DANIA BEACH CITY CENTER DEVELOPMENT

REQUEST FOR QUALIFICATIONS FOR REAL ESTATE DEVELOPER
Dania Beach CRA
Submittal Requirements

June 13, 2019

Mario Caprini
Local Partner-in-Charge
Dania Beach City Center LLC to be formed
Managing Member
Capital Group P3 Developments LLC
55 NE 5th Avenue, Suite 501
Boca Raton, Fl 33432

www.armadahoffler.com
www.CapitalGroupUSA.com
June 13, 2019

Thomas L. Schneider, CMC, City Clerk
City of Dania Beach
100 West Dania Beach Boulevard
Dania Beach, FL 33004

Dear Mr. Schneider:

On behalf of Armada Hoffler Properties, please accept this letter of interest to partner with the Town of Dania Beach, Florida to develop multiple vertical projects in accordance with plans to be determined and approved.

Over the course of our 40-year history, Armada Hoffler Properties has completed 25 public-private partnerships in collaboration with various municipalities, states, public and private universities, the Federal government, and sovereign nations to develop and build transformational projects. Based on this experience, we are confident that Armada Hoffler Properties is the right development partner for the Town of Dania Beach.

Joint Venture Development

We have discussed entering into a Joint Venture Agreement with Capital Group P3 Developments LLC who has done a significant amount of pre-development planning for the site. Our success over the years has been a mirror image of this proposed opportunity where we enter Joint Venture Agreements with local developers who know the site intimately and we add our significant development, construction and financial capabilities to the equation. We believe this is a “win-win” for the Town of Dania Beach since you receive the benefit of not one but two formidable organizations working for you.

Timing of Our Commitment

Upon a decision by the Town of Dania Beach that provides our team with this tremendous opportunity we would immediately negotiate and enter into a binding agreement with Capital Group P3 Developments LLC to advance this unique and special project. We are a 40-year old, fully-integrated development and construction company. When we identify an opportunity we believe in, we work quickly and seamlessly with our Joint Venture Partner. All of this will benefit the Town of Dania Beach and its quest for new, modern first-class facilities.

Capital Sources

Armada Hoffler Properties is a publicly-traded real estate investment trust (NYSE: AHH) with ready access to capital through our $125 million equity offering program as well as our $355 million credit facility. As a public real estate investment trust (REIT) all of our financial information is publicly filed with the SEC. Our NYSE stock symbol is “AHH” so feel free to look at our company and recent activities.

We look forward to working with the Town of Dania Beach in order to maximize the benefits and value of this exciting project.

Sincerely,

Jonathan Morris
Chief Investment Officer
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SECTION 1
Company Profile and Background Information
Local Team

Mario Caprini
Managing Member, President
Local Partner

Mario managed his own portfolio more than 1,000,000 square feet and has done business in many countries. Mario’s specialty is creative solutions to real estate needs using Private Public Partnerships (P3).

Some of the notable achievements in his career range from Entrepreneur of the year in Montreal, best residential project in Canada, to best office development in North East Ohio. Mario was the first Canadians to have clear title on ex-communist soil in Poland and created an international real estate partnership between private and public entities. Mario Caprini is a real estate visionary and developed innovative solutions including LeaseOwnership, Accelerate Economic Development Program, Debt Elimination Program (DEP) and The Realizer a powerful Real Estate Investment Software.

Mario’s latest achievement was the development of a state of the art green energy efficient home prototype for the city of Pompano Beach which was awarded “2017 and 2018 Best Affordable Home in the USA” by the Structural Insulated Panel Association (SIPA) as well as 2017 Recognition of Excellence by the City of Pompano Beach and awarded by Gold Coast Builders Association which is the Florida representation of the National Home Builders Association (NHBA): 2017 Best Energy Efficient Home 1,000 sq. ft. to 2,500 sq. ft. and 2017 Best Innovative Green Design Materials & Resources.
Richard A. Cohen, DBIA
Developer’s Representative / Project Manager

The success of every project is dependent upon the leadership and day to day management of the project. Richard Cohen will be the single point of contact for the City of Dania Beach throughout all phases of the project.

Richard has over 30 years of experience in both residential and commercial projects and has Bachelor of Science from Clemson University in Construction Management. While Richard began his career in residential construction, he spent over 25 years working for a Hensel Phelps; one of the largest building services, development and Design Build construction companies in the United States. Richard's career included holding nearly every position on individual projects over seeing the management of day field operations at the project sites. In addition, Richard spent over 12 years in an Executive Leadership role in Hensel Phelps including managing all operations of the South Florida Regional Office business unit covering the Tri-County area and the Caribbean markets.

Richard's career involved projects from almost every market sector of the industry on both the public and private side of the industry. This experience includes:
- Public Safety Buildings
- Government Office Buildings
- Municipal Parks and Recreational Facilities
- Aquatic Facilities
- Court Houses
- Museums
- Detention Facilities
- Office Buildings
- Hospitality
- Multi-Family Apartments
- Rail and Bus Operation Centers
- Maintenance Facilitates for Public Transportation
- Water and Waste Treatment

Richard's involvement in feasibility studies, project development, programming, design, construction and building services gives him a unique understanding of the entire life cycle of each project. This broad range of experience over all aspects of the project life cycle allows for long range vision and a comprehensive understanding of how each decision affects not just the short-term outcome but the long-term implications those decisions have on the maintenance, operational and sustainability of every building.
Local Team

Capital Group Realty is owned and managed by Ms. Eddy Sua, Broker, FL. CGD has forged a 10-year relationship with Capital Group to identify real estate opportunities particularly in the south Florida area. This alliance is of particular note in part because it has provided the company with local knowledge of the real estate market as well as access to several high net worth international clients. In its capacity as exclusive brokerage firm to CGP3D it has a keen understanding of the acquisition criteria and standards that CGP3D seeks.

Ms. Eddy Sua was born in Colombia, SA, and moved to the United States at an early age. She has resided in Florida since 1979. She has always been in business for herself and currently is the Managing Broker and owner of Capital Group Realty. She has held significant positions at many recognized real estate brokerage companies including the international firms of Exit Realty and Balistreri Realty. Over her eighteen years tenure in the real estate business she has received many prestigious awards including being recognized as the Top Producer in the State of Florida for many years. Her track record includes representing over 900 clients and generating sales volumes in excess of $500 million. She is certified by the National Association of Realtors as a Certified International Property Specialist, Certified Buyer’s Agent and Certified Distressed and Foreclosure Specialist. Ms. Sua has served as the secretary for the Women’s Council in Palm Beach County.

Capital Group Realty is well known for its specialization in residential investments for foreign nationals and Ms. Sua is considered an expert by her peers in the prestigious south Florida area. In 2011 the firm expanded its focus to the commercial real estate arena and Ms. Sua has already closed several transactions with end users for substantial properties.
Lead Master Developer

DEVELOPMENT TEAM

LOUIS S. HADDAD
PRESIDENT & CEO

Mr. Haddad was recruited to Armada Hoffler in 1985 as an on-site construction superintendent where he quickly distinguished himself among company executives and subcontractors alike. Following several promotions, he was elevated to President of Armada Hoffler Construction Company in 1987 despite being a few months shy of his 30th birthday. During his subsequent 9-year tenure, the division’s annual revenue grew from $5 million to $150 million. In 1996, Lou was promoted to President of Armada Hoffler Holding Company, the parent of all Armada Hoffler entities, inclusive of the flagship development division as well as asset management. In 1999, he was given the additional title of Chief Executive Officer. Under his leadership Armada Hoffler became one of the largest commercial real estate concerns in the Commonwealth of Virginia with signature projects across several mid-Atlantic states. In 2013, he spearheaded the company’s initial public offering and transition into a publicly-traded REIT listed on the NYSE. With Lou as CEO, the company has more than tripled its market cap and produced returns that have consistently outperformed both the MSCI REIT and Russell 2000 Indices.

