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

FORM 10-Q

☒ **QUARTERLY REPORT PURSUANT TO SECTION 13 or 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the quarterly period ended March 31, 2022

or

☐ **TRANSITION REPORT PURSUANT TO SECTION 13 or 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the transition period from _____ to _____

Commission File Number 1-32375

Comstock Holding Companies, Inc.

(Exact name of registrant as specified in its charter)

Delaware	**20-1164345**
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)

1900 Reston Metro Plaza, 10th Floor
Reston, Virginia 20190
(703) 230-1985
(Address, including zip code, and telephone number, including area code, of principal executive offices)

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Class A Common Stock, $0.01 par value	**CHCI**	**NASDAQ Capital Market**

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (Section 232.405) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes ☒ No ☐

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

Large accelerated filer	☐	Accelerated filer	☐
Non-accelerated filer	☒	Smaller reporting company	☒
		Emerging growth company	☐

If an emerging growth company, indicate by checkmark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Act). Yes ☐ No ☒

As of April 30, 2022, 8,199,678 shares of Class A common stock, par value $0.01 per share, and 220,250 shares of Class B common stock, par value $0.01 per share, of the registrant were outstanding.

COMSTOCK HOLDING COMPANIES, INC.
Form 10-Q
For the Quarter Ended March 31, 2022

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PART I – FINANCIAL INFORMATION

Item 1. Condensed Consolidated Financial Statements

COMSTOCK HOLDING COMPANIES, INC.
Consolidated Balance Sheets
(Unaudited; in thousands, except per share data)

	March 31, 2022	December 31, 2021
Assets		
Current assets:		
Cash and cash equivalents	$ 11,560	$ 15,823
Accounts receivable	802	46
Accounts receivable - related parties	2,505	1,697
Prepaid expenses and other current assets	415	197
Current assets held for sale	—	2,313
Total current assets	15,282	20,076
Fixed assets, net	389	264
Leasehold improvements, net	119	—
Investments in real estate ventures	7,490	4,702
Operating lease assets	7,161	7,245
Deferred income taxes, net	11,766	11,300
Other assets	90	15
Total assets	$ 42,297	$ 43,602
Liabilities and Stockholders' Equity		
Current liabilities:		
Accrued personnel costs	$ 1,394	$ 3,468
Accounts payable and accrued liabilities	1,104	783
Current operating lease liabilities	667	616
Current liabilities held for sale	—	1,194
Total current liabilities	3,165	6,061
Credit facility - due to affiliates	5,500	5,500
Operating lease liabilities	6,744	6,745
Total liabilities	15,409	18,306
Commitments and contingencies (Note 7)		
Stockholders' equity:		
Series C preferred stock; $0.01 par value; aggregate liquidation preference of $17,203; 20,000 shares authorized; 3,441 issued and outstanding as of March 31, 2022 and December 31, 2021	6,765	6,765
Class A common stock; $0.01 par value; 59,780 shares authorized; 8,232 issued and 8,146 outstanding as of March 31, 2022; 8,102 issued and 8,017 outstanding as of December 31, 2021	82	81
Class B common stock; $0.01 par value; 220 shares authorized, issued, and outstanding as of March 31, 2022 and December 31, 2021	2	2
Additional paid-in capital	200,461	200,617
Treasury stock, at cost (86 shares of Class A common stock)	(2,662)	(2,662)
Accumulated deficit	(177,760)	(179,507)
Total stockholders' equity	26,888	25,296
Total liabilities and stockholders' equity	$ 42,297	$ 43,602

See accompanying Notes to Consolidated Financial Statements.

COMSTOCK HOLDING COMPANIES, INC.
Consolidated Statements of Operations
(Unaudited; in thousands, except per share data)

	Three Months Ended March 31,	
	2022	**2021**
Revenue	$ 8,731	$ 6,840
Operating costs and expenses:		
Cost of revenue	6,935	6,078
Selling, general, and administrative	387	299
Depreciation and amortization	44	20
Total operating costs and expenses	7,366	6,397
Income (loss) from operations	1,365	443
Other income (expense)		
Interest expense	(59)	(58)
Gain (loss) on real estate ventures	252	6
Other income (expense), net	—	1
Income (loss) from continuing operations before income tax	1,558	392
Provision for (benefit from) income tax	(456)	2
Net income (loss) from continuing operations	2,014	390
Net income (loss) from discontinued operations, net of tax	(267)	(143)
Net income (loss)	$ 1,747	$ 247
Weighted-average common stock outstanding:		
Basic	8,340	8,166
Diluted	8,974	8,997
Net income (loss) per share:		
Basic - Continuing operations	$ 0.24	$ 0.05
Basic - Discontinued operations	(0.03)	(0.02)
Basic net income (loss) per share	$ 0.21	$ 0.03
Diluted - Continuing operations	$ 0.22	$ 0.05
Diluted - Discontinued operations	(0.03)	(0.02)
Diluted net income (loss) per share	$ 0.19	$ 0.03

See accompanying Notes to Consolidated Financial Statements.

COMSTOCK HOLDING COMPANIES, INC.
Consolidated Statements of Changes in Stockholders' Equity
(Unaudited; in thousands)

	Series C Preferred Stock		Class A Common Stock		Class B Common Stock					
	Shares	Amount	Shares	Amount	Shares	Amount	APIC	Treasury stock	Accumulated deficit	Total
Three Months Ended March 31, 2022										
Balance as of December 31, 2021	3,441	$ 6,765	8,102	$ 81	220	$ 2	$ 200,617	$ (2,662)	$ (179,507)	$ 25,296
Issuance of common stock, net of shares withheld for taxes	—	—	130	1	—	—	(298)	—	—	(297)
Stock-based compensation	—	—	—	—	—	—	142	—	—	142
Net income (loss)	—	—	—	—	—	—	—	—	1,747	1,747
Balance as of March 31, 2022	3,441	$ 6,765	8,232	$ 82	220	$ 2	$ 200,461	$ (2,662)	$ (177,760)	$ 26,888
Three Months Ended March 31, 2021										
Balance as of December 31, 2020	3,441	$ 6,765	7,953	$ 79	220	$ 2	$ 200,147	$ (2,662)	$ (193,116)	$ 11,215
Issuance of common stock, net of shares withheld for taxes	—	—	105	2	—	—	(189)	—	—	(187)
Stock-based compensation	—	—	—	—	—	—	183	—	—	183
Net income (loss)	—	—	—	—	—	—	—	—	247	247
Balance as of March 31, 2021	3,441	$ 6,765	8,058	$ 81	220	$ 2	$ 200,141	$ (2,662)	$ (192,869)	$ 11,458

See accompanying Notes to Consolidated Financial Statements

COMSTOCK HOLDING COMPANIES, INC.
Consolidated Statements of Cash Flows
(Unaudited; in thousands)

