2. Payment of the Purchase Price.

(a) At least two Business Days prior to the Closing Date, Sellers shall deliver to Buyer a schedule setting forth information, including wire instructions, regarding the account or accounts designated by Sellers into which the Purchase Price described in Section 2.2(b) below will be wired (the "Sellers' Account Information Schedule").

(b) At the Closing, Buyer shall pay the Purchase Price by wire transfer of immediately available funds to the account or accounts set forth in Sellers' Account Information Schedule.

(c) At the Closing, as an addition or reduction to the Purchase Price, prepaid rent, utilities and other overhead items relating to the Purchased Assets and the Assumed Liabilities shall be pro rated between Buyer and Sellers as mutually agreed by the parties.

(d) At Closing, as an addition or reduction to the Purchase Price, the Sellers and Buyer will "true up" the Accounts Receivable and current liabilities such that (i) Buyer will at Closing pay Seller as an addition to the Purchase Price the amount, if any, by which the Accounts Receivable exceed current liabilities or (ii) the Purchase Price will be reduced in the Amount, if any, by which current liabilities exceed the Accounts Receivable; provided that if current liabilities exceed the Accounts Receivable by more than One Million and 00/100 Dollars ($1,000,000.00), then at Closing, Sellers shall pay the amount of such excess to Buyer. The determination of the amount of the Accounts Receivable and current liabilities shall be determined as provided on Schedule 2.2(d). If subsequent to Closing, it is discovered that an error in the computations was made, the party receiving the benefit of the error will pay to the other party the amount necessary to reflect proper "true up" of the Accounts Receivable and current liabilities.

2.3. No Assumption of Retained Liabilities.

(a) Except as specifically set forth herein with respect to the Assumed Liabilities, Buyer does not and will not assume any liability or obligation of any kind, character or description relating to Sellers, the Business or the use of the Purchased Assets or the performance by Sellers under the Assumed Contracts prior to the Effective Time, whether known or unknown, absolute or contingent, accrued or unaccrued, disputed or undisputed, liquidated or unliquidated, secured or unsecured, joint or several, due or to become due, vested or unvested, executory, determined, determinable or otherwise, and whether or not such liabilities and obligations are required to be accrued on the financial statements of Sellers (collectively, the "Retained Liabilities"). Retained Liabilities shall include, without limitation, the following:

(i) all environmental costs and liabilities, known or unknown, relating to or arising from the conduct of the Business, any omissions or inactions by the Business, or any Leased Real Property to the extent relating to any Releases or violations of Environmental Laws prior to the Effective Time, including without limitation (A) any Release of, off-site shipment of, or any exposure of any person to any Hazardous Substance at, on, in, to, from or under the Leased Real Property that occurred on or before the Closing Date, regardless of whether known or unknown at the Closing Date, including the subsequent migration of such Hazardous Substance from the Leased Real Property and other ongoing Releases, (B) any environmental fact or condition that occurred or existed on or before the Closing Date, whether known or unknown at the Closing Date for which either Seller is liable, (C) any violation of Environmental Law or Environmental Permit by either Seller or the Business that occurred on or before the Closing Date, whether known or unknown at the Closing Date, or (D) any proceeding or claim by any person, entity or governmental authority initiated or asserted in response to (A) through (C) above, known or unknown at the Closing Date;

(ii) any liability or obligation under any Assumed Contract that arises after the Effective Time but that arises out of any breach that occurred before the Effective Time;

(iii) any liability or obligation in respect of the Employees (including, without limitation, all employment agreements, severance policies or agreements, and bonus obligations) or the Employee Benefit Plans;

(iv) any liability or obligation of Sellers to any Affiliate of Sellers;

(v) any liability or obligation arising out of any legal proceeding to which Sellers are a party or relating to the Purchased Assets or the Business pending as of the Effective Time, whether or not set forth in any Schedule attached hereto, or any legal proceeding commenced after the Effective Time to the extent arising out of, or relating to, any occurrence or event happening before the Effective Time, including, without limitation, the costs and expenses of conducting or defending against any such legal proceeding to the extent arising out of, or relating to, any occurrence or event happening before the Effective Time;

(vi) any liability or obligation arising out of or resulting from noncompliance by Sellers with any Law or any order, injunction, judgment, decree, ruling, assessment or arbitration award of any Governmental Authority;

(vii) any liability or obligation of Sellers with respect to Taxes;

(viii) all fees and expenses of Sellers incurred in connection with the transactions contemplated by this Agreement;

(ix) all liabilities arising out of, or relating to, the Excluded Assets or the operations of the Business prior to the Effective Time or any event or circumstance that existed prior to the Effective Time, other than the Assumed Liabilities;

(x) any liability or obligation of Sellers under this Agreement or any other document contemplated hereby; and

(xi) all liabilities and obligations of Sellers other than the Assumed Liabilities.

(b) All of the Retained Liabilities shall remain the sole responsibility of, and shall be retained, paid, performed and discharged solely by, Sellers.

2.4. No Assignment of Certain Assets. If any provision of any Assumed Contract or Permit would prohibit any attempted assignment thereof or of any right or interest thereunder (whether by operation or law, upon a change in control or otherwise) or impose a charge, discount or penalty upon an assignment (in each case, to the extent such provision is enforceable under applicable Law) without the consent of the other party to such agreement, even though such assignment would not become effective until such consent was obtained, then except as hereinafter provided, nothing in this Agreement shall be deemed an assignment of any such Assumed Contract, Permit, right or interest, and the Assumed Contract, Permit, right or interest shall not be assigned hereunder unless and until such consent is obtained. After the Closing Date, the parties hereto shall: (i) use all diligent and reasonable efforts to obtain as promptly as possible all consents and waivers necessary for the sale, transfer, assignment and delivery of such Assumed Contract, Permit, right or interest to Buyer and (ii) cooperate with each other following the Closing Date in any reasonable arrangement designed to provide Buyer with the rights and benefits (subject to the obligations) under any such Assumed Contract or Permit, including enforcement for the benefit of Buyer of any and all rights against any other party thereto and performance by Buyer of the obligations under all such Assumed Contracts and Permits that are not assigned at Closing by reason of this Section 2.4.

2.5. Purchase Price Allocation. Sellers and Buyer agree that the actual Purchase Price allocable to the Purchased Assets shall be allocated to such Purchased Assets for all purposes (including Tax and financial accounting purposes) as set forth in an allocation schedule to be prepared by Sellers and delivered to Buyer within 90 days after the Closing Date. Sellers and Buyer agree (i) to report the federal, state and local income and other Tax consequences of the transactions contemplated herein, and in particular to report the information required by Section 1060(b) of the Code, and to jointly prepare Form 8594 (Asset Acquisition Statement under Section 1060) in a manner consistent with such allocation and (ii) not to take any position inconsistent therewith upon examination of any Tax Return, in any refund claim, in any litigation, investigation or otherwise unless Buyer and Sellers agree to such position. Sellers and Buyer agree that each will furnish the other a copy of Form 8594 (Asset Acquisition Statement

under Section 1060) proposed to be filed with the IRS within 10 days prior to the filing of such form with the IRS. Buyer, Sellers and their applicable Affiliates will file all Tax Returns (including amended Tax Returns and claims for refund) and information reports in a manner consistent with such allocation.

ARTICLE III
REPRESENTATIONS AND WARRANTIES OF SELLERS

Sellers, jointly and severally, hereby represent and warrant to Buyer as follows:

3.1. Organization of Sellers. Each Seller is a corporation duly organized, validly existing and in good standing under the laws of its jurisdiction of organization. Each Seller has full corporate power and authority to carry on its business as it is currently being conducted and to own, operate and hold under lease its assets and properties as, and in the places where, such assets and properties are currently owned, operated or held. Each Seller is duly qualified or licensed to transact business as a foreign corporation and is in good standing, in each jurisdiction in which either the ownership or use of the assets and properties owned or used by it, or the nature of the activities conducted by it, requires such qualification.

3.2. Authorization; Enforceability. Each Seller has full corporate power and authority to execute and deliver this Agreement and the other documents and instruments required hereby and to perform its obligations under this Agreement and the other documents and instruments required hereby. The execution and delivery by each Seller of this Agreement and each other document and instrument required hereby to be executed and delivered by it, the performance by each Seller of its obligations hereunder and thereunder and the consummation by such Seller of the transactions contemplated hereby and thereby have been duly and validly authorized by all necessary corporate action on the part of such Seller and no other corporate proceedings on the part of such Seller are required to authorize this Agreement or any of the documents or instruments required hereby or for such Seller to consummate the transactions contemplated hereby or thereby. This Agreement is, and the other documents and instruments required hereby to which each Seller is a party will be, when executed and delivered by the parties thereto, the valid and binding obligation of such Seller, enforceable against such Seller in accordance with their respective terms, except as such enforceability may be limited by (a) bankruptcy, insolvency, reorganization, moratorium or similar laws relating to or affecting generally the enforcement of creditors' rights and (b) the availability of equitable remedies (whether in a proceeding in equity or at law).

3.3. No Violation or Conflict; Consents.

(a) Except as set forth on Schedule 3.3(a), the execution, delivery and performance by each Seller of this Agreement and all of the other documents and instruments contemplated hereby to which such Seller is party do not and will not:

(i) breach or violate the organizational documents of either Seller;

(ii) violate, conflict with or result in a breach of or default under, any provision of, or constitute an event that, after notice or lapse of time or both, would result in a violation of, conflict with, breach of or default under, or accelerate the performance required

under, any Contract to which either Seller is a party or by which either Seller's assets are bound or imposition of any Liens, with or without notice or lapse of time or both, on any properties or assets owned or used by either Seller; or

(iii) violate, conflict with or result in a breach of or default under any provision of or constitute an event that, after notice or lapse of time or both, would result in a violation of, conflict with, breach of or default under any applicable Law, judgment, order or decree binding upon or applicable to either Seller.

(b) Except as set forth on Schedule 3.3(b), no notice to, filing or registration with, or authorization, consent or approval of, any Governmental Authority or any other Person is necessary or is required to be made or obtained by either Seller in connection with the execution and delivery of this Agreement or the consummation of the transactions contemplated hereby, including but not limited to notices, filings, registrations, authorizations, consents or approvals with respect to Permits, Material Contracts, Construction Contracts, Construction Bids and Performance Bonds.

3.4. Litigation. There is no Action or Governmental Order of any kind pending or, to the Knowledge of Sellers, proposed or threatened, nor at any time during the past five years have there been any such Actions or Governmental Orders pending or, to the Knowledge of Sellers, proposed or threatened (i) against either Seller, (ii) relating to the Business, Purchased Assets or products of Sellers, (iii) that seeks restraint, prohibition, damages or other relief in connection with this Agreement or the consummation of the transactions contemplated hereby or (iv) that could reasonably be expected to result in a revocation, cancellation, suspension or adverse modification of any Permit held by either Seller that is necessary to conduct the Business as currently conducted.

3.5. Sufficiency of and Title to Purchased Assets.

(a) The Sellers have maintained the Fixed Assets in accordance with sound business practices. The Fixed Assets are in good operating condition and repair, subject to ordinary wear and tear, and are fit for use in accordance with the past practice of Sellers. The Fixed Assets are structurally sound, are in good operating condition and repair and are sufficient for the uses to which they are being put, and none of the Fixed Assets is in need of maintenance or repairs, except for ordinary, routine maintenance and repairs that are not material in nature or cost. To the Knowledge of Sellers, there are no facts, reports, tests, analyses or conditions affecting or relating to the Fixed Assets that indicate any problem with, or could interfere in any respect with, the use, occupancy or operation of the Fixed Assets as currently used, occupied or operated by either Seller.

(b) Sellers hold and own valid title to, have valid leasehold interests in or have valid licenses to use all of the Purchased Assets, free and clear of all Liens other than Permitted Liens or Liens that will be released at Closing. Upon Buyer's payment of the Purchase Price, good and valid title to the Purchased Assets, free and clear of any and all Liens except for Permitted Liens, will pass to Buyer, and Buyer will hold good and valid title to the Purchased Assets, free and clear of any and all Liens. The Purchased Assets include all tangible and intangible assets, contracts and rights necessary or desirable for the operation of the Business in accordance with the past practice of Sellers.

3.6. Material Contracts.

(a) The Sellers have provided Buyer with a true and complete copy of each Material Contract, including all amendments or modifications thereto. "Material Contract" means any Contract to which either Seller is a party, by which either Seller is bound, or by which any of its properties or assets is subject, and that falls in any of the following categories:

(i) each partnership or joint venture agreement;

(ii) each agreement limiting the right of either Seller to engage in or compete with any Person in any business or in any geographical area;

(iii) each management, consulting, severance or similar agreement, and each written agreement with a current or former employee of either Seller under which such Seller have or may have rights or obligations;

(iv) each agreement with a labor union or employee organization;

(v) each Contract that provides for or relates to, the incurrence by either Seller of Indebtedness;

(vi) each Lease material to the operation of either Seller's business;

(vii) each Contract relating to reimbursement obligations with respect to the letters of credit, performance bonds, surety bonds or similar instruments issued on behalf of either Seller;

(viii) each indemnity agreement with any officer or director of Sellers;

(ix) each Contract pursuant to which either Sellers is a lessor of any machinery, equipment, motor vehicles or personal property involving in the case of any such Contract lease payments of more than $10,000;

(x) each Contract for the purchase of materials, supplies, equipment or services involving in the case of any such Contract more than $10,000;

(xi) with respect to any Contract that is not a Construction Contract, any Contract for capital expenditures or the acquisition or construction of fixed assets involving future payments in excess of $10,000 in the aggregate;

(xii) with respect to any Contract that is not a Construction Contract, any Contract or series of related Contracts that involve aggregate payments of $10,000 and that are not cancelable without penalty within 90 days; and

(xiii) with respect to any Contract that is not a Construction Contract, any Contract providing for aggregate payments of at least $10,000 pursuant to which either Seller has subcontracted all or part of its responsibilities under another Contract.

(b) Each Material Contract is in full force and effect and is a legal, valid, binding and enforceable contract or agreement of the Sellers and, to the Knowledge of the Sellers, any other party thereto, subject to applicable bankruptcy, insolvency, reorganization or other Laws or equitable principles relating to or affecting the enforcement of creditors' rights. No Material Contract is subject to any material claims, charges, setoffs or defenses. There is no material default or material breach by either Seller, or, to the Knowledge of Sellers, any other party, in the performance of any obligation to be performed or paid under any Material Contract or any other provision of such Material Contract, nor, to the Knowledge of Sellers, has any event occurred that, with the giving of notice or the passage of time or both, would constitute a material default or material breach under such Material Contract or would give any right to accelerate, modify, cancel or terminate any Material Contract to Sellers or, to the Knowledge of Sellers, any other party thereto. Each Material Contract was effected in arm's length negotiations. To the Knowledge of Sellers, no party to any Material Contract intends to cancel, terminate or exercise any option under any such Material Contract, and there are no disputes in connection therewith. Sellers have not made any prior assignment of any material Contract or any of their rights or obligations thereunder.

3.7. Construction Contracts; Construction Bids; Performance Bonds.

(a) Schedule 3.7(a) sets forth a complete and accurate list of all Construction Contracts. Sellers have provided to Buyer a true and complete copy of each Construction Contract, including all amendments or other modifications thereto and change orders in relation thereto. Each Construction Contract is in full force and effect and is a legal, valid and binding contract or agreement of the Sellers and, to the Knowledge of Sellers, each other party thereto, subject to applicable bankruptcy, insolvency, reorganization or other Laws or equitable principles relating to or affecting the enforcement of creditor's rights. No Construction Contract is subject to any material claims, charges, setoffs or defenses, nor, to Knowledge of Sellers, has any event occurred, that, with the giving of notice or the passage of time or both, would make a Construction Contract subject to any material claims, charges, setoffs or defenses. Except as disclosed on Schedule 3.7(a), the projects identified by each Construction Contract are on schedule, and all amounts due and owing to Sellers under each Construction Contract have been received excluding accounts receivable amounts that may be due and owing under the Construction Contracts in the ordinary course of business, and the Sellers have not filed any mechanics liens or other liens as a result of nonpayment for work related to any Construction Contract. There is no material default or material breach by either Seller, or, to the Knowledge of Sellers, any other party, in the performance of any obligation to be performed or paid under any Construction Contract or any other provision of such Construction Contract, nor, to the Knowledge of Sellers, has any event occurred that, with the giving of notice or the passage of time or both, would constitute a material default or material breach under such Construction Contract or would give any right to accelerate, modify, cancel or terminate any Construction Contract to either Seller or, to the Knowledge of Sellers, any other party thereto. No Construction Contract was awarded on the basis of any qualification as a small business or other set aside or preferential prime contractor or subcontractor bidding status. Sellers, together with their subcontractors and suppliers, have the requisite technical skill and experience necessary to satisfy their obligations under the Construction Contracts.

(b) Schedule 3.7(b) sets forth as a current, accurate and complete list of each of the Construction Bids that Sellers have submitted for which no notice of award decision has been received by Sellers. Sellers have provided to Buyer a true and complete copy of each Construction Bid, including all amendments or other modifications thereto. No Construction Bid was submitted on the basis of any qualification as a small business or other set aside or preferential prime contractor or subcontractor bidding status.

(c) Schedule 3.7(c) sets forth a complete and accurate list of all letters of credit, performance bonds, surety bonds or similar instruments issued on behalf of Sellers in connection with the Construction Contracts (collectively, "Performance Bonds"). No claims have been made against any Performance Bonds or similar instruments within the past 10 years.

(d) No liquidated damages or similar assessments of damages have been assessed against either Seller in connection with any Construction Contract or other agreement within the past 10 years, nor, to the Knowledge of Sellers, has any event occurred that, with the giving of notice or the passage of time or both, would reasonably be expected to give rise to a liquidated damages claim against either Seller. For the purposes of this paragraph, a "liquidated damages claim" includes a liquidated damages claim that is assessed against a prime contractor, subcontractor, vendor, or other third party and for which such Seller is liable under the terms of any Construction Contract or other agreement.

(e) Neither Seller has made any force majeure or similar claims in connection with any Construction Contract within the past 10 years, nor, to the Knowledge of Sellers, has any event occurred that, with the giving of notice or the passage of time or both, would reasonably be expected to give rise to a force majeure or similar claim by either Seller.

(f) With respect to each Construction Contract, (i) Sellers are in compliance in all material respects with all applicable Laws, (ii) no written notice has been received by either Seller and, to Knowledge of Sellers, none has been threatened alleging that either Seller, or any director, officer or employee of Sellers, is in material breach or violation of any applicable Law or contractual requirement thereunder, and (iii) no written notice of termination has been received by either Seller thereunder.

(g) No Governmental Authority nor any prime contractor, subcontractor or vendor has asserted in writing any material claim or initiated any material dispute proceeding against either Seller relating to any Construction Contract or Construction Bid, nor is either Seller asserting any material claim or initiating any material dispute proceeding directly or indirectly concerning any Construction Contract or Construction Bid.

(h) With respect to each Construction Contract and Construction Bid:

(i) all written representations and certifications submitted by Sellers in order to induce the award of a Construction Contract or to induce payments under a Construction Contract were current, accurate and complete in all material respects as of their respective effective dates; and

(ii) material pricing discounts have been properly reported to and credited to the customer.

(i) Neither Seller, nor, to the Knowledge of Sellers, any of their predecessors, shareholders, officers or directors, is or within the past three years has been debarred, suspended or deemed non-responsible or otherwise formally excluded from participation in the award of a Construction Contract relating to any Governmental Authority, nor is there any pending debarment, suspension or exclusion proceeding that has been initiated against either Seller or, to the Knowledge of Sellers, any of their predecessors, shareholders, officers or directors, nor, to the Knowledge of Sellers, has any event occurred that, with the giving of notice or the passage of time or both, would reasonably be expected to give rise to either Seller or any of their shareholders, officers or directors being debarred, suspended or formally excluded from participation in the award of a Construction Contract relating to any Governmental Authority.

(j) Neither Seller, nor, to the Knowledge of Sellers, any of their directors or officers, have offered or provided any unlawful contribution, payment, kickback, bribe, gift, gratuity or entertainment, or to the Knowledge of Sellers, made any unlawful expenditures relating to political activity.

3.8. Financial Statements. Sellers have provided to Buyer true and complete copies of the audited balance sheet of each Seller as of December 31, 2012, 2011 and 2010, and the related statements of income, stockholders' equity and cash flows for the years then ended (collectively, the "Financial Statements"). The Financial Statements fairly present the consolidated financial position, results of operations and cash flows of each Seller as of the respective dates thereof and for the periods referred to therein, and were prepared in accordance with GAAP consistently applied throughout the periods indicated (except, in the case of unaudited financial statements, for the absence of notes and normal recurring year-end adjustments).

3.9. Absence of Undisclosed Liabilities. Neither Seller has as of December 31, 2012, nor has either Seller incurred since that date, any liability or obligation of any kind, character or description (whether known or unknown, absolute or contingent, accrued or unaccrued, disputed or undisputed, liquidated or unliquidated, secured or unsecured, joint or several, due or to become due, vested or unvested, executory, determined, determinable or otherwise, and whether or not such liabilities and obligations are required to be accrued on Sellers' financial statements) other than liabilities or obligations that (i) were accrued or reserved against on the balance sheet included in the Financial Statements as of December 31, 2012; (ii) were current liabilities incurred after December 31, 2012 in the ordinary course of business consistent with past practice of Sellers; or (iii) that have been discharged or paid in full.

3.10. Real Property.

(a) No Owned Real Property. Neither Seller owns any real property.

(b) Leased Real Property. Schedule 3.10(b) sets forth the address of each Leased Real Property and a true and complete list of all Leases for each Leased Real Property. With respect to each of the Leases for each Leased Real Property: (i) either Seller has a valid leasehold interest in each of the Leased Real Properties; (ii) such Lease is legal, valid, binding

and enforceable in accordance with its terms and in full force and effect and has not been modified; (iii) the transactions contemplated hereby do not require the consent of any other party to such Lease and will not result in a breach of or default under such Lease, or otherwise cause such Lease to cease to be legal, valid, binding, enforceable and in full force and effect on identical terms following the Closing; (iv) neither Seller nor, to Sellers' Knowledge, any other party to the Lease is in breach or default under such Lease and no event has occurred or circumstance exists which, with the delivery of notice, passage of time or both, would constitute such a breach or default or permit the termination, modification or acceleration of rent under such Lease; (v) neither Seller's possession and quiet enjoyment of each Leased Real Property has been disturbed and there are no disputes with respect to any Leases; (vi) no security deposit or portion thereof has been applied in respect of a breach or default under any Lease of Leased Real Property that has not been redeposited in full; (vii) the other party to each Lease is not in any way affiliated with either Seller; and (viii) neither Seller has collaterally assigned or granted any security interest in any of the Leases or any interest therein.

(c) No Additional Property Interests. Other than the Leased Real Property set forth on Schedule 3.10(b), Sellers do not have any other interest in real property, whether owned, leased or otherwise, and the Leased Real Property constitutes all of the real property necessary to operate the Business as currently conducted.

(d) Condition of Leased Real Property.

(i) The Leased Real Property and Sellers' current occupancy and use thereof does not violate in any material respect any applicable Law, Governmental Order, Permit or Lien, and neither Seller has received any notices of any violation of Law, Governmental Order, Permit or Lien.

(ii) Neither Seller has assigned or subleased any Lease or any part, portion or interest in the Leased Real Property, and there are no third parties in possession of all or any portion of the Leased Real Property that are not entitled thereto.

(iii) The Leased Real Property (A) is now and will be at the time of Closing in good operating order and condition and repair, except for normal wear and tear, and (B) is supplied with reliable and adequate utilities and other services (both in quantity and quality) necessary for the current occupancy and use of thereof.

(iv) The Leased Real Property either (A) is freely accessible directly from public streets, or (B) uses adjoining private land to access the same in accordance with valid, permanent, irrevocable and appurtenant easements benefiting such land. There is no condition that would result in the termination or impairment of such access, and such access is sufficient for the operation of the Business as currently conducted.

(v) Neither Seller owes nor will owe in the future any brokerage commissions or finders' fees with respect to the Leased Real Property.

(vi) There is no condemnation, expropriation, eminent domain proceeding or any other legal proceeding of any kind pending or, to the Knowledge of Sellers, threatened against any of the Leased Real Property, or any portion thereof.

(e) Real Property Related Documentation. Sellers have provided to Buyer true and complete copies of the following to the extent in Sellers' possession or reasonable control: (i) all certificates of occupancy and other material permits, variances, applications, documents certifying the payment of any applicable real estate tax, other approvals and licenses for all or any part of the Leased Real Property; (ii) all material architectural, mechanical, electrical, plumbing, drainage, construction and similar plans, specifications and blueprints; (iii) all policies of title insurance on the Leased Real Property; (iv) all vesting deeds for the Leases (as hereinafter defined) for the Leased Real Property; (v) all existing Phase I, Phase II or other environmental reports or studies in draft or final form relating to the Leased Real Property; and (vi) the most recent survey or surveys relating to the Leased Real Property.