BERNARD L. SHUMATE JR.
EXECUTIVE VICE PRESIDENT - HEAD OF DEVELOPMENT

Promoted to Executive Vice President – Head of Development in 2018, Mr. Shumate is responsible for managing Armada Hoffler’s development team with oversight over all of the company’s development projects. With a relentless focus on controlling development risk, Mr. Shumate works closely with the executive management team to ensure that the corporate strategy is consistently supported by the efforts of the development team and that all development projects are completed on budget and on schedule. Mr. Shumate has more than 30 years of experience in the industry. Since first joining Armada Hoffler in 1998, he has held numerous positions within the construction business including Project Executive, Estimating Executive, Operations Manager and Vice President. Mr. Shumate graduated from Virginia Tech with a Bachelor of Science in Civil Engineering and holds a Class A Contractors License in Tennessee.

CHRISTOPHER J. ODLE
EXECUTIVE VICE PRESIDENT OF DEVELOPMENT

With over 25 years of experience in planning, estimating and development, Mr. Odle’s extensive resume of complex development projects and track record of delivering both on time and on budget with economics meeting or exceeding expectations enable him to oversee Armada Hoffler’s most complex development initiatives. Mr. Odle joined Armada Hoffler in 1995 and in his present capacity as Executive Vice President of Development, Mr. Odle spends significant energy designing and creating development programs to produce high quality and financially viable mixed-use spaces that effectively bring tenants and their employees together with clients and customers while offering amenities that enhance these interactions. In addition, Mr. Odle’s depth of experience allows him to be a technical resource for the company’s entire development team. Mr. Odle has served on various community boards and is currently a member of the Board of Directors for the James City County Economic Development Authority. He graduated from the University of Florida with a Bachelor of Science degree in Building Construction.
Lead Master Developer

**ERIC E. APPERSON**
**PRESIDENT OF CONSTRUCTION**

Mr. Apperson began his career with Armada Hoffler in 1987 and held various positions prior to becoming President of Goodman Segar Hogan Hoffler Construction (a subsidiary of Armada Hoffler) in 1997. Due to his wide range of experience in management, he was appointed President of Armada Hoffler Construction Company in 2000. In addition to being responsible for the overall management, strategic growth and financial health of the Construction Company, he focuses on developing and cultivating relationships with new and existing clients, subcontractors and employees. Mr. Apperson holds a Bachelor of Arts degree from Hampden-Sydney College where he is a member of the Board of Trustees. Mr. Apperson has been a member of the Board of Directors of Bank @lantec since 2007 and has served as its Chairman since 2010. He now sits on the Virginia Advisory Board of Bank @lantec, a Division of Dollar Bank. He has also been a member of the Board of Trustees at Cape Henry Collegiate since 2014.

**ALAN R. HUNT**
**EXECUTIVE VICE PRESIDENT OF CONSTRUCTION**

Alan R. Hunt currently serves as Executive Vice President of Construction, a position he has held since 2007. From 2004 until 2007, Mr. Hunt served as Vice President of Armada Hoffler Construction Company. From 2001 until 2004, he served as a Site Manager at Armada Hoffler and worked as a Project Superintendent from 1991 until 2001. Mr. Hunt has overseen the Baltimore office of Armada Hoffler since the mid-1990's and is responsible for scheduling, budgets, pre-construction and knowledge into the design phase. Mr. Hunt received a degree in computer science from the State University of New York at Alfred.

**SHELLY R. HAMPTON**
**PRESIDENT OF ASSET MANAGEMENT**

Shelly R. Hampton has served as President of Asset Management of Armada Hoffler since 2011. From 2009 to 2011, Ms. Hampton served as Vice President of Asset Management of Armada Hoffler. From 1999 until 2011, Ms. Hampton served as the Director of Asset Management of Armada Hoffler. Ms. Hampton previously served as Vice President of Finance as JLM Holdings. Ms. Hampton holds an Associate of Applied Science in Business Management from Metropolitan College and graduated cum laude with a Bachelor of Science in Business Administration from Western New England University.
The Team

The First at Dania Beach
Dania Beach, Florida

Amirz Heyter/ Properties Capital Group/P3
Model Developer, LLC
Richard Cohen - Project Executive

SECTION 1: KEY PERSONNEL
SECTION 2
Qualifications, Experience and Comparable Projects
Armada Hoffler Properties is a vertically-integrated, self-managed real estate investment trust with nearly four decades of experience developing, building, acquiring and managing high-quality office, retail and multifamily properties located primarily in the Mid-Atlantic and Southeastern United States. In addition to developing and building properties for its own account, the Company also provides development and general contracting construction services to third-party clients. Founded in 1979 by Daniel A. Hoffler, the Company completed its initial listing on the New York Stock Exchange in 2013 (NYSE: AHH).

Armada Hoffler’s integrated business model creates a competitive advantage in the marketplace and provides sustainable, long-term value to investors. Our logo reflects the highly successful synergy between the Company’s three business units – development, construction, and asset management – as illustrated by the three blocks that compose the iconic Armada Hoffler triangle.
PUBLIC-PRIVATE PARTNERSHIP EXPERIENCE

Having completed 25 public-private partnerships throughout its history, Armada Hoffler has particular expertise working in collaboration with municipalities, states, public and private universities, the federal government, sovereign nations, and other public entities to develop and build transformational projects.

One of Armada Hoffler's most successful public-private partnerships is the $700+ million mixed-use Town Center development in Virginia Beach, VA. This public-private partnership currently features over 800 apartments and condominiums, more than 400 hotel rooms, approximately 800,000 square feet of Class A office space, nearly 500,000 square feet of retail space, two regional performing arts theaters, and various public gathering areas. Over nearly two decades, Armada Hoffler worked in a strategic alliance with the City of Virginia Beach to fund the public infrastructure and parking needed to support this large private investment that has generated millions of dollars in tax revenue for the City.
TOWN CENTER OF VIRGINIA BEACH

Town Center, an emerging downtown core in the heart of Virginia Beach’s Central Business District, features a vibrant urban mix of upscale retail, Class A office space, luxury residential units, entertainment, and cultural facilities.

This open-air, pedestrian-friendly lifestyle center was developed exclusively by Armada Hoffler as a part of an ongoing, public-private partnership with the City of Virginia Beach which began in 2000. The multi-phase development has become an economic catalyst for the City as well as the broader region.

Town Center features a variety of dining, shopping, and entertainment options, as well as 410 hotel rooms, 30,000 sf of conference space, a 1,300-seat performing arts theater, and another 300-seat performing arts theater. More than 50% of tenants are new to Virginia Beach and over 30% are new to the Coastal Virginia MSA.

To date, the City of Virginia Beach has invested $200 million in the Town Center of Virginia Beach, while Armada Hoffler Properties and associates have invested approximately $500 million to create this urban core.

With the next phase of development, Town Center continues to evolve through Phase VI. This next phase of development is a mixed-use project includes retail and restaurant space, luxury apartment homes, a performing arts theater, a public plaza, and a pedestrian
bridge connecting to an adjacent parking garage. Williams Sonoma, Pottery Barn, TASTE, as well as a new restaurant and the new Zeiders American Dream Theater will anchor this phase, further solidifying Town Center as a prime destination for shopping, dining, and entertainment in Coastal Virginia.

460,000+ square feet of high-end retail space
800,000+ square feet of class A office space
110+ commercial tenants
759 apartment units

Over 60 stores and restaurants | 5,000+ parking spaces | 2 business class hotels
3 higher education establishments | 2 performing arts theaters
HARBOR POINT
Baltimore, MD

Located between Harbor East and historic Fells Point, Harbor Point will be a vibrant, highly integrated neighborhood with a focus on sustainability and innovation. As the City’s largest downtown, waterfront site yet to be developed, Harbor Point will be composed of 3 million square feet of mixed-use space on 27 acres and will be the leading development showcasing Baltimore’s urban renaissance. The neighborhood will feature thoughtfully designed public space including 9.5 acres of waterfront parks and a promenade along the water’s edge.

Beatty Development Group is the lead developer of the site, which is currently slated for three million square feet of mixed-use development, and Armada Hoffler Properties acts as investment partner, co-developer, and general contractor. Harbor Point will be strategically developed in three phases, and with the second phase of development currently underway, full build-out is projected by 2022.

From the Portfolio of:
Armada Hoffler Properties

Office:
1.6 Million SF

Residential:
±1,000 Units

Retail:
±250,000 SF

Hotel:
500+ Rooms

Parking:
±3,200 Spaces
WILLIAMS MULLEN CENTER

Richmond, VA

Located on the corner of 10th and Canal Streets in downtown Richmond, this office tower features a precast and glass exterior with 200,000 square feet of office space stacked atop 5,500 square feet of first-floor retail and a three-story, 49,000 square foot parking garage. Within the tower, the Williams Mullen Center comprises approximately 147,000 square feet of Class A office space built for one of the Mid-Atlantic region's most prominent law firms.