	Three Months Ended March 31,	
	2022	**2021**
Operating Activities - Continuing Operations		
Net income (loss) from continuing operations	$ 2,014	$ 390
Adjustments to reconcile net income (loss) from continuing operations to net cash provided by (used in) operating activities:		
Depreciation and amortization	44	20
Stock-based compensation	197	153
(Gain) loss on real estate ventures	(252)	(6)
Deferred income taxes	(456)	—
Changes in operating assets and liabilities:		
Accounts receivable	(1,689)	(1,218)
Prepaid expenses and other current assets	(218)	(92)
Accrued personnel costs	(2,074)	(1,455)
Accounts payable and accrued liabilities	322	142
Other assets and liabilities	160	26
Net cash provided by (used in) operating activities	(1,952)	(2,040)
Investing Activities - Continuing Operations		
Investments in real estate ventures	(2,656)	—
Proceeds from sale of CES	1,016	—
Distributions from real estate ventures	18	1,660
Purchase of fixed assets	(163)	(7)
Net cash provided by (used in) investing activities	(1,785)	1,653
Financing Activities - Continuing Operations		
Loan proceeds	—	121
Loan payments	—	(30)
Payment of taxes related to the net share settlement of equity awards	(297)	(196)
Net cash provided by (used in) financing activities	(297)	(105)
Discontinued Operations		
Operating cash flows, net	(202)	117
Investing cash flows, net	—	—
Financing cash flows, net	(27)	—
Net cash provided by (used in) discontinued operations	(229)	117
Net increase (decrease) in cash and cash equivalents	(4,263)	(375)
Cash and cash equivalents, beginning of period	15,823	7,032
Cash and cash equivalents, end of period	$ 11,560	$ 6,657
Supplemental Cash Flow Information		
Cash paid for interest	$ 59	$ 58
Supplemental Disclosure of Non-Cash Investing and Financing Activities		
Accrued liability settled through issuance of common stock	$ —	$ 7
Right of use assets and lease liabilities at commencement	209	—

See accompanying Notes to Consolidated Financial Statements.

COMSTOCK HOLDING COMPANIES, INC.
Notes to Condensed Consolidated Financial Statements
(Unaudited; in thousands except per share data or otherwise indicated)

1. Company Overview

Comstock Holding Companies, Inc. ("Comstock" or the "Company"), founded in 1985 and incorporated in the state of Delaware in 2004, is a leading developer and manager of mixed-use and transit-oriented properties in the Washington, D.C. metropolitan area. As a vertically integrated and multi-faceted asset management and real estate services company, Comstock has designed, developed, constructed, acquired, and managed thousands of residential units and millions of square feet of commercial and mixed-use properties.

On March 31, 2022, the Company completed the sale of its wholly-owned subsidiary Comstock Environmental Services, LLC ("CES") to August Mack Environmental, Inc. ("August Mack") for approximately $1.4 million of total consideration, composed of $1.0 million in cash and $0.4 million held in escrow that is subject to net working capital and other adjustments, as set forth in the executed Asset Purchase Agreement with August Mack. For additional information, see Note 3.

The Company operates through four primarily real estate-focused subsidiaries – CHCI Asset Management, LC (“CAM”); CHCI Residential Management, LC; CHCI Commercial Management, LC; and Park X Management, LC.

2. Summary of Significant Accounting Policies

Basis of Presentation

The accompanying condensed consolidated financial statements have been prepared in accordance with generally accepted accounting principles in the United States of America (“GAAP”) for interim financial information and the requirements of the U.S. Securities and Exchange Commission (the “SEC”). As permitted, certain information and footnote disclosures have been condensed or omitted. Intercompany balances and transactions have been eliminated and certain prior period amounts have been reclassified to conform to current period presentation.

In management’s opinion, the financial statements include all normal and recurring adjustments that are considered necessary for the fair presentation of the Company’s financial position and operating results. The results of operations presented in these interim condensed consolidated financial statements are unaudited and are not necessarily indicative of the results to be expected for the full fiscal year.

These interim condensed consolidated financial statements should be read in conjunction with the audited consolidated financial statements and notes thereto contained in the Company’s fiscal year 2021 Annual Report on Form 10-K for the year ended December 31, 2021 (the “2021 Annual Report”) filed with the SEC on March 31, 2022. The consolidated balance sheet as of December 31, 2021 was derived from the audited financial statements contained in the 2021 Annual Report.

The Company has reflected CES as a discontinued operation in its consolidated statements of operations for all periods presented. Unless otherwise noted, all amounts and disclosures throughout these Notes to Consolidated Financial Statements relate to the Company's continuing operations. For additional information, see Note 3.

Use of Estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts in the financial statements and accompanying notes. Significant items subject to such estimates, include, but are not limited to, the valuation of equity method investments and the valuation of deferred tax assets. Assumptions made in the development of these estimates contemplate the macroeconomic landscape and the Company's anticipated results, however actual results may differ materially from these estimates.

Recent Accounting Pronouncements - Adopted

None.

Recent Accounting Pronouncements - Not Yet Adopted

In June 2016, the FASB issued ASU 2016-13, “*Financial Instruments—Credit Losses: Measurement of Credit Losses on Financial Instruments*.” This guidance is intended to introduce a revised approach to the recognition and measurement of credit

losses, emphasizing an updated model based on current expected credit losses ("CECL") rather than incurred losses. The standard will become effective for the Company for financial statement periods beginning after December 15, 2022, and early adoption is permitted. The Company is currently evaluating the impact this guidance will have on its financial statements and related disclosures.

3. Discontinued Operations

On March 31, 2022, the Company completed the sale of its wholly-owned subsidiary CES to August Mack in accordance with the Asset Purchase Agreement for approximately $1.4 million of total consideration, composed of $1.0 million in cash and $0.4 million held in escrow that is subject to net working capital and other adjustments. The Company executed this divestiture to enhance its focus and pursue continued growth initiatives for its core asset management business.

The following table reconciles major line items constituting pretax income (loss) from discontinued operations to net income (loss) from discontinued operations as presented in the consolidated statements of operations (in thousands):

	Three Months Ended March 31,	
	2022	2021
Revenue	$ 1,460	$ 1,477
Cost of revenue	(1,173)	(1,087)
Selling, general, and administrative	(714)	(504)
Depreciation and amortization	—	(29)
Other income (expense)	150	—
Pre-tax income (loss) from continuing operations	(277)	(143)
Provision for (benefit from) income tax	(10)	—
Net income (loss) from discontinued operations	$ (267)	$ (143)

The Company recognized an estimated gain of $0.2 million on the divestiture of CES, calculated by comparing the purchase price to the carrying value of the net assets sold in the transaction as of March 31, 2022. This gain on sale is reflected in other income (expense) in the above table and does not include the impact of $0.4 million of transaction costs that are included in selling, general, and administrative expense. These amounts may be adjusted in future periods as ongoing changes to the net working capital and transaction costs related to the sale are finalized.