3.11. Books and Records. The books and records of Sellers, all of which have been provided to Buyer, are complete and correct in all material respects, reflect actual, bona fide transactions and have been maintained in accordance with Sellers' normal business practices and the requirements of applicable Law.

3.12. Affiliated Transactions. Except as set forth on Schedule 3.12, no Affiliate of either Seller: (i) owns any property or right, whether tangible or intangible, that is used by such Seller; (ii) has any claim or cause of action against such Seller; (iii) owes any money to such Seller or is owed money from such Seller; (iv) is a party to any contract or other arrangement, written or oral, with such Seller; or (v) provides services or resources to such Seller or is dependent on services or resources provided by such Seller. Schedule 3.12 sets forth every Contract between either Seller, on the one hand, and such Seller's current or former equityholders, officers, managers, directors, employees or members of their immediate families (or any entity in which any of them has a material financial interest, directly or indirectly), on the other hand, other than employment agreements entered into in the ordinary course of business.

3.13. Insurance. Sellers have provided Buyer with a true and complete list of all insurance policies for the benefit of or providing coverage with respect to either Seller or any of their respective assets (including policies providing property, casualty, liability and workers' compensation coverage and bond and surety arrangements) (the "Insurance Policies"), which are in amounts, with such deductibles and against such risks and losses as are customary and reasonable for the Business. All Insurance Policies are in full force and effect, all premiums that are due and payable with respect thereto have been paid, and no written notice of denial of coverage, cancellation, or termination has been received with respect to such policies. Neither Seller has received written notice of cancellation of any of the Insurance Policies for the past five years and, to Sellers' Knowledge, no threat has been made to cancel any insurance policy related to either Seller during such period. No self-insured or co-insurance programs cover or relate to either Seller. There have been no gaps in the insurance coverage of either Seller.

3.14. Tax Matters.

(a) Except as set forth on Schedule 3.14(a):

(i) neither Seller nor any Person to whose liabilities either Seller has succeeded has ever filed a consolidated Federal Income Tax Return or a consolidated, unitary or combined State Income Tax Return, or been included in any such Tax Return filed by another entity;

(ii) each Seller and any Person to whose liabilities either Seller has succeeded has timely filed all Tax Returns required to have been filed by or for it, and all information set forth in such Tax Returns is correct and complete in all material respects;

(iii) each Seller and any Person to whose liabilities either Seller has succeeded has paid all Taxes due and payable by it (whether or not shown on any Tax Return);

(iv) neither Seller currently is the beneficiary of any extension of time within which to file any Tax Return;

(v) no claim has ever been made by a Governmental Authority in a jurisdiction where either Seller does not file Tax Returns that either Seller is or may be subject to taxation by that jurisdiction;

(vi) there are no Liens on any of the Purchased Assets that arose in connection with any failure (or alleged failure) to pay any Tax;

(vii) each Seller and any Person to whose liabilities either Seller has succeeded is in compliance with, and Sellers' records contain all information and documents (including, without limitation, properly completed IRS Forms W-9) necessary to comply with, all applicable Tax information reporting and Tax withholding requirements;

(viii) the Financial Statements and the Final Balance Sheet fully and properly reflect, as of their dates, the liabilities of Sellers for all periods ending on or before such dates, and have been prepared in accordance with GAAP consistently applied throughout the periods indicated, and the books and records of Sellers fully and properly reflect all liabilities for Taxes for all periods after the date of the Financial Statements;

(ix) neither Seller has granted (nor is it subject to) any waiver currently in effect of the period of limitations for the assessment or collection of Tax, no unpaid Tax deficiency has been asserted against or with respect to either Seller or (insofar as either Seller may be liable therefor) any Person to whose liabilities either Seller has succeeded, and there is no pending examination, administrative or judicial proceeding, or deficiency or refund litigation, with respect to any Taxes of either Seller or for which either Seller may be liable;

(x) neither Seller has made or entered into, and does not hold any asset subject to, a consent filed pursuant to former Section 341(f) of the Code and the regulations thereunder or a "safe harbor lease" subject to former Section 168(f)(8) of the Internal Revenue Code of 1954, as amended before the Tax Reform Act of 1984, and the regulations thereunder, nor does either Seller hold any asset that is "tax-exempt use property " within the meaning of Section 168(h) of the Code or "tax-exempt bond financed property" within the meaning of Section 168(g)(5) of the Code;

(xi) none of the Assumed Liabilities is an obligation to make a payment that is not deductible under Section 280G of the Code;

(xii) none of the Assumed Liabilities is an obligation to make a payment under any Tax sharing, Tax allocation, or Tax indemnity agreement;

(xiii) each Seller has disclosed on their federal income Tax Returns all positions taken therein that could give rise to a substantial understatement of federal income Tax within the meaning of Section 6662 of the Code

(xiv) neither Seller is nor would be treated as a foreign corporation, foreign partnership, foreign trust or foreign estate (as those terms are defined in the Code and the Treasury Regulation thereunder) for purposes of Section 897(a) of the Code;

(xv) neither Seller nor any Person to whose liabilities either Seller has succeeded has engaged in any "listed transaction" within the meaning of Treasury Regulations Section 1.6011-4(b)(2) or any predecessor regulation, and each Seller has properly disclosed in its Federal Income Tax Returns all "reportable transactions" within the meaning of Treasury Regulations § 1.6011-4(b)(1), any predecessor regulation, or any similar provision of state or foreign Law;

(xvi) neither Seller has received any private letter ruling from the Internal Revenue Service (or any comparable ruling from any other taxing authority;

(xvii) the income Tax Returns of each Seller, copies of which have been provided to Buyer, accurately set forth the amounts of all losses and Tax credits available to be carried forward, and none of such losses or credits is subject to any limitation under Section 382 or 383 of the Code or any other provision of federal, state or foreign Law;

(xviii) neither Seller will be required to include any item of income in, or exclude any item of deduction from, taxable income for any taxable period (or portion thereof) ending after the Closing Date as a result of any (A) "closing agreement" as described in Section 7121 of the Code (or any corresponding or similar provision of state, local, or foreign income Tax Law) executed on or prior to the Closing Date, (B) installment sale or open transaction disposition made on or prior to the Closing Date, or (C) prepaid amount received on or prior to the Closing Date;

(xix) Armada/Hoffler has been a validly electing "S corporation" within the meaning of Sections 1361 and 1362 of the Code (and all comparable provisions of applicable state and local Tax Law) at all times since April 14, 1987, and will be an S corporation up to and including the Closing Date;

(xx) Armada/Hoffler of Virginia has been a validly electing "S corporation" within the meaning of Sections 1361 and 1362 of the Code (and all comparable provisions of applicable state and local Tax Law) at all times since May 23, 2002, and will be an S corporation up to and including the Closing Date; and

(xxi) neither Seller has in the past 10 years (A) acquired assets from another corporation in a transaction in which such Seller's Tax basis for the acquired assets was determined, in whole or in part, by reference to the Tax basis of the acquired assets (or any other property) in the hands of the transferor, or (B) acquired the stock of any corporation that is a qualified subchapter S subsidiary.

(b) None of the Purchased Assets would be treated for federal or state income tax purposes as stock in a corporation, an interest in a partnership (or entity treated as a partnership for federal income tax purposes) or an interest in an entity that would be disregarded as an entity separate from its owner (within the meaning of Treasury Regulations §301.7701-3).

(c) Sellers have provided to Buyer true and complete list of all material Tax elections, consents and agreements made by or affecting either Seller or any Person to whose liabilities either Seller has succeeded that will be in effect after the Closing Date, lists all material types of Taxes paid and Tax Returns filed by or on behalf of either Seller or any such Person, expressly indicates each Tax with respect to which either Seller or any such Person is or has been included in a consolidated, unitary or combined Tax Return, and describes the status of all examinations, administrative or judicial proceedings, and litigation with respect to any Taxes of each Seller or for which it may be liable.

3.15. Compliance with Law; Certain Practices.

(a) Sellers are and have been in compliance in all material respects with all Laws and Orders that are or were applicable to Seller in connection with the operation of the Business and use of the Purchased Assets. Neither Seller has received any notice or other communication (whether written or oral) from any Governmental Authority or any other Person regarding any actual or possible violation of or failure to comply with any applicable Law or Order with respect to the operation of the Business and use of the Purchased Assets.

(b) Without limiting the generality of Section 3.15(a):

(i) Neither Seller nor any officer, director, member, employee, independent contractor, consultant or agent or any other Person acting on behalf of either Seller has made, directly or indirectly, any payment or promise to pay, or gift or promise to give or authorized such a promise or gift, of any money or anything of value, directly or indirectly, to: (i) any foreign, federal, state, provincial or local governmental official for the purpose of influencing any official act or decision of such official or inducing him or her to use his or her influence to affect any act or decision of a foreign, federal, state, provincial or local governmental agency or subdivision thereof; or (ii) any political party or official thereof or candidate for political office for the purpose of influencing any official act or decision of such party, official or candidate or inducing such party, official or candidate to use his, her or its influence to affect any act or decision of a foreign government or agency or subdivision thereof, in the case of both of the preceding clauses (i) and (ii) in order to assist either Seller to obtain or retain business for or direct business to either Seller under circumstances that would subject either Seller to liability under the Foreign Corrupt Practices Act of 1977, as amended, or any corresponding foreign law.

(ii) Neither Seller nor any officer, director, employee, independent contractor, consultant or agent or any other Person acting on behalf of either Seller has, directly or indirectly, given or agreed to give any money, gift or similar benefit (other than legal price

concessions to customers in the ordinary course of business) to any customer, supplier, employee or agent of a customer or supplier, or official or employee of any other Person who was, is or may be in a position to help or hinder the business of Sellers (or assist in connection with any actual or proposed transaction) that: (i) would reasonably be expected to violate or conflict with the code of ethics, code of conduct or other similar policy of such customer, supplier or other Person; (ii) might subject either Seller to any damage or penalty in any legal proceeding; (iii) if not given in the past, might have had a material effect on the Business; or (iv) if not continued in the future, might have a material effect on the Business.

3.16. Permits.

(a) Schedule 3.16(a) contains a complete and accurate list of each Permit that is held by Sellers in connection with the operation of the Business or that otherwise relates to the Business or the Purchased Assets (other than Permits required under Environmental Laws that are set forth on Schedule 3.17(g) and as to which compliance matters are covered by Section 3.17).

(b) (i) Each Permit listed on Schedule 3.16(a) is valid and in full force and effect; (ii) Sellers are, and at all times have been, in material compliance with all of the terms and requirements of each Permit identified on Schedule 3.16(a); and (iii) Sellers have not received any notice or other communication (whether oral or written) from any Governmental Authority or any other Person regarding any actual, alleged, possible or potential violation of or failure to comply with any term or requirement of any Permit or any actual, proposed, possible or potential revocation, withdrawal, suspension, cancellation, termination of or modification to any Permit. To the Knowledge of Sellers, no event has occurred or circumstance exists that may (with or without notice or lapse of time) constitute or result directly or indirectly in a violation of or a failure to comply with any material term or requirement of any Permit listed on Schedule 3.16(a) or result directly or indirectly in the revocation, withdrawal, suspension, cancellation or termination of, or any modification to, any Permit listed on Schedule 3.16(a). All applications required to have been filed for the renewal of the Permits listed on Schedule 3.16(a) have been duly filed on a timely basis with the appropriate Governmental Authorities, and all other filings required to have been made with respect to such Permits have been duly made on a timely basis with the appropriate Governmental Authorities. The Permits listed on Schedule 3.16(a) collectively constitute all of the Permits necessary to permit Sellers to lawfully conduct and operate the Business in the manner in which Sellers currently conduct and operate the Business and to permit them to own and use the assets used in the operation of the Business in the manner in which Sellers currently own and use such assets (other than Permits required under Environmental Laws that are set forth on Schedule 3.17(g)).

3.17. Environmental Matters.

(a) Sellers and, to the Knowledge of Sellers, all predecessors thereto, are and have at all times been in compliance with all Environmental Laws and all Environmental Permits affecting, or relating to, the Business.

(b) Neither Seller nor, to the Knowledge of Sellers, any other Person has Released any Hazardous Substance on, under, at, to, from or in any way affecting the Leased

Real Property or any other real property previously owned, leased or operated at any time by either Seller (during such time that any of either Seller owned, leased or operated such previously owned, operated and leased assets or real property).

(c) All activity to close, remove, remediate or dispose (as applicable) of any land fills, underground or aboveground storage tanks, surface impoundments, disposal areas or friable asbestos materials by either Seller and all predecessors thereto was conducted in compliance with Environmental Laws.

(d) There has not been at any time any (i) off-site shipment of any Hazardous Substances by either Seller and, to the Knowledge of Sellers, all predecessors thereto, that currently gives rise to, or could reasonably be expected to give rise to, liabilities or obligations under any Environmental Law or (ii) land fill, underground or aboveground storage tanks, underground piping, surface impoundments, disposal areas or friable asbestos material on, under, at or in any way affecting any assets or real property currently or previously owned, leased or operated by either Seller or, to the Knowledge of Sellers, any predecessors thereto, that requires any Remedial Action.

(e) No written notice, notification, demand, inquiry, request for information, citation, summons or order has been received, no complaint, claim, cause of action or governmental order has been filed, no penalty has been assessed, and as of the date of this Agreement, no investigation, action, claim, suit, proceeding or review is pending, or, to the Knowledge of Sellers, threatened in writing by any Governmental Authority or other Person relating to either Seller or any predecessor thereof and relating to or arising out of any violation of Environmental Law or Release or threatened Release of any Hazardous Substance.

(f) Neither Seller nor, to the Knowledge of Sellers, any predecessor thereto, is subject to any judgment, decision, consent decree, injunction, ruling, writ or order of any Governmental Authority with respect to matters subject to regulation under any Environmental Law.

(g) (i) Sellers have received or secured (or in the case of permits-by-rule, qualified for) in a timely manner all Permits required under Environmental Laws to conduct the Business and operate the assets and processes as currently operated, and use the assets and processes as currently used in compliance with Environmental Laws; (ii) each Permit required under Environmental Laws is set forth on Schedule 3.17(g) and is currently in full force and effect; (iii) Sellers are in compliance with the terms and conditions of each such Permit set forth on Schedule 3.17(g) (including, without limitation, any plans and sampling required thereunder); and (iv) all applications for the renewal of such Permits have been duly filed on a timely basis with the appropriate Governmental Authority, and all other filings and reports required to have been made with respect to such Permits have been duly made on a timely basis with the appropriate Governmental Authority. Neither Seller is aware of any proposed changes in Environmental Laws that requires or would require any of either Seller to obtain any further Permits required under Environmental Laws or seek to modify any such Permits currently held.

(h) The Permits set forth on Schedule 3.17(g) will not be terminated, invalidated or otherwise negatively affected as a result of the transactions contemplated by this

Agreement, and no notification of change in control, change in ownership and/or operation, permit transfer, reapplication or other communication is required to be submitted to any Governmental Authority pertaining to any such Permit as a result of the transactions contemplated by this Agreement.

(i) Neither Seller nor any predecessor thereto, has assumed by contract, agreement (including any administrative order, consent agreement, lease or sale-leaseback) or operation of law, or otherwise agreed to, an obligation to (i) indemnify or hold harmless any other Person for any violation of Environmental Law or any obligation or liability arising thereunder, or (ii) assume any liability for any Release of any Hazardous Substance, conduct any Remedial Action with regard to any Release of any Hazardous Substance or implement any institutional controls (including any deed restrictions) regarding any Hazardous Substances, and to the extent that it is subject to any such agreement set forth in clauses (i) or (ii) of this Section 3.17(i), it has no outstanding obligations.

(j) Neither Seller nor any predecessor thereto has given any release or waiver of liability that would waive or impair any claim, demand, or action related to any Release of any Hazardous Substance in, on, under, to or from any real property against a previous owner or operator of any real property or against any other Person who may be potentially responsible for such Release.

(k) Sellers have provided to Buyer complete copies and results of all environmental reports (including Phase I and Phase II environmental site assessments and letter reports), investigations, disclosures, studies, sampling results, analyses, assessments, tests, plans, and audits, regardless of whether such documents are in draft or final form, that both (i) relate to the Business and (ii) address any environmental or health and safety matters or liabilities, including those arising under any Environmental Laws or relating to the use, generation, storage, treatment, transportation, manufacture, refinement, handling, production, or Release of any Hazardous Substance.

(l) To the Knowledge of Sellers, there are no liabilities (including encumbrances or restrictions on ownership, occupancy, use, operation, or transferability), obligations, or direct or indirect debts of any nature, whether absolute, accrued, contingent, liquidated or otherwise, and whether due or to become due, of either Seller or any predecessor thereto arising under or relating to any violation of any Environmental Law or Release of any Hazardous Substance.

3.18. Labor and Employee Matters.

(a) Sellers have provided Buyer with a true and complete list of the following information for each Employee, including each Employee on leave of absence or layoff status (with benefit accruals or credits, as of the most recent month-end): (i) employer; (ii) name; (iii) job title; (iv) years of service; (v) base compensation and vacation accrued for each Employee; and (vi) the target or other bonus amount for each applicable Employee.

(b) (i) Neither Seller is a party to or otherwise bound by any collective bargaining agreement or other Contract with a labor union or labor organization in respect of any

Employees; (ii) neither Seller is the subject of any existing or, to the Knowledge of Sellers, threatened Action asserting that either Seller has committed an unfair labor practice or is seeking to compel it to bargain with any labor union or labor organization; (iii) within the last five years, no labor union or labor organization has filed or threatened to file a union representation petition against either Seller or otherwise engaged in union organizational activities with respect to Employees; and (iv) there is no pending or, to the Knowledge of Sellers, threatened, labor strike, dispute, walk-out, work stoppage, slow-down or lockout involving Seller.

(c) Each Seller is and has been in compliance with all employment agreements and other Contracts relating to employment to which either Seller is a party, and all applicable Laws respecting labor relations, employment, employment practices, workers compensation, unemployment, terms and conditions of employment and wages and hours including, without limitation, any such Laws respecting employment discrimination and occupational safety and health requirements, and has not and is not engaged in any unfair labor practice.

(d) There is no Action of any kind pending or, to the Knowledge of Sellers, proposed or threatened against either Seller relating to labor relations, employment, employment practices, workers compensation, unemployment, terms and conditions of employment or wages and hours.

(e) Neither Seller has engaged in any lay offs of employees that would trigger any notice requirements under the WARN Act or any state or local Law pertaining to employee lay offs or plant closings.

(f) Since December 31, 2012, neither Seller has changed the wage or benefit levels of its officers or employees other than changes required by applicable Laws or in the ordinary course of business.

3.19. No Adverse Change. Since December 31, 2012:

(a) Sellers have operated the Business and their properties in the ordinary course of business consistent with past practice;

(b) there has not been any Material Adverse Effect and, to the Knowledge of Sellers, no fact or condition has occurred or exists or is contemplated or threatened (other than general economic or industry conditions) that might reasonably be expected to result in any Material Adverse Effect;

(c) there has not been any single or aggregate material loss, damage, condemnation or destruction to any of the properties of either Seller (whether covered by insurance or not); and

(d) neither Seller has taken an action that, if taken after the date hereof, would require the consent of Buyer pursuant to Section 5.2.

3.20. Employee Benefit Plans.

(a) Sellers have provided Buyer with a true and complete list of all Employee Benefit Plans. Sellers have provided to Buyer correct and complete copies of (i) each Employee Benefit Plan, including all amendments to such plan, and all summary plan descriptions and other summaries of such plan; (ii) each trust agreement, annuity or insurance contract, or other funding instrument pertaining to each Employee Benefit Plan; (iii) the most recent determination letter issued by the IRS with respect to each Employee Benefit Plan that is intended to be tax-qualified and a copy of any pending applications for such IRS letters; (iv) the two most recent actuarial valuation reports for each Employee Benefit Plan for which an actuarial valuation report has been prepared; (v) the two most recent annual reports (IRS Form 5500 Series), including all schedules to such reports, if applicable, filed with respect to each Employee Benefit Plan; (vi) the most recent plan audits, financial statements and accountant's opinion (with footnotes) for each Employee Benefit Plan; (vii) all relevant schedules and reports concerning the administrative costs, benefit payments, employee and employer contributions, claims experience, financial information and insurance premiums for each Employee Benefit Plan; and (viii) all correspondence with government authorities concerning any Employee Benefit Plan (other than as previously referenced above).

(b) All benefits due under each Employee Benefit Plan have been timely paid and there is no Action, other than routine Actions for benefits, pending, or to the Knowledge of Sellers, threatened, against any Employee Benefit Plan or the fiduciaries of any such plan or otherwise involving or pertaining to any such plan, and no basis exists for any such Action.

(c) Each Employee Benefit Plan and any related trust agreement, annuity or insurance contract, or other funding instrument currently complies, and has complied in the past, both as to form and operation, with the terms of such plan and related documents and with all applicable Law, including ERISA and the Code, as well as the provisions of any applicable arrangements or documents.

(d) All contributions and payments to or with respect to each Employee Benefit Plan have been timely made and Sellers have made adequate provision for reserves to satisfy contributions and payments that have not been made because they are not yet due under the terms of such Employee Benefit Plan or related arrangement, document, or applicable law. No Employee Benefit Plan has any unfunded accrued benefits that are not fully reflected in the Financial Statements.

(e) No Employee Benefit Plan provides for any severance pay, accelerated payments, deemed satisfaction of goals or conditions, new or increased benefits, forgiveness or modification of loans, or vesting conditioned in whole or in part upon a change in control of Sellers or any plant closing.

(f) No agreement, commitment, or obligation exists to increase any benefits under any Employee Benefit Plan or to adopt any new plan that would be an Employee Benefit Plan.

(g) Neither Seller nor any ERISA Affiliate maintains, participates in, contributes to, or has any obligation to contribute or any liability with respect to any Multiemployer Plan, or has had any obligation with respect to such a plan during the six years immediately preceding the date of this Agreement.

(h) No audit or investigation by any Governmental Authority is pending, or to the Knowledge of Sellers, threatened, regarding any Employee Benefit Plan, and no party dealing with any Employee Benefit Plan has engaged in any prohibited transactions (within the meaning of Section 406 of ERISA or Section 4975 of the Code) or any breach of fiduciary duty.

(i) Each Employee Benefit Plan that is intended to be a tax-qualified plan is so qualified, in both form and operation, has received one or more IRS determination letters to such effect, and no facts exist that could cause the qualified status of such Employee Benefit Plan to be adversely affected.

(j) No Employee Benefit Plan provides welfare benefits to any former employee or the dependents of beneficiaries of any former employee other than those benefits required under Section 4980B of the Code and Sections 601 *et seq*. of ERISA. No Employee Benefit Plan is funded by a trust intended to be exempt from taxation under Section 501(c)(a) of the Code.

(k) With respect to each Employee Benefit Plan and any other similar arrangement or plan either currently or previously terminated, maintained, or contributed to by either Seller or any ERISA Affiliate, no event has occurred and no condition exists that after the Closing could subject either Seller or Buyer, directly or indirectly, to any liability (including liability under any indemnification agreement) under Section 412, 413, 4971, 4975, or 4980B or the Code or Section 302, 502, 515, 601, 606, or Title IV of ERISA.

(l) No audit or investigation by any Governmental Authority is pending, or to the Knowledge of Sellers, threatened, regarding any Employee Benefit Plan.

3.21. Sellers' Brokers' Fees. Neither Seller has any liability for any brokers' or finders' fees or any similar fees in connection with the transactions contemplated hereby or has retained any broker or other intermediary to act on its or his behalf in connection with the transactions contemplated by this Agreement.

ARTICLE IV
REPRESENTATIONS AND WARRANTIES OF BUYER

Buyer hereby represents and warrants to Sellers as follows:

4.1. Organization of Buyer. Buyer is a limited liability company duly incorporated, validly existing and in good standing under the laws of the Commonwealth of Virginia.

4.2. Authorization; Enforceability. Buyer has the full limited liability company power and authority to execute and deliver this Agreement and the other documents and instruments required hereby and to perform its obligations under this Agreement and the other documents and instruments required hereby. The execution and delivery by Buyer of this Agreement and

each other document and instrument required hereby to be executed and delivered by it, the performance by Buyer of its obligations hereunder and thereunder and the consummation by Buyer of the transactions contemplated hereby and thereby have been duly and validly authorized by all necessary limited liability company action on the part of Buyer and no other limited liability company proceedings on the part of Buyer are required to authorize this Agreement or any of the documents or instruments required hereby or for Buyer to consummate the transactions contemplated hereby or thereby. This Agreement is, and the other documents and instruments required hereby to which Buyer is a party will be, when executed and delivered by Buyer, the valid and binding obligation of Buyer enforceable against Buyer in accordance with their respective terms, except as such enforceability may be limited by (a) bankruptcy, insolvency, reorganization, moratorium or similar laws relating to or affecting generally the enforcement of creditors' rights and (b) the availability of equitable remedies (whether in a proceeding in equity or at law).