Developing office space requires in-depth planning. Understanding entitlements, utility requirements, and traffic impacts are just the basis for approvals. When looking to construct a top-of-the-line building in downtown Richmond, Armada Hoffler worked with local partners with knowledge of the site and entitled driveway connections between the existing parking deck and the future office tower which facilitated negotiations between Armada Hoffler, the parking deck owner, and the City of Richmond. This enabled the development agreements to be completed quickly and the building built on-time. By delivering practical solutions to complex urban development challenges, Armada Hoffler focused on what they do best: enhancing the City's Central Business District with a new office tower and keeping an important law firm downtown.

The initial schedule for the project included approximately ten months to complete tenant improvements after design and costs were approved. Roughly two months after commencement of interior construction work, the client placed three of their floors on hold to accommodate a late change in spatial plan requirements. This change ultimately caused the total redesign of one floor as well as a partial redesign of the other two floors. Armada Hoffler worked closely with the client to mitigate cost and delay impacts to the overall schedule and a “work around” plan was developed to facilitate the redeployment of construction efforts. Although revised design documents were received four months into the original ten-month construction schedule, Armada Hoffler delivered the tower in June 2010, per the original schedule.

From the Portfolio of:
Armada Hoffler Properties

Services Provided:
Develop/Construct

Product Type:
Office

Completed In:
2010

Project Size:
254,500 Square Feet
ONE CITY CENTER
Durham, NC

One City Center is a 27-story mixed-use project which will feature upon completion 130,000 square feet of office space, anchored by a 55,000 square foot lease with Duke University, along with 22,000 square feet of street-level retail space, both of which will be developed and owned by Armada Hoffler Properties. The Company’s partner will simultaneously develop 139 residential units as well as a two-level underground parking garage.

One City Center is a joint-venture development project currently under construction.

From the Portfolio of:
Armada Hoffler Construction

Services Provided:
Develop/Construct

Product Type:
Mixed-Use

Completed In:
2018

Project Size:
152,000 SF
27-Story
130,000 SF of office space
22,000 SF Retail
139 Residential Units
NINE EAST 33RD AT JOHN HOPKINS UNIVERSITY
Baltimore, MD

Nine East 33rd is a fully-inclusive student housing complex located one block away from Johns Hopkins University’s Homewood Campus. The 12-story building features 157 units with on-site management and top amenities such as student lounges located throughout the building, a fitness center, a club room with kitchen, pool tables, ample seating for large groups with Wi-fi access and an outdoor green roof. The building also includes street-level retail and a 169-car structured parking garage.

From the Portfolio of:
Armada Hoffler Construction

Services Provided:
Develop/Construct

Project Type:
Mixed-use

Year Completed:
2016

Project Size:
327,000 SF
4525 MAIN STREET
Virginia Beach, VA

The 4525 Main Street project was the fifth phase of the public-private partnership between Armada Hoffler Properties and the City of Virginia Beach. The mixed-use development encompasses a 15-story office tower with 238,000 square feet of Class A space, as well as 286 luxury apartment homes, approximately 950 parking spaces in a structured garage, and 23,000 square feet of ground-level retail which is 100% leased to Anthropologie, West Elm and Tupelo Honey Café. 4525 Main Street, currently the newest office tower in the Town Center of Virginia Beach, was recently awarded LEED Silver certification, while the Clark Nexsen office space within the tower is LEED Gold certified per the standards established by the U.S. Green Building Council (USGBC).

From the Portfolio of:
Armada Hoffler Properties

Services Provided:
Develop/Construct

Product Type:
Mixed-Use

Completed In:
2014

Project Size:
238,000 Square Feet & 286 Units
INTERLOCK
Atlanta, GA

Interlock Commercial, a new mixed-use public-private partnership with Georgia Tech in West Midtown Atlanta, will offer 200,000 square feet of office space, 100,000 square feet of retail space, 350 apartment units, 70 single-family townhomes, and a 125-room boutique hotel in the emerging West Midtown neighborhood of Atlanta. The Company will provide general contracting for the project as well as mezzanine financing for the office and retail portions of the project.

**Project Type:**
Mixed Use

**Estimated Development Cost:**
~$150 Million

**Project Size:**
100,000 SF Retail
200,000 SF Office
350 Apartment Units
125 Hotel Rooms
70 Townhomes
INTEGRATED MODEL IN ACTION

To date, the City of Virginia Beach has invested $200 million in the Town Center of Virginia Beach, while Armada Hoffler Properties and associates have invested approximately $500 million to create this urban core.

We believe the Columbus Village acquisitions were a logical and strategic addition to our portfolio with tremendous potential upside related to redevelopment opportunities.

1. 1.3-acre site with potential for development, currently used as a surface parking lot.
2. Phase VI of Town Center – a $45 million mixed-use development project completed in 3Q18 with 131 apartment units and 39,000 sf of retail
3. Columbus Village I is a 5-acre retail center featuring Barnes & Noble, ULTA Beauty, and Five Below with potential for redevelopment
4. Columbus Village II is a 7-acre retail center featuring Regal Cinema and Bed, Bath & Beyond with potential for redevelopment
1405 POINT | DEVELOPMENT

1405 Point – formerly known as Point Street Apartments – is a 17-story multifamily asset located in Harbor Point, adjacent to Baltimore’s dynamic Harbor East area. The property offers residents spectacular, unparalleled water views of Baltimore’s Inner Harbor.

**STRUCTURE**

- **$99M** development project with options to purchase 100% interest upon completion, at the developer’s cost basis.
- **$25M** mezzanine financing offered by AHH, earning 8% interest income.
- **$64M** construction contract with a 3% fee for Armada Hoffer Construction Company.

- **289** residential units
- **18,000 square feet of street-level retail**

**HARBOR POINT**

Located between Harbor East and historic Fells Point, Harbor Point is Baltimore’s largest downtown, waterfront development. Beatty Development Group is the lead developer of the 27-acre site, which is currently slated for three million square feet of mixed-use development. Armada Hoffer Properties acts as investment partner, co-developer, and general contractor.
421 7th Ave, Pittsburgh, PA

This project consisted of an empty building in downtown Pittsburgh where we redeveloped this office building using New Market Tax Credits combined with Historical Tax Credits to reposition the property and make it more appealing to the market place. The building ended up being pre-leased and completed.
Cite Jardin Founteneau, Montreal, Canada

Cite Jardin Fonteneau consists of 118 townhouses. This project was a demonstration project for the City of Montreal in a P3 setting. Where the challenge was to create affordable housing, while exceeding the green space criteria and eliminating the majority of garage views which we eliminated by creating back loading garages covered by backyard terraces for each home. Sound proofing and fire protection between units was outstanding between them. The houses ranged from 14 to 18 feet wide on 4 floors. The project was awarded best Residential Demonstration Projects in Canada by Canadian Architect Magazine.
Place Renaissance, Mayfield Heights, OH

This project was built on what was considered unbuildable land from both the development community and the City of Mayfield Heights. Using a creative approach and easements we were able to have the project approved and preleased. Project won Best Office Development in NE Ohio from NAIOP.
1550 De Maisonneuve, Montreal, Canada

This building was on a land lease over a metro station downtown Montreal, the building was becoming obsolete and the owners did not want to invest in it to renovate it due the short term remaining on the land lease. We created a program that required the Federal and Provincial Government and the City of Montreal to approve legislation to allow for the land above a metro station to be sold to the property owners in exchange for a full repositioning of the property which resulted in higher taxes for the City and facilitated the refinancing of the project for the ownership to fully renovate the property and enabled them sign new long term leases with tenants. The building was 100% occupied by the end of the transaction.

Following this unique first above a metro station, many owners of substantial properties above metro stations followed in our footsteps which created a win win situation for everyone involved.
Grand Parc

Grand Parc was a 180 unit demonstration project with the City of Montreal in Operation 20,000 Dwelling. Capital Group and its associates were awarded the project based on its affordability component and it stimulated investors to take action by creating an innovative tri-plex where the owner lives in the townhouse while generating extra income from 3 tenants stacked vertically next door and having garages hidden under tenant units on the side of the building to make the street scape more interesting. The project sold out in 60 days.
June 26, 2002

Dear Sirs / Madams:

This letter is intended to provide you with a reference for Mario Caprini, President & CEO of American National Development.