The following table reconciles the carrying amounts of major classes of assets and liabilities of discontinued operations to total assets and liabilities of discontinued operations that were classified as held for sale in the consolidated balance sheet as of December 31, 2021 (in thousands):

Carrying amounts of major classes of assets held for sale:	
Accounts receivable	$ 2,075
Prepaid expenses and other current assets	129
Total current assets	2,204
Fixed assets, net	106
Intangible assets, net	3
Total assets	$ 2,313
Carrying amounts of major classes of liabilities held for sale:	
Accrued personnel costs	$ 153
Accounts payable and accrued liabilities	1,015
Loans payable	26
Total liabilities	$ 1,194

4. Investments in Real Estate Ventures

The Company's material unconsolidated investments in real estate ventures are recorded on the consolidated balance sheets at fair value. The following table summarizes the fair value of these investments (in thousands):

Description	March 31, 2022	December 31, 2021
Investors X	$ 1,430	$ 1,484
The Hartford	1,199	1,211
BLVD Forty Four	2,252	2,007
BLVD Ansel	2,609	—
Total	$ 7,490	$ 4,702

Investors X

On April 30, 2019, the Company entered into a Master Transfer agreement with CP Real Estate Services, LC (“CPRES”), formerly Comstock Development Services, LC, an entity wholly owned by the Company’s CEO, Christopher Clemente, which entitled the Company to priority distribution of residual cash flow from its Class B membership interest in Comstock Investors X, L.C. ("Investors X"), an unconsolidated variable interest entity that owns the Company's residual homebuilding operations. As of March 31, 2022, the residual cash flow primarily relates to anticipated returns of cash backing outstanding letters of credit and cash collateral posted for land development work performed by subsidiaries owned by Investors X. The cash will be released as bond release work associated with these projects is completed. In addition, a subsidiary of Investors X is undergoing a re-zoning of land from commercial to residential and the Company will be entitled to 50% of the profit from the anticipated residential lot sales after re-zoning and land development work is completed. Expected future cash flows include contractually fixed revenues and expenses, as well as estimates for future revenues and expenses where contracts do not currently exist. These estimates are based on prior experience as well as comparable, third-party data. See Note 13 for further information.

The Hartford

In December 2019, the Company partnered with Comstock Partners, LC (“Partners”), an entity that is controlled by our CEO, and wholly-owned by Mr. Clemente and certain family members, to acquire a Class-A office building immediately adjacent to Clarendon Station on Metro’s Orange Line in Arlington County’s premier transit-oriented office market, the Rosslyn-Ballston Corridor. Built in 2003, the 211,000 square foot mixed-use Leadership in Energy and Environmental Design (“LEED”) GOLD building is approximately 76% leased to multiple high-quality tenants. In February 2020, the Company arranged for DivcoWest to purchase a majority ownership stake in the Hartford Building and secured a $87 million loan facility from MetLife. As part of the transaction, the Company entered into asset management and property management agreements to manage the property. Fair value is determined using an income approach and sales comparable approach models. As of March 31, 2022, the Company’s ownership interest in the Hartford was 2.5%. See Note 13 for further information.

BLVD Forty Four

In October 2021, the Company entered into a joint venture with Partners to acquire BLVD Forty Four, a 15-story, luxury high-rise apartment building located one block from the Rockville Metro Station and in the heart of the I-270 Technology and Life Science Corridor in Montgomery County. Built in 2015, the 263-unit mixed use property includes approximately 16,000 square feet of retail and a commercial parking garage. In connection with the transaction, the Company received an acquisition fee and will also receive investment related income and incentive fees in connection with its equity interest in the asset. The Company also provides asset, residential, retail and parking property management services for the property in exchange for market rate fees. Fair value is determined using an income approach and sales comparable approach models. As of March 31, 2022, the Company’s ownership interest in BLVD Forty Four was 5%. See Note 13 for further information.

BLVD Ansel

In March 2022, the Company entered into a joint venture with Partners to acquire BLVD Ansel, an 18-story, luxury high-rise apartment building with 250 units located adjacent to BLVD Forty Four in Rockville, Maryland. In connection with the transaction, the Company received an acquisition fee and is entitled to receive investment related income and incentive fees in connection with its equity interest in the asset. The Company will also provide asset, residential, retail and parking property management services for the property in exchange for market rate fees. Fair value is determined using an income approach and sales comparable approach models. As of March 31, 2022, the Company’s ownership interest in BLVD Forty Ansel was 5%. See Note 13 for further information.

The following table below summarizes the activity of the Company's unconsolidated investments in real estate ventures that are reported at fair value (in thousands):

Balance as of December 31, 2021	$	4,702
Investments		2,656
Distributions		(18)
Change in fair value		150
Balance as of March 31, 2022	$	7,490

Other Investments

In addition, the Company has a joint venture with Superior Title Services, Inc. ("STS") to provide title insurance to its clients. The Company records this co-investment using the equity method of accounting and adjusts the carrying value of the investment for its proportionate share of net income and distributions. The carrying value of the STS investment is recorded in "other assets" on the Company's consolidated statement of balance sheets. The Company's proportionate share of net income and distributions are recorded in gain (loss) on real estate ventures in the consolidated statements of operations and were $0.1 million and immaterial for the three months ended March 31, 2022 and 2021.

5. Leases

The Company has operating leases for office space leased in various buildings for its own use. The Company's leases have remaining terms ranging from 5 to 10 years. The Company's lease agreements do not contain any material residual value guarantees or material restrictive covenants. Lease costs related to the Company's operating leases are primarily reflected in "cost of revenue" in the consolidated statements of operations, as they are a reimbursable cost under the 2019 Asset Management Agreement ("2019 AMA", see Note 13 for further information).

The following table summarizes operating lease costs, by type (in thousands):

	Three Months Ended March 31,	
	2022	**2021**
Operating lease costs		
Fixed lease costs	$ 240	$ 223
Variable lease costs	86	75
Total operating lease costs	$ 326	$ 298

The following table presents supplemental cash flow information related to the Company's operating leases (in thousands):

	Three Months Ended March 31,	
	2022	**2021**
Cash paid for amounts included in measurement of lease liabilities:		
Operating cash flows from operating lease liabilities	$ 160	$ 139

As of March 31, 2022, the Company's operating leases had a weighted-average remaining lease term of 6.67 years and a weighted-average discount rate of 4.25%.

The following table summarizes future lease payments (in thousands):

Year Ending December 31,	Operating Leases
2022	$ 723
2023	985
2024	1,008
2025	1,031
2026	1,054
Thereafter	4,091
Total future lease payments	8,892
Imputed interest	(1,481)
Total lease liabilities	$ 7,411

The Company does not have any leases which have not yet commenced as of March 31, 2022.

