

CLIPPER REALTY INC.

INVESTMENT COMMITTEE CHARTER

Committee Membership:

The Investment Committee (the “Committee”) of the Board of Directors (the “Board”) of Clipper Realty Inc. (the “Company”) shall consist of one or more members of the Board.

Members shall be appointed by the Board based on nominations recommended by the Company’s Nominating and Corporate Governance Committee. Members shall serve at the pleasure of the Board and for such term or terms as the Board may determine.

Committee Purpose and Responsibilities:

The Committee shall have the purpose and direct responsibility to:

1. In consultation with management, review and make recommendations to the Board about potential investments in properties by the Company.
2. Review and make recommendations to the Board about any investment opportunity presented to the Company by any of the Company’s directors and officers (the “Company Insiders”) or any entities controlled by Company Insiders pursuant to the Investment Policy adopted by the Board.
3. Review the Company’s Investment Policy and make recommendations to the Board about any changes to the Investment Policy.
4. Report to the Board about potential investment opportunities for the Company.
5. Perform any other duties or responsibilities expressly delegated to the Committee by the Board from time to time relating to the Company’s investments and properties.

Committee Structure and Operations:

The Board shall designate one member of the Committee as its chairperson. The Committee shall meet at such times and places determined by the Committee chairperson, with further meetings to occur, or actions to be taken by unanimous written consent, when deemed necessary or desirable by the Committee or its chairperson. Members of the Committee may participate in a meeting of the Committee by means of conference call or similar communications equipment by means of which all persons participating in the meeting can hear each other.

The Committee may invite such members of management to its meetings as it deems appropriate.

Delegation to Subcommittee:

The Committee may, in its discretion, delegate all or a portion of its duties and responsibilities to a subcommittee of the Committee.

Resources and Authority of the Committee:

The Committee shall have the resources and authority appropriate to discharge its duties and responsibilities, including the authority to select, retain, terminate, and approve the fees and other retention terms of real estate experts or consultants, as it deems appropriate, without seeking approval of the Board or management.