I had been associated with Mario since 1988 when he developed projects in partnership with the City of Montreal through its various programs. Throughout my career as General Director, I have observed how his unique creativity and resourcefulness has successfully developed significant projects. He remains today the only developer that has received a national award for the “Municipality of the Year” project, presented by Canadian Architect Magazine, better known as Cite Jardin Fonteneau, consisting of 134 residential units. The City of Montreal was awarded this prestigious award in 1993 and is on display in the lobby area.

Mario’s motivation and dedication to his work has always inspired confidence with the City’s officials who were always satisfied with the results of his endeavors.

I highly recommend Mario Caprini without hesitation to your City.

He will surely provide you with the same great results he has done for the City of Montreal.

Sincerely,

Renaud Paradis
Directeur général
TRANSLATION OF A LETTER DATED MAY 31, 1993 FROM THE MAYOR OF THE CITY OF MONTREAL, JEAN DORÉ TO MARIO CAPRINI

As you know, the City of Montreal was rewarded, last April 1st, with the Habitas "Municipality of the Year" award, for its conception of the Fonteneau project. This award that was remitted to us by the Group Promexpo, in collaboration with the Quebec Construction Association and the Quebec Union of Municipalities, was to recognize the city that distinguished itself for it or its long lasting residential development projects.

This award ratifies the choices, made by the City of Montreal, regarding its residential development programs. But most of it emphasizes the interest for us, to pursue our development programs in the same manner as we did with the Fonteneau project, that is by promoting partnership alliances. This project was realized because builders, architects and other participants, such as you, were interested in enforcing the concept put forward by the City of Montreal, and to take on the challenge of developing long lasting and quality projects.

It is also your talent that is recognized through this award and that is why I wanted to congratulate you. Thank you for your contribution towards the achievement of the Fonteneau project. I would appreciate that you also transmit my appreciation to all the members of your team that worked with you on this project.

Monseigneur Mario Caprini - 2 - La 31 mai 1993

Veuillez recevoir, Monseigneur, l'expression de mes salutations les meilleures.

Jean Doré

Le secrétaire de la Ville de Montréal en matière de développement immobilier.
Decisively my dear Mario, "Capital" will never cease to amaze us. After last years' astonishing success regarding the Fonteneau Garden City project, now you are offering the population of the City of Pierrefonds, "smart home systems" for their new homes.

I really envy the citizens of Pierrefonds that will soon benefit from the best of two worlds: the architecture of an European manor, combined with a state-of-the-art smart home system.

I am well aware of Capital's achievements and its constant care to provide its customers with the best refinements. The article of the "Journal de Montreal" dedicated to the "Pierrefonds Garden City" project, will surely convince your future homebuyers of all the obvious advantages they will obtain, such as security and energy savings, that are revolutionary in respect with their every day use and still they will be benefiting from a classical architecture.

What was perceived a few years ago as science fiction, is now a reality because of promoters such as yourself, whose innovations, like these new electronic devices, are now servicing the homebuyers.

With my sincere congratulations regarding your concept for the homes of the years 2000, I ask you to convey my appreciation to your close collaborators and please accept, mister President and dear friend, my warmest wishes.
July 3, 1997

Dear Sirs/Madams:

This letter is intended to provide you with a reference for Mr. Mario Caprini, President and CEO of American National. Our association with Mr. Caprini began when he was working to develop a new office building in our corporate park on Landerbrook Drive.

Mr. Caprini demonstrated a high level of professionalism in all of his dealings with the City Administration, Building Department Personnel and Planning Commission Members. He was receptive to the City of Mayfield Heights Codified Ordinances and Building Codes and remained willing to abide by those standards. Mr. Caprini appeared to be genuinely concerned with and committed to upholding the high standards of our city and our corporate headquarters area.

In brief, it was a pleasure to work with Mr. Mario Caprini. I recommend him to you not only without reservation, but with enthusiasm.

Sincerely,

Margaret A. Egensperger
Mayor/Safety Director

MAE/rca
SECTION 3
P3 Structure
1. Propose terms of lease on the project

City Hall and Library
The Government Lease Financing Program for the development of a +/- 63,000 square foot municipal complex via a lease with buyback option with a 2.5% yearly rent increase for a lease term for 20 year with a $1 buyback at the end of the lease based on financing 100% of the costs which is preliminarily estimated at +/- $30MM including a $50 TI allowance for finishes all backed by performance Bond to completion including the additional 2 floors of new parking at +/- 4.2% fixed rate which means it’s the most economical way to finance government projects.

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Fire Station
Using the same financial tool we will fund the approximate cost of $3.6MM for a new fire station via a lease with buyback option with a 2.5% yearly rent increase for a lease term for 20 year with a $1 buyback at the end of the lease based on financing 100% of the costs which is preliminarily estimated at +/- $3.6MM at +/- 4.2% fixed rate.

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</table>
Plaza and Public spaces
We are proposing an allowance of $3MM for the plaza and common areas which could also be financed

Parking
The existing parking structure will remain the property of the city for City hall, library and public use. Our parking experts can make recommendations as to the maintenance and management of the parking facility after we are selected.
2. Financial Structure

**Short Term Costs VS Long Term Gain Approach**

One of the most important tools we have to accomplish the city’s goals is to provide an attractive live work play environments which are very desirable by both employers and the millennials they seek. When combining this with the effort of positioning the city with a new image oriented toward entrepreneurship, art and culture you need to accomplish this by maintaining high standards, at affordable prices. Price point becomes a real success factor and to attract employers and provide relief for the housing crisis to attract new residents we have a great opportunity to offer market rate apartments and condos at a very attractive price points by providing a low land base and passing the savings to the end users. We would consider the land under all residential and commercial properties to be transferred to a lease for 99 years or transferred for $1 in order to incentivize revenue growth for the city. This will stimulate the absorption of products and provide a more balanced and stable environment for companies and residents with a good tax base and a TIF component can be used to finance the operations and activities of common areas and a trolley to connect the City Center with the airport, the port, the beach, the casino and all the shopping and activities at Dania Point. This will make the city more attractive to employers and residents.

and offering temporary below market leasing rate rents for office and retail will help target the companies and people they desperately need in this tight labor market. Our solution is for the city to contribute the land in order to help the developer reach a very
Short Term Costs VS Long Term Gain Approach (cont.)

We have developed a very attractive plan to enable the city to target and attract the companies they are seeking to Dania Beach. We call this program **Accelerated Economic Development Program** which can be used for strategic office and retail development to land the ideal companies in Dania Beach. How it works is a combination of our Governmental Lease Program with our Lease Ownership Program, here is how it works: The city signs a 20 year lease for an office building which enables us to use our Government Lease program to cover 100% of the costs at +/- 4.2% fixed rate plus 2.5% yearly rent increases and a low land base which transfer as a huge, up to, 25% savings in occupancy for the companies on market base rents making it the most desirable rate available enabling us to snag the best companies to move to Dania Beach. This program minimizes the exposure of the city as we will seek the companies on preleasing conditions and the companies will become sub tenants from the city. Professionally managed by CBRE with an excellent track records. This enabling the city to generate a positive cash flow from the tenants. The kicker is that the developer will guarantee the buyback of the property at market value to the city enabling them to generate a substantial surplus and validating the process. The developer is content of being able to buy a stabilized property and it becomes a win win situation.