6. Debt

Credit Facility - Due to Affiliates

On March 19, 2020, the Company entered into a Revolving Capital Line of Credit Agreement with CP Real Estate Services, LC ("CPRES"), formerly known as Comstock Development Services, LC, pursuant to which the Company secured a $10.0 million capital line of credit (the "Credit Facility"). Under the terms, the Credit Facility provides for an initial variable interest rate of the Wall Street Journal Prime Rate plus 1.00% per annum on advances made under the Credit Facility, payable monthly in arrears. The Credit Facility also allows for interim draws that carry a maturity date of 12 months from the initial date of the disbursement unless a longer initial term is agreed to by CPRES. On March 27, 2020, the Company borrowed $5.5 million under the Credit Facility and signed an unsecured promissory note to repay principal and interest borrowed by the April 30, 2023 maturity date.

As of March 31, 2022 and December 31, 2021, the outstanding balance on the Credit Facility was $5.5 million. The effective interest rate as of March 31, 2022 and December 31, 2021 was 4.50% and 4.25%, respectively.

7. Commitments and Contingencies

The Company maintains certain non-cancelable operating leases that contain various renewal options. See Note 5 for further information on the Company's operating lease commitments.

The Company is subject to litigation from time to time in the ordinary course of business; however, the Company does not expect the results, if any, to have a material adverse impact on its results of operations, financial position or liquidity. The Company records a contingent liability when it is both probable that a liability has been incurred and the amount can be reasonably estimated. The Company expenses legal defense costs as they are incurred.

8. Fair Value Disclosures

As of March 31, 2022, the carrying amount of cash and cash equivalents, accounts receivable, prepaid and other current assets, accounts payable and accrued liabilities approximated fair value because of the short-term nature of these instruments.

As of March 31, 2022, based upon unobservable market rates (Level 3), the fair value of the Company's floating rate debt was estimated to approximate carrying value.

As of March 31, 2022, the Company had certain equity method investments in real estate ventures that it elected to record at fair value using significant unobservable inputs (Level 3). For further information on these investments, see Note 4.

The Company may also value its non-financial assets and liabilities, including items such as long-lived assets, at fair value on a non-recurring basis if it is determined that impairment has occurred. Such fair value measurements typically use significant unobservable inputs (Level 3), unless a quoted market price (Level 1) or quoted prices for similar instruments, quoted prices for identical or similar instruments in inactive markets, or amounts derived from valuation models (Level 2) are available.

9. Stockholders' Equity

Common Stock

The Company's certificate of incorporation authorizes the issuance of Class A common stock and Class B common stock, each with a par value of $0.01 per share. Holders of Class A common stock and Class B common stock are entitled to dividends when, as and if, declared by the Company's board of directors, subject to the rights of the holders of all classes of stock outstanding having priority rights to dividends. Holders of Class A common stock are entitled to one vote per share and holders of Class B common stock are entitled to fifteen votes per share. Shares of our Class B common stock are convertible into an equivalent number of shares of our Class A common stock and generally convert into shares of our Class A common stock upon transfer. As of March 31,2022, the Company had not declared any dividends.

Preferred Stock

The Company's certificate of incorporation authorizes the issuance of Series C non-convertible preferred stock with a par value of $0.01 per share and a stated value of $5.00 per share. The Series C Preferred Stock has a discretionary, non-cumulative, dividend feature and is redeemable for $5.00 per share. The Series C Preferred Stock is redeemable by holders in the event of liquidation or change in control of the Company.

Stock-based Compensation

On February 12, 2019, the Company approved the 2019 Omnibus Incentive Plan (the “2019 Plan”), which replaced the 2004 Long-Term Compensation Plan (the “2004 Plan”). The 2019 Plan provides for the issuance of stock options, stock appreciation rights ("SARs"), restricted stock, restricted stock units, dividend equivalents, performance awards, and stock or other stock-based awards. The 2019 Plan mandates that all lapsed, forfeited, expired, terminated, cancelled and withheld shares, including those from the predecessor plan, be returned to the 2019 Plan and made available for issuance. The 2019 Plan originally authorized 2.5 million shares of the Company's Class A common stock for issuance. As of March 31, 2022, there were 1.4 million shares of Class A common stock available for issuance under the 2019 Plan.

During the three months ended March 31, 2022 and 2021, the Company recorded stock-based compensation expense of $0.2 million and $0.2 million, respectively. Stock-based compensation costs are included in selling, general, and administrative expense on the Company's consolidated statements of operations. As of March 31, 2022, there was $1.4 million of total unrecognized stock-based compensation.

Restricted Stock Units

Restricted stock unit (“RSU”) awards granted to employees are subject to continued employment and generally vest in four annual installments over the four years period following the grant dates. The Company also grants certain RSU awards to management that contain additional vesting conditions tied directly to a defined performance metric for the Company (“PSUs”). The actual number of PSUs that will vest can range from 60% to 120% of the original grant target amount, depending upon actual Company performance below or above the established performance metric targets. The Company estimates performance in relation to the defined targets when calculating the related stock-based compensation expense.

The following table summarizes all restricted stock unit activity (in thousands, except per share data):

	RSUs Outstanding	Weighted-Average Grant Date Fair Value
Balance as of December 31, 2021	847	$ 2.28
Granted	219	4.63
Released	(173)	2.72
Canceled/Forfeited	(125)	2.31
Balance as of March 31, 2022	768	$ 2.95

Stock Options

Non-qualified stock options generally expire 10 years after the grant date and, except under certain conditions, the options are subject to continued employment and vest in four annual installments over the four-year period following the grant dates.

The following table summarizes all stock option activity (in thousands, except per share data and time periods):

	Options Outstanding	Weighted-Average Exercise Price	Weighted-Average Remaining Contractual Term (Years)	Aggregate Intrinsic Value
Balance as of December 31, 2021	397	$ 2.89	5.7	$ 998
Granted	—	—		
Exercised	(30)	1.71		
Canceled/Forfeited	(3)	2.24		
Expired	(46)	4.48		
Balance as of March 31, 2022	318	$ 2.78	5.6	$ 1,122
Exercisable as of March 31, 2022	298	$ 2.78	4.7	$ 1,054

10. Revenue

All of the Company's revenue for the three months ended March 31, 2022 and December 31, 2021 was generated in the United States. The following tables summarize the Company's revenue by line of business, customer type, and contract type (in thousands):

	Three Months Ended March 31,	
	2022	2021
Revenue by Line of Business		
Asset management	$ 5,997	$ 4,893
Property management	2,131	1,630
Parking management	603	317
Total revenue	$ 8,731	$ 6,840

	Three Months Ended March 31,	
	2022	2021
Revenue by Customer Type		
Related party	$ 8,640	$ 6,825
Commercial	91	15
Total revenue	$ 8,731	$ 6,840

	Three Months Ended March 31,	
	2022	2021
Revenue by Contract Type		
Fixed-price	$ 1,887	$ 815
Cost-plus	4,770	4,290
Time and material	2,074	1,735
Total revenue	$ 8,731	$ 6,840

11. Income Taxes

For interim periods, we recognize an income tax provision (benefit) based on our estimated annual effective tax rate expected for the entire fiscal year. The interim annual estimated effective tax rate is based on the statutory tax rates then in effect, as adjusted for estimated changes in temporary and estimated permanent differences, and excludes certain discrete items whose tax effect, when material, is recognized in the interim period in which they occur. These changes in temporary differences, permanent differences, and discrete items result in variances to the effective tax rate from period to period. We also have elected to exclude the impacts from significant pre-tax, non-recognized subsequent events from our interim estimated annual effective rate until the period in which they occur.