4.3. No Violation or Conflict.

(a) The execution, delivery and performance by Buyer of this Agreement and all of the other documents and instruments contemplated hereby to which Buyer is party do not and will not:

(i) violate the organizational documents of Buyer;

(ii) violate, conflict with or result in a breach of or default under, any provision of, or constitute an event that, after notice or lapse of time or both, would result in a violation of, conflict with, breach of or default under, or accelerate the performance required under, any Contract to which Buyer is a party or by which any of Buyer's assets are bound;

(iii) violate, conflict with or result in a breach of or default under any provision of or constitute an event that, after notice or lapse of time or both, would result in a violation of, conflict with, breach of or default under any applicable Law, judgment, order or decree binding upon or applicable to Buyer.

(b) No notice to, filing or registration with, or authorization, consent or approval of, any Governmental Authority or any other Person is necessary or is required to be made or obtained by Buyer in connection with the execution and delivery of this Agreement or the consummation of the transactions contemplated hereby.

4.4. Litigation. There is no Action or Governmental Order of any kind pending that involves Buyer and that seeks restraint, prohibition, damages or other relief in connection with this Agreement or the consummation of the transactions contemplated hereby.

4.5. Buyer's Brokers Fees. Buyer has no liability for any brokers' or finders' fees or any similar fees in connection with the transactions contemplated hereby or has not retained any brokers or other intermediaries to act on its behalf in connection with the transactions contemplated by this Agreement.

ARTICLE V
CERTAIN COVENANTS AND OTHER MATTERS PENDING THE CLOSING

5.1. Conduct of the Business Prior to Closing. From the date hereof through the Closing Date, Sellers will conduct the Business in the ordinary course and in accordance with the past practice of Sellers and shall not take any action inconsistent therewith, except as otherwise expressly permitted by this Agreement or consented to by Buyer in writing. Without limiting the generality of the foregoing, Sellers shall:

(a) make timely capital expenditures in accordance with its capital expenditure budget;

(b) use commercially reasonable efforts to preserve and protect the goodwill and advantageous relationships of Sellers with their respective suppliers, customers and all other Persons having business dealings with Sellers and promptly advise Buyer in writing of any Material Adverse Effect that has occurred or which Sellers reasonably believe will occur;

(c) perform its obligations under the Construction Contracts in a timely manner and consistent with established budgets pertaining to such Construction Contracts;

(d) maintain Sellers' books, accounts and records in the usual and regular manner, in accordance with GAAP consistently applied and in compliance with all applicable Laws;

(e) preserve and maintain in force all of the Permits, Leases, and other Material Contracts in effect on the date of execution of this Agreement, or that become effective at any time on or prior to the Closing Date;

(f) comply with all Laws applicable to Sellers;

(g) maintain the Purchased Assets in good working order and repair (ordinary wear and tear excepted), consistent with past practice;

(h) pay, or where appropriate to accrue, all Taxes, assessments and other charges imposed by Law or any Governmental Authority upon Sellers, or any of its properties or assets, when due and before any penalty or interest accrues thereon, unless the validity of the imposition is being contested in good faith by appropriate proceedings and adequate reserves for such contingency have been set aside; and

(i) maintain the Insurance Policies in force on the same terms and conditions currently existing.

5.2. Negative Covenants. From the date hereof through the Closing Date, Sellers will not, except as otherwise permitted by this Agreement or consented to by Buyer in writing:

(a) amend the organization documents of either Seller (whether by merger, consolidation or otherwise);

(b) sell, lease or otherwise transfer, or create or incur any Lien (other than Permitted Liens) on, any Purchased Assets, other than in the ordinary course of business consistent with past practice;

(c) create, incur, assume, suffer to exist or otherwise be liable with respect to any Indebtedness, other than the incurrence of Indebtedness in the ordinary course of business consistent with past practice;

(d) adopt, establish, enter into, amend or terminate, or increase the benefits under, any Employee Benefit Plan, or other employee benefit, plan, practice, program, policy or Contract that would be an Employee Benefit Plan if in effect on the date of this Agreement, in any case other than in the ordinary course of business, as may be required by the terms of such Employee Benefit Plan or other plan, practice, program, policy or Contract, as may be required by applicable Law or in order to qualify under Sections 401 and 501 of the Code or Section 409A of the Code or pursuant to the terms of this Agreement;

(e) make any change in employment terms for any current or former directors, managers, officers or employees who are or were employed or otherwise engaged by either Seller (including, without limitation, increases, or promises of increases, in compensation or fringe benefits), or hire or terminate any director, manager, officer or other employee, other than in the ordinary course of business or consistent with past practice and other than actions required by applicable Law or under a Contract in effect as of the date hereof;

(f) enter into or adopt any Contract not in existence as of the date hereof that would constitute a Material Contract, Construction Contract, Performance Bond or Lease other than in the ordinary course of business; (ii) modify, amend, cancel or terminate any existing Material Contract, Construction Contract, Performance Bond or Lease except to the extent required by Law or by the terms of such Material Contract, Construction Contract, Performance Bond or Lease other than in the ordinary course of business; or (iii) take, or fail to take, any action that constitutes a material breach or default under any Material Contract, Construction Contract, Performance Bond or Lease;

(g) accelerate collection of, or discount, Accounts Receivable, other than in the ordinary course of business, or change any methods of accounting, except in the ordinary course of business consistent with past practice or as may be required by Law or changes in GAAP;

(h) delay the payment of accounts payable or Indebtedness in a manner inconsistent with past practices;

(i) make any material Tax election, except as may be required by applicable Law or as consistent with Tax elections historically made by either Seller;

(j) make any capital investment in, any loan to, or any acquisition of the securities or assets of any other Person other than in the ordinary course of business;

(k) make any commitments for capital expenditures other than in the ordinary course of business;

(l) discharge, settle or satisfy any disputed claim, litigation, arbitration, disputed liability or other controversy (absolute, accrued, asserted or unasserted, contingent or otherwise), including any liability for Taxes, or waive any material benefits of, or agree to modify in any material respect, any confidentiality, standstill or similar agreements to which either Seller is a party other than in the ordinary course of business;

(m) cause or permit the termination, lapse or material modification of any Insurance Policies covering the Purchased Assets; or

(n) agree to do any of the foregoing.

5.3. Access. From the date hereof through the Closing Date, Buyer and Buyer's authorized agents, officers and representatives shall have reasonable access to the books and records, the managers, officers and employees of Sellers, the Leased Real Property (including the Facilities thereon) used in the operation of the Business, contractors used in the operation of the Business and any documents, books, records and other materials that have relevance to the Assets, the Contracts or the operation of the Business; provided, however, that such examinations, investigations and interviews shall be conducted during Sellers' normal business hours and shall not unreasonably interfere with Sellers' operations and activities.

5.4. Cooperation; Commercially Reasonable Efforts. Upon the terms and subject to the conditions set forth in this Agreement, each of the parties hereto agrees to use commercially reasonable efforts to take, or cause to be taken, all actions, and to do, or cause to be done, and to assist and cooperate with the other party in doing all things necessary, proper or advisable to consummate, in the most expeditious manner practicable, the transactions contemplated by this Agreement and the transactions contemplated hereby, including (i) obtaining all necessary notifications, actions or non-actions, waivers, consents and approvals from all Governmental Authorities and making all necessary registrations and filings (including filings with Governmental Authorities) and taking all steps as may be necessary to obtain an approval or waiver from, or to avoid an action or proceeding by, any Governmental Authority and (ii) obtaining the release of Sellers from any liability under the Performance Bonds listed on Schedule 3.7(c) that are associated with Construction Contracts that are Assumed Contracts.

5.5. No Negotiation. Until such time as this Agreement shall be terminated pursuant to Article IX, neither Sellers, nor their Affiliates nor any of their respective managers, members, officers, employees, agents and representatives will, directly or indirectly solicit, initiate, encourage or entertain any inquiries or proposals from, discuss or negotiate with, provide any information to, or consider the merits of any inquiries or proposals from, any Person (other than Buyer) relating to any business combination transaction involving either Seller or the Business, including the sale of the Business or any of the Purchased Assets, or the sale or transfer (directly or indirectly) of any ownership interests in either Seller. In consideration for the substantial expenditures of time, effort and expense to be undertaken by Buyer in connection with the preparation and execution of this Agreement, Sellers and Buyer agree that money damages would not be a sufficient remedy for any breach of this Section 5.5 by Sellers, with respect to itself or any of the other Persons described above, and that, in addition to all other remedies, Buyer shall be entitled to seek specific performance and injunctive or other equitable relief as a remedy for any breach of this Section 5.5.

5.6. Publicity. All general notices, releases, statements and communications to members, employees, suppliers, distributors and customers of Sellers and to the general public, and the press relating to the transactions covered by this Agreement, shall be made only at such times and in such manner as shall be mutually agreed upon by Buyer and Sellers; provided that Sellers or Buyer shall be entitled to make a public announcement of the proposed transaction if, in the opinion of its legal counsel, such announcement is required to comply with applicable Law (including any rule of any securities exchange on which a party's securities are traded) or obligations pursuant to this Agreement.

ARTICLE VI
CONDITIONS PRECEDENT TO THE OBLIGATIONS OF BUYER

Each and every obligation of Buyer to be performed on the Closing Date shall be subject to the satisfaction prior to or at the Closing of the following express conditions precedent:

6.1. Representations and Warranties. Each of the representations and warranties of Sellers contained in this Agreement that is qualified by materiality shall be true and correct on and as of the Closing Date as if made on and as of such date (other than representations and warranties which address matters only as of a certain date which shall be true and correct as of such certain date), and each of the representations and warranties that is not so qualified by materiality shall be true and correct in all material respects on and as of the Closing Date as if made on and as of such date (other than representations and warranties which address matters only as of a certain date which shall be true and correct in all material respects as of such certain date).

6.2. Compliance with Agreement. Sellers shall have performed and complied in all material respects with all of its obligations under this Agreement, which are to be performed or complied with by it prior to or on the Closing Date.

6.3. No Litigation. No investigation, suit, action or other proceeding shall be threatened or pending before any court or governmental agency that seeks restraint, prohibition, damages or other relief in connection with this Agreement or the consummation of the transactions contemplated hereby.

6.4. No Material Adverse Effect. Since the date of this Agreement, there shall not have been a Material Adverse Effect.

6.5. Required Consents. Sellers shall have obtained in writing and shall have delivered to Buyer all of the consents set forth on Schedule 3.3(b) (the "Required Consents"), in form and substance reasonably satisfactory to Buyer and Buyer's legal counsel.

6.6. Permits. With respect to each Permit listed on Schedules 3.16(a) and 3.17(g), (a) to the extent transferable and required to be transferred on or prior to the Closing, such Permit shall have been transferred to Buyer on or prior to the Closing or Buyer shall have otherwise obtained such Permit or (b) Sellers shall have filed with the appropriate Governmental Authorities all documentation required to be so filed by Sellers so that such Permit will be transferred (to the extent transferable) to, or obtained by, Buyer after the Closing so as to allow Buyer to operate the Business after the Effective Time.

6.7. Payoff Letters. Sellers shall have delivered to Buyer payoff letters duly executed by the agents under the Indebtedness of Sellers (i) indicating that all outstanding obligations of Sellers arising under or related to the Indebtedness has been repaid and extinguished in full and all Liens on the Purchased Assets have been released, and (ii) agreeing to deliver Uniform Commercial Code Termination Statements and such other documents or endorsements necessary to release of record its Liens on the Purchased Assets.

6.8. Deliveries at Closing. Sellers shall have delivered to Buyer the following documents, each properly executed and dated as of the Closing Date by the appropriate parties, as applicable, and in form and substance reasonably acceptable to Buyer:

(a) copies of the resolutions duly adopted by the board of directors and shareholders of each Seller authorizing the execution and delivery of this Agreement and the consummation of the transactions contemplated hereby, certified as true, correct and unmodified as of the Closing by the corporate secretary (or equivalent) of each Seller;

(b) good standing certificates (or the equivalent) of each Seller;

(c) the duly executed Bill of Sale;

(d) a duly executed counterpart of the Assignment and Assumption Agreement executed by Sellers;

(e) Sellers' Closing Certificate;

(f) a release of all Liens secured by the Purchased Assets;

(g) one or more duly executed counterpart Leased Real Property Assignment and Assumption Agreements executed by Buyer and the owner of the Leased Real Property;

(h) a completed IRS Form W-9 and an affidavit, in compliance with Section 1445(b)(2) of the Code and the Treasury Regulations thereunder from each Seller that such Seller is not a foreign person; and

(i) such other documents and certificates as Buyer shall reasonably request.

ARTICLE VII
CONDITIONS PRECEDENT TO THE OBLIGATIONS OF SELLERS

Each and every obligation of Sellers to be performed on the Closing Date shall be subject to the satisfaction prior to or at the Closing of the following express conditions precedent:

7.1. Representations and Warranties. Each of the representations and warranties of Buyer contained in this Agreement that is qualified by materiality shall be true and correct on and as of the Closing Date as if made on and as of such date (other than representations and warranties which address matters only as of a certain date which shall be true and correct as of such certain date) and each of the representations and warranties that is not so qualified by materiality shall be true and correct in all material respects on and as of the Closing Date as if

made on and as of such date (other than representations and warranties which address matters only as of a certain date which shall be true and correct in all material respects as of such certain date).

7.2. Compliance with Agreement. Buyer shall have performed and complied in all material respects with all of its obligations under this Agreement that are to be performed or complied with by it prior to or on the Closing Date.

7.3. No Litigation. No investigation, suit, action or other proceeding shall be threatened or pending before any court or governmental agency that seeks restraint, prohibition, damages or other relief in connection with this Agreement or the consummation of the transactions contemplated hereby.

7.4. Deliveries at Closing. Buyer shall have delivered to Sellers the Purchase Price payable at Closing in accordance with Section 2.2(b) and the following documents, each properly executed and dated as of the Closing Date, and in form and substance reasonably acceptable to Sellers:

(a) copies of the resolutions duly adopted by the sole member of Buyer authorizing the execution and delivery of this Agreement and the consummation of the transactions contemplated hereby, certified as true, correct and unmodified as of the Closing date by the corporate secretary (or equivalent) of Buyer;

(b) a good standing certificate (or the equivalent) of Buyer;

(c) a duly executed counterpart of the Escrow Agreement executed by Buyer;

(d) a duly executed counterpart of the Assignment and Assumption Agreement executed by Buyer;

(e) Buyer’s Closing Certificate; and

(f) such other documents and certificates as Sellers shall reasonably request.

ARTICLE VIII
INDEMNITIES AND ADDITIONAL COVENANTS

8.1. Survival of Representations, Warranties, Covenants and Obligations. All representations and warranties in this Agreement shall survive the Closing for a period of one year, and all covenants and obligations in this Agreement shall survive the Closing and the consummation of the transactions contemplated hereby in accordance with their terms. The right of any Person to indemnification, reimbursement or other remedy based upon such representations, warranties, covenants and obligations shall not be affected by any investigation (including any environmental investigation or assessment) conducted with respect to, or any knowledge of any Person acquired at any time, whether before or after the execution and delivery of this Agreement or the Closing Date, with respect to, the accuracy or inaccuracy of or compliance with any such representation, warranty, covenant or obligation. The waiver by any Person of any condition based upon the accuracy of any representation or warranty, or on the

performance of or compliance with any covenant or obligation, will not affect the right of such Person or any other Person to indemnification, reimbursement or other remedy based upon such representations, warranties, covenants and obligations. Notwithstanding anything to the contrary in this Article VIII, if prior to the close of business on the last day of any claims period described in Sections 8.2(b) and 8.3(a), an indemnifying party shall have been properly notified of a claim for indemnity hereunder and such claim shall not have been finally resolved or disposed of at such date, such claim shall continue to survive and shall remain a basis for indemnity hereunder until such claim is finally resolved or disposed of in accordance with the terms hereof.

8.2. Sellers' Indemnity.

(a) Each Seller shall, jointly and severally, indemnify and hold Buyer and its officers, directors, employees, shareholders, agents, representatives and Affiliates (collectively, the "Buyer Indemnified Parties") harmless from and against, and agree to defend promptly Buyer Indemnified Parties from, and reimburse Buyer Indemnified Parties for, any and all losses, damages costs, expenses, Taxes, liabilities, obligations, Actions and Claims of any kind, including, without limitation, reasonable attorneys' fees and other reasonable legal costs and expenses (hereinafter referred to collectively as "Losses"), that Buyer Indemnified Parties may at any time suffer or incur, or become subject to, as a result of or in connection with:

(i) any breach or inaccuracy of any of the representations and warranties made by Sellers in this Agreement or any other agreement or instrument delivered by Sellers pursuant hereto; provided, however, that for purposes of determining the amount of Losses subject to indemnification under this Article VIII, such representations and warranties shall be construed as if they were not qualified by the terms "material" or "Material Adverse Effect" or other terms of similar import or effect;

(ii) any failure of Sellers to carry out, perform, satisfy and discharge any of their covenants, agreements, undertakings, liabilities or obligations under this Agreement or under any of the agreements and instruments delivered by the Sellers pursuant to this Agreement; and

(iii) the Retained Liabilities.

(b) The Buyer Indemnified Parties shall have the right to be indemnified, held harmless from, defended or reimbursed under Section 8.2(a)(i) in respect of the representations and warranties made by Sellers only if such right is asserted with respect to a specified breach or inaccuracy (whether or not such Losses have actually been incurred) on or before one year from the date of Closing after which such representation and warranty shall terminate subject to the final sentence of Section 8.1.

(c) In the event a third-party claim against Buyer Indemnified Parties arises that is covered by the indemnity provisions of Section 8.2(a) of this Agreement, notice shall be given promptly by Buyer Indemnified Parties to the Sellers. The Sellers shall have the right to contest and defend, by all appropriate legal proceedings, such claim and to control all settlements (unless Buyer Indemnified Parties agree to assume the cost of settlement and to forgo such indemnity or the Sellers, cannot provide reasonable assurance to Buyer Indemnified Parties of

its or their, as applicable, financial capacity to defend such claim and provide indemnification with respect to such claim) and to select lead counsel to defend any and all such claims at the sole cost and expense of the Sellers; provided, however, that such assumption by the Sellers shall establish a rebuttable presumption that such claim is covered by the indemnity provisions of Section 8.2(a) ; provided further, that the Sellers may not effect any settlement without Buyer Indemnified Parties' prior written consent unless (i) there is no finding or admission of any violation of Law or any violation of the rights of any Buyer Indemnified Party; (ii) the sole relief provided is monetary damages that are paid in full by the Sellers; and (iii) such settlement contains as an unconditional term thereof, the full and complete release by the claimant of Buyer Indemnified Parties. Buyer Indemnified Parties may select counsel to participate in any defense, in which event Buyer Indemnified Parties' counsel shall be at its own cost and expense. In connection with any such claim, action or proceeding, the parties shall cooperate with each other and provide each other with access to relevant documents, books and records in their possession.

(d) The Sellers shall have no liability for any Losses under Section 8.2(a)(i):

(i) unless and until the amount of all Losses for which indemnification is sought by Buyer Indemnified Parties thereunder exceeds the Indemnification Basket, in which case all amounts sought by Buyer Indemnified Parties thereunder (including the Indemnification Basket amount) shall be subject to indemnification; and

(ii) from and after such time that the aggregate amount of Losses for which indemnification is sought by Buyer Indemnified Parties thereunder exceeds the Indemnification Cap.

(e) Any payment received by Buyer pursuant to this Section 8.2 shall be treated by the parties for federal, state, local and foreign income Tax purposes as a Purchase Price adjustment unless otherwise required by applicable law.

8.3. Buyer's Indemnity.

(a) From and after the Closing Date, Buyer hereby indemnifies and holds Sellers and its officers, directors, employees, agents, representatives and Affiliates (collectively, the "Seller Indemnified Parties") harmless from and against, and agrees to defend promptly Seller Indemnified Parties from and reimburse Seller Indemnified Parties for, any and all Losses that Seller Indemnified Parties may at any time suffer or incur, or become subject to, as a result of or in connection with: (i) any breach or inaccuracy of any of the representations and warranties made by Buyer in this Agreement or any other agreement or instrument delivered by Buyer pursuant hereto; provided, however, that for purposes of determining the amount of Losses subject to indemnification under this Article VIII, such representations and warranties shall be construed as if they were not qualified by the term "material" or other terms of similar import or effect; (ii) any failure by Buyer to carry out, perform, satisfy and discharge any of its covenants, agreements, undertakings, liabilities or obligations under this Agreement or under any of the agreements and instruments delivered by Buyer pursuant to this Agreement; (iii) any breach by Buyer under any Construction Contract that is an Assumed Contract that occurs after the Effective Time in respect of Performance Bonds listed on Schedule 3.7(c) that are associated with such Construction Contracts; provided, however, that, subject to the final sentence of

Section 8.1, Seller Indemnified Parties shall have no right to be indemnified, held harmless from, defended or reimbursed under Section 8.3(a) unless such right is asserted (whether or not such Losses have actually been incurred) on or before one year after the Closing Date.

(b) In the event a third-party claim against Seller Indemnified Parties arises that is covered by the indemnity provisions of Section 8.3(a) of this Agreement, notice shall be given promptly by Sellers to Buyer. Buyer shall have the right to contest and defend by all appropriate legal proceedings such claim and to control all settlements (unless Sellers agree to assume the cost of settlement and to forgo such indemnity or Buyer cannot provide reasonable assurance to Sellers of its financial capacity to defend such claim and provide indemnification with respect to such claim) and to select lead counsel to defend any and all such claims at the sole cost and expense of Buyer; provided, however, that such assumption by Buyer shall establish a rebuttable presumption that such claim is covered by the indemnity provisions of Section 8.3(a); provided, further, that Buyer may not effect any settlement without Sellers' prior written consent unless (i) there is no finding or admission of any violation of Law or any violation of the right of any Person by any Seller Indemnified Party; (ii) the sole relief provided is monetary damages that are paid in full by Buyer; and (iii) such settlement contains as an unconditional term thereof the full and complete release by the claimant of Seller Indemnified Parties. Sellers may select counsel to participate in any defense, in which event such counsel shall be at the sole cost and expense of Seller Indemnified Parties. In connection with any such claim, action or proceeding, the parties shall cooperate with each other and provide each other with access to relevant books and records in their possession.

8.4. Liabilities for Taxes in Straddle Periods. For purposes of this Agreement, whenever it is necessary to determine the liability for Taxes with respect to the Purchased Assets for any Straddle Tax Period, (i) all Taxes calculated on a basis other than sales, gross receipts, net income, or any other income statement item, shall be apportioned between the Pre-Closing Tax Period and the Post-Closing Tax Period based on the number of days of such Taxable period included in the Pre-Closing Tax Period and Post-Closing Tax Period, respectively, and (ii) all other Taxes shall be allocated between the Pre-Closing Tax Period and the Post-Closing Tax Period periods on a "closing of the books basis" by assuming that the books of the relevant entity were closed at the end of the Closing Date; provided, however, that exemptions, allowances, deductions or Taxes that are calculated on an annual basis, such as the deduction for depreciation, shall be apportioned between such periods on a daily basis as applicable. For purposes of this Agreement, all Taxes incurred with respect to the Purchased Assets with respect to any taxable period (or portion thereof) that ends before or on the Closing Date (including, without limitation, any income, gain, loss, or deduction resulting from the sale by Sellers of the Purchased Assets pursuant to this Agreement and the portion of any personal property, real property or ad valorem Taxes allocable to a taxable period (or portion thereof) ending before or on the Closing Date) shall be a liability of Sellers, and any such Taxes incurred with respect to the Purchased Assets for any taxable period (or portion thereof) that begins after the Closing Date shall be a liability of Buyer.

8.5. Books and Records; Further Assurances.

(a) After the Closing, Buyer will authorize and permit Sellers and its representatives, at Sellers' sole cost and expense, to have access during normal business hours,

upon reasonable notice and for a legitimate business purpose relating to Sellers' operation of Sellers prior to the Closing and in such manner as will not unreasonably interfere with the conduct of Buyer's business, to those books and records that relate solely to Sellers' operation of Sellers prior to the Closing and that are reasonably necessary for Sellers' legitimate business purpose.

(b) Following the Closing, the parties hereto agree that, from time to time, each of them will execute and deliver such further instruments of conveyance and transfer and take such other actions as may be necessary to carry out the purposes and intents of this Agreement. Without limiting the generality of the foregoing, the parties hereto agree that Sellers shall cooperate with Buyer and use commercially reasonable efforts to assist Buyer in obtaining those Required Consents, if any, that were not obtained by or transferred to Buyer on or prior to the Closing Date.