Offering below market leasing rates for office will absorb the space quickly, stabilize the area and values and become an attractive option for all involved while minimizing if not eliminating any costs to the City over time.
## Projected Costs

### First At Dania Beach

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SECTION 4
Conceptual Development Plan & Timeline
Creating a Destination

Conceptual Plan

As people are increasingly turning to technology for their daily transactions, we are mandating designers to harness the principles of smart placemaking to shape mixed-use environments that offer more meaningful experiences. We're talking about the plazas, courtyards, passageways, sidewalks, and parks — the in-between spaces that serve as the connective fabric weaving together the threads of a city and its people. These spaces or voids may be the most difficult to quantify, but they matter the most, because that’s where people gather and experience community. To us, these spaces are where a city’s soul lives and where social interactions reside. This is place making for us, a live, work and play environment bringing cities to life, making them a destination.
## Dania Beach Proposed Project Timeline

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### Phase 1

- **0006** Hire Station Design & Permitting - B1  
  - AHP & CG
- **0007** Hire Station Construction - B1  
  - AHP & CG
- **0008** City Hall & Library Design & Permitting - B1  
  - AHP & CG
- **0009** City Hall & Library Construction - B1  
  - AHP & CG
- **0010** Reorganization of Historical Building  
  - AHP & CG
- **0011** Plaza Design & Permitting  
  - AHP & CG
- **0012** Plaza Construction  
  - AHP & CG
- **0013** Building 1 Design & Permitting  
  - AHP & CG
- **0014** Building 1 Construction  
  - AHP & CG
- **0015** Building 2 Design & Permitting  
  - AHP & CG
- **0016** Building 2 Construction  
  - AHP & CG
- **0017** Building 3 Design & Permitting  
  - AHP & CG
- **0018** Building 3 Construction  
  - AHP & CG
- **0019** Building 4 Design & Permitting  
  - AHP & CG
- **0020** Building 4 Construction  
  - AHP & CG
- **0021** Building 5 Design & Permitting  
  - AHP & CG
- **0022** Building 5 Construction  
  - AHP & CG
SECTION 4: CONCEPTUAL PLAN

Phases 1

Phases 2

Future Phases

Residential 14 levels
Residential 14 levels
Residential 14 levels
City Hall/Library 4 levels
Parking 6 levels
Residential 14 levels
Future Phases

Future Phases

Office 14 levels
HOTEL 9 LEVELS
Existing Hotel
Office 14 levels

Future Phases

Future Phases

Future Phases
The proposed masterplan for The First at Dania Beach provides the city center with a new identity through activation and rejuvenation of its civic components. The development is centered around a public plaza defined by a variety of mixed-uses.

The new City Hall sits on the western end of the Plaza, having a direct visual presence from Federal Highway, as well as the Tri-Rail. Its "framed window" gesture towards the open space symbolizes the transparency of the government and its connectivity to its citizens. It also provides a visual terminus to the plaza through a picturesque reflection of the eastern horizon.
The Civic Plaza is designed to accommodate a variety of functions and events – from farmers markets and art fairs to concerts and city and national holiday celebrations. Activated by small to medium scale retail and food & beverage components located on the ground floors of the surrounding buildings, the open space is intended to be used to its maximum potential. Strategically placed landscape and water features provide natural cooling & permeability and help break down the scale of the open space. An integrated within the landscape amphitheater invites the public to enjoy a fresh air lunch on the lawn, family picnics or live music.
The Garage structure has been expanded not only vertically but also to the south to accommodate a large part of the required number of stalls. The northern entrance has been relocated to the east, removing any need for public vehicular traffic through the Plaza.

A new architectural screen covers all exterior walls of the Garage, successfully blending within the architectural context of the new development. Native and low maintenance vegetation around the Garage's perimeter reduces the heat island effect and provided a visual buffer between the pedestrian realm and the vehicular driven interiors.

The remaining components of the masterplan include a variety of residential and office buildings, as well as the new Fire Station. Supporting the true mixed-use nature of the proposed development, all buildings are intended to have individual expression, driven by their function, while still keeping their identity as a part of the master plan.
Following review of all the information shared in the various meetings and charettes, we believe that the following components will be incorporated into our program:

- Permanent activities and animation on the plaza
- Shared office space for entrepreneurs
- Business incubator
- Create a national relocation program for freelancers to move to Dania Beach
- Put an accent on connectivity
- Activate the parc next to parking deck for exterior art expositions
- Use side streets for designated area for shared rides and promote public transportation
- Create an new image focusing on visionaries, entrepreneurs and artists
- Develop a home ownership incentive program for workforce housing
- Prepare for drones for people

- Lobby to get our train station in time
- Establish a trolley route and support
- A permanent art gallery / food Hall
- Promote our Accelerated Economic Development Program
- LeaseOwnership
- Develop the beach Café
- Incorporate micro apartments
- Incorporate live work units
- Offer affordable for sale and rent products
SECTION 4: CONCEPTUAL PLAN
Micro Apartments
SECTION 4: CONCEPTUAL PLAN
Plans to incorporate the neighborhood

Our Community development Partner
Synergy Community Development Center Inc. (Synergy Center) is a charitable 501 © (3) non-profit real estate organization committed to “building better neighborhoods.” It pursues this mission by engaging in real estate development including, home building and renovation, supervision and marketing activities to help individuals, families and military veterans achieve the goal of affordable home ownership in Palm Beach, Broward and Miami-Dade counties.

Synergy Center is committed to this project and the neighborhood around it. We plan on taking the responsibility to move the historical structure from the site to a site supplied by the city and operate our Broward Office from this new location while making the space available for various community groups and provide gathering space for all people of Dania Beach.

Plaza activities
Part of Synergy Center’s responsibility will be to coordinate and work with a group of professionals to generate the activities and desirability of the community to participate in events in and around the Plaza. Working with UniteUsGroup to help with branding, community activities and retail support will be a key factor to the success of the acclivities at the Plaza.

Connectivity
Synergy Center will work on establishing a trolley service with the CRA and link to the Beach Café on space provided via a lease from the city along the Dania beach to operate a link between the Town Center, the hotels and all other points of interest in Dania Beach.
PRISM 2017: Modernista Model using SIP technology;
1. Best Energy Efficient Home 1,000 to 2,500 sf
2. Best Innovative Green Design Materials & Resources

March 28, 2017 Recognition By City of Pompano Beach: “In appreciation of helping transform the City’s vision of unique, safe, and energy efficient affordable housing into a reality for the residents of Pompano Beach, Florida through the design and construction of the SIPA 2017 Building Excellence Award Winner Affordable Housing”.
SECTION 5
Financial Capability
Armada Hoffler Properties (NYSE: AHH) is a vertically-integrated, self-managed real estate investment trust that develops, builds, acquires, and manages high-quality office, retail, and multifamily properties located primarily in the Mid-Atlantic and Southeastern United States. In addition to developing and building properties for its own account, the company also provides development and general contracting services to third-party clients. The company was founded by Daniel A. Hoffler in 1979 and is headquartered in Virginia Beach, VA.
PROVEN PERFORMANCE SINCE IPO

**NAV per Share Consensus**
- **40% Growth**
  - 2013 IPO: $11.50
  - 2019: $16.08

**Normalized FFO per Share**
- **39% Growth**
  - 2014: $0.82
  - 2019 Midpoint Guidance: $1.14

**Common Stock Dividends Per Share**
- **31% Growth**
  - 2013 IPO: $0.64
  - 2019 Est.: $0.84

(1) Source: Sell-side Research Analyst estimates

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**SECTION 3: FINANCIAL CAPABILITY**
### PROJECTS UNDER DEVELOPMENT

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<td>152,000 sf</td>
<td>3Q18</td>
<td>2Q18</td>
<td>$48M</td>
</tr>
<tr>
<td>Premier Apartments &amp; Retail</td>
<td>Mixed-use</td>
<td>131 units/39,000 sf</td>
<td>3Q18</td>
<td>2Q19 &amp; 1Q20</td>
<td>$45M</td>
</tr>
<tr>
<td>Greenside®</td>
<td>Multifamily</td>
<td>226 units</td>
<td>3Q18</td>
<td>4Q19</td>
<td>$50M</td>
</tr>
<tr>
<td>Market at Mill Creek®</td>
<td>Retail</td>
<td>73,000 sf</td>
<td>1Q19</td>
<td>2Q19</td>
<td>$23M</td>
</tr>
<tr>
<td>Brooks Crossing®</td>
<td>Office</td>
<td>100,000 sf</td>
<td>2Q19</td>
<td>3Q19</td>
<td>$20M</td>
</tr>
<tr>
<td>Hoffer Pipers®</td>
<td>Multifamily</td>
<td>74 units/12,000 sf</td>
<td>3Q19</td>
<td>3Q19</td>
<td>$48M</td>
</tr>
<tr>
<td>Summit Place®</td>
<td>Multifamily</td>
<td>114 units</td>
<td>3Q19</td>
<td>3Q19</td>
<td>$53M</td>
</tr>
<tr>
<td>Wilder Wharf</td>
<td>Office</td>
<td>325,000 sf</td>
<td>1Q20</td>
<td>3Q20</td>
<td>$119M</td>
</tr>
<tr>
<td>Neston Square®</td>
<td>Retail</td>
<td>135,000 sf</td>
<td>2Q19</td>
<td>2Q20</td>
<td>$49M</td>
</tr>
</tbody>
</table>