Deferred income taxes reflect the net tax effects of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for income tax purposes. Prior to 2021, the Company had recorded valuation allowances for certain tax attributes and deferred tax assets due the existence of sufficient uncertainty regarding the future realization of those deferred tax assets through future taxable income. In June 2021, based on its recent financial performance and current forecasts of future operating results, the Company determined that it was more likely than not that a portion of the deferred tax assets related to its net operating loss carryforwards would be utilized in future periods.

For the three months ended March 31, 2022, the Company recognized a $0.5 million tax benefit stemming from the tax impact of a $0.7 million release of a deferred tax asset valuation allowance in the period. This recognized tax benefit was supported by the Company's recent trend of positive net income from continuing operations and expectation that current operations will continue to generate future taxable income.

12. Net Income (Loss) Per Share

The following table sets forth the calculation of basic and diluted net income (loss) per share (in thousands, except per share data):

	Three Months Ended March 31,	
	2022	**2021**
Numerator:		
Net income (loss) from continuing operations - Basic and Diluted	$ 2,014	$ 390
Net income (loss) from discontinued operations - Basic and Diluted	(267)	(143)
Denominator:		
Weighted-average common shares outstanding - Basic	8,340	8,166
Effect of common share equivalents	634	831
Weighted-average common shares outstanding - Diluted	8,974	8,997
Net income (loss) per share:		
Basic - Continuing operations	$ 0.24	$ 0.05
Basic - Discontinued operations	(0.03)	(0.02)
Basic net income (loss) per share	$ 0.21	$ 0.03
Diluted - Continuing operations	$ 0.22	$ 0.05
Diluted - Discontinued operations	(0.03)	(0.02)
Diluted net income (loss) per share	$ 0.19	$ 0.03

The following common share equivalents have been excluded from the computation of diluted net income (loss) per share because their effect was anti-dilutive (in thousands):

	Three Months Ended March 31,	
	2022	**2021**
Restricted stock units	—	—
Stock options	27	46
Warrants	76	149

13. Related Party Transactions

Lease for Corporate Headquarters

On November 1, 2020, the Company relocated its corporate headquarters to a new office space pursuant to a ten-year lease agreement with an affiliate controlled and owned by our Chief Executive Officer and family, as landlord.

2019 Asset Management Agreement

On April 30, 2019, CHCI Asset Management, LC ("CAM") entered into the 2019 Asset Management Agreement ("2019 AMA") with CP Real Estate Services, LC ("CPRES"), formerly Comstock Development Services, LC, which amended and restated in its entirety the prior asset management agreement between the parties with an effective date as of January 1, 2018. Pursuant to the 2019 AMA, CPRES engages CAM to manage and administer the Anchor Portfolio and the day to-day operations of CPRES and each property-owning subsidiary of CPRES (collectively, the "CPRES Entities").

Pursuant to the 2019 AMA, the Company provides asset management services related to the build out, lease-up and stabilization, and management of the Anchor Portfolio. CPRES pays the Company and its subsidiaries annual fees equal to the greater of either (i) an aggregate amount equal to the sum of (a) an asset management fee equal to 2.5% of revenues generated by properties included in the Anchor Portfolio; (b) a construction management fee equal to 4% of all costs associated with Anchor Portfolio projects in development; (c) a property management fee equal to 1% of the Anchor Portfolio revenues, (d) an acquisition fee equal to up to 0.5% of the purchase price of acquired assets; and (f) a disposition fee equal to 0.5% of the sales price of an asset on disposition; or (ii) an aggregate amount equal to the sum of (x) the employment expenses of personnel dedicated to providing services to the Anchor Portfolio pursuant to the 2019 AMA, (y) the costs and expenses of the Company related to maintaining the public listing of its shares and complying with related regulatory and reporting obligations, and (z) a fixed annual payment of $1.0 million.

In addition to the annual payment of the greater of either the Market Rate Fee or the Cost Plus Fee, the Company also is entitled on an annual basis to the following additional fees: (i) an incentive fee equal to 10% of the free cash flow of each of the real estate assets comprising the Anchor Portfolio after calculating a compounding preferred return of 8% on CPRES invested capital (ii) an investment origination fee equal to 1% of raised capital, (iii) a leasing fee equal to $1.00/sf for new leases and $0.50/sf for renewals; and (iv) mutually agreeable loan origination fees related to the Anchor Portfolio.

The 2019 AMA is currently scheduled to terminate on December 31, 2027 ("Initial Term") and will automatically renew for successive additional one-year terms (each an "Extension Term") unless CPRES delivers written notice of non-renewal at least 180 days prior to the termination date. Twenty-four months after the effective date of the 2019 AMA, CPRES is entitled to terminate the 2019 AMA without cause provided 180 days advance written notice is delivered to CAM. In the event of such a termination, and in addition to the payment of any accrued annual fees due and payable as of the termination date under the 2019 AMA, CPRES is required to pay a termination fee equal to (i) the Market Rate Fee or the Cost Plus Fee paid to CAM for the calendar year immediately preceding the termination , and (ii) a one-time payment of the Incentive Fee as if the CRE Portfolio were liquidated for fair market value as of the termination date; or the continued payment of the Incentive Fee as if a termination had not occurred.

Residential, Commercial, and Parking Property Management Agreements

The Company entered into separate residential property management agreements with properties owned by CPRES Entities under which the Company receives fees to manage and operate the properties including tenant communications, leasing of apartment units, rent collections, building maintenance and day-to-day operations, engagement and supervision of contractors and vendors providing services for the buildings, and budget preparation and oversight.

The Company entered into separate commercial property and parking management agreements with several properties owned by CPRES Entities under which the Company receives fees to manage and operate the office and retail portions of the properties, including tenant communications, rent collections, building maintenance and day-to-day operations, engagement and supervision of contractors and vendors providing services for the buildings, and budget preparation and oversight. These property management agreements each have initial terms of one year with successive, automatic one year renewal terms. The Company generally receives base management fees under these agreements based upon a percentage of gross rental revenues for the portions of the buildings being managed in addition to reimbursement of specified expenses, including employment expenses of personnel employed by the Company in the management and operation of each property.