(c) Sellers agree to make available to Buyer records in the custody of Sellers, to furnish other information and otherwise to cooperate to the extent reasonably required for (i) the preparation, filing or audit of or other proceeding with respect to any Tax Return relating to the Purchased Assets or the Business or (ii) compliance with GAAP. Sellers agree to cooperate with Buyer, and Buyer agrees to cooperate with Sellers, to the extent necessary in connection with the filing of any Tax Return relating to the transactions contemplated hereby. Notwithstanding any other provision of this Agreement, the covenants and obligations set forth in this Section 8.5(c) shall survive until, and any claim for indemnification with respect thereto must be made prior to, the expiration of the applicable statute of limitations with respect to the underlying Tax claim (including any valid extensions).

8.6. Use of "Armada/Hoffler" Name. Within 10 Business Days after the Closing, Sellers will file with the appropriate Governmental Authority an amendment to each Seller's articles of incorporation changing the names of each Seller to new name not confusingly similar to its current name, as mutually agreed by Buyer and Sellers. Sellers further agree, as soon as practicable after Closing, to file such other documents as are necessary to notify each jurisdiction in which Sellers are qualified or licensed as foreign corporations of each Seller's respective name change. Sellers agree that from and after the Closing, they shall not use the name "Armada/Hoffler" or any confusingly similar names. Sellers agree that as soon as practicable after the Closing, they shall file with all appropriate Governmental Authorities such documents as are necessary to relinquish all rights to the use of the assumed names "Armada/Hoffler."

8.7. Employment Matters.

(a) Buyer and Sellers agree that Sellers shall be solely responsible for all liabilities or obligations with respect to the employment by Sellers of the Employees and any former employees of Sellers, including but not limited to any claims by an Employee or former employee arising from his or her employment by a Seller or from the termination of his or her employment by a Seller. Without limiting the generality of the foregoing sentence, Sellers shall be solely responsible for Sellers' employment of the Employees and former employees or the termination of such employment, including with respect to (i) all liabilities, obligations and

claims arising from any employment agreement, collective bargaining agreement, severance policy or agreement, bonus or vacation policy or agreement; (ii) all liabilities, obligations and claims arising under the Employee Benefit Plans; (iii) all liabilities, obligations and claims arising under any employment policy of Sellers or any applicable state or federal labor or employment Law (including but not limited to all Laws pertaining to discrimination, workers' compensation, unemployment compensation, occupational safety and health, unfair labor practices, family and medical leave, and wages, hours or employee benefits; and (iv) any grievances, arbitrations or unfair labor practice charges relating to any applicable collective bargaining agreement or labor-related Law. Buyer agrees that it will hire a sufficient number of Sellers' employees to prevent the application of the WARN Act.

(b) Sellers and the Employee Benefit Plans that are "group health plans" as defined in Treasury Regulation § 54.4980B-2 shall be solely responsible for complying with the requirements of Part 6 of Subtitle B of Title I of ERISA and Section 4980B of the Code for any individual who is an "M&A qualified beneficiary" as defined in Q/A-4 of Treasury Regulation § 54.4980B-9 as a result of the transactions contemplated by this Agreement and any other Employee, former employee or "qualified beneficiary" as defined in Treasury Regulation § 54.4980B-3 who has a "qualifying event" as defined in Treasury Regulation § 54.4980B-4 on or before the Closing Date.

(c) Sellers shall terminate, as of the Closing, the employment of all of the Employees identified on Schedule 8.7(c). Sellers shall satisfy all compensation, severance pay, bonus and vacation payments and other obligations under the Employee Benefit Plans, the employment policies of Sellers or applicable Law with respect to such Employees (as well as for all Employees or former employees who are not listed on Schedule 8.7(c)) and their respective dependents and beneficiaries.

(d) Buyer hereby advises Sellers that Buyer expects to offer employment, effective on the Closing Date, to all those employees of Sellers identified on Schedule 8.7(c) who are actively at work immediately before the Closing and who satisfy Buyer's standard pre-employment screening process and criteria. Each such Employee who receives an offer of employment from Buyer and who satisfies Buyer's standard pre-employment screening process and criteria and who accepts such offer is referred to as a "Transferred Employee." Buyer shall not assume any liability with respect to any Employee (or his or her dependents and beneficiaries) who does not become a Transferred Employee.

(e) After the Closing Date and until the date that is six months after the Closing Date (i) each Transferred Employee shall receive a base salary or base hourly wage that is, in the aggregate, substantially similar to the base salary or base hourly wage that the Transferred Employee received from Seller immediately before the Closing, (ii) each Transferred Employee and his or her eligible dependents or beneficiaries shall be eligible to participate in the employee benefit plans made available to other similarly situated employees of Buyer and its Affiliates (the "Buyer Benefit Plans"); provided, however, that no Transferred Employee shall be eligible to participate in a defined benefit pension plan and (iii) each Transferred Employee and his or her eligible dependents or beneficiaries shall be eligible to participate in a "group health plan" as defined in Treasury Regulation § 54.4980B-2 effective as of the Closing Date without any waiting period or pre-existing condition exclusion. Buyer Benefit Plans shall recognize each

Transferred Employee's service with Sellers for purposes of eligibility to participate and vesting; provided, that such service will not be recognized to the extent that the crediting of such service would result in a duplication of benefits or to the extent that such service is not recognized under the corresponding Employee Benefit Plan.

(f) Buyer and Buyer Benefit Plan that is a "group health plan" as defined in Treasury Regulation § 54.4980B-2 shall be responsible for complying with the requirements of Part 6 of Title I of ERISA and Section 4980B of the Code for any Transferred Employee or "qualified beneficiary" as defined in Treasury Regulation § 54.4980B-3 who has a "qualifying event" as defined in Treasury Regulation § 54.4980B-4 after the Closing Date.

(g) The provisions of this Section 8.7 are for the sole benefit of the parties to this Agreement and nothing herein, express or implied, is intended or shall be construed to confer upon or give to any person (including, for the avoidance of doubt, any Employee or any dependent or beneficiary of an Employee), other than the parties hereto and their respective permitted successors and assigns, any legal or equitable or other rights or remedies under or by reason of any provision of this Agreement. Nothing contained herein, express or implied (i) shall be construed to establish, amend or modify any benefit plan, program, agreement or arrangement (including, without limitation, any Employee Benefit Plan or any Buyer Benefit Plan); (ii) shall alter or limit a Seller's or Buyer's ability to amend, modify or terminate any benefit plan, program, agreement or arrangement (including without limitation, any Employee Benefit Plan or any Buyer Benefit Plan) or (iii) is intended to confer upon any current or former employee any right to employment or continued employment for any period of time by reason of this Agreement, or any right to a particular term or condition of employment.

8.8. Insurance Matters. Prior to the Closing, Sellers have maintained the Insurance Policies for the benefit of Sellers and the Business provided by third-party insurers for liabilities of Sellers (the "Existing Liabilities") arising out of occurrences on or prior to the Effective Time (the "Insurance Coverage"). Sellers shall take commercially reasonable action to maintain the Insurance Coverage after the Closing for the benefit of the Buyer and not to voluntarily relinquish or terminate such Insurance Coverage. To the extent that any claim, loss or damage with respect to such Existing Liabilities that arises out of any matter, act, event, omission, occurrence, fact or circumstance existing or occurring on or prior to the Effective Time is made against Buyer, and the Insurance Coverage by its terms applies to such claim, loss or damage (any such claim, loss or damage, an "Insurance Coverage Claim"), upon Buyer's request, Sellers shall submit such Insurance Coverage Claim upon becoming aware thereof to the insurer under the applicable Insurance Policy for potential payment, and shall use commercially reasonable efforts to obtain the maximum recovery from the provider of the related Insurance Coverage. In addition, Sellers agree to cooperate with Buyer and to use commercially reasonable efforts to make the benefits of the Insurance Coverage available to Buyer (subject to the terms and conditions of such Insurance Coverage) and use commercially reasonably efforts to continue, from and after the Closing, to process such Insurance Coverage Claims in the ordinary course of business in substantially the same manner as similar claims were processed prior to the Closing. In case of the dissolution of either Seller, such Seller will use commercially reasonably efforts to obtain, prior to such dissolution, the written consent of the applicable Seller's insurance carriers with respect to such Insurance Coverage permitting Buyer to seek recovery under such Insurance Coverage for any claim, loss or damage that arises out of any matter, act, event,

omission, occurrence, fact or circumstance existing or occurring on or prior to the Effective Time. Furthermore, Sellers shall use commercially reasonably efforts to name Buyer as an additional named insured with respect to any post-closing claim, loss or damage against or to Buyer that arises out of any matter, act, event, omission, occurrence, fact or circumstance existing or occurring on or prior to the Effective Time. In the event that (i) either Seller receive any proceeds of the Insurance Coverage with respect to any Insurance Coverage Claims thereunder and (ii) such claim has been paid by the Buyer, such Seller shall promptly pay or reimburse the Buyer with respect to the amount so paid by the Buyer. Notwithstanding the foregoing, this Section 8.8 is not intended to, and shall not, impair or limit the indemnification rights of Buyer Indemnified Parties and Seller Indemnified Parties under Article VIII hereof.

ARTICLE IX
TERMINATION

9.1. Termination.

(a) This Agreement may be terminated and the transactions contemplated hereby may be abandoned only as follows:

(i) at any time prior to the Closing by mutual written agreement of Sellers and Buyer;

(ii) by Sellers or Buyer, upon written notice to the other party or parties, if the Closing Date shall not have occurred on or before June 15, 2013 other than as a result of a breach by the party seeking to terminate this Agreement of any covenant or agreement contained in this Agreement, and such condition is not waived;

(iii) by Buyer, upon written notice to Sellers, if any condition to the obligations of Buyer hereunder becomes incapable of fulfillment other than as a result of a breach by Buyer of any covenant or agreement contained in this Agreement, and such condition is not waived by Buyer;

(iv) by Sellers, upon written notice to Buyer, if any condition to the obligations of Sellers hereunder becomes incapable of fulfillment other than as a result of a breach by Sellers of any covenant or agreement contained in this Agreement, and such condition is not waived by Sellers;

(v) by Buyer, upon written notice to Sellers, if there shall be a material breach by Sellers of any representation or warranty, or any covenant or agreement, contained in this Agreement that would result in a failure of any condition to the obligations of Buyer hereunder and which breach cannot be cured or has not been cured by the earlier of (x) the date set forth in Section 9.1(a)(ii) and (y) 10 days after the giving of written notice to Sellers of such breach; or

(vi) by Sellers, upon written notice to Buyer, if there shall be a material breach by Buyer of any representation or warranty, or any covenant or agreement, contained in this Agreement that would result in a failure of any condition to the obligations of Sellers hereunder and which breach cannot be cured or has not been cured by the earlier of (x) the date set forth in Section 9.1(a)(ii) and (y) 10 days after the giving of written notice to Buyer of such breach.

(b) Notwithstanding the foregoing, the right to terminate this Agreement under this Section 9.1 shall not be available to any party whose failure to fulfill any obligation under this Agreement has been, directly or indirectly, the cause of, or has resulted in, the failure of the Closing Date to occur on or before such date.

9.2. Rights on Termination; Waiver. If this Agreement is terminated pursuant to Section 9.1, all further obligations of the parties under or pursuant to this Agreement shall terminate without further liability of either party to the other. Nothing contained in this Section 9.2 shall relieve any party from liability for fraud, intentional misrepresentation or willful breach of or with respect to this Agreement. If this Agreement is terminated other than pursuant to Section 9.1, the parties hereto shall retain all of their respective rights under applicable Law resulting from such termination.

ARTICLE X
MISCELLANEOUS

10.1. Entire Agreement; Amendment; Waiver. This Agreement and the documents referred to herein and to be delivered pursuant hereto constitute the entire agreement between the parties pertaining to the subject matter hereof, and supersede all prior and contemporaneous agreements, understandings, negotiations and discussions of the parties, whether oral or written, and there are no warranties, representations or other agreements between the parties in connection with the subject matter hereof, except as specifically set forth herein or therein. No amendment, supplement, modification or termination of this Agreement shall be binding unless executed in writing by the party to be bound thereby. No waiver of any of the provisions of this Agreement shall be deemed or shall constitute a waiver of any other provision of this Agreement, whether or not similar, nor shall such waiver constitute a continuing waiver unless otherwise expressly provided.

10.2. Expenses and Fees. Except as provided in this Agreement, each party hereto shall pay the fees and expenses of their respective brokers, counsel, accountants and other experts and the other expenses incident to the negotiation and preparation of this Agreement and consummation of the transactions contemplated hereby; provided, however, that Sellers shall pay transfer, recordation, documentary, sales, use, stamp, registration and other such Taxes and all conveyance fees, recording charges and other fees and charges (including, as to any such Taxes, fees, or charges, any penalties and interest) incurred by Buyer, either Seller in connection with the consummation of the transactions contemplated by this Agreement. The parties shall cooperate to comply with all Tax Return requirements for such Taxes and shall provide such documentation and take such other actions as may be necessary to minimize the amount of any such Taxes.

10.3. Governing Law. This Agreement shall be construed and interpreted according to the laws of the Commonwealth of Virginia without regard to the conflicts of law rules thereof.

10.4. Assignment. This Agreement and each party's respective rights hereunder may not be assigned, by operation of Law or otherwise, without the prior written consent of the other party; provided, however, that Buyer may assign its rights or obligations hereunder, in whole or in part, to an Affiliate of Buyer without the prior written consent of the other parties hereto so long as Buyer is not relieved of any of its obligations hereunder.

10.5. Judicial Proceedings; Waiver of Jury Trial.

(a) Any Action seeking to enforce any provision of, or, directly or indirectly arising out of or in any way relating to, this Agreement or the transactions contemplated hereby shall be brought in any state or federal court located in the Commonwealth of Virginia, and all of the parties hereby irrevocably consents to the exclusive jurisdiction of such courts in any such Action and irrevocably waives, to the fullest extent permitted by Law, any objection that it may now or hereafter have to the laying of the venue of any such Action in any such court or that any such Action brought in any such court has been brought in an inconvenient forum. Process in any such Action may be served on any party anywhere in the world, whether within or without the jurisdiction of any such court. Without limiting the foregoing, each party agrees that service of process on such party as provided in Section 10.6 shall be deemed effective service of process on such party.

(b) Nothing contained in Section 10.5(a) shall limit the right of Buyer to take any Action in any court of competent jurisdiction for the purposes of enforcing any judgment or any equitable remedy or relief, nor shall the taking of any such Action by Buyer in one or more jurisdictions preclude the taking of any such Action in any other jurisdiction (whether concurrently or not) if and to the extent permitted by Law.

(c) EACH PARTY HERETO HEREBY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, ANY RIGHT IT MAY HAVE TO A TRIAL BY JURY IN ANY LEGAL PROCEEDING DIRECTLY OR INDIRECTLY ARISING OUT OF OR RELATING TO THIS AGREEMENT OR THE TRANSACTIONS CONTEMPLATED HEREBY (WHETHER BASED ON CONTRACT, TORT OR ANY OTHER THEORY). EACH PARTY HERETO (1) CERTIFIES THAT NO REPRESENTATIVE, AGENT OR ATTORNEY OF ANY OTHER PARTY HAS REPRESENTED, EXPRESSLY OR OTHERWISE, THAT SUCH OTHER PARTY WOULD NOT, IN THE EVENT OF LITIGATION, SEEK TO ENFORCE THE FOREGOING WAIVER, AND (2) ACKNOWLEDGES THAT IT AND THE OTHER PARTIES HERETO HAVE BEEN INDUCED TO ENTER INTO THIS AGREEMENT BY, AMONG OTHER THINGS, THE MUTUAL WAIVERS AND CERTIFICATIONS IN THIS SECTION.

10.6. Notices. All communications, notices and disclosures required or permitted by this Agreement shall be in writing and shall be deemed to have been given at the earlier of the date (i) when delivered personally or by messenger or by overnight delivery service by a recognized commercial carrier to an officer of the other party; (ii) five days after being mailed by registered or certified United States mail, postage prepaid, return receipt requested; or (iii) when received via facsimile and confirmed by telephone, in all cases addressed to the individual for whom it is intended at his address set forth below or to such other address as a party shall have designated by notice in writing to the other party in the manner provided by this Section 10.6:

If to Buyer:
AHP Construction, LLC
222 Central Park Avenue, Suite 2100
Virginia Beach, Virginia 23462
Attention: Louis S. Haddad
Telephone: (757) 366-4000
Fax: (757) 523-0782

With a copy to:
Hunton & Williams LLP
Riverfront Plaza, East Tower
951 East Byrd Street
Richmond, Virginia 23219-4074
Attention: David C. Wright, Esq.
Telephone: (804) 788-8200
Fax: (804) 788-8218

If to Sellers or Guarantor:
Armada/Hoffler Construction Company
Armada/Hoffler Construction Company of Virginia
222 Central Park Avenue, Suite 2100
Virginia Beach, Virginia 23462
Attention: Louis S. Haddad
Telephone: (757) 366-4000
Fax: (757) 523-0782

With a copy to:
Faggert & Frieden, P.C.
222 Central Park Avenue
Virginia Beach, Virginia 23462
Attention: Alan M. Frieden, Esq.
Telephone: (757) 424-3232
Fax: (757) 424-0102

10.7. Counterparts. This Agreement may be executed in several counterparts, each of which shall be deemed an original, but such counterparts shall together constitute but one and the same Agreement. The exchange of copies of this Agreement and of signature pages by facsimile transmission shall constitute effective execution and delivery of this Agreement as to the parties and may be used in lieu of the original Agreement for all purposes. Signatures of the parties transmitted by facsimile shall be deemed to be their original signatures for all purposes.

10.8. Headings. The Table of Contents and Article and Section headings in this Agreement are inserted for convenience of reference only and shall not constitute a part hereof.

10.9. Severability. If any provision, clause or part of this Agreement, or the application thereof under certain circumstances, is held invalid, the remainder of this Agreement, or the application of such provision, clause or part under other circumstances, shall not be affected thereby.

10.10. No Reliance. Except as provided in Sections 8.2 and 8.3, no third party is entitled to rely on any of the representations, warranties and agreements contained in this Agreement. Except as provided in Sections 8.2 and 8.3, Buyer and Sellers assume no liability to any third party because of any reliance on the representations, warranties and agreements of Buyer or Sellers contained in this Agreement.

10.11. Parties in Interest. Except as provided in Sections 8.2 and 8.3, this Agreement shall be binding upon and inure solely to the benefit of each party hereto and their respective successors and permitted assigns, and nothing in this Agreement, express or implied, is intended to or shall confer upon any other Person any rights, benefits or remedies of any nature whatsoever under or by reason of this Agreement.

10.12. Specific Performance. The parties hereto agree that irreparable damage would occur in the event any of the provisions of this Agreement were not performed in accordance with the terms hereof and that the parties shall be entitled to specific performance of the terms hereof, in addition to any other remedy at law or in equity.

10.13. Sellers' Indemnity Guaranty. Daniel A. Hoffler ("Guarantor") hereby unconditionally, directly, irrevocably and absolutely guarantees to the Buyer Indemnified Parties all present and future obligations of Sellers to the Buyer Indemnified Parties arising pursuant to Section 8.2 of this Agreement (the "Obligations"). Subject to the terms and limitations of Section 8.2, the Guarantor hereby agrees to save harmless and indemnify the Buyer Indemnified Parties from and against all obligations, demands, loss or liability, by whomever asserted, suffered, incurred or paid, arising out of or with respect to the Obligations. The Guarantor hereby acknowledges and agrees that he will receive indirect benefits in connection with the consummation by Buyer of the transactions contemplated by this Agreement and that such benefits constitute good and sufficient consideration for and in support of his agreement to guarantee the Obligations.

[Signature page follows.]

IN WITNESS WHEREOF, each party hereto has caused this Asset Purchase Agreement to be executed as of the day and year first above written.

BUYER:

AHP CONSTRUCTION, LLC

By: /s/ Louis S. Haddad
Name: Louis S. Haddad
Title: President

SELLERS:

ARMADA/HOFFLER CONSTRUCTION COMPANY

By: /s/ John C. Davis
Name: John C. Davis
Title: Executive Vice President

ARMADA/HOFFLER CONSTRUCTION COMPANY OF VIRGINIA

By: /s/ John C. Davis
Name: John C. Davis
Title: Executive Vice President

GUARANTOR:

(solely for purposes of Section 10.13)

/s/ Daniel A. Hoffler
Daniel A. Hoffler

Exhibit 10.36

ASSET PURCHASE AGREEMENT

by and among

AHP ASSET SERVICES, LLC,

as Buyer,

and

ARMADA HOFFLER HOLDING COMPANY, INC.,

as Seller

Dated as of May 1, 2013

ASSET PURCHASE AGREEMENT

This ASSET PURCHASE AGREEMENT (the "Agreement"), made as of May 1, 2013, by and among AHP Asset Services, LLC, a Virginia limited liability company (the "Buyer"), and Armada Hoffler Holding Company, Inc., a Virginia corporation and Armada Hoffler Holding Company, L.L.C., a Virginia limited liability company (collectively, the "Seller"), recites and provides as follows:

RECITALS

WHEREAS, Seller owns the assets set forth on Schedule 1 (the "Assets") and is a party to the contracts set forth on Schedule 2 (the "Contracts"); and

WHEREAS, Seller desires to sell the Assets and assign the Contracts to Buyer, and Buyer desires to purchase the Assets and assume the Contracts from Seller, upon the terms and subject to the conditions set forth herein.

AGREEMENT

NOW, THEREFORE, in consideration of the recitals and of the mutual covenants, representations, warranties, conditions and agreements set forth herein and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

1. Purchase and Sale; Assignment and Assumption. In accordance with the terms and conditions of this Agreement, Seller shall (a) sell, transfer, convey and deliver to Buyer, and Buyer shall purchase from Seller, on the Closing, free and clear of all liens and encumbrances, all of Seller's right, title and interest in and to the assets set forth on Schedule 1 (the "Assets") pursuant to a bill of sale substantially in the form attached hereto as Exhibit A and made a part hereof (the "Bill of Sale") and (b) assign to Buyer, and Buyer shall assume from Seller, on the Closing, all of the contracts set forth on Schedule 2 (the "Contracts") pursuant to an assignment and assumption agreement substantially in the form attached hereto as Exhibit B and made a part hereof (the "Assignment and Assumption Agreement").

2. Assumption of Liabilities. In accordance with the terms and conditions of this Agreement, Buyer agrees to assume, at the Closing, all liabilities and obligations arising after the Closing under the Contracts (other than any liability or obligation arising out of or relating to a breach under the Contracts which occurred prior to the Closing (the "Assumed Liabilities").

3. Purchase Price. The purchase price to be paid by Buyer to Seller at the Closing in exchange for the Assets and Contracts shall be an amount equal to Ten Dollars ($10.00) (the "Purchase Price"). As an addition or reduction to the Purchase Price, prepaid rent, utilities and other overhead items relating to the Assets and the Contracts shall be pro rated at the Closing between Buyer and Seller as mutually agreed by the parties.

4. The Closing. Seller and Buyer currently contemplate that the closing of the transactions contemplated by this Agreement (the "Closing") shall take place at 10:00 a.m.

Eastern time at the offices of Hunton & Williams LLP, 951 East Byrd Street, Richmond, Virginia 23219 on the second business day after the date on which each of the following have been completed: (a) the Seller shall have delivered to the Buyer an executed Bill of Sale and an Assignment and Assumption Agreement; and (b) the Buyer shall have paid the Purchase Price pursuant to Section 3.

5. Representations and Warranties of Buyer. Buyer hereby represents and warrants to Seller as follows:

(a) Organization and Standing. Buyer is a limited liability company duly organized and validly existing under the laws of the Commonwealth of Virginia and is in good standing under such laws.

(b) Corporate Power. Buyer has all requisite legal and corporate power and authority to execute and deliver this Agreement and to carry out and perform its obligations under the terms of this Agreement and to consummate the transactions contemplated hereby.

(c) Authorization and No Conflict. All corporate action on the part of Buyer, its officers, managers and members necessary for the authorization, execution, delivery and performance of this Agreement by Buyer has been taken. This Agreement constitutes a valid and legally binding obligation of Buyer, enforceable in accordance with its terms, subject to laws of general application relating to bankruptcy, insolvency and the relief of debtors and rules of law governing specific performance, injunctive relief or other equitable remedies.

(d) Further Obligation. Buyer shall execute and deliver such other documents as are reasonably necessary to complete the transfer of title to the Assets and the assignment of the Contracts from Seller to Buyer.