**TOTAL INVESTMENT** ~ $545M

---

(1) For all ownership structure, see page 17 & 18 of the 4Q18 Supplemental package
(2) Timing and investment amounts are estimates and subject to change as the development process demands.
(3) Mezzanine investments with two-phase 100% purchase option
(4) Intend to purchase in 2Q19 under existing AHH option
(5) Majority Interest in joint venture
(6) Acquired in 1Q19
(7) AHH earns a preferred return on equity prior to any distributions to JV Partners
(8) Mezzanine investment with purchase option
# MEZZANINE INVESTMENT PROGRAM

<table>
<thead>
<tr>
<th>PROJECT</th>
<th>PRODUCT TYPE</th>
<th>LOCATION</th>
<th>PROJECTED TOTAL COST(a)</th>
<th>PROJECTED PRINCIPAL MEZZANINE FINANCING(b)</th>
<th>PROJECTED TOTAL GROSS INTEREST INCOME(b)</th>
<th>PROJECTED CONSTRUCTION FEES(b)</th>
<th>TOTAL PROJECTED AHF INCOME(b)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1405 Point</td>
<td>Multifamily</td>
<td>Baltimore, MD</td>
<td>$99M</td>
<td>$25M</td>
<td>$6M</td>
<td>$2M</td>
<td>$8M</td>
</tr>
<tr>
<td>Nexton Square</td>
<td>Retail</td>
<td>Summerville, SC</td>
<td>$42M</td>
<td>$20M</td>
<td>$2.6M</td>
<td>$0.4M</td>
<td>$3M</td>
</tr>
<tr>
<td><strong>Short-Term Investment</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Annapolis Junction</td>
<td>Multifamily</td>
<td>Howard County, MD</td>
<td>$106M</td>
<td>$37M</td>
<td>$18M(1)</td>
<td>$2M</td>
<td>$20M</td>
</tr>
<tr>
<td>Solis Interlock</td>
<td>Multifamily</td>
<td>Atlanta, GA</td>
<td>$94M</td>
<td>$23M</td>
<td>$10M</td>
<td>$2M</td>
<td>$12M</td>
</tr>
<tr>
<td>Interlock Commercial</td>
<td>Mixed-Use</td>
<td>Atlanta, GA</td>
<td>$140M</td>
<td>$65M</td>
<td>$24M</td>
<td>$3M</td>
<td>$27M</td>
</tr>
<tr>
<td>North Decatur Square</td>
<td>Retail</td>
<td>Decatur, GA</td>
<td>$39M</td>
<td>$15M</td>
<td>$5M</td>
<td>N/A</td>
<td>$5M</td>
</tr>
<tr>
<td>Delray Plaza (Whole Foods)</td>
<td>Retail</td>
<td>Delray Beach, FL</td>
<td>$25M</td>
<td>$11M</td>
<td>$3M</td>
<td>N/A</td>
<td>$3M</td>
</tr>
<tr>
<td><strong>Total Projected AHF Income</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>$7.8M</td>
</tr>
<tr>
<td><strong>Total Projected Mezzanine Interest Expense(b)</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>$(1.8)M</td>
</tr>
<tr>
<td><strong>Total Projected Net Mezzanine Interest Income</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>$60M</td>
</tr>
</tbody>
</table>

---

(a) Includes $5M of Annapolis Junction purchase option proceeds.  
(b) Excludes mezzanine interest expense.  
(1) Timing, investment, and income amounts are estimates and subject to change as the development process demands.  
(4) Reflects projected pay-off date that may be subject to change (page 14).  
(5) Based on forward LIBOR curve.
## General Contracting and Real Estate Services

<table>
<thead>
<tr>
<th>Service Description</th>
<th>2018</th>
<th>2019 Guidance Midpoint</th>
</tr>
</thead>
<tbody>
<tr>
<td>Third-Party Construction and Development</td>
<td>$2.7M</td>
<td>$5.3M</td>
</tr>
<tr>
<td>Build-to-Suit Distribution Center Sale Profit - Dec. 2018</td>
<td>$3.4M</td>
<td>-</td>
</tr>
<tr>
<td>Annapolis Junction Apartments Option Sale Profit</td>
<td>$0.5M</td>
<td>$4.5M</td>
</tr>
<tr>
<td>Total</td>
<td>$6.6M</td>
<td>$9.8M</td>
</tr>
</tbody>
</table>

### Third-Party Construction Backlog

As of 12/31/18: $166M

---

Interlock Commercial
PRESS RELEASE

ARMADA HOFFLER PROPERTIES REPORTS FIRST QUARTER 2019 RESULTS

Net Income of $0.10 Per Diluted Share

Normalized FFO of $0.27 Per Diluted Share

Reaffirmed 2019 Full-Year Normalized FFO Guidance

VIRGINIA BEACH, VA, May 2, 2019 – Armada Hoffler Properties, Inc. (NYSE:AHH) today announced its results for the quarter ended March 31, 2019 and provided an update on current events.

Highlights include:

• Net income of $6.5 million, or $0.10 per diluted share, for the quarter ended March 31, 2019 compared to net income of $7.0 million, or $0.11 per diluted share, for the quarter ended March 31, 2018.

• Normalized Funds From Operations (“FFO”) of $18.5 million, or $0.27 per diluted share, for the quarter ended March 31, 2019 compared to Normalized FFO of $15.4 million, or $0.25 per diluted share, for the quarter ended March 31, 2018.

• FFO of $16.6 million, or $0.25 per diluted share, for the quarter ended March 31, 2019 compared to FFO of $16.3 million, or $0.26 per diluted share, for the quarter ended March 31, 2018.

• The Company reaffirmed 2019 full-year Normalized FFO guidance of $1.11 to $1.17 per diluted share.

• Core operating property portfolio occupancy at 96.0% as of March 31, 2019 compared to 95.8% as of December 31, 2018.

• Same Store Net Operating Income (“NOI”) for the quarter ended March 31, 2019 increased 2.6% on a GAAP basis and 2.4% on a cash basis compared to the quarter ended March 31, 2018. Multifamily Same Store NOI for the quarter ended March 31, 2019 increased 9.0% on a GAAP basis and 8.0% on a cash basis compared to the quarter ended March 31, 2018.

• Positive releasing spreads on office renewals during the first quarter of 17.0% on a GAAP basis and 2.5% on a cash basis. Positive releasing spreads on retail renewals during the first quarter of 5.5% on a GAAP basis and 3.4% on a cash basis.

• Increased the first quarter 2019 cash dividend by 5% over the prior quarter’s cash dividend to $0.21 per common share. This marks the fifth increase in five years and represents cumulative growth of over 31%.

• Completed the acquisition and refinancing of the commercial office and retail components of our One City Center development project in downtown Durham, North Carolina from the joint venture partnership.

• Exercised our at-cost purchase option to acquire a 79% controlling interest in 1405 Point, the 17-story luxury high-rise apartment building located in the Harbor Point area of the Baltimore waterfront, in exchange for the Company’s mezzanine loan investment and the assumption of existing debt.
- Agreed to acquire Red Mill Commons and Marketplace at Hilltop in exchange for 4.1 million Operating Partnership units each valued at $15.55 per unit, the assumption of $36 million of debt, and $5 million in cash for aggregate consideration of $105 million.

- Raised $30.6 million of gross proceeds through our at-the-market equity offering program at an average price of $14.78 per share during the quarter ended March 31, 2019.

"We are extremely optimistic about the company’s prospects for the rest of 2019 as well as our ability to deliver on our promises over a multi-year timeframe," said Louis Haddad, President & CEO. "As the company's largest equity holder, management will continue to operate a business model that includes a variety of deal structures, OP unit acquisitions, and disposition of development projects, at cost options, and stable assets. As we look toward 2020 and the number of projects we intend to deliver and stabilize at that time, we feel strongly that our investors will continue to realize great value creation well into the future."