Construction Management Agreements

The Company has construction management agreements with properties owned by CPRES Entities under which the Company receives fees to provide certain construction management and supervision services, including construction supervision and management of the buildout of certain tenant premises. The Company receives a flat construction management fee for each engagement under a work authorization based upon the construction management or supervision fee set forth in the applicable tenant's lease, which fee is generally 1% to 4% of the total costs (or total hard costs) of construction of the tenant's improvements in its premises, or as otherwise agreed to by the parties.

Lease Procurement Agreements

The Company has lease procurement agreements with properties owned by CPRES Entities under which the Company receives certain leasing fees in connection with the procurement of new leases for such properties where external brokers are not involved. Such leasing fees are supplemental to the fees generated from the AMA and above-referenced management agreements.

Business Management Agreements

On April 30, 2019, CAM entered into a Business Management Agreement with Investors X, whereby CAM provides Investors X with asset and professional services related to the wind down of the Company's divested homebuilding operations and the continuation of services related to the Company's divested land development activities. The aggregate fee payable to CAM from Investors X under the Business Management Agreement is $0.94 million payable in 15 quarterly installments of $0.06 million each.

On July 1, 2019, CAM entered into a Business Management Agreement (the "BC Management Agreement") with CPRES, whereby CAM provides CPRES with professional management and consultation services, including, without limitation, consultation on land development and real estate transactions, for a residential community located in Monteverde, Florida. The initial term of the BC Management Agreement expired on December 31, 2020, subject to automatic, successive one (1) year extensions, unless sooner terminated in accordance with the terms of the BC Management Agreement. The current term of the BC Management Agreement expires on December 31, 2022. The BC Management Agreement provides that CPRES will pay CAM an annual management fee equal to $0.34 million, payable in equal monthly installments during the term commencing on July 1, 2019, and will reimburse CAM for certain expenses.

The Hartford

In December 2019, the Company made an investment related to the purchase of the Hartford, a stabilized commercial office building located at 3101 Wilson Boulevard in the Clarendon area of Arlington County, Virginia. In conjunction with the investment, the Company entered into an operating agreement with Partners to form Comstock 3101 Wilson, LC, to purchase the Hartford. Pursuant to the Operating Agreement, the Company held a minority membership interest of the Hartford and the remaining membership interests of the Hartford are held by Partners.

In February 2020, the Company, Partners and DWF VI 3101 Wilson Member, LLC ("DWF"), an unaffiliated, third party, equity investor in the Hartford, entered into a limited liability company agreement (the "DWC Operating Agreement") to form DWC 3101 Wilson Venture, LLC ("DWC") to, among other things, acquire, own and hold all interests in the Hartford. In furtherance thereof, on February 7, 2020, the Original Operating Agreement was amended and restated (the "A&R Operating Agreement") to memorialize the Company's and Partners' assignment of 100% of its membership interests in the Hartford to DWC. As a result thereof, DWC is the sole member of the Hartford Owner. The Company and Partners, respectively, hold minority membership interests in, and DWF holds the majority membership interest in, DWC. See Note 4 for further information.

BLVD Forty Four/BLVD Ansel

In October 2021 and March 2022, the Company entered into joint ventures with Partners to acquire BLVD Forty Four and BLVD Ansel, respectively, two adjacent mixed-use luxury high-rise apartment buildings located near the Rockville Metro Station in Montgomery County, Md. The Company considers BLVD Forty Four and BLVD Ansel to be variable interest entities upon which it exercises significant influence; however, considering key factors such as the Company's ownership interest and participation in policy-making decisions by majority equity holders, the Company concluded that it does not have a controlling financial interest in either property. See Note 4 for further information.

ParkX Monitoring Center Lease

On January 1, 2022, ParkX Management, LC, a subsidiary of the Company, entered into a five-year lease agreement for its parking operations monitoring center with an affiliate controlled and owned by our Chief Executive Officer and family, as landlord.

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations

The following discussion and analysis should be read in conjunction with our Consolidated Financial Statements and the notes thereto and Management's Discussion and Analysis included in our 2021 Annual Report on Form 10-K and our Condensed Consolidated Financial Statements and the notes thereto included elsewhere in this document. Unless otherwise indicated, references to "2022" refer to the three months ended March 31, 2022 and references to "2021" refer to the three months ended March 31, 2021. The following discussion may contain forward-looking statements that reflect our plans and expectations. Our actual results could differ materially from those anticipated by these forward-looking statements. We do not undertake, and specifically disclaim, any obligation to update any forward-looking statements to reflect the occurrence of events or circumstances after the date of such statements except as required by law.

Overview

We are a leading developer and manager of mixed-use and transit-oriented properties in the Washington, D.C. metropolitan area. As a vertically integrated and multi-faceted asset management and real estate services company, we have designed, developed, constructed, acquired, and managed thousands of residential units and millions of square feet of commercial and mixed-use properties in since 1985.

We provide a broad range of asset management and real estate services, including services related to the acquisition, development, and operation of real estate assets. Our customers and partners are composed primarily of private and institutional owners, investors in commercial, residential, and mixed-use real estate, and various governmental bodies seeking to leverage the potential of public-private partnerships.

Our revenue is primarily generated by fees from the asset management and real estate services that we provide. In addition, we invest capital both on our own account and on behalf of clients and institutional investors seeking above average risk-adjusted returns. These strategic real estate investments tend to focus on office, retail, residential and mixed-use properties in which we generally retain an economic interest while also providing property management and other real estate services.

Our managed portfolio is composed of 36 operating assets, including 15 commercial assets totaling approximately 2.2 million square feet, 6 multifamily assets totaling 1,636 units, and 15 commercial garages with over 12,000 parking spaces. Included in our managed portfolio are Reston Station and Loudoun Station, two of the largest transit-oriented, mixed-use developments in the Washington, D.C. metropolitan area. The following tables provide a high-level summary of our managed portfolio:

Anchor Portfolio	
Reston Station	Mixed-use development on Metro's Silver Line (Phase I); strategically located between Tyson's Corner, Va. and Dulles International Airport
Loudoun Station	Mixed-use development on Metro's Silver Line (Phase II); first Metro-connected development in Loudoun County, Va.
Herndon Station	Mixed-use development in the historic downtown portion of Herndon, Va.; focus of public-private partnership with Town of Herndon

Investments/Assets Under Management	
The Hartford Building	Joint venture; 211,000 square foot mixed-use building on Metro's Orange Line in Arlington, Va.
BLVD Forty Four	Joint venture; 15-story, luxury high-rise apartment building near Rockville Metro Station in Montgomery County, Md.; adjacent to BLVD Ansel
BLVD Ansel	Joint venture; 18-story, luxury high-rise apartment building near Rockville Metro Station in Montgomery County, Md.; adjacent to BLVD Forty Four
International Gateway	Various real-estate services provided for two privately-owned mixed-use buildings located in Tyson's Corner, Va.
Investors X	Investment in company that owns residual homebuilding operations

Additionally, we have the following assets under construction: (i) one commercial asset totaling approximately 330,000 square feet, (ii) one multifamily asset with 415 units and (iii) one hotel/condominium asset with 240 keys and 95 condos. Our development pipeline consists of 12 assets consisting of approximately 1.4 million square feet of additional planned commercial development, approximately 2,600 multifamily units and one hotel asset that will include 160 keys.