6. Representations and Warranties of Seller. Seller hereby represents and warrants to Buyer as follows:

(a) Organization and Standing. Seller is a corporation duly organized and validly existing under the laws of the Commonwealth of Virginia and is in good standing under such laws.

(b) Corporate Power. Seller has all requisite legal and corporate power and authority to execute and deliver this Agreement and to carry out and perform its obligations under the terms of this Agreement and to consummate the transactions contemplated hereby.

(c) Authorization and No Conflict. All corporate action on the part of Seller, its officers, directors and stockholders necessary for the authorization, execution, delivery and performance of this Agreement by Seller has been taken. This Agreement constitutes a valid and legally binding obligation of Seller, enforceable in accordance with its terms, subject to laws of general application relating to bankruptcy, insolvency and the relief of debtors and rules of law governing specific performance, injunctive relief or other equitable remedies.

(d) Further Obligations. Seller shall execute and deliver such other documents as are reasonably necessary to complete the transfer of title to the Assets and the assignment and assumption of the Contracts from Seller to Buyer.

(e) Title to Purchased Assets. Seller holds and owns valid title to, has valid leasehold interests in or has valid licenses to use all of the Assets, free and clear of all liens and encumbrances other than liens and encumbrances that will be released at Closing. Upon Buyer's payment of the Purchase Price, good and valid title to the Assets, free and clear of any and all liens and encumbrances, will pass to Buyer, and Buyer will hold good and valid title to the Assets, free and clear of any and all liens and encumbrances.

(f) Validity of Contracts. Each Contract is in full force and effect and is a legal, valid, binding and enforceable contract or agreement of the Seller and, to the knowledge of the Seller, any other party thereto, subject to applicable bankruptcy, insolvency, reorganization or other laws or equitable principles relating to or affecting the enforcement of creditors' rights. No Contract is subject to any material claims, charges, setoffs or defenses. There is no material default or material breach by either Seller, or, to the knowledge of Seller, any other party, in the performance of any obligation to be performed or paid under any Contract or any other provision of such Contract, nor, to the knowledge of Seller, has any event occurred that, with the giving of notice or the passage of time or both, would constitute a material default or material breach under such Contract or would give any right to accelerate, modify, cancel or terminate any Contract to Seller or, to the knowledge of Seller, any other party thereto. Each Contract was effected in arm's length negotiations. To the knowledge of Seller, no party to any Contract intends to cancel, terminate or exercise any option under any such Contract, and there are no disputes in connection therewith. Sellers have not made any prior assignment of any material Contract or any of their rights or obligations thereunder.

7. Miscellaneous.

(a) Entire Agreement; Amendment and Waiver. This Agreement (including the schedules attached hereto) contains the entire agreement among the parties with respect to the subject matter hereof and supersedes all prior agreements, whether oral or written, among the parties with respect to the subject matter hereof. This Agreement may not be amended, supplemented or modified, and no provisions hereof may be waived, except by a written instrument executed by both parties. No waiver of any provisions hereof by a party shall be deemed a waiver of any other provisions hereof by such party, nor shall any such waiver be deemed a continuing waiver of any provision hereof by such party.

(b) Assignment. Neither Seller nor Buyer may assign any of its rights or obligations under this Agreement without the prior written consent of the other party; provided, that either Seller or Buyer may assign this Agreement without consent to an Affiliate so long as the party assigning this Agreement agrees to guarantee, without restriction, the performance of all such Affiliate's obligations hereunder.

(c) Third Party Beneficiaries. This Agreement shall inure to the benefit of and be binding upon the parties and their respective successors and permitted assigns. Nothing in this Agreement, express or implied, is intended to confer upon any person other than Buyer, Seller and their respective successors, any rights or remedies under or by reason of this Agreement.

(d) Counterparts. For the convenience of the parties hereto, this Agreement may be executed in any number of counterparts, each of which shall be deemed to be an original and all of which shall together constitute the same agreement.

(e) Notices. All notices, requests, claims, demands and other communications hereunder shall be in writing and shall be deemed given (i) on the first calendar day following the date of delivery in person or by telecopy (in each case with telephonic confirmation of receipt by the addressee), (ii) on the first calendar day following timely deposit with an overnight courier service, if sent by overnight courier specifying next day delivery or (iii) on the first calendar day that is at least five (5) days following deposit in the mails, if sent by registered or certified mail, to the parties at the following addresses (or at such other address for a party as shall be specified by like notice):

If to Buyer:	AHP Asset Services, LLC 222 Central Park Avenue, Suite 2100 Virginia Beach, Virginia 23462 Attention: Louis S. Haddad Telephone: (757) 366-4000 Fax: (757) 523-0782
With a copy to:	Hunton & Williams LLP Riverfront Plaza, East Tower 951 East Byrd Street Richmond, Virginia 23219-4074 Attention: David C. Wright, Esq. Telephone: (804) 788-8200 Fax: (804) 788-8218
If to Sellers or Guarantor:	Armada/Hoffler Holding Company, Inc. 222 Central Park Avenue, Suite 2100 Virginia Beach, Virginia 23462 Attention: Louis S. Haddad Telephone: (757) 366-4000 Fax: (757) 523-0782
With a copy to:	Faggert & Frieden, P.C. 222 Central Park Avenue Virginia Beach, Virginia 23462 Attention: Alan M. Frieden, Esq. Telephone: (757) 424-3232 Fax: (757) 424-0102

Any notice given by mail shall be effective when received.

(f) Governing Law. This Agreement and the rights and obligations of the parties shall be governed by and construed in accordance with and subject to the laws of the Commonwealth of Virginia, without giving effect to principles of conflicts of law.

(g) Severability. The provisions of this Agreement shall be deemed severable and the invalidity or unenforceability of any provision shall not affect the validity or enforceability of the other provisions hereof. If any provision of this Agreement, or the application thereof to any party or any circumstance, is invalid or unenforceable, (i) a suitable and equitable provision shall be substituted therefor in order to carry out, so far as may be valid and enforceable, the intent and purpose of such invalid or unenforceable provision and (ii) the remainder of this Agreement and the application of such provision shall not be affected by such invalidity or unenforceability.

[Signature page follows.]

IN WITNESS WHEREOF, each party hereto has caused this Asset Purchase Agreement to be executed as of the day and year first above written.

BUYER:

AHP ASSET SERVICES, LLC

By: /s/ Louis S. Haddad
Name: Louis S. Haddad
Title: President

SELLER:

ARMADA/HOFFLER HOLDING COMPANY, INC.

By: /s/ Louis S. Haddad
Name: Louis S. Haddad
Title:

ARMADA/HOFFLER HOLDING COMPANY, L.L.C.

By: /s/ Louis S. Haddad
Name: Louis S. Haddad
Title:

Exhibit 10.37

LIMITED LIABILITY COMPANY
OWNERSHIP INTERESTS
CONTRIBUTION AGREEMENT

THIS LIMITED LIABILITY COMPANY OWNERSHIP INTERESTS CONTRIBUTION AGREEMENT (the "Agreement") is made and entered into as of this 1st day of May, 2013 (the "Effective Date"), by and between ARMADA HOFFLER PROPERTIES, INC., a Maryland corporation (the "REIT") and the General Partner of Buyer; ARMADA HOFFLER, L.P., a Virginia limited partnership (the "Buyer" or "Operating Partnership"); WASHINGTON AVENUE ASSOCIATES, L.L.C., a Virginia limited liability company (the "Seller"); and WASHINGTON AVENUE APARTMENTS, L.L.C., a Virginia limited liability company (the "Company"). The Seller, being the holder of the Company's membership interests, together with the Company itself are referred to hereinafter as the "Contributor". The Company joins in the execution of this Agreement for the sole purpose of consenting to the transactions contemplated herein.

RECITAL

Seller owns One Hundred Percent (100%) of the ownership and membership interests of the Company, which is engaged principally in the business of owning and managing that certain apartment complex (the "Apartment Complex") and the real property located in the City of Newport News, Virginia, on which the Apartment Complex is situated, more particularly described on Exhibit "A", attached hereto and made a part hereof (collectively with the Apartment Complex, the "Property"), including, but not limited to, the leasing of apartment units to tenants pursuant to leases (the "Leases") and other activities incident thereto (the "Business").

Section 59.1-284.23 (the "Act") of the Code of Virginia of 1950, as amended, created an Advanced Shipbuilding Training Facility Grant Program (the "Grant"), intended to provide funds for the development and construction of a new state of the art training facility (the "New Training Facility") and to induce additional high quality development adjacent to the New Training Facility (together, the "Project"). Pursuant to the Act, the Commonwealth of Virginia (the "Commonwealth"), Huntington Ingalls Incorporated, a Virginia corporation ("HII"), and Industrial Development Authority of the City of Newport News, Virginia, a political subdivision of the Commonwealth of Virginia ("IDA") entered into an Amended and Restated Memorandum of Understanding (the "MOU"), dated as of the 31st day of August, 2011, which provides certain terms and conditions for the payment and receipt of the Grant to the IDA. The Property is located within the Project and is subject to and is being developed in accordance with the requirements of the Act and the MOU.

Seller and IDA entered into that certain Development Agreement, made February 29, 2012 (the "Development Agreement"), which constitutes the development plan contemplated by the Act and the MOU and sets forth the Seller's and the IDA's rights and obligations in connection with the Project and for payment and receipt of the Grant by the IDA in connection with the Project. In accordance with the MOU, the components of the Project consist of the New Training Facility, the Parking Structure, and the Workforce Housing/Retail. The Property is part of the Workforce Housing/Retail component and is subject to and is being developed in accordance with the requirements of the Development Agreement.

In accordance with the Development Agreement, (a) Seller, as landlord, and IDA, as tenant, have entered into a certain Deed of Lease, dated as of February 29, 2012, whereby IDA leases the New Training Facility (the "Lease"), and (b) IDA, as Sublessor, and HII, as Sublessee, entered into that certain Deed of Sublease, dated as of February 29, 2012, whereby HII subleases from IDA the New Training Facility (the "Sublease").

IDA will be eligible to receive the Grant for payment of rent on the New Training Facility if certain requirements of the Act, the MOU, the Development Agreement, the Lease and the Sublease are met. Seller is the owner of the New Training Facility and wishes to ensure that all requirements of the Act, the MOU, the Development Agreement, the Lease and the Sublease for payment of the Grant (the "Requirements") have been met.

Provided the Requirements have been met, Seller has agreed to sell to Buyer and Buyer has agreed to purchase from Seller all of the ownership and membership interests of the Company on the terms and conditions set forth in this Agreement.

NOW, THEREFORE, for and in consideration of Ten Dollars, the promises contained herein and other good and valuable consideration, Contributor and Buyer agree as follows:

ARTICLE 1
SALE

1.1 Sale of Membership Interest. Seller hereby agrees to sell, assign, transfer and convey to Buyer all of the ownership and membership interests of the Company (the "Membership Interests"), Buyer hereby agrees to purchase from Seller the Membership Interests (collectively, the "Transaction"), and the Company hereby consents to the consummation of the Transaction.

1.2 Excluded Assets. The parties hereby acknowledge that prior to Seller's sale of the Membership Interests to Buyer, the Company will transfer to Seller the following assets of the Company (the "Excluded Assets"):

(a) The Company's accounts receivable to the extent attributable to rents or other amounts due to the Company prior to the Closing, as defined in Section 3.1 hereof (the "Excluded Receivables"). Buyer agrees to reimburse to Seller in cash all rents and other amounts received by Buyer which were due on or before the Closing Date, as defined in Section 3.1 hereof. Buyer further agrees to use its best efforts, but at Seller's sole cost and expense, to assist Seller in collecting any outstanding amounts owed to Seller or the Company on account of rent or other amounts due to the Company prior to the Closing Date.

(b) Cash, certificates of deposit and other bank deposits, treasury bills, tax and insurance escrows, operating/replacement reserves under existing financing, and other cash equivalents.

(c) Pre-closing liabilities arising from ownership of the Property, including, but not limited to taxes, utilities, and insurance.

ARTICLE 2
CONSIDERATION

2.1 Purchase Price, Adjustments and Prorations.

(a) Purchase Price. The purchase price for the Membership Interests shall be Thirty-One Million Nine Hundred Thousand and 00/100 Dollars ($31,900,000.00), minus (a) the then current (at the time of Closing) outstanding balance of that certain loan in the original principal amount of Twenty Million Nine Hundred Thousand and 00/100 Dollars ($20,900,000.00) (the "VHDA Loan") and evidenced by that certain Deed of Trust Note, dated June 7, 2012, and executed by the Company in favor of Virginia Housing Development Authority ("VHDA"), and the related Deed of Trust, Construction Loan Agreement, Regulatory Agreement and other loan documents (together with all documents entered into in connection with or otherwise related to such loan) (the "VHDA Loan Documents") and (b) the then current (at the time of Closing) outstanding balance of that certain loan in the original principal amount of Three Million and 00/100 Dollars ($3,000,000) (the "Hampton University Loan") and evidenced by, *inter alia*, that certain Promissory Note made by Armada Hoffler Properties II, L.L.C., a Virginia limited liability company, to the order of Hampton University, dated as of March 2, 2012, in the amount of $3,000,000 (together with all documents entered into in connection with or otherwise related to such loan, (the "Hampton University Loan Documents") (collectively, "Purchase Price").

(b) Payment of Consideration in OP Units. All amounts to be paid pursuant to this Agreement shall be paid in cash, except that the Purchase Price shall be paid in the form of ownership units in the Operating Partnership ("OP Units") to Seller ("Consideration"). The number of OP Units constituting such Consideration shall be determined as of the date of Closing and shall be equal to the Purchase Price divided by the public offering price of the REIT's common stock in its initial public offering, as reflected in the final prospectus related thereto.

2.2 Adjustments and Prorations. The following adjustments and prorations shall be made at Closing and paid in cash:

(a) Lease Rentals and Other Revenues.

(i) Rents. All collected rents collected from the Business shall be prorated between Seller and Buyer as of the Closing Date, with Seller entitled to all rents attributable to any period up to but not including the Closing Date. Buyer shall be entitled to all rents attributable to any period on and after the Closing Date. Rents not collected as of the Closing Date shall not be prorated at the time of Closing.

(ii) Other Revenues. Revenues from Property operations that are actually collected shall be prorated between Buyer and Seller as of the Closing Date. Seller shall be entitled to all such revenues attributable to any period up to but not including the Closing Date and Buyer shall be entitled to all such revenues attributable to any period on and after the Closing Date.

(b) Real Estate and Personal Property Taxes and Other Operating Expenses.

(i) Proration of Ad Valorem Taxes. Buyer and Seller shall prorate *ad valorem* real estate and personal property taxes for the Property as of Closing. Seller is responsible for providing for the payment of such taxes due and payable up to but not including the Closing Date, and Buyer is responsible for providing for the payment of such taxes due and payable on and after the Closing Date.

(ii) Insufficient Information. If, at Closing, the real estate and/or personal property tax rate and assessments have not been set for the taxes due and payable during the tax year in which the Closing occurs (the "Closing Tax Year"), then the proration of such taxes shall be based upon the rate and assessments for the preceding tax year, and such proration shall be adjusted between Seller and Buyer after Closing upon presentation of written evidence that the actual taxes due and payable during the Closing Tax Year differ from the amounts used at Closing.

(iii) Special Assessments. Seller shall provide for the payment of all installments of special assessments accruing prior to (or otherwise relating to any time period prior to) the Closing Date and Buyer shall provide for the payment of all installments of special assessments accruing on and after (or otherwise relating to any time period from and after) the Closing Date.

(iv) Other Property Operating Expenses. Operating expenses for the Property shall be prorated as of 12:01 a.m. on the Closing Date. Seller shall provide for the payment of all utility charges and other operating expenses attributable to the Property accruing up to, but not including, the Closing Date (except for those utility charges and operating expenses payable by tenants in accordance with the Leases) and Buyer shall provide for the payment of all utility charges and other operating expenses attributable to the Property on or after the Closing Date. To the extent that the amount of actual consumption of any utility services is not determined prior to the Closing Date, a proration shall be made at Closing based on the last available reading and post-closing adjustments between Buyer and Seller shall be made within twenty (20) days of the date that actual consumption for such pre-closing period is determined and provided in writing to one of the parties, which obligation shall survive the Closing and not be merged therein.

(c) Closing Costs. Buyer shall pay in cash all costs and expenses associated with the following: (i) all costs of Buyer's investigations, including fees due its consultants and attorneys, (ii) all lenders' fees related to any financing to be obtained by Buyer, (iii) any costs of any mortgagee title policy, (iv) all costs or fees required to be paid to VHDA in connection with the transaction contemplated in this Agreement, and (iv) any other cost of Closing not specifically attributable to Seller in this Agreement. Seller shall pay in

cash the fees due Seller's attorneys. The obligations of the parties under this Section 2.2 shall survive the Closing (and shall not be merged therein) or any earlier termination of this Agreement.

(d) Cash Security Deposits. Company shall provide Buyer with a schedule of cash security deposits then held by Contributor under the Leases as of one (1) day before Closing, which security deposits shall remain the property of the Company and shall not result in an adjustment to the Purchase Price.

(e) Property Escrows and Reserves. In the event that the lender under the existing financing for the Property will not allow the tax and insurance escrows and/or the operating/replacement reserves pertaining to the Property, if any, to be liquidated and released to Seller on or before Closing, or if Buyer and Seller otherwise so agree for the sake of convenience, then all such non-liquidated and released escrows or reserves shall remain with the Company and the Purchase Price shall be adjusted accordingly.

2.3 Liens. Seller hereby covenants that at Closing Seller shall pay and satisfy all liens on the Property which are not listed on Schedule 3.4(b)(iii).

2.4 Tax Consequences. Notwithstanding anything to the contrary contained in this Agreement, including without limitation, the use of words and phrases such as "sell," "sale," "purchase," "pay," "seller," and "buyer," the parties hereto acknowledge and agree that with respect to any portion of the Consideration that is payable in OP Units it is their intent that such transaction contemplated hereby shall be treated for federal income tax purposes pursuant to Section 721 of the Internal Revenue Code of 1986, as mended (the "Code") as the contribution of the Membership Interests by Contributor to the Operating Partnership, in exchange for OP Units, and not as a transaction in which Contributor is acting other than its capacity as a prospective partner in the Operating Partnership.

ARTICLE 3
CLOSING

3.1 Location and Date. The consummation of the transactions contemplated by this Agreement (the "Closing") shall occur, if at all, at a location mutually agreeable to Contributor and Operating Partnership on or before the thirtieth (30th) day after all of the Closing Conditions, described in section 3.4 below, have been fully satisfied or waived in writing (the "Closing Date"), but in no event later than June 30, 2014. In the event Closing doesn't occur by June 30, 2014, this Agreement shall automatically terminate.

3.2 Seller's Deliveries. At the Closing, Seller shall deliver or cause to be delivered to Buyer the following:

(a) Authorizing Resolutions. Action without meeting by all Members and Managers of Seller approving Seller's execution, delivery, and performance of this Agreement and each other document contemplated hereby, and the consummation of the transactions contemplated hereby and thereby;

(b) Assignment. An assignment of the Membership Interests executed by Seller;

(c) Settlement Statement. A settlement statement, agreed upon by both Buyer and Seller, executed by Seller;

(d) FIRPTA Certificate. An affidavit from Contributor certifying pursuant to Section 1445 of the 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);

(e) Consents. Copies of all consents required by the VHDA or the IDA, if any;

(f) Rent Rolls, Leases, and Other Company Documents. A current rent roll, copies of all leases, books and records of the Company, and a schedule of security deposits then held by Company;

(g) Partnership Agreement. Seller's signature page to the Operating Partnership's Partnership Agreement; and

(h) Any other document reasonably necessary to effectuate the Transaction contemplated by this Agreement as determined in the reasonable opinion of Buyer's counsel.

3.3 Buyer's Deliveries. At Closing, Buyer shall deliver or shall cause to be delivered to Seller the following:

(a) An updated schedule to the Operating Partnership's Partnership Agreement reflecting the issuance of OP Units to Seller in an amount equal to the Consideration (the "OP Units Schedule");

(b) An assignment of the Membership Interests executed by Buyer;

(c) A settlement statement, agreed upon by both Buyer and Seller, executed by Buyer; and

(d) Any other document reasonably necessary to effectuate the Transaction contemplated by this Agreement as determined in the reasonable opinion of Seller's counsel.

3.4 Closing Conditions.

(a) Conditions to Seller's Obligations. Seller's obligation to close the Transaction is conditioned on all of the following, any or all of which may be waived by Seller by an express written waiver, at its sole option:

(i) Representations True. All representations and warranties made by Buyer in this Agreement, as such Agreement may be amended, shall be true and correct in all material respects on and as of the Closing Date, as if made on and as of such date except to the extent that they expressly relate to an earlier date.

(ii) Buyer's Financial Condition. No petition has been filed by or against Buyer under the Federal Bankruptcy Code or any similar state or federal law, whether now or hereafter existing.

(iii) Buyer's Deliveries Complete. Buyer shall have delivered the OP Units Schedule and all of the documents to be executed by Buyer set forth in this Agreement and shall have performed all other covenants, undertakings and obligations, and complied with all conditions required by this Agreement, to be performed or complied with by Buyer at or prior to the Closing.

(iv) Completion of Improvements. All Improvements, as that term is defined in the VHDA Loan Documents, required by the VHDA Loan Documents to be constructed at the Property shall have been completed in accordance with the Drawings and Specifications, as such terms are defined in the VHDA Loan Documents, approved by VHDA, and certificates of occupancy therefor shall have been issued.

(v) Grant Requirements. All Requirements for payment of the Grant to the IDA shall have been met, including, but not limited to:

(A) Improvements to the New Training Facility site shall have been designed, developed, and constructed or installed in accordance with the Work Agreement, attached as Exhibit "C" to the Lease, and the Conceptual Plan, the Site Development Plan, the Plans and Specifications and the Construction Contract, as such terms are defined in the Work Agreement.

(B) In connection with the New Training Facility, IDA and HII shall have received (1) a certificate of occupancy or temporary certificate of occupancy and physical possession of, and access to, the New Training Facility, and (2) a certificate of Seller's architect meeting the requirements of the Lease.

(C) The Parking Structure shall have been developed and built in accordance with plans formulated by Seller in consultation with the IDA, and containing approximately 380 parking spaces and having areas of controlled access so that users of the Parking Structure can have access on any of a monthly, daily or hourly basis.

(D) Seller shall have entered into a Parking Structure Lease with the IDA in accordance with the Development Agreement.

(E) The Workforce Housing/Retail component of the Project shall have been constructed in a workmanlike manner, of a quality and in a style comparable to the remainder of the Project, and shall consist of not less than 175 dwelling units and a mix of retail, restaurant or other uses for the non-residential portion thereof, containing approximately 30,000 square feet.

(F) The Private Capital Target set forth in the MOU and the Development Agreement shall have been achieved.

(vi) Virginia Housing Development Authority. Contributor shall have received written approval and consent from the VHDA for the Closing of the Transaction contemplated by this Agreement.

(b) Conditions to Buyer's Obligations. Buyer's obligation to close the Transaction is conditioned on all of the following, any or all of which may be expressly waived by Buyer in writing, at its sole option:

(i) Representations True. All representations and warranties made by Seller in this Agreement, as the same may be amended, shall be true and correct in all material respects on and as of the Closing Date, as if made on and as of such date except to the extent that they expressly relate to an earlier date.

(ii) Seller's Financial Condition. No petition has been filed by or against Contributor under the Federal Bankruptcy Code or any similar state or federal law, whether now or hereafter existing.

(iii) Seller's Deliveries Complete. Seller shall have delivered all of the documents and other items required pursuant to this Agreement and shall have performed all other covenants, undertakings and obligations, and complied with all conditions required by this Agreement, to be performed or complied with by Seller at or prior to the Closing.

(iv) Property Liens. As of the Closing Date, there shall be no liens or encumbrances on the Property or the Membership Interests other than (A) those that will be paid off by Seller at Closing and (B) those shown on Schedule 3.4(b)(iii).

(v) Completion of Improvements. All Improvements, as that term is defined in the VHDA Loan Documents, required by the VHDA Loan Documents to be constructed at the Property shall have been completed in accordance with the Drawings and Specifications, as such terms are defined in the VHDA Loan Documents, approved by VHDA, and certificates of occupancy therefor shall have been issued.

(vi) Grant Requirements. All Requirements for payment of the Grant to the IDA shall have been met, including, but not limited to:

(A) Improvements to the New Training Facility site shall have been designed, developed, and constructed or installed in accordance with the Work Agreement, attached as Exhibit "C" to the Lease, and the Conceptual Plan, the Site Development Plan, the Plans and Specifications and the Construction Contract, as such terms are defined in the Work Agreement.

(B) In connection with the New Training Facility, IDA and HII shall have received (1) a certificate of occupancy or temporary certificate of occupancy and physical possession of, and access to, the New Training Facility, and (2) a certificate of Seller's architect meeting the requirements of the Lease.