**Financial Results**

Net income for the first quarter decreased to $6.5 million compared to $7.0 million for the first quarter of 2018. The period-over-period change was primarily due to a $2.4 million swing in the change in fair value of interest rate derivatives and a $1.5 million increase in interest expense. This was partially offset by a $3.1 million increase in interest income and an increase in property net operating income due to 2018 and 2019 property acquisitions and certain development projects coming online.

Normalized FFO for the first quarter increased to $18.5 million compared to $15.4 million for the first quarter of 2018. FFO for the first quarter increased to $16.6 million compared to $16.3 million for the first quarter of 2018. The period-over-period change in Normalized FFO and FFO were positively impacted by property acquisitions, completion of development projects, and higher interest income. These increases in Normalized FFO and FFO were partially offset by increased interest expense.

**Operating Performance**

At the end of the first quarter, the Company’s office, retail and multifamily core operating property portfolios were 94.9%, 96.1% and 97.2% occupied, respectively.

Total construction contract backlog was $160.9 million at the end of the first quarter.

**Balance Sheet and Financing Activity**

As of March 31, 2019, the Company had $744.1 million of total debt outstanding, including $91.0 million outstanding under its revolving credit facility. Total debt outstanding excludes unamortized GAAP fair value adjustments and deferred financing costs. Approximately 56.8% of the Company's debt had fixed interest rates or was subject to interest rate swaps as of March 31, 2019. After considering LIBOR interest rate caps with strike prices at or below 250 basis points as of March 31, 2019, 97.1% of the Company's debt was either fixed or hedged.

There is no debt maturing during the remainder of 2019.

**Outlook**

The Company is reaffirming its 2019 full-year Normalized FFO guidance range of $1.11 to $1.17 per diluted share. The following table updates the Company's assumptions underpinning this forecast. The Company’s executive management will provide further details regarding its 2019 earnings guidance during today's webcast and conference call.
### Full-year 2019 Guidance [1]

<table>
<thead>
<tr>
<th></th>
<th>Expected Ranges</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total NOI</td>
<td>$96.9M - $97.7M</td>
</tr>
<tr>
<td>Construction Segment Gross Profit</td>
<td>$4.9M - $5.7M</td>
</tr>
<tr>
<td>G&amp;A Expenses</td>
<td>$11.0M - $11.5M</td>
</tr>
<tr>
<td>Mezzanine Interest Income (Net of Interest Expense) [2][3]</td>
<td>$15.2M - $15.7M</td>
</tr>
<tr>
<td>Interest Expense (Net of Mezzanine Interest Expense) [3]</td>
<td>$24.7M - $25.7M</td>
</tr>
<tr>
<td>Normalized FFO per diluted share [4]</td>
<td>$1.11 - $1.17</td>
</tr>
</tbody>
</table>

[1] Includes the following assumptions:
- Acquired 79% partnership interest of 1405 Point apartments on April 25th, 2019.
- Sale of Lightfoot Marketplace, a Harris Teeter grocery-anchored shopping center with expected proceeds of approximately $25 million in the third quarter of 2019.
- Acquisition of Red Mill Commons and Marketplace at Hilltop for $105 million in the second quarter of 2019. Total consideration composed of 4.1 million Operating Partnership units each valued at $15.55, assumed mortgage debt of $36 million, and $5 million in cash. The transaction is expected to add $8.1 million of annual net operating income.
- Interest expense is calculated based on the Forward LIBOR Curve, which forecasts rates ending the year at 2.36%.
- Opportunistic sale of approximately $50 million through the ATM program, for a full year weighted average share count of 72.3 million.

[2] Includes $4.5 million of Annapolis Junction purchase option proceeds.

[3] Includes $5.4 million of interest expense associated with funding the Company's mezzanine program.

[4] Normalized FFO excludes certain items, including debt extinguishment losses, acquisition, development and other pursuit costs, mark-to-market adjustments for interest rate derivatives, severance related costs, and other non-comparable items. See "Non-GAAP Financial Measures." The Company does not provide a reconciliation for its guidance range of Normalized FFO per diluted share to net income per diluted share, the most directly comparable forward-looking GAAP financial measure, because it is unable to provide a meaningful or accurate estimate of reconciling items and the information is not available without unreasonable effort as a result of the inherent difficulty of forecasting the timing and/or amounts of various items that would impact net income per diluted share. For the same reasons, the Company is unable to address the probable significance of the unavailable information and believes that providing a reconciliation for its guidance range of Normalized FFO per diluted share would imply a degree of precision for its forward-looking net income per diluted share that could be misleading to investors.

### Supplemental Financial Information

Further details regarding operating results, properties and leasing statistics can be found in the Company’s supplemental financial package available at www.ArmadaHoffler.com.

### Webcast and Conference Call

The Company will host a webcast and conference call on Thursday, May 2, 2019 at 8:30 a.m. Eastern Time to review financial results and discuss recent events. The live webcast will be available through the Investors page of the Company’s website, www.ArmadaHoffler.com. To participate in the call, please dial 877-407-3982 (domestic) or 201-493-6780 (international). A replay of the conference call will be available through Sunday, June 2, 2019 by dialing 844-512-2921 (domestic) or 412-317-6671 (international) and entering the pass code 13688835.

### About Armada Hoffler Properties, Inc.

Armada Hoffler Properties, Inc. (NYSE: AHH) is a vertically-integrated, self-managed real estate investment trust ("REIT") with nearly four decades of experience developing, building, acquiring, and managing high-quality, institutional-grade office, retail, and multifamily properties located primarily in the Mid-Atlantic and Southeastern United States. The Company also provides general construction and development services to third-party clients, in
addition to developing and building properties to be placed in its stabilized portfolio. The Company has elected to be
taxed as a REIT for U.S. federal income tax purposes.

Forward-Looking Statements

Certain matters within this press release are discussed using forward-looking language as specified in the Private
Securities Litigation Reform Act of 1995, and, as such, may involve known and unknown risks, uncertainties and
other factors that may cause the actual results or performance to differ from those projected in the forward-looking
statement. These forward-looking statements may include comments relating to the current and future performance
of the Company’s operating property portfolio, the Company’s development pipeline, the Company’s construction
and development business, including backlog and timing of deliveries, financing activities, as well as acquisitions,
dispositions and the Company’s financial outlook and expectations. For a description of factors that may cause the
Company’s actual results or performance to differ from its forward-looking statements, please review the
information under the heading “Risk Factors” included in the Company’s Annual Report on Form 10-K for the year
ended December 31, 2018, and the other documents filed by the Company with the Securities and Exchange
Commission from time to time.

Non-GAAP Financial Measures

The Company calculates FFO in accordance with the standards established by the National Association of Real
Estate Investment Trusts (“Nareit”). Nareit defines FFO as net income (loss) (calculated in accordance with GAAP),
excluding depreciation and amortization related to real estate, gains or losses from the sale of certain real estate
assets, gains and losses from change in control, and impairment write-downs of certain real estate assets and
investments in entities when the impairment is directly attributable to decreases in the value of depreciable real
estate held by the entity.

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

However, because FFO excludes depreciation and amortization and captures neither the changes in the value of the
Company’s properties that result from use or market conditions nor the level of capital expenditures and leasing
commissions necessary to maintain the operating performance of the Company’s properties, all of which have real
economic effects and could materially impact the Company’s results from operations, the utility of FFO as a
measure of the Company’s performance is limited. In addition, other equity REITs may not calculate FFO in
accordance with the Nareit definition as the Company does, and, accordingly, the Company’s FFO may not be
comparable to such other REITs’ FFO. Accordingly, FFO should be considered only as a supplement to net income
as a measure of the Company’s performance.

Management also believes that the computation of FFO in accordance with Nareit’s definition includes certain items
that are not indicative of the results provided by the Company’s operating property portfolio and affect the
comparability of the Company’s period-over-period performance. Accordingly, management believes that
Normalized FFO is a more useful performance measure that excludes certain items, including but not limited to,
acquisition, development and other pursuit costs, gains or losses from the early extinguishment of debt, impairment
of intangible assets and liabilities, mark-to-market adjustments for interest rate derivatives, severance related costs,
and other non-comparable items.