Substantially all the properties included in our managed portfolio are covered by long-term, full-service asset management agreements encompassing all aspects of design, development, construction, and operations management relating to the subject

properties. The services we provide pursuant to the asset management agreements covering our managed portfolio vary by property and client.

Anchoring our asset management services platform is a long-term full service asset management agreement with an affiliated company owned by the Comstock's Chief Executive Officer, Christopher Clemente (the "2019 AMA"). The 2019 AMA encompasses the majority of the properties we currently manage, including Reston Station and Loudoun Station. For additional details on the 2019 AMA, see Note 13 in the Notes to Consolidated Financial Statements.

CES Divestiture

On March 31, 2022, we completed the sale of Comstock Environmental Services, LLC ("CES"), a subsidiary of Comstock, to August Mack Environmental, Inc. ("August Mack") in accordance with the Asset Purchase Agreement for approximately $1.4 million of total consideration, composed of $1.0 million in cash and $0.4 million held in escrow that is subject to net working capital and other adjustments. We executed this divestiture to enhance its focus pursue continued future growth initiatives for its core asset management business.

We have reflected CES as a discontinued operation in its consolidated statements of operations for all periods presented. Unless otherwise noted, all amounts and disclosures relate to our continuing operations. For additional information, see Note 3 in the Notes to Consolidated Financial Statements.

COVID-19 Update

We continue to monitor the ongoing impact of the COVID-19 pandemic, including the effects of recent notable variants of the virus. While we have not experienced a significant impact on our business resulting from COVID-19 to date, future developments may have a negative impact on our results of operations and financial condition. The health and safety of our employees, customers, and the communities in which we operate remains our top priority. Although the long-term impact of the COVID-19 pandemic on the commercial real estate market in the greater Washington, D.C. area remains uncertain, we believe that our Anchor Portfolio is well positioned to withstand any future potential negative impacts of the COVID-19 pandemic.

Outlook

Our management team is committed to executing our goal to provide exceptional experiences to those we do business with while maximizing shareholder value. We believe that we are properly staffed for current market conditions and the foreseeable future and feel that we will maintain the ability to manage risk and pursue opportunities for additional growth as market conditions warrant. Our real estate development and asset management operations are primarily focused on the greater Washington, D.C. area, where we believe our 35-plus years of experience provides us with the best opportunity to continue developing, managing, and investing in high-quality real estate assets and capitalizing on positive growth trends.

Results of Operations

The following tables set forth consolidated statement of operations data for the periods presented (in thousands):

	Three Months Ended March 31,	
	2022	2021
Revenue	$ 8,731	$ 6,840
Operating costs and expenses:		
Cost of revenue	6,935	6,078
Selling, general, and administrative	387	299
Depreciation and amortization	44	20
Total operating costs and expenses	7,366	6,397
Income (loss) from operations	1,365	443
Other income (expense)		
Interest expense	(59)	(58)
Gain (loss) on equity method investments	252	6
Other income	—	1
Income (loss) from continuing operations before income tax	1,558	392
Provision for (benefit from) income tax	(456)	2
Net income (loss) from continuing operations	2,014	390
Net income (loss) from discontinued operations, net of tax	(267)	(143)
Net income (loss)	$ 1,747	$ 247

Comparison of the Three Months Ended March 31, 2022 and March 31, 2021

Revenue

The following table summarizes revenue by line of business (in thousands):

	Three Months Ended March 31,					
	2022		2021		Change	
	Net Sales	%	Net Sales	%	$	%
Asset management	$ 5,997	68.7 %	$ 4,893	71.5 %	$ 1,104	22.6 %
Property management	2,131	24.4 %	1,630	23.8 %	501	30.7 %
Parking	603	6.9 %	317	4.7 %	286	90.2 %
Total revenue	$ 8,731	100.0 %	$ 6,840	100.0 %	$ 1,891	27.6 %

Revenue increased 27.6% in 2022. The $1.9 million comparative increase was primarily driven by a $0.5 million increase in acquisition fees, a $0.4 million increase in leasing fees, and growth in our managed portfolio, including the addition of 2 managed residential projects, 1 commercial project, and 4 parking garages. Also driving the increase was the improved performance of our managed portfolio, as property management fees are generally billed as a percentage of revenue of the managed project, as well as comparative increases in reimbursable staffing charges due to market and merit-based compensation increases for our allocated employees.

Operating costs and expenses

The following table summarizes operating costs and expenses (in thousands):

	Three Months Ended March 31,		Change	
	2022	2021	$	%
Cost of revenue	$ 6,935	$ 6,078	$ 857	14.1 %
Selling, general, and administrative	387	299	88	29.4 %
Depreciation and amortization	44	20	24	120.0 %
Total operating costs and expenses	$ 7,366	$ 6,397	$ 969	15.1 %

Operating costs and expenses increased 15.1% in 2022. The $1.0 million comparative increase was primarily due a $1.1 million increase in personnel expenses stemming from market and merit-based compensation increases along with increases in our headcount, partially offset by a $0.2 million decrease in recoverable expenses.

Other income (expense)

The following table summarizes other income (expense) (in thousands):

	Three Months Ended March 31,		Change	
	2022	2021	$	%
Interest expense	$ (59)	$ (58)	$ (1)	1.7 %
Gain (loss) on equity method investments	252	6	246	4100.0 %
Other income	—	1	(1)	(100.0)%
Total other income (expense)	$ 193	$ (51)	$ 244	(478.4)%

Other income (expense) increased $0.2 million in 2022, primarily driven by higher mark-to-market valuations of the fixed-rate debt associated our equity method investments that brought comparative gains. We also recognized additional gains on the performance of our title insurance joint venture with Superior Title Services, Inc., driven by higher volume as compared to the prior period.

Income taxes

Benefit from income taxes was $0.5 million in 2022, compared to an immaterial expense in 2021. The benefit in 2022 was due to the tax impact from a $0.7 million release of a deferred tax asset valuation allowance in the period. This recognized tax benefit was supported by our recent trend of positive net income from continuing operations and our expectation that current operations will continue to generate future taxable income.

Non-GAAP Financial Measures

To provide investors with additional information regarding our financial results, we prepare certain financial measures that are not calculated in accordance with generally accepted accounting principles in the United States ("GAAP"), specifically Adjusted EBITDA.