(C) The Parking Structure shall have been developed and built in accordance with plans formulated by Seller in consultation with the IDA, and containing approximately 380 parking spaces and having areas of controlled access so that users of the Parking Structure can have access on any of a monthly, daily or hourly basis.

(D) Seller shall have entered into a Parking Structure Lease with the IDA in accordance with the Development Agreement.

(E) The Workforce Housing/Retail component of the Project shall have been constructed in a workmanlike manner, of a quality and in a style comparable to the remainder of the Project, and shall consist of not less than 175 dwelling units and a mix of retail, restaurant or other uses for the non-residential portion thereof, containing approximately 30,000 square feet.

(F) The Private Capital Target set forth in the MOU and the Development Agreement shall have been achieved.

(vii) Virginia Housing Development Authority. Contributor shall have received written approval and consent from the VHDA for the Closing of the Transaction contemplated by this Agreement.

ARTICLE 4
REPRESENTATIONS AND WARRANTIES OF SELLER

Seller hereby represents and warrants to Buyer that each of the statements contained in this Article 4 are true and correct and will be true and correct in all material respects as of the Closing.

4.1 Contributor Organization. Each of Seller and Company is a limited liability company duly organized, validly existing and in good standing under the laws of the Commonwealth of Virginia, and is authorized to conduct the business in which it is now engaged.

4.2 Due Authorization. The execution, delivery and performance of this Agreement and the consummation of the transactions contemplated hereby have been duly and validly authorized by all requisite limited liability company actions of Seller, none of which actions have been modified or rescinded, and all of which actions are in full force and effect. This Agreement constitutes a valid and binding obligation of Seller, enforceable against Seller in accordance with its terms. The individual executing this Agreement and the documents required hereby to be executed by Seller on behalf of Seller has the legal power, right and actual authority to bind Seller to the terms and conditions hereof and thereof.

4.3 Sole Owner of Company. Seller owns good, valid and marketable title to One Hundred Percent (100%) of the Membership Interests of the Company, free and clear of any and all liens, other than the lien arising from the Hampton University Loan which shall be paid and satisfied at Closing, and such Membership Interests of the Company constitute all of the outstanding equity interests of the Company. At Closing Seller will convey the Membership Interests to Buyer free and clear of all liens.

4.4 Other Interests In Company. There are no outstanding or authorized equity appreciation, phantom equity interests, profit participation or similar rights with respect to the Company, nor are there any voting trusts, proxies, member agreements or any other agreements or understandings with respect to the voting, registration, sale or transfer of any equity interests of the Company. There are no options, warrants or other rights to subscribe for or purchase any equity interests of the Company or securities convertible into or exchangeable for, or that otherwise confer on the holder any right to acquire, any equity interests of the Company.

4.5 Rights of First Refusal. There are no preemptive rights or rights of first refusal or first offer, and there are no contracts (other than this Agreement) or restrictions to which the Seller is a party or by which the Company is bound, relating to any of the Membership Interests or any other equity interests of the Company or to the Property itself, whether or not outstanding. The Company does not currently maintain, nor does the Company have any ongoing liability for, any equity option plan or any other plan or agreement providing for equity compensation of any person. All of the outstanding Membership Interests have been granted, offered, sold and issued in compliance with all applicable laws.

4.6 No Violations or Consents. The execution, delivery and performance of this Agreement and the consummation by Contributor of the transactions contemplated hereby will not (a) violate any law or any order of any court or governmental authority with proper jurisdiction binding against Seller or its assets or the Company; (b) result in a breach or default under any contract or other binding commitment of Seller or the Company or any provision of the organizational documents of Seller or the Company; or (c) require any consent or approval or vote that has not been taken or given, or as of the Closing Date, shall not have been taken or given.

4.7 Company Organization. The Company is a limited liability company duly organized and validly existing under the laws of the Commonwealth of Virginia. The Company has all requisite power and authority under Virginia law to own its assets, including but not limited to the Property, and carry on the Business as now being conducted.

4.8 Company Organizational Documents. Seller has delivered or made available to Buyer a complete and accurate copy of the Company's articles of organization, operating agreement, certificate of incorporation, and any similar governing documents, each as amended to date (together, the "Company Organizational Documents"), and each such instrument is in full force and effect and no other organizational documents are applicable to or binding upon the Company. The Company is not in violation of any of the provisions of the Company Organizational Documents.

4.9 Litigation and Claims. There are no actions, suits, arbitrations, governmental investigations or other proceedings pending or, to Seller's knowledge, threatened against Seller, the Company or affecting the Property before any court or governmental authority which would likely have an adverse effect on Contributor's ability to perform its obligations under this Agreement or on the ownership and operation of the Business as presently operated, other than those set forth on Schedule 4.9 hereof.

4.10 Condemnation Actions. There are no pending or, to Seller's knowledge, threatened condemnation actions of any nature with respect to the Property or any part thereof.

4.11 Contracts. Copies of all contracts related to the operation of the Property and the Business and amendments thereto, that are in Seller's or the Company's possession or control, have been provided or made available to Buyer. To Seller's knowledge, all such contracts are in full force and effect and there are no defaults under any such contract, nor by any other party thereto. A list of all material contracts to which the Company is a party or for which the Company is otherwise obligated is set forth on Schedule 4.11 (the "Contracts").

4.12 Equipment Leases. All equipment leases related to the operation of the Property or the Business, and amendments thereto, that are in Seller's or the Company's possession or control, have been provided or made available to Buyer. To Seller's knowledge, all such equipment leases are in full force and effect and there are no defaults under any such equipment leases, nor by any other party thereto. A list of all such equipment leases is set forth on Schedule 4.12 (the "Equipment Leases").

4.13 Permits. All required licenses, certificates of occupancy, permits and approvals issued by any governmental authority or any third party and used in the operation of the Property or the Business (the "Permits") have been obtained and are in full force and effect.

4.14 Rent Roll. A complete and accurate rent roll, current as of one (1) day prior to the Effective Date, is attached as Schedule 4.14. Seller will provide to Buyer an updated rent roll one (1) day prior to Closing.

4.15 Bankruptcy. Neither the Seller nor the Company is insolvent within the meaning of Title 11 of the United States Code, as amended (the "Bankruptcy Code"), nor has either of them ceased to pay its debts as they become due. Neither Seller nor the Company has filed or taken any action to file a voluntary petition, case or proceeding under any section or chapter of

the Bankruptcy Code, or under any similar law or statute of the United States or any state thereof, relating to bankruptcy, insolvency, reorganization, winding up or composition or adjustment of its debts.

4.16 Environmental Condition. Except as disclosed on any environmental report provided or made available to Buyer, Contributor has no knowledge of the release, manufacture, production, treatment, storage or disposal of any substance or material on the Property, including the groundwater on, under, or about the Property, the generation, production, release, treatment, storage or disposal of which is regulated under the Comprehensive Response, Compensation and Liability Act, 42 U.S.C. Section 9601 et seq. and implementing regulations, or any applicable federal, state or local law, ordinance, regulation or order of any governmental body. There are no pending, or to Contributor's knowledge, threatened or anticipated environmental proceedings, claims, judgments, or orders against any of the Property, the Company or the Seller. During Contributor's ownership of thereof, (a) the Property has not been, used for the manufacture, processing, distribution, use, treatment, storage, disposal, placement, transport or handling of toxic materials, hazardous wastes or hazardous substances (as those terms are defined in the Resource Conservation and Recovery Act of 1976, as amended (42 U.S.C. Section 6901 et seq.) or the Comprehensive Environmental Response Compensation and Liability Act of 1980, as amended (42 U.S.C. Section 9601 et seq.); oils, petroleum-derived compounds; or pesticides; all of which are hereinafter referred to as "Hazardous Materials") and (b) Contributor has not used, stored or disposed of any Hazardous Materials on the Property in violation of any environmental law, rule, requirement, order, directive, ordinance or regulation of the United States of America, or any state, city or municipal government or lawful authority having jurisdiction applicable to the Property.

4.17 Real Estate. The Company owns good, valid and marketable title to the Property, free and clear of any and all interests or liens other than those set forth on Schedule 3.4(b)(iii). The Property, including the operation of the Business as it is currently operated, complies in all material respects with the requirements of all applicable laws, including all applicable building, zoning, subdivision, health, safety and other land use statutes, laws, codes, ordinances, rules, orders and regulations as well as any easements, covenants or other matters of record affecting the Property. There are no defaults, or facts or conditions that with the giving of notice and/or the passage of time can constitute defaults, under any leases pertaining to the Apartment Complex.

4.18 Books and Records. The Company's books and records (the "Company Books"), copies of which have been provided or made available to Buyer, accurately present the revenue generated from and the expenses related to the operation of the Business. The Company has no liabilities or obligations, nor at the Closing will the Company have any liabilities or obligations, other than (a) liabilities disclosed, recorded or otherwise reserved against in the Company's Books, and (b) liabilities incurred in the ordinary course of business consistent with past practices.

4.19 Title. From and after the Effective Date, Contributor shall not execute and shall not permit the execution of any easements or other documents affecting title to the Property (including any restrictions or covenants) without the written consent of Buyer. There shall be no liens or encumbrances on the Property on the Closing Date other than (a) those that will be paid and satisfied by Seller at Closing and (b) those shown on Schedule 3.4(b)(iii).

4.20 Taxes.

(a) The Company has timely filed (or had filed on its behalf), after giving effect to any extensions, all federal, state and local returns, estimates, information statements and reports (including amendments thereto) relating to any and all taxes ("Tax Returns") required to be filed by it, and all such Tax Returns are true, correct and complete in all respects. All taxes (whether or not shown on any such Tax Return) of the Company were paid when due (including installment payments of taxes). No deficiencies for any taxes have been asserted or assessed, or to the knowledge of the Contributor, proposed, against the Company.

(b) No audit or other examination of any Tax Return of the Company is presently in progress, and neither the Seller nor Company has been notified of any request for such an audit or other examination.

(c) To the knowledge of Contributor, there are no liens for taxes (other than for current taxes not yet due and payable) upon the assets of the Company.

(d) No claim against the Company has been made or threatened in the past five (5) years by any governmental entity having jurisdiction over the Company.

4.21 Brokers; Fees. No agent, broker, investment banker, financial advisor or other firm or person is or shall be entitled, as a result of any action, agreement or commitment of the Company or the Seller to any broker's, finder's, financial advisor's or other similar fee or commission in connection with any of the transactions contemplated by this Agreement.

4.22 Employees. There are no current, former or retired employees of the Company, and the Company has no liabilities in connection with any current, former or retired employee of the Company.

Compliance With Laws. The Company has conducted and is conducting the Business in material compliance with all applicable laws and no written notice, action or assertion has been received by the Seller or the Company or, to the knowledge of the Contributor, has been filed, commenced or threatened against the Company alleging any violation of any applicable law.

Insurance. Schedule 4.24 sets forth a complete and accurate list of all insurance policies currently maintained by or for the benefit of the Company, including policies providing property, casualty, liability, bond and surety agreements, directors' and officers' liability insurance, and other forms of insurance, and sets forth the following information with respect to each such insurance policy:

(a) the name, address and telephone number of the agent who is the contact person for such policy;

(b) the name of the insurer and the name of the policyholder;

(c) the policy number and the period of coverage;

(d) the type of coverage provided under the policy;

(e) the policy premium; and

(f) the policy limits and deductibles.

With respect to each such insurance policy: (i) all policy premiums due to date have been paid in full and the policy is legal, valid, binding and enforceable, and in full force and effect; and (ii) neither the Company, nor, to the knowledge of the Contributor, any other party to the policy, is in material breach or default (including with respect to the payment of premiums or the giving of notices) and no event has occurred which, with notice or the passage of time, would constitute such a material breach or default, or permit termination, modification, or acceleration, under the policy. No claim under any such policies has been denied or disputed and, to the knowledge of the Contributor, no such denial or dispute has been threatened.

4.22 Bank Accounts. Schedule 4.25 hereto sets forth a full and complete list of all bank accounts and safe deposit boxes of the Company, the number of each such account or box, and the names of the persons authorized to draw on such accounts or to access such boxes.

4.23 Accredited Investor. Contributor is an “accredited investor,” as that term is defined in Rule 501 of Regulation D under the Securities Act.

4.27 Operations Prior to Closing. Contributor covenants and agrees that, from and after the Effective Date and through the date of Closing, Contributor shall operate and maintain the property in substantially the same manner as operated and maintained from the time of its development through the Effective Date.

ARTICLE 5
REPRESENTATIONS AND WARRANTIES OF BUYER

Buyer hereby represents and warrants to Seller that each of the statements contained in this Article 5 are true and correct and will be true and correct as of the Closing.

5.1 Buyer Organization. Buyer is a limited partnership duly organized, validly existing and in good standing under the laws of the Commonwealth of Virginia, and is authorized to conduct the business in which it is now engaged.

5.2 Due Authorization. The execution, delivery and performance of this Agreement and the consummation of the transactions contemplated hereby have been duly and validly authorized by all requisite limited liability company actions of Buyer, none of which actions have been modified or rescinded, and all of which actions are in full force and effect. This

Agreement constitutes a valid and binding obligation of Buyer, enforceable against Buyer in accordance with its terms. The individual executing this Agreement and the documents required hereby to be executed by Buyer on behalf of Buyer has the legal power, right and actual authority to bind Buyer to the terms and conditions hereof and thereof.

5.3 Absence of Conflicting Agreements or Required Consents. The execution, delivery and performance of this Agreement by Buyer does not, either alone or with the giving of notice or the passage of time, or both, conflict with, constitute grounds for termination of, result in a breach of the terms, conditions or provisions of, or constitute a default under, any contract, agreement, instrument, license or permit to which Buyer is now subject.

ARTICLE 6
ASSETS

6.1 Seller represents and warrants to the Buyer that the assets owned by the Company (the "Assets") are as follows:

(a) the Property, including, but not limited to, all buildings, improvements and appurtenances thereon; and

(b) the property described on Schedule 6.1(b).

BUYER ACKNOWLEDGES THAT SELLER MAKES NO REPRESENTATIONS OR WARRANTIES AS TO ANY ASSETS OWNED BY THE COMPANY, EXCEPT AS SPECIFICALLY SET FORTH IN THIS AGREEMENT, AND BUYER ACKNOWLEDGES THAT THE BUYER WILL ACQUIRE THE ASSETS THROUGH THE OWNERSHIP OF THE COMPANY IN AN "AS IS - WHERE IS" CONDITION AND WITH ALL FAULTS.

ARTICLE 7
INDEMNIFICATION

7.1 Indemnification of Seller. Buyer shall indemnify, defend, save and hold harmless Seller and Seller's successors, permitted assigns and representatives (each, a "Seller Party") from and against and in respect of any and all claims, demands, allegations, assertions, liabilities, costs and expenses (whether absolute, accrued, conditional or otherwise and whether or not resulting from third party claims and regardless of whether any such third party claims are meritorious), including, without limitation, reasonable legal fees and expenses, interest, penalties, and all reasonable amounts paid in investigation, defense or settlement in connection with the foregoing and with the enforcement of this Agreement , asserted against, imposed upon, resulting to, required to be paid by, or incurred by any Seller Party, directly or indirectly, in connection with, arising out of (a) the operation of the Business on and after the Closing Date, (b) Buyer's failure to perform or otherwise fulfill or comply with any covenant or agreement made by the Buyer in or pursuant to this Agreement and/or (c) Buyer's material breach or violation of any representation or warranty made by the Buyer hereunder.

7.2 Indemnification of Buyer. Seller shall indemnify, defend, save and hold harmless Buyer and Buyer's successors, permitted assigns and representatives (each, a "Buyer Party")

from and against and in respect of any and all claims, demands, allegations, assertions, liabilities, costs and expenses (whether absolute, accrued, conditional or otherwise and whether or not resulting from third party claims and regardless of whether any such third party claims are meritorious), including, without limitation, reasonable legal fees and expenses, interest, penalties, and all reasonable amounts paid in investigation, defense or settlement in connection with the foregoing and with the enforcement of this Agreement , asserted against, imposed upon, resulting to, required to be paid by, or incurred by any Buyer Party, directly or indirectly, in connection with, arising out of (a) the operation of the Business up to but not including the Closing Date, (b) Seller's failure to perform or otherwise fulfill or comply with any covenant or agreement made by the Seller in or pursuant to this Agreement and/or (c) Seller's material breach or violation of any representation or warranty made by the Seller hereunder.

ARTICLE 8
NOTICES

All notices and other communications hereunder shall be in writing and shall be deemed to have been duly given or made (a) upon delivery if delivered personally (by overnight courier service or otherwise) or (b) upon placement of such notice in the U.S. Mail, postage prepaid, return receipt requested; and provided that delayed delivery by such courier service or the U.S. postal service, other than due to the fault of the sender, shall not affect the validity of such notice. Such notices shall be given to each party at the applicable addresses set forth below (or such other address as the recipient may specify in accordance with this Section):

To Buyer:	Armada Hoffler, L.P. 222 Central Park Avenue Suite 2100 Virginia Beach, VA 23462 Attention: Michael P. O'Hara
with a copy to:	Faggert & Frieden, P.C. 222 Central Park Avenue, Suite 1300 Virginia Beach, VA 23462 Attention: David Y. Faggert
To Seller:	Washington Avenue Associates, L.L.C. 222 Central Park Avenue Suite 2100 Virginia Beach, VA 23462 Attention: Michael P. O'Hara
with a copy to:	Faggert & Frieden, P.C. 222 Central Park Avenue, Suite 1300 Virginia Beach, VA 23462 Attention: David Y. Faggert

ARTICLE 9
MISCELLANEOUS PROVISIONS

9.1 Expenses. Except as specifically provided herein, each party shall be solely responsible for all costs and expenses incurred by it in connection with the negotiation, preparation and performance of the terms of this Agreement.

9.2 Transfer Taxes and Similar Charges. Any recordation, transfer and documentary taxes and fees, and any excise, sales or use taxes, incurred by either Buyer or Seller in transferring the Membership Interests in accordance with this Agreement, shall be borne by Buyer.

9.3 Tax Covenants.

(a) Contributor and the Operating Partnership shall provide each other with such cooperation and information relating to the Company or the Property 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 the Company or with respect to the 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 Company or with respect to the 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 Company and the Property, 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 Company 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 the Membership 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 Membership Interests to employ, the "traditional method" (without curative allocations) as set forth in Treasury Regulations section 1.704-3(b)(1).

9.4 Benefit and Assignment. This Agreement shall be binding upon and shall inure to the benefit of the parties hereto and their respective successors and assigns.

9.5 Amendments. No amendment, consent, or waiver of compliance with any provision or condition hereof, shall be effective unless evidenced by an instrument in writing signed by the party against whom enforcement of any amendment, consent or waiver is sought.

9.6 Headings. The headings set forth in this Agreement are for convenience only and will not control or affect the meaning or construction of the provisions of this Agreement.

9.7 Counterparts. This Agreement may be executed in one or more counterparts, each of which shall be deemed an original and all of which together shall constitute one and the same instrument.

9.8 Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the Commonwealth of Virginia.

[SIGNATURE PAGES TO FOLLOW]

SIGNATURE PAGE

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the date first written under seal.

REIT:

ARMADA HOFFLER PROPERTIES, INC.,
a Maryland corporation

By: /s/ Louis S. Haddad (SEAL)
Louis S. Haddad
President and Chief Executive Officer

SELLER:

WASHINGTON AVENUE ASSOCIATES, L.L.C.,
a Virginia limited liability company

By: OAK HALL SHOPPING CENTER, L.L.C.,
a limited liability company,
its sole Member

By: /s/ Louis S. Haddad (SEAL)
Louis S. Haddad
Manager

BUYER:

ARMADA HOFFLER, L.P.,
a Virginia limited partnership

By: ARMADA HOFFLER PROPERTIES, INC.,
a Maryland corporation

By: /s/ Louis S. Haddad (SEAL)
Louis S. Haddad
President and Chief Executive Officer

[CONSENT AND SIGNATURE PAGE OF COMPANY TO FOLLOW]

CONSENT AND SIGNATURE PAGE OF COMPANY

The Company joins in the execution of this Agreement to acknowledge its consent to the Transactions contemplated herein.

COMPANY:

WASHINGTON AVENUE APARTMENTS, L.L.C.,
a Virginia limited liability company

By: WASHINGTON AVENUE ASSOCIATES, L.L.C.,
a Virginia limited liability company,
its sole Member

By: OAK HALL SHOPPING CENTER, L.L.C.,
a Virginia limited liability company,
its sole Member

By: /s/ Louis S. Haddad (SEAL)
Louis S. Haddad
Manager

Exhibit 10.38

OPTION AND RIGHT OF FIRST REFUSAL AGREEMENT

THIS OPTION AND RIGHT OF FIRST REFUSAL AGREEMENT (this "Agreement"), effective as of this 1st day of May, 2013 (the "Effective Date"), by and between COURTHOUSE MARKETPLACE PARCEL 7, L.L.C., a Virginia limited liability company (hereinafter referred to as "Owner"), whose address is 222 Central Park Ave., Suite 2100, Virginia Beach, Virginia 23462, and ARMADA HOFFLER, L.P., a Virginia limited partnership (hereinafter referred to as "Optionee"), whose address is 222 Central Park Ave., Suite 2100, Virginia Beach, Virginia 23462 (sometimes individually referred to as the "Party" and collectively referred to as the "Parties").

WITNESSETH:

WHEREAS, Owner is the fee simple owner of certain real property, together with all improvements thereon and all rights and appurtenances thereunto pertaining, located in the City of Virginia Beach, Virginia, (the "Property") which real property is more particularly described in Exhibit "A" attached hereto and incorporated herein;

WHEREAS, subject to the terms and conditions set forth herein, Owner desires to grant Optionee an option and right of first refusal to purchase and acquire the Property, and Optionee desires to receive an option and right of first refusal to purchase and acquire the Property;

NOW, THEREFORE, in consideration of the sum of Ten and 00/100 Dollars ($10.00), the mutual covenants herein contained, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties hereto agree as follows:

1. Option. Owner hereby grants to Optionee an exclusive option (the "Option") to purchase the Property, which may be exercised at any time during the Option Period (as herein defined) and in accordance with the terms and conditions set forth herein. Notwithstanding the foregoing, Optionee may not exercise the Option after the Owner has provided an Offer, as defined in Section 6 below, to Optionee, unless Optionee rejects the Offer and Owner fails to close on the sale of the Property to a third party as and when contemplated in the Offer.

2. Purchase Price. If Optionee exercises the Option, the purchase price (the "Purchase Price") shall be an amount equal to the appraised value of the Property at the time the Option is exercised, as determined by an MAI appraiser mutually agreed upon by the Parties. If the Parties cannot agree upon an MAI appraiser to appraise the Property, the appraised value of the Property shall be determined by an MAI appraiser selected by The McCammon Group. The Purchase Price shall be paid by wire transfer or other form of immediately available funds at Closing.

3. Option Period; Property Investigation. The Option shall commence on the Effective Date and shall expire on the earliest of (a) the Closing, as defined below, (b) the

closing on the Property by a third party in accordance with the provisions of Section 6 below, or (c) 12:01 a.m. on the day that is the fifth (5th) anniversary of the Effective Date (the "Option Period"). During the Option Period, the Optionee shall have the right to conduct, or cause to be conducted on its behalf, any investigation or evaluation of the fitness and suitability of the Property as the Optionee may desire (any or all of the foregoing, "Investigations"); provided, that (i) Optionee shall coordinate the timing of such Investigations with Owner in order to minimize the interference to Owner's use of the Property, (ii) Optionee shall be solely responsible for the cost of any Investigations, and (iii) Optionee or the agents or contractors conducting such Investigations on Optionee's behalf shall restore the Property to a condition substantially similar to that as existed prior to such Investigations and otherwise shall indemnify Owner from damage to the Property caused by such Investigations.

4. Exercise of Option. The Option shall be exercisable by Optionee delivering written notice (the "Option Notice") of its exercise of the Option to Owner prior to the expiration of the Option Period.

5. Closing Under Option. The closing of the sale of the Property to Optionee pursuant to Optionee's exercise of the Option ("Closing") shall occur within sixty (60) days after the date Optionee delivers the Option Notice to Owner ("Closing Date"). Closing shall be held at the offices of Optionee's attorney, or at such other place as the Parties may agree. At Closing, Owner shall deliver to Optionee a Special Warranty Deed conveying good and marketable fee simple title to the Property to the Optionee, free of all monetary liens and encumbrances (the "Deed"). All real estate taxes, stormwater assessments, condominium fees, property owners association fees, and other costs and expenses associated with the Property shall be prorated between the Owner and the Optionee as of the date of Closing; provided, however, Owner shall be responsible for payment when due of any and all "roll back" taxes, land use taxes or other similar taxes charged by the governmental locality in which the Property is located which may be charged against the Property and which related to any time period prior to Closing. Owner shall pay all expenses of preparation of the Deed and the grantor's tax thereon. Except as otherwise provided for herein, Owner shall not be responsible for payment of any other closing costs or expenses associated with Closing on the Property. Optionee shall pay all other costs or expenses associated with Closing on the Property, including, without limitation, the costs of preparing deed(s) of trust and the costs of recording all documents and the costs of any Investigations, including but not limited to a physical survey of the Property. Each party shall be responsible for paying its own attorney's fees and costs.

6. Right of First Refusal.

(a) Grant of Right. In the event Owner receives a bona fide expression of interest (an "Offer"), whether written (e.g., a letter of intent, term sheet or a draft contract) or oral, during the term of this Agreement from a third party outlining or summarizing the primary business terms on which such third party proposes to purchase the Property; and if such terms are satisfactory to Owner in Owner's sole discretion, Owner shall deliver a copy or written transcription of such Offer to Optionee (although

Owner may obliterate or omit any reference to the identity of the third party offeror) containing all pertinent terms and notify Optionee in writing (collectively, the "ROFR Notice") that such third party's Offer triggers a right of first refusal in favor of Optionee. Optionee shall have fifteen (15) days after receipt of the ROFR Notice within which to accept or reject in writing Owner's offer to sell the Property to Optionee in accordance with the Offer. If Optionee fails within such fifteen (15) day period to notify Owner in writing of its acceptance of the Offer as reflected in the ROFR Notice, then Optionee shall be deemed conclusively to have rejected such Offer. Notwithstanding the foregoing, if the Optionee has exercised the Option, Owner may not accept an Offer thereafter unless Optionee fails to close on the exercised Option pursuant to the terms of this Agreement.

(b) Business Terms. If Optionee elects to purchase the Property pursuant to the Offer, Optionee and Owner shall proceed diligently and in good faith to finalize and execute a sale and purchase agreement (the "Purchase Agreement") relative to the transaction within thirty (30) days after Optionee gives notice of its acceptance of the Offer. The purchase price and all other terms and conditions of the Purchase Agreement shall be as set forth in the Offer and as are otherwise customary for a sale of real property of similar character and similarly situated as the Property.

(c) Optionee's Rejection of Offer or Failure to Close. If the Offer is not accepted by Optionee or, if accepted, Optionee fails to close under the Purchase Agreement in accordance with its terms, the Option granted in this Agreement shall immediately terminate, the Owner may proceed with negotiations to sell the Property to the third party in accordance with the terms of the Offer, but not substantially more favorable to the third party than the terms contained in the Offer, and such sale shall be free and clear of Optionee's right of first refusal; provided, however, if Owner fails to close the sale of the Property to such third party as and when contemplated by the Offer, then Optionee's right of first refusal hereunder shall be reinstated as to such Offer and all subsequent Offers, subject to the terms hereof.

7. Condition of Premises. Upon exercise of the Option or, if the condition of the Property and associated representations and warranties as hereinafter described are not addressed by the terms of the Offer, Optionee's closing on the Property pursuant to the Offer, Optionee shall accept the Property at the time of Closing in an "as is" and "where is" condition and with all existing faults and not in reliance on any agreement, understanding, condition, warranty (including, without limitation, warranties of habitability, merchantability or fitness for a particular purpose) or representation made by Owner or any agent, employee or principal of Owner or any other party as to the financial or physical (including, without limitation, environmental) condition of the Property, as to any matter, including without limitation as to any permitted use thereof, the zoning classification thereof or compliance thereof with federal, state or local laws, as to the income or expense in connection therewith, or as to any other matter in connection therewith. This paragraph shall survive Closing.

8. Notices. All notices, requests or other communications permitted or required under this Agreement shall be in writing and shall be communicated by personal delivery, overnight delivery by a reputable, nationally-recognized overnight carrier such as Federal Express, Airborne Express or UPS Overnight, or registered mail, return receipt requested, to the Parties at the addresses first shown above, or at such other address as any of them may designate in writing from time to time.

9. Miscellaneous.

(a) This Agreement shall be governed by, construed and enforced in accordance with the laws of the Commonwealth of Virginia.

(b) All the terms, covenants, representations, warranties and conditions of this Agreement shall be binding upon, and inure to the benefit of and be enforceable by, the Parties hereto and their respective heirs, personal representatives, executors, successors and assigns.

(c) Any amendment or modification of this Agreement shall be made in writing executed by both Parties.

(d) Wherever used herein, the singular shall include the plural, the plural shall include the singular and the use of any gender shall include all other genders.

(e) The captions and paragraph headings contained herein are for convenience only and shall not be used in construing or enforcing any of the provisions of this Agreement.

(f) This Agreement may be executed in one or more counterparts, each of which shall be deemed to be an original and all of which shall, when collated together constitute one and the same agreement. This Agreement may be executed by any party by execution of a signature page transmitted by facsimile or PDF, and each signature transmitted by facsimile or PDF shall be deemed to be an original signature.

[SIGNATURE PAGE TO FOLLOW]

IN WITNESS WHEREOF, the Parties have caused this Agreement to be executed on their behalf and any Party executing this Agreement warrants that such party has the authority to do so.

OWNER:

COURTHOUSE MARKETPLACE PARCEL 7, L.L.C.,
a Virginia limited liability company

By: /s/ Louis S. Haddad (SEAL)
Louis S. Haddad, Manager

OPTIONEE:

ARMADA HOFFLER, L.P.,
a Virginia limited partnership

By: ARMADA HOFFLER PROPERTIES, INC.,
a Maryland corporation, General Partner

By: /s/ Louis S. Haddad (SEAL)
Louis S. Haddad, President and Chief Executive Officer

Exhibit 10.39

OPTION AND RIGHT OF FIRST REFUSAL AGREEMENT

THIS OPTION AND RIGHT OF FIRST REFUSAL AGREEMENT (this "Agreement"), effective as of this 1st day of May, 2013 (the "Effective Date"), by and between COURTHOUSE OUTPARCEL A-1-B-2, LLC, a Virginia limited liability company (hereinafter referred to as "Owner"), whose address is 222 Central Park Ave., Suite 2100, Virginia Beach, Virginia 23462, and ARMADA HOFFLER, L.P., a Virginia limited partnership (hereinafter referred to as "Optionee"), whose address is 222 Central Park Ave., Suite 2100, Virginia Beach, Virginia 23462 (sometimes individually referred to as the "Party" and collectively referred to as the "Parties").

WITNESSETH:

WHEREAS, Owner is the fee simple owner of certain real property, together with all improvements thereon and all rights and appurtenances thereunto pertaining, located in the City of Virginia Beach, Virginia, (the "Property") which real property is more particularly described in Exhibit "A" attached hereto and incorporated herein;

WHEREAS, subject to the terms and conditions set forth herein, Owner desires to grant Optionee an option and right of first refusal to purchase and acquire the Property, and Optionee desires to receive an option and right of first refusal to purchase and acquire the Property;

NOW, THEREFORE, in consideration of the sum of Ten and 00/100 Dollars ($10.00), the mutual covenants herein contained, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties hereto agree as follows:

1. Option. Owner hereby grants to Optionee an exclusive option (the "Option") to purchase the Property, which may be exercised at any time during the Option Period (as herein defined) and in accordance with the terms and conditions set forth herein. Notwithstanding the foregoing, Optionee may not exercise the Option after the Owner has provided an Offer, as defined in Section 6 below, to Optionee, unless Optionee rejects the Offer and Owner fails to close on the sale of the Property to a third party as and when contemplated in the Offer.

2. Purchase Price. If Optionee exercises the Option, the purchase price (the "Purchase Price") shall be an amount equal to the appraised value of the Property at the time the Option is exercised, as determined by an MAI appraiser mutually agreed upon by the Parties. If the Parties cannot agree upon an MAI appraiser to appraise the Property, the appraised value of the Property shall be determined by an MAI appraiser selected by The McCammon Group. The Purchase Price shall be paid by wire transfer or other form of immediately available funds at Closing.

3. Option Period; Property Investigation. The Option shall commence on the Effective Date and shall expire on the earliest of (a) the Closing, as defined below, (b) the

closing on the Property by a third party in accordance with the provisions of Section 6 below, or (c) 12:01 a.m. on the day that is the fifth (5th) anniversary of the Effective Date (the "Option Period"). During the Option Period, the Optionee shall have the right to conduct, or cause to be conducted on its behalf, any investigation or evaluation of the fitness and suitability of the Property as the Optionee may desire (any or all of the foregoing, "Investigations"); provided, that (i) Optionee shall coordinate the timing of such Investigations with Owner in order to minimize the interference to Owner's use of the Property, (ii) Optionee shall be solely responsible for the cost of any Investigations, and (iii) Optionee or the agents or contractors conducting such Investigations on Optionee's behalf shall restore the Property to a condition substantially similar to that as existed prior to such Investigations and otherwise shall indemnify Owner from damage to the Property caused by such Investigations.

4. Exercise of Option. The Option shall be exercisable by Optionee delivering written notice (the "Option Notice") of its exercise of the Option to Owner prior to the expiration of the Option Period.

5. Closing Under Option. The closing of the sale of the Property to Optionee pursuant to Optionee's exercise of the Option ("Closing") shall occur within sixty (60) days after the date Optionee delivers the Option Notice to Owner ("Closing Date"). Closing shall be held at the offices of Optionee's attorney, or at such other place as the Parties may agree. At Closing, Owner shall deliver to Optionee a Special Warranty Deed conveying good and marketable fee simple title to the Property to the Optionee, free of all monetary liens and encumbrances (the "Deed"). All real estate taxes, stormwater assessments, condominium fees, property owners association fees, and other costs and expenses associated with the Property shall be prorated between the Owner and the Optionee as of the date of Closing; provided, however, Owner shall be responsible for payment when due of any and all "roll back" taxes, land use taxes or other similar taxes charged by the governmental locality in which the Property is located which may be charged against the Property and which related to any time period prior to Closing. Owner shall pay all expenses of preparation of the Deed and the grantor's tax thereon. Except as otherwise provided for herein, Owner shall not be responsible for payment of any other closing costs or expenses associated with Closing on the Property. Optionee shall pay all other costs or expenses associated with Closing on the Property, including, without limitation, the costs of preparing deed(s) of trust and the costs of recording all documents and the costs of any Investigations, including but not limited to a physical survey of the Property. Each party shall be responsible for paying its own attorney's fees and costs.

6. Right of First Refusal.

(a) Grant of Right. In the event Owner receives a bona fide expression of interest (an "Offer"), whether written (e.g., a letter of intent, term sheet or a draft contract) or oral, during the term of this Agreement from a third party outlining or summarizing the primary business terms on which such third party proposes to purchase the Property; and if such terms are satisfactory to Owner in Owner's sole discretion, Owner shall deliver a copy or written transcription of such Offer to Optionee (although

Owner may obliterate or omit any reference to the identity of the third party offeror) containing all pertinent terms and notify Optionee in writing (collectively, the "ROFR Notice") that such third party's Offer triggers a right of first refusal in favor of Optionee. Optionee shall have fifteen (15) days after receipt of the ROFR Notice within which to accept or reject in writing Owner's offer to sell the Property to Optionee in accordance with the Offer. If Optionee fails within such fifteen (15) day period to notify Owner in writing of its acceptance of the Offer as reflected in the ROFR Notice, then Optionee shall be deemed conclusively to have rejected such Offer. Notwithstanding the foregoing, if the Optionee has exercised the Option, Owner may not accept an Offer thereafter unless Optionee fails to close on the exercised Option pursuant to the terms of this Agreement.

(b) Business Terms. If Optionee elects to purchase the Property pursuant to the Offer, Optionee and Owner shall proceed diligently and in good faith to finalize and execute a sale and purchase agreement (the "Purchase Agreement") relative to the transaction within thirty (30) days after Optionee gives notice of its acceptance of the Offer. The purchase price and all other terms and conditions of the Purchase Agreement shall be as set forth in the Offer and as are otherwise customary for a sale of real property of similar character and similarly situated as the Property.

(c) Optionee's Rejection of Offer or Failure to Close. If the Offer is not accepted by Optionee or, if accepted, Optionee fails to close under the Purchase Agreement in accordance with its terms, the Option granted in this Agreement shall immediately terminate, the Owner may proceed with negotiations to sell the Property to the third party in accordance with the terms of the Offer, but not substantially more favorable to the third party than the terms contained in the Offer, and such sale shall be free and clear of Optionee's right of first refusal; provided, however, if Owner fails to close the sale of the Property to such third party as and when contemplated by the Offer, then Optionee's right of first refusal hereunder shall be reinstated as to such Offer and all subsequent Offers, subject to the terms hereof.

7. Condition of Premises. Upon exercise of the Option or, if the condition of the Property and associated representations and warranties as hereinafter described are not addressed by the terms of the Offer, Optionee's closing on the Property pursuant to the Offer, Optionee shall accept the Property at the time of Closing in an "as is" and "where is" condition and with all existing faults and not in reliance on any agreement, understanding, condition, warranty (including, without limitation, warranties of habitability, merchantability or fitness for a particular purpose) or representation made by Owner or any agent, employee or principal of Owner or any other party as to the financial or physical (including, without limitation, environmental) condition of the Property, as to any matter, including without limitation as to any permitted use thereof, the zoning classification thereof or compliance thereof with federal, state or local laws, as to the income or expense in connection therewith, or as to any other matter in connection therewith. This paragraph shall survive Closing.

8. Notices. All notices, requests or other communications permitted or required under this Agreement shall be in writing and shall be communicated by personal delivery, overnight delivery by a reputable, nationally-recognized overnight carrier such as Federal Express, Airborne Express or UPS Overnight, or registered mail, return receipt requested, to the Parties at the addresses first shown above, or at such other address as any of them may designate in writing from time to time.

9. Miscellaneous.

(a) This Agreement shall be governed by, construed and enforced in accordance with the laws of the Commonwealth of Virginia.

(b) All the terms, covenants, representations, warranties and conditions of this Agreement shall be binding upon, and inure to the benefit of and be enforceable by, the Parties hereto and their respective heirs, personal representatives, executors, successors and assigns.

(c) Any amendment or modification of this Agreement shall be made in writing executed by both Parties.

(d) Wherever used herein, the singular shall include the plural, the plural shall include the singular and the use of any gender shall include all other genders.

(e) The captions and paragraph headings contained herein are for convenience only and shall not be used in construing or enforcing any of the provisions of this Agreement.

(f) This Agreement may be executed in one or more counterparts, each of which shall be deemed to be an original and all of which shall, when collated together constitute one and the same agreement. This Agreement may be executed by any party by execution of a signature page transmitted by facsimile or PDF, and each signature transmitted by facsimile or PDF shall be deemed to be an original signature.

[SIGNATURE PAGE TO FOLLOW]

IN WITNESS WHEREOF, the Parties have caused this Agreement to be executed on their behalf and any Party executing this Agreement warrants that such party has the authority to do so.

OWNER:

COURTHOUSE OUTPARCEL A-1-B-2, LLC,
a Virginia limited liability company

By: /s/ Louis S. Haddad (SEAL)
Louis S. Haddad, Manager

OPTIONEE:

ARMADA HOFFLER, L.P.,
a Virginia limited partnership

By: ARMADA HOFFLER PROPERTIES, INC.,
a Maryland corporation, General Partner

By: /s/ Louis S. Haddad (SEAL)
Louis S. Haddad, President and Chief Executive Officer

Exhibit 10.40

OPTION AND RIGHT OF FIRST REFUSAL AGREEMENT

THIS OPTION AND RIGHT OF FIRST REFUSAL AGREEMENT (this "Agreement"), effective as of this 1st day of May, 2013 (the "Effective Date"), by and between HANBURY VILLAGE, LLC, a Virginia limited liability company (hereinafter referred to as "Owner"), whose address is 222 Central Park Ave., Suite 2100, Virginia Beach, Virginia 23462, and ARMADA HOFFLER, L.P., a Virginia limited partnership (hereinafter referred to as "Optionee"), whose address is 222 Central Park Ave., Suite 2100, Virginia Beach, Virginia 23462 (sometimes individually referred to as the "Party" and collectively referred to as the "Parties").

WITNESSETH:

WHEREAS, Owner is the fee simple owner of certain real property, together with all improvements thereon and all rights and appurtenances thereunto pertaining, located in the City of Virginia Beach, Virginia, (the "Property") which real property is more particularly described in Exhibit "A" attached hereto and incorporated herein;

WHEREAS, subject to the terms and conditions set forth herein, Owner desires to grant Optionee an option and right of first refusal to purchase and acquire the Property, and Optionee desires to receive an option and right of first refusal to purchase and acquire the Property;

NOW, THEREFORE, in consideration of the sum of Ten and 00/100 Dollars ($10.00), the mutual covenants herein contained, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties hereto agree as follows:

1. Option. Owner hereby grants to Optionee an exclusive option (the "Option") to purchase the Property, which may be exercised at any time during the Option Period (as herein defined) and in accordance with the terms and conditions set forth herein. Notwithstanding the foregoing, Optionee may not exercise the Option after the Owner has provided an Offer, as defined in Section 6 below, to Optionee, unless Optionee rejects the Offer and Owner fails to close on the sale of the Property to a third party as and when contemplated in the Offer.

2. Purchase Price. If Optionee exercises the Option, the purchase price (the "Purchase Price") shall be an amount equal to the appraised value of the Property at the time the Option is exercised, as determined by an MAI appraiser mutually agreed upon by the Parties. If the Parties cannot agree upon an MAI appraiser to appraise the Property, the appraised value of the Property shall be determined by an MAI appraiser selected by The McCammon Group. The Purchase Price shall be paid by wire transfer or other form of immediately available funds at Closing.

3. Option Period; Property Investigation. The Option shall commence on the Effective Date and shall expire on the earliest of (a) the Closing, as defined below, (b) the

closing on the Property by a third party in accordance with the provisions of Section 6 below, or (c) 12:01 a.m. on the day that is the fifth (5th) anniversary of the Effective Date (the "Option Period"). During the Option Period, the Optionee shall have the right to conduct, or cause to be conducted on its behalf, any investigation or evaluation of the fitness and suitability of the Property as the Optionee may desire (any or all of the foregoing, "Investigations"); provided, that (i) Optionee shall coordinate the timing of such Investigations with Owner in order to minimize the interference to Owner's use of the Property, (ii) Optionee shall be solely responsible for the cost of any Investigations, and (iii) Optionee or the agents or contractors conducting such Investigations on Optionee's behalf shall restore the Property to a condition substantially similar to that as existed prior to such Investigations and otherwise shall indemnify Owner from damage to the Property caused by such Investigations.

4. Exercise of Option. The Option shall be exercisable by Optionee delivering written notice (the "Option Notice") of its exercise of the Option to Owner prior to the expiration of the Option Period.

5. Closing Under Option. The closing of the sale of the Property to Optionee pursuant to Optionee's exercise of the Option ("Closing") shall occur within sixty (60) days after the date Optionee delivers the Option Notice to Owner ("Closing Date"). Closing shall be held at the offices of Optionee's attorney, or at such other place as the Parties may agree. At Closing, Owner shall deliver to Optionee a Special Warranty Deed conveying good and marketable fee simple title to the Property to the Optionee, free of all monetary liens and encumbrances (the "Deed"). All real estate taxes, stormwater assessments, condominium fees, property owners association fees, and other costs and expenses associated with the Property shall be prorated between the Owner and the Optionee as of the date of Closing; provided, however, Owner shall be responsible for payment when due of any and all "roll back" taxes, land use taxes or other similar taxes charged by the governmental locality in which the Property is located which may be charged against the Property and which related to any time period prior to Closing. Owner shall pay all expenses of preparation of the Deed and the grantor's tax thereon. Except as otherwise provided for herein, Owner shall not be responsible for payment of any other closing costs or expenses associated with Closing on the Property. Optionee shall pay all other costs or expenses associated with Closing on the Property, including, without limitation, the costs of preparing deed(s) of trust and the costs of recording all documents and the costs of any Investigations, including but not limited to a physical survey of the Property. Each party shall be responsible for paying its own attorney's fees and costs.

6. Right of First Refusal.

(a) Grant of Right. In the event Owner receives a bona fide expression of interest (an "Offer"), whether written (e.g., a letter of intent, term sheet or a draft contract) or oral, during the term of this Agreement from a third party outlining or summarizing the primary business terms on which such third party proposes to purchase the Property; and if such terms are satisfactory to Owner in Owner's sole discretion, Owner shall deliver a copy or written transcription of such Offer to Optionee (although

Owner may obliterate or omit any reference to the identity of the third party offeror) containing all pertinent terms and notify Optionee in writing (collectively, the "ROFR Notice") that such third party's Offer triggers a right of first refusal in favor of Optionee. Optionee shall have fifteen (15) days after receipt of the ROFR Notice within which to accept or reject in writing Owner's offer to sell the Property to Optionee in accordance with the Offer. If Optionee fails within such fifteen (15) day period to notify Owner in writing of its acceptance of the Offer as reflected in the ROFR Notice, then Optionee shall be deemed conclusively to have rejected such Offer. Notwithstanding the foregoing, if the Optionee has exercised the Option, Owner may not accept an Offer thereafter unless Optionee fails to close on the exercised Option pursuant to the terms of this Agreement.

(b) Business Terms. If Optionee elects to purchase the Property pursuant to the Offer, Optionee and Owner shall proceed diligently and in good faith to finalize and execute a sale and purchase agreement (the "Purchase Agreement") relative to the transaction within thirty (30) days after Optionee gives notice of its acceptance of the Offer. The purchase price and all other terms and conditions of the Purchase Agreement shall be as set forth in the Offer and as are otherwise customary for a sale of real property of similar character and similarly situated as the Property.

(c) Optionee's Rejection of Offer or Failure to Close. If the Offer is not accepted by Optionee or, if accepted, Optionee fails to close under the Purchase Agreement in accordance with its terms, the Option granted in this Agreement shall immediately terminate, the Owner may proceed with negotiations to sell the Property to the third party in accordance with the terms of the Offer, but not substantially more favorable to the third party than the terms contained in the Offer, and such sale shall be free and clear of Optionee's right of first refusal; provided, however, if Owner fails to close the sale of the Property to such third party as and when contemplated by the Offer, then Optionee's right of first refusal hereunder shall be reinstated as to such Offer and all subsequent Offers, subject to the terms hereof.

7. Condition of Premises. Upon exercise of the Option or, if the condition of the Property and associated representations and warranties as hereinafter described are not addressed by the terms of the Offer, Optionee's closing on the Property pursuant to the Offer, Optionee shall accept the Property at the time of Closing in an "as is" and "where is" condition and with all existing faults and not in reliance on any agreement, understanding, condition, warranty (including, without limitation, warranties of habitability, merchantability or fitness for a particular purpose) or representation made by Owner or any agent, employee or principal of Owner or any other party as to the financial or physical (including, without limitation, environmental) condition of the Property, as to any matter, including without limitation as to any permitted use thereof, the zoning classification thereof or compliance thereof with federal, state or local laws, as to the income or expense in connection therewith, or as to any other matter in connection therewith. This paragraph shall survive Closing.

8. Notices. All notices, requests or other communications permitted or required under this Agreement shall be in writing and shall be communicated by personal delivery, overnight delivery by a reputable, nationally-recognized overnight carrier such as Federal Express, Airborne Express or UPS Overnight, or registered mail, return receipt requested, to the Parties at the addresses first shown above, or at such other address as any of them may designate in writing from time to time.

9. Miscellaneous.

(a) This Agreement shall be governed by, construed and enforced in accordance with the laws of the Commonwealth of Virginia.

(b) All the terms, covenants, representations, warranties and conditions of this Agreement shall be binding upon, and inure to the benefit of and be enforceable by, the Parties hereto and their respective heirs, personal representatives, executors, successors and assigns.

(c) Any amendment or modification of this Agreement shall be made in writing executed by both Parties.

(d) Wherever used herein, the singular shall include the plural, the plural shall include the singular and the use of any gender shall include all other genders.

(e) The captions and paragraph headings contained herein are for convenience only and shall not be used in construing or enforcing any of the provisions of this Agreement.

(f) This Agreement may be executed in one or more counterparts, each of which shall be deemed to be an original and all of which shall, when collated together constitute one and the same agreement. This Agreement may be executed by any party by execution of a signature page transmitted by facsimile or PDF, and each signature transmitted by facsimile or PDF shall be deemed to be an original signature.

[SIGNATURE PAGE TO FOLLOW]

IN WITNESS WHEREOF, the Parties have caused this Agreement to be executed on their behalf and any Party executing this Agreement warrants that such party has the authority to do so.

OWNER:

HANBURY VILLAGE, LLC,
a Virginia limited liability company

By: /s/ Louis S. Haddad (SEAL)
Louis S. Haddad, Manager

OPTIONEE:

ARMADA HOFFLER, L.P.,
a Virginia limited partnership

By: ARMADA HOFFLER PROPERTIES, INC.,
a Maryland corporation, General Partner

By: /s/ Louis S. Haddad (SEAL)
Louis S. Haddad, President and Chief Executive Officer

Exhibit 10.41

OPTION AND RIGHT OF FIRST REFUSAL AGREEMENT

THIS OPTION AND RIGHT OF FIRST REFUSAL AGREEMENT (this "Agreement"), effective as of this 1st day of May, 2013 (the "Effective Date"), by and between LAKE VIEW AH-VNG, LLC, a Virginia limited liability company (hereinafter referred to as "Owner"), whose address is 222 Central Park Ave., Suite 2100, Virginia Beach, Virginia 23462, and ARMADA HOFFLER, L.P., a Virginia limited partnership (hereinafter referred to as "Optionee"), whose address is 222 Central Park Ave., Suite 2100, Virginia Beach, Virginia 23462 (sometimes individually referred to as the "Party" and collectively referred to as the "Parties").

WITNESSETH:

WHEREAS, Owner is the fee simple owner of certain real property, together with all improvements thereon and all rights and appurtenances thereunto pertaining, located in the City of Virginia Beach, Virginia, (the "Property") which real property is more particularly described in Exhibit "A" attached hereto and incorporated herein;

WHEREAS, subject to the terms and conditions set forth herein, Owner desires to grant Optionee an option and right of first refusal to purchase and acquire the Property, and Optionee desires to receive an option and right of first refusal to purchase and acquire the Property;

NOW, THEREFORE, in consideration of the sum of Ten and 00/100 Dollars ($10.00), the mutual covenants herein contained, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties hereto agree as follows:

1. Option. Owner hereby grants to Optionee an exclusive option (the "Option") to purchase the Property, which may be exercised at any time during the Option Period (as herein defined) and in accordance with the terms and conditions set forth herein. Notwithstanding the foregoing, Optionee may not exercise the Option after the Owner has provided an Offer, as defined in Section 6 below, to Optionee, unless Optionee rejects the Offer and Owner fails to close on the sale of the Property to a third party as and when contemplated in the Offer.

2. Purchase Price. If Optionee exercises the Option, the purchase price (the "Purchase Price") shall be an amount equal to the appraised value of the Property at the time the Option is exercised, as determined by an MAI appraiser mutually agreed upon by the Parties. If the Parties cannot agree upon an MAI appraiser to appraise the Property, the appraised value of the Property shall be determined by an MAI appraiser selected by The McCammon Group. The Purchase Price shall be paid by wire transfer or other form of immediately available funds at Closing.

3. Option Period; Property Investigation. The Option shall commence on the Effective Date and shall expire on the earliest of (a) the Closing, as defined below, (b) the

closing on the Property by a third party in accordance with the provisions of Section 6 below, or (c) 12:01 a.m. on the day that is the fifth (5th) anniversary of the Effective Date (the "Option Period"). During the Option Period, the Optionee shall have the right to conduct, or cause to be conducted on its behalf, any investigation or evaluation of the fitness and suitability of the Property as the Optionee may desire (any or all of the foregoing, "Investigations"); provided, that (i) Optionee shall coordinate the timing of such Investigations with Owner in order to minimize the interference to Owner's use of the Property, (ii) Optionee shall be solely responsible for the cost of any Investigations, and (iii) Optionee or the agents or contractors conducting such Investigations on Optionee's behalf shall restore the Property to a condition substantially similar to that as existed prior to such Investigations and otherwise shall indemnify Owner from damage to the Property caused by such Investigations.

4. Exercise of Option. The Option shall be exercisable by Optionee delivering written notice (the "Option Notice") of its exercise of the Option to Owner prior to the expiration of the Option Period.

5. Closing Under Option. The closing of the sale of the Property to Optionee pursuant to Optionee's exercise of the Option ("Closing") shall occur within sixty (60) days after the date Optionee delivers the Option Notice to Owner ("Closing Date"). Closing shall be held at the offices of Optionee's attorney, or at such other place as the Parties may agree. At Closing, Owner shall deliver to Optionee a Special Warranty Deed conveying good and marketable fee simple title to the Property to the Optionee, free of all monetary liens and encumbrances (the "Deed"). All real estate taxes, stormwater assessments, condominium fees, property owners association fees, and other costs and expenses associated with the Property shall be prorated between the Owner and the Optionee as of the date of Closing; provided, however, Owner shall be responsible for payment when due of any and all "roll back" taxes, land use taxes or other similar taxes charged by the governmental locality in which the Property is located which may be charged against the Property and which related to any time period prior to Closing. Owner shall pay all expenses of preparation of the Deed and the grantor's tax thereon. Except as otherwise provided for herein, Owner shall not be responsible for payment of any other closing costs or expenses associated with Closing on the Property. Optionee shall pay all other costs or expenses associated with Closing on the Property, including, without limitation, the costs of preparing deed(s) of trust and the costs of recording all documents and the costs of any Investigations, including but not limited to a physical survey of the Property. Each party shall be responsible for paying its own attorney's fees and costs.

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[SIGNATURE PAGE TO FOLLOW]

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OWNER:

LAKE VIEW AH-VNG, LLC,
a Virginia limited liability company

By: /s/ Louis S. Haddad (SEAL)
Louis S. Haddad, Manager

OPTIONEE:

ARMADA HOFFLER, L.P.,
a Virginia limited partnership

By: ARMADA HOFFLER PROPERTIES, INC.,
a Maryland corporation, General Partner

By: /s/ Louis S. Haddad (SEAL)
Louis S. Haddad, President and Chief Executive Officer

Exhibit 10.42

OPTION AND RIGHT OF FIRST REFUSAL AGREEMENT

THIS OPTION AND RIGHT OF FIRST REFUSAL AGREEMENT (this "Agreement"), effective as of this 1st day of May, 2013 (the "Effective Date"), by and between OYSTER POINT HOTEL ASSOCIATES, L.L.C., a Virginia limited liability company (hereinafter referred to as "Owner"), whose address is 222 Central Park Ave., Suite 2100, Virginia Beach, Virginia 23462, and ARMADA HOFFLER, L.P., a Virginia limited partnership (hereinafter referred to as "Optionee"), whose address is 222 Central Park Ave., Suite 2100, Virginia Beach, Virginia 23462 (sometimes individually referred to as the "Party" and collectively referred to as the "Parties").

WITNESSETH:

WHEREAS, Owner is the fee simple owner of certain real property, together with all improvements thereon and all rights and appurtenances thereunto pertaining, located in the City of Newport News, Virginia, (the "Property") which real property is more particularly described in Exhibit "A" attached hereto and incorporated herein;

WHEREAS, subject to the terms and conditions set forth herein, Owner desires to grant Optionee an option and right of first refusal to purchase and acquire the Property, and Optionee desires to receive an option and right of first refusal to purchase and acquire the Property;

NOW, THEREFORE, in consideration of the sum of Ten and 00/100 Dollars ($10.00), the mutual covenants herein contained, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties hereto agree as follows:

1. Option. Owner hereby grants to Optionee an exclusive option (the "Option") to purchase the Property, which may be exercised at any time during the Option Period (as herein defined) and in accordance with the terms and conditions set forth herein. Notwithstanding the foregoing, Optionee may not exercise the Option after the Owner has provided an Offer, as defined in Section 6 below, to Optionee, unless Optionee rejects the Offer and Owner fails to close on the sale of the Property to a third party as and when contemplated in the Offer.

2. Purchase Price. If Optionee exercises the Option, the purchase price (the "Purchase Price") shall be an amount equal to the appraised value of the Property at the time the Option is exercised, as determined by an MAI appraiser mutually agreed upon by the Parties. If the Parties cannot agree upon an MAI appraiser to appraise the Property, the appraised value of the Property shall be determined by an MAI appraiser selected by The McCammon Group. The Purchase Price shall be paid by wire transfer or other form of immediately available funds at Closing.

3. Option Period; Property Investigation. The Option shall commence on the Effective Date and shall expire on the earliest of (a) the Closing, as defined below, (b) the

closing on the Property by a third party in accordance with the provisions of Section 6 below, or (c) 12:01 a.m. on the day that is the fifth (5th) anniversary of the Effective Date (the "Option Period"). During the Option Period, the Optionee shall have the right to conduct, or cause to be conducted on its behalf, any investigation or evaluation of the fitness and suitability of the Property as the Optionee may desire (any or all of the foregoing, "Investigations"); provided, that (i) Optionee shall coordinate the timing of such Investigations with Owner in order to minimize the interference to Owner's use of the Property, (ii) Optionee shall be solely responsible for the cost of any Investigations, and (iii) Optionee or the agents or contractors conducting such Investigations on Optionee's behalf shall restore the Property to a condition substantially similar to that as existed prior to such Investigations and otherwise shall indemnify Owner from damage to the Property caused by such Investigations.

4. Exercise of Option. The Option shall be exercisable by Optionee delivering written notice (the "Option Notice") of its exercise of the Option to Owner prior to the expiration of the Option Period.

5. Closing Under Option. The closing of the sale of the Property to Optionee pursuant to Optionee's exercise of the Option ("Closing") shall occur within sixty (60) days after the date Optionee delivers the Option Notice to Owner ("Closing Date"). Closing shall be held at the offices of Optionee's attorney, or at such other place as the Parties may agree. At Closing, Owner shall deliver to Optionee a Special Warranty Deed conveying good and marketable fee simple title to the Property to the Optionee, free of all monetary liens and encumbrances (the "Deed"). All real estate taxes, stormwater assessments, condominium fees, property owners association fees, and other costs and expenses associated with the Property shall be prorated between the Owner and the Optionee as of the date of Closing; provided, however, Owner shall be responsible for payment when due of any and all "roll back" taxes, land use taxes or other similar taxes charged by the governmental locality in which the Property is located which may be charged against the Property and which related to any time period prior to Closing. Owner shall pay all expenses of preparation of the Deed and the grantor's tax thereon. Except as otherwise provided for herein, Owner shall not be responsible for payment of any other closing costs or expenses associated with Closing on the Property. Optionee shall pay all other costs or expenses associated with Closing on the Property, including, without limitation, the costs of preparing deed(s) of trust and the costs of recording all documents and the costs of any Investigations, including but not limited to a physical survey of the Property. Each party shall be responsible for paying its own attorney's fees and costs.

6. Right of First Refusal.

(a) Grant of Right. In the event Owner receives a bona fide expression of interest (an "Offer"), whether written (e.g., a letter of intent, term sheet or a draft contract) or oral, during the term of this Agreement from a third party outlining or summarizing the primary business terms on which such third party proposes to purchase the Property; and if such terms are satisfactory to Owner in Owner's sole discretion, Owner shall deliver a copy or written transcription of such Offer to Optionee (although

Owner may obliterate or omit any reference to the identity of the third party offeror) containing all pertinent terms and notify Optionee in writing (collectively, the "ROFR Notice") that such third party's Offer triggers a right of first refusal in favor of Optionee. Optionee shall have fifteen (15) days after receipt of the ROFR Notice within which to accept or reject in writing Owner's offer to sell the Property to Optionee in accordance with the Offer. If Optionee fails within such fifteen (15) day period to notify Owner in writing of its acceptance of the Offer as reflected in the ROFR Notice, then Optionee shall be deemed conclusively to have rejected such Offer. Notwithstanding the foregoing, if the Optionee has exercised the Option, Owner may not accept an Offer thereafter unless Optionee fails to close on the exercised Option pursuant to the terms of this Agreement.

(b) Business Terms. If Optionee elects to purchase the Property pursuant to the Offer, Optionee and Owner shall proceed diligently and in good faith to finalize and execute a sale and purchase agreement (the "Purchase Agreement") relative to the transaction within thirty (30) days after Optionee gives notice of its acceptance of the Offer. The purchase price and all other terms and conditions of the Purchase Agreement shall be as set forth in the Offer and as are otherwise customary for a sale of real property of similar character and similarly situated as the Property.

(c) Optionee's Rejection of Offer or Failure to Close. If the Offer is not accepted by Optionee or, if accepted, Optionee fails to close under the Purchase Agreement in accordance with its terms, the Option granted in this Agreement shall immediately terminate, the Owner may proceed with negotiations to sell the Property to the third party in accordance with the terms of the Offer, but not substantially more favorable to the third party than the terms contained in the Offer, and such sale shall be free and clear of Optionee's right of first refusal; provided, however, if Owner fails to close the sale of the Property to such third party as and when contemplated by the Offer, then Optionee's right of first refusal hereunder shall be reinstated as to such Offer and all subsequent Offers, subject to the terms hereof.

7. Condition of Premises. Upon exercise of the Option or, if the condition of the Property and associated representations and warranties as hereinafter described are not addressed by the terms of the Offer, Optionee's closing on the Property pursuant to the Offer, Optionee shall accept the Property at the time of Closing in an "as is" and "where is" condition and with all existing faults and not in reliance on any agreement, understanding, condition, warranty (including, without limitation, warranties of habitability, merchantability or fitness for a particular purpose) or representation made by Owner or any agent, employee or principal of Owner or any other party as to the financial or physical (including, without limitation, environmental) condition of the Property, as to any matter, including without limitation as to any permitted use thereof, the zoning classification thereof or compliance thereof with federal, state or local laws, as to the income or expense in connection therewith, or as to any other matter in connection therewith. This paragraph shall survive Closing.

8. Notices. All notices, requests or other communications permitted or required under this Agreement shall be in writing and shall be communicated by personal delivery, overnight delivery by a reputable, nationally-recognized overnight carrier such as Federal Express, Airborne Express or UPS Overnight, or registered mail, return receipt requested, to the Parties at the addresses first shown above, or at such other address as any of them may designate in writing from time to time.

9. Miscellaneous.

(a) This Agreement shall be governed by, construed and enforced in accordance with the laws of the Commonwealth of Virginia.

(b) All the terms, covenants, representations, warranties and conditions of this Agreement shall be binding upon, and inure to the benefit of and be enforceable by, the Parties hereto and their respective heirs, personal representatives, executors, successors and assigns.

(c) Any amendment or modification of this Agreement shall be made in writing executed by both Parties.

(d) Wherever used herein, the singular shall include the plural, the plural shall include the singular and the use of any gender shall include all other genders.

(e) The captions and paragraph headings contained herein are for convenience only and shall not be used in construing or enforcing any of the provisions of this Agreement.

(f) This Agreement may be executed in one or more counterparts, each of which shall be deemed to be an original and all of which shall, when collated together constitute one and the same agreement. This Agreement may be executed by any party by execution of a signature page transmitted by facsimile or PDF, and each signature transmitted by facsimile or PDF shall be deemed to be an original signature.

[SIGNATURE PAGE TO FOLLOW]

IN WITNESS WHEREOF, the Parties have caused this Agreement to be executed on their behalf and any Party executing this Agreement warrants that such party has the authority to do so.

OWNER:

OYSTER POINT HOTEL ASSOCIATES, L.L.C.,
a Virginia limited liability company

By: /s/ Louis S. Haddad (SEAL)
Louis S. Haddad, Manager

OPTIONEE:

ARMADA HOFFLER, L.P.,
a Virginia limited partnership

By: ARMADA HOFFLER PROPERTIES, INC.,
a Maryland corporation, General Partner

By: /s/ Louis S. Haddad (SEAL)
Louis S. Haddad, President and Chief Executive Officer

EXHIBIT 10.44

ARMADA HOFFLER PROPERTIES, INC.

Director Stock Award Agreement

THIS DIRECTOR STOCK AWARD AGREEMENT (the "Agreement"), dated as of the day of , 2013, governs the Stock Award granted by ARMADA HOFFLER PROPERTIES, INC., a Maryland corporation (the "Company"), to (the "Participant"), in accordance with and subject to the provisions of the Company's 2013 Equity Incentive Plan (the "Plan"). A copy of the Plan has been made available to the Participant. All terms used in this Agreement that are defined in the Plan have the same meaning given them in the Plan.

1. Grant of Stock Award. In accordance with the Plan, and effective as of , 2013 (the "Date of Grant"), the Company granted to the Participant, subject to the terms and conditions of the Plan and this Agreement, a Stock Award of shares of Common Stock (the "Stock Award").

2. Vesting. The Participant's interest in the shares of Common Stock covered by the Stock Award shall become vested and nonforfeitable to the extent provided in paragraphs (a), (b) and (c) below.

(a) **Continued Service.** The Participant's interest in the number of shares of Common Stock that most nearly equals (but does not exceed) one-third of the Common Stock covered by the Stock Award shall be vested and nonforfeitable on the Date of Grant. The Participant's interest in the number of shares of Common Stock that most nearly equals (but does not exceed) one-third of the Common Stock covered by the Stock Award shall become vested and nonforfeitable on , 2014, if the Participant remains a member of the Board from the Date of Grant until such date. The Participant's interest in the remaining shares of Common Stock covered by the Stock Award shall become vested and nonforfeitable on , 2015, if the Participant remains a member of the Board from the Date of Grant until such date.

(b) **Change in Control.** The Participant's interest in all of the shares of Common Stock covered by the Stock Award (if not sooner vested), shall become vested and nonforfeitable on a Control Change Date if the Participant remains a member of the Board from the Date of Grant until the Control Change Date.

(c) **Death or Disability.** The Participant's interest in all of the shares of Common Stock covered by the Stock Award (if not sooner vested), shall become vested and nonforfeitable on the date that the Participant's service on the Board ends if (i) such service ends on account of the Participant's death or because the Participant is "disabled" (as defined in Code section 409A(a)(2)(c)) and (ii) the Participant remains a member of the Board from the Date of Grant until the date such service ends on account of the Participant's death or because the Participant is disabled.

Except as provided in this Section 2, any shares of Common Stock covered by the Stock Award that are not vested and nonforfeitable on or before the date that the Participant's service on the Board ends shall be forfeited on the date that such service terminates.

3. Transferability. Shares of Common Stock covered by the Stock Award that have not become vested and nonforfeitable as provided in Section 2 cannot be transferred. Shares of Common Stock covered by the Stock Award may be transferred, subject to the requirements of applicable securities laws, after they become vested and nonforfeitable as provided in Section 2.

4. Stockholder Rights. On and after the Date of Grant and prior to their forfeiture, the Participant shall have all of the rights of a stockholder of the Company with respect to the shares of Common Stock covered by the Stock Award, including the right to vote the shares and to receive, free of all restrictions, all dividends declared and paid on the shares. Notwithstanding the preceding sentence, the Company shall retain custody of the certificates evidencing the shares of Common Stock covered by the Stock Award until the date that the shares of Common Stock become vested and nonforfeitable and the Participant hereby appoints the Company's Secretary as the Participant's attorney in fact, with full power of substitution, with the power to transfer to the Company and cancel any shares of Common Stock covered by the Stock Award that are forfeited under Section 2.

5. No Right to Continued Service. This Agreement and the grant of the Stock Award does not give the Participant any rights with respect to continued service on the Board. This Agreement and the grant of the Stock Award shall not interfere with the right of the Company or an Affiliate to terminate the Participant's service on the Board.

6. Governing Law. This Agreement shall be governed by the laws of the State of Maryland except to the extent that Maryland law would require the application of the laws of another State.

7. Conflicts. In the event of any conflict between the provisions of the Plan as in effect on the Date of Grant and this Agreement, the provisions of the Plan shall govern. All references herein to the Plan shall mean the Plan as in effect on the Date of Grant.

8. Participant Bound by Plan. The Participant hereby acknowledges that a copy of the Plan has been made available to the Participant and the Participant agrees to be bound by all the terms and provisions of the Plan.

9. Binding Effect. Subject to the limitations stated above and in the Plan, this Agreement shall be binding upon the Participant and the Participant's successors in interest and the Company and any successors of the Company.

[signature page follows]

IN WITNESS WHEREOF, the Company and the Participant have executed this Agreement as of the date first set forth above.

ARMADA HOFFLER PROPERTIES, INC.

By: _____

Title: _____

[NAME OF PARTICIPANT]

_____

Exhibit 10.45

OPTION AGREEMENT

THIS OPTION AGREEMENT (this "Agreement"), dated May 1, 2013, is made by and among ARMADA/HOFFLER PROPERTIES, L.L.C., a Virginia limited liability company ("AHP"), and ARMADA HOFFLER, L.P., a Virginia limited partnership ("AH LP").

RECITALS

A. Capitalized terms not otherwise defined herein shall have the same meanings ascribed to them in that certain Option Agreement dated as of June 5, 2000, between Town Center Associates, L.L.C. ("TCA") and the City of Virginia Beach Development Authority (the "VBDA"), as amended, a copy of which is attached hereto as Exhibit A (the "Option Agreement").

B. AHP, TCA, City Center Associates, LLC ("CCA") and others executed that certain Co-Development Agreement effective as of December 9, 2004, as amended, a copy of which is attached hereto as Exhibit B (the "Co-Development Agreement"), pursuant to which the parties thereto and their Affiliates are developing the Project.

C. Pursuant to the Option Agreement, TCA has the option (the "TCA Option") to acquire certain parcels of land owned by the VBDA for the expansion and continuing development of the Project. The parcels remaining subject to the Option Agreement are commonly referred to as "Town Center Block 2", "Town Center Block 9" and "Parcel Z-2" (collectively, the "Remaining Option Land").

D. AHP and CCA are the sole members of TCA pursuant to that certain Amended and Restated Operating Agreement of Town Center Associates, L.L.C., effective as of January 1, 2004, as same may be amended (the "TCA Operating Agreement"), a copy of which is attached hereto as Exhibit C.

E. AH LP desires the option to require AHP to assign to AH LP its Ownership Interests in TCA and, thereby, for AH LP to obtain control over the exercise of rights under the Option Agreement to acquire all or, from time to time, any portion of the Remaining Option Land and to require TCA to renegotiate or extend the term of the Option Agreement prior to exercising the AH LP Option.

NOW THEREFORE, for and in consideration of the covenants and agreements contained herein and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereby agree as follows:

1. Exercise of Option by AH LP. Upon the terms and conditions set forth herein, AHP hereby grants to AH LP the option (the "AH LP Option") at any time prior to the expiration of the Option Agreement to acquire all of AHP's Ownership Interests in TCA by providing written notice (the "Option Exercise Notice") to AHP of the exercise of such option.

2. Purchase Price. AH LP shall pay at closing to AHP as consideration for AHP's Ownership Interest an amount equal to all expenses which AHP has incurred and which have not been reimbursed from any source for its share of the payments made by TCA, or by AHP on behalf of TCA, to maintain the TCA Option in force with respect to the Remaining Option Land, including all carrying costs related to the Wells Fargo Loan, all Option Fees, the Special Fees, premiums paid to maintain in force the Option Performance Bond, and all other expenses incurred by AHP under the Option Agreement with respect to the Remaining Option Land, in cash or other immediately available funds.

3. Closing. Closing on the transfer of AHP's Ownership Interest will occur within thirty (30) days after AHP has received the Option Exercise Notice.

4. Conditions of Closing.

(a) AHP and its principals shall be released or indemnified by AH LP in a manner satisfactory to AHP from all obligations, if any, related to or arising out of the Option Agreement, the Co-Development Agreement and the TCA Operating Agreement including, but not limited to, replacing the Option Performance Bond or relieving AHP and its principals or affiliates from any liability thereunder;

(b) The TCA Operating Agreement will be amended as required to reflect the transfer of the ownership interest of AHP to AH LP and any related amendments necessary as a result of such transfer;

(c) AHP will transfer all of its Ownership Interests in TCA free and clean of all liens and encumbrances and shall represent and warrant that it is the sole owner of the Ownership Interests.

5. Binding on Successors and Assigns. This Agreement shall be binding on the parties hereto and their respective successors and assigns.

6. Counterparts. This Agreement may be executed in one or more counterparts, each of which shall be deemed to be an original and all of which shall, when collated together, constitute one and the same agreement. This Agreement may be executed by any party by execution of a signature page transmitted by facsimile or PDF, and each signature transmitted by facsimile or PDF shall be deemed to be an original signature.

7. Governing Law. This Agreement is made in and shall be governed, construed and enforced in accordance with the laws of the Commonwealth of Virginia.

8. No Amendment. This Agreement may not be modified or amended except by written instrument executed by the parties hereto.

9. Entire Agreement. This Agreement contains the entire agreement of the parties as to the matters contained herein.

WITNESS the following signatures and seals as of the date first written above.

ARMADA/HOFFLER PROPERTIES, L.L.C.

By: /s/ Louis S. Haddad (SEAL)
Louis S. Haddad, Manager

ARMADA HOFFLER, L.P.

By: ARMADA HOFFLER PROPERTIES, INC.

By: /s/ Louis S. Haddad (SEAL)
Louis S. Haddad, President
and Chief Executive Officer