For reference, as an aid in understanding the Company’s computation of FFO and Normalized FFO, a reconciliation
of net income calculated in accordance with GAAP to FFO and Normalized FFO has been included in the final
page of this release.
### ASSETS

<table>
<thead>
<tr>
<th>Description</th>
<th>March 31, 2019</th>
<th>December 31, 2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Real estate investments:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Income producing property</td>
<td>$1,102,803</td>
<td>$1,037,917</td>
</tr>
<tr>
<td>Held for development</td>
<td>2,994</td>
<td>2,994</td>
</tr>
<tr>
<td>Construction in progress</td>
<td>145,366</td>
<td>135,675</td>
</tr>
<tr>
<td>Accumulated depreciation</td>
<td>(196,518)</td>
<td>(188,775)</td>
</tr>
<tr>
<td>Net real estate investments</td>
<td>1,054,645</td>
<td>987,811</td>
</tr>
<tr>
<td>Real estate investments held for sale</td>
<td>929</td>
<td>929</td>
</tr>
<tr>
<td>Cash and cash equivalents</td>
<td>15,577</td>
<td>21,254</td>
</tr>
<tr>
<td>Restricted cash</td>
<td>3,382</td>
<td>2,797</td>
</tr>
<tr>
<td>Accounts receivable, net</td>
<td>18,297</td>
<td>19,016</td>
</tr>
<tr>
<td>Notes receivable</td>
<td>152,172</td>
<td>138,683</td>
</tr>
<tr>
<td>Construction receivables, including retentions</td>
<td>17,784</td>
<td>16,154</td>
</tr>
<tr>
<td>Construction contract costs and estimated earnings in excess of billings</td>
<td>317</td>
<td>1,358</td>
</tr>
<tr>
<td>Equity method investments</td>
<td>—</td>
<td>22,203</td>
</tr>
<tr>
<td>Lease right-of-use assets</td>
<td>32,242</td>
<td>—</td>
</tr>
<tr>
<td>Other assets</td>
<td>63,909</td>
<td>55,177</td>
</tr>
<tr>
<td><strong>Total Assets</strong></td>
<td>$1,359,254</td>
<td>$1,265,382</td>
</tr>
</tbody>
</table>

### LIABILITIES AND EQUITY

<table>
<thead>
<tr>
<th>Description</th>
<th>March 31, 2019</th>
<th>December 31, 2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Indebtedness, net</td>
<td>$737,621</td>
<td>$694,239</td>
</tr>
<tr>
<td>Accounts payable and accrued liabilities</td>
<td>13,904</td>
<td>15,217</td>
</tr>
<tr>
<td>Construction payables, including retentions</td>
<td>42,293</td>
<td>50,796</td>
</tr>
<tr>
<td>Billings in excess of construction contract costs and estimated earnings</td>
<td>3,622</td>
<td>3,037</td>
</tr>
<tr>
<td>Lease liabilities</td>
<td>41,697</td>
<td>—</td>
</tr>
<tr>
<td>Other liabilities</td>
<td>40,431</td>
<td>46,203</td>
</tr>
<tr>
<td><strong>Total Liabilities</strong></td>
<td>881,568</td>
<td>809,492</td>
</tr>
<tr>
<td><strong>Total Equity</strong></td>
<td>477,686</td>
<td>455,890</td>
</tr>
<tr>
<td><strong>Total Liabilities and Equity</strong></td>
<td>$1,359,254</td>
<td>$1,265,382</td>
</tr>
</tbody>
</table>
## Section 3: Financial Capability

<table>
<thead>
<tr>
<th>Description</th>
<th>2019</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Revenues</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Rental revenues</td>
<td>$30,909</td>
<td>$28,699</td>
</tr>
<tr>
<td>General contracting and real estate services revenues</td>
<td>17,036</td>
<td>23,050</td>
</tr>
<tr>
<td><strong>Total revenues</strong></td>
<td>47,945</td>
<td>51,749</td>
</tr>
<tr>
<td><strong>Expenses</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Rental expenses</td>
<td>6,725</td>
<td>6,424</td>
</tr>
<tr>
<td>Real estate taxes</td>
<td>3,128</td>
<td>2,813</td>
</tr>
<tr>
<td>General contracting and real estate services expenses</td>
<td>16,286</td>
<td>22,414</td>
</tr>
<tr>
<td>Depreciation and amortization</td>
<td>9,904</td>
<td>9,278</td>
</tr>
<tr>
<td>General and administrative expenses</td>
<td>3,401</td>
<td>2,961</td>
</tr>
<tr>
<td>Acquisition, development and other pursuit costs</td>
<td>400</td>
<td>84</td>
</tr>
<tr>
<td><strong>Total expenses</strong></td>
<td>39,844</td>
<td>43,974</td>
</tr>
<tr>
<td><strong>Operating income</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Interest income</td>
<td>5,319</td>
<td>2,232</td>
</tr>
<tr>
<td>Interest expense</td>
<td>(5,886)</td>
<td>(4,373)</td>
</tr>
<tr>
<td>Equity in income of unconsolidated real estate entities</td>
<td>273</td>
<td>—</td>
</tr>
<tr>
<td>Change in fair value of interest rate derivatives</td>
<td>(1,463)</td>
<td>969</td>
</tr>
<tr>
<td><strong>Other income</strong></td>
<td>60</td>
<td>114</td>
</tr>
<tr>
<td><strong>Income before taxes</strong></td>
<td>6,404</td>
<td>6,717</td>
</tr>
<tr>
<td><strong>Income tax benefit</strong></td>
<td>110</td>
<td>266</td>
</tr>
<tr>
<td><strong>Net income</strong></td>
<td>6,514</td>
<td>6,983</td>
</tr>
<tr>
<td><strong>Net income attributable to noncontrolling interests</strong></td>
<td>(1,630)</td>
<td>(1,943)</td>
</tr>
<tr>
<td><strong>Net income attributable to stockholders</strong></td>
<td>$4,884</td>
<td>$5,040</td>
</tr>
<tr>
<td><strong>Net income per diluted share and unit</strong></td>
<td>$0.10</td>
<td>$0.11</td>
</tr>
<tr>
<td><strong>Weighted average shares and units outstanding</strong></td>
<td>67,919</td>
<td>62,538</td>
</tr>
</tbody>
</table>
ARMADA HOFFLER PROPERTIES, INC.
RECONCILIATION OF NET INCOME TO FFO & NORMALIZED FFO
(in thousands, except per share amounts)

<table>
<thead>
<tr>
<th></th>
<th>Three Months Ended March 31,</th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>2019</td>
<td>Unaudited</td>
</tr>
<tr>
<td>Net income</td>
<td>$6,514</td>
<td>$6,983</td>
<td></td>
</tr>
<tr>
<td>Depreciation and amortization (1)</td>
<td>10,129</td>
<td>9,278</td>
<td></td>
</tr>
<tr>
<td>Funds From Operations (FFO)</td>
<td>$16,643</td>
<td>$16,261</td>
<td></td>
</tr>
<tr>
<td>Acquisition, development and other pursuit costs</td>
<td>400</td>
<td>84</td>
<td></td>
</tr>
<tr>
<td>Change in fair value of interest rate derivatives</td>
<td>1,463</td>
<td>(969)</td>
<td></td>
</tr>
<tr>
<td>Normalized FFO</td>
<td>$18,506</td>
<td>$15,376</td>
<td></td>
</tr>
<tr>
<td>Net income per diluted share and unit</td>
<td>$0.10</td>
<td>$0.11</td>
<td></td>
</tr>
<tr>
<td>FFO per diluted share and unit</td>
<td>$0.25</td>
<td>$0.26</td>
<td></td>
</tr>
<tr>
<td>Normalized FFO per diluted share and unit</td>
<td>$0.27</td>
<td>$0.25</td>
<td></td>
</tr>
<tr>
<td>Weighted average common shares and units - diluted</td>
<td>67,919</td>
<td>62,538</td>
<td></td>
</tr>
</tbody>
</table>

(1) The adjustment for depreciation and amortization includes depreciation attributable to the Company’s investment in One City Center from January 1, 2019 to March 14, 2019, which was an unconsolidated real estate investment during this period.

Contact:

Michael P. O’Hara
Armada Hoffler Properties, Inc.
Chief Financial Officer and Treasurer
Email: MOHara@ArmadaHoffler.com
Phone: (757) 366-6684
SECTION 6
Other Documentation, Deposit and Required Forms
DEPOSIT CHECK

*(issued with original)*