We define Adjusted EBITDA as net income (loss) from continuing operations, excluding the impact of interest expense (net of interest income), income taxes, depreciation and amortization, stock-based compensation, and gain (loss) on equity method investments.

We use Adjusted EBITDA to evaluate financial performance, analyze the underlying trends in our business and establish operational goals and forecasts that are used when allocating resources. We expect to compute Adjusted EBITDA consistently using the same methods each period.

We believe Adjusted EBITDA is a useful measure because it permits investors to better understand changes over comparative periods by providing financial results that are unaffected by certain non-cash items that are not considered by management to be indicative of our operational performance.

While we believe that Adjusted EBITDA is useful to investors when evaluating our business, it is not prepared and presented in accordance with GAAP, and therefore should be considered supplemental in nature. Adjusted EBITDA should not be considered

in isolation, or as a substitute, for other financial performance measures presented in accordance with GAAP. Adjusted EBITDA may differ from similarly titled measures presented by other companies.

The following table presents a reconciliation of net income (loss) from continuing operations, the most directly comparable financial measure as measured in accordance with GAAP, to Adjusted EBITDA (in thousands):

	Three Months Ended March 31,	
	2022	2021
Net income (loss) from continuing operations	$ 2,014	$ 390
Interest expense, net	59	58
Income taxes	(456)	2
Depreciation and amortization	44	20
Stock-based compensation	197	153
(Gain) loss on equity method investments	(252)	(6)
Adjusted EBITDA	$ 1,606	$ 617

Liquidity and Capital Resources

Liquidity is defined as the current amount of readily available cash and the ability to generate adequate amounts of cash to meet the current needs for cash. We assess our liquidity in terms of our cash and cash equivalents on hand and the ability to generate cash to fund our operating activities.

Our principal sources of liquidity as of March 31, 2022 were our cash and cash equivalents of $11.6 million and our $4.5 million of available borrowings on our Credit Facility.

Significant factors which could affect future liquidity include the adequacy of available lines of credit, cash flows generated from operating activities, working capital management and investments.

Our primary capital needs are for working capital obligations and other general corporate purposes, including investments and capital expenditures. Our primary sources of working capital are cash from operations and distributions from investments in real estate ventures. We have historically financed our operations with internally generated funds and borrowings from our credit facilities. For further information on our debt, see Note 6 in the Notes to Consolidated Financial Statements.

We believe we currently have adequate liquidity and availability of capital to fund our present operations and meet our commitments on our existing debt.

Cash Flows

The following table summarizes our cash flows for the periods indicated (in thousands):

	Three Months Ended March 31,	
	2022	2021
Continuing operations		
Net cash provided by (used in) operating activities	$ (1,952)	$ (2,040)
Net cash provided by (used in) investing activities	(1,785)	1,653
Net cash provided by (used in) financing activities	(297)	(105)
Total net increase (decrease) in cash - continuing operations	(4,034)	(492)
Discontinued operations, net	(229)	117
Net increase (decrease) in cash and cash equivalents	$ (4,263)	$ (375)

Operating Activities

Net cash used in operating activities decreased by $0.1 million in 2022, primarily driven by a $1.0 million increase in net income from continuing operations after adjustments for non-cash items, partially offset by a $0.9 million incremental cash outflow stemming from changes to our net working capital. The net working capital impact included increased accounts receivable and accrued personnel costs, partially offset by decreases in accounts payable.

Investing Activities

Net cash used investing activities was $1.8 million in 2022, compared to $1.7 million provided by investing activities in 2021. The net $3.4 million change was primarily driven by our $2.7 million real estate investment in BLVD Ansel and a $1.6 million decrease in distributions from real estate investments, partially offset by $1.0 million in proceeds from the CES divestiture.

Financing Activities

Net cash used in financing activities increased by $0.2 million in 2022, primarily driven by a $0.1 million decrease in net loan activity and a $0.1 million increase in tax payments related to the net share settlement of equity awards.

Item 3. Quantitative and Qualitative Disclosures About Market Risk

Not Applicable.

Item 4. Controls and Procedures

Evaluation of Disclosure Controls and Procedures

As of March 31, 2022, management, including the CEO and CFO, performed an evaluation of the effectiveness of the design and operation of our disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) of the Securities Exchange Act of 1934 (the "Exchange Act")).

Based on that evaluation, management, including the CEO and CFO, concluded that as of March 31, 2022, our disclosure controls and procedures were effective to ensure that information required to be disclosed by us in the reports that we file or submit under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in the SEC rules and forms, and to ensure that information required to be disclosed by us in the reports that we file or submit under the Exchange Act is accumulated and communicated to our management, including our CEO and CFO, as appropriate to allow timely decisions regarding required disclosure. We maintain a system of internal control over financial reporting that is designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles in the United States.

Changes in Internal Control over Financial Reporting

There have been no material changes to our internal control over financial reporting (as defined in Rules 13a-15(f) and 15d-15(f) under the Exchange Act) during the three months ended March 31, 2022 that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

Limitations on the Effectiveness of Controls

In designing and evaluating the disclosure controls and procedures, we recognize that any controls and procedures, no matter how well designed and operated, can provide only reasonable assurance of achieving the desired control objectives. In addition, the design of disclosure controls and procedures must reflect the fact that there are resource constraints and that management is required to apply its judgment in evaluating the benefits of possible controls and procedures relative to their costs. We do not expect that our disclosure controls and internal controls will prevent all error and all fraud. A control system, no matter how well conceived and operated, can provide only reasonable, not absolute, assurance that the objectives of the control system are met, therefore internal control over financial reporting may not prevent or detect misstatements.

PART II – OTHER INFORMATION

Item 1. Legal Proceedings

Information regarding legal proceedings is incorporated by reference from Note 7 in the Notes to Condensed Consolidated Financial Statements included in Part I of this Quarterly Report on Form 10-Q.

Item 6. Exhibits

Exhibit Number	Description	Incorporated by Reference		
		Form	Exhibit	Filing Date
3.1	Amended and Restated Certificate of Incorporation	10-Q	3.1	November 16, 2015
3.2	Amended and Restated Bylaws	10-K	3.2	March 31, 2005
3.3	Certificate of Elimination of the Series A Junior Participating Preferred Stock of the Company filed with the Secretary of State of the State of Delaware on March 26, 2015	8-K	3.1	March 27, 2015
3.4	Certificate of Designation of Series A Junior Participating Preferred Stock of the Company filed with the Secretary of State of the State of Delaware on March 26, 2015	8-K	3.2	March 27, 2015
3.5	Certificate of Designation of Series B Non-Convertible Preferred Stock of the Company filed with the Secretary of State of the State of Delaware on December 29, 2015	8-K	3.1	January 4, 2016
3.6	Certificate of Designation of Series C Non-Convertible Preferred Stock of Comstock Holding Companies, Inc., filed with the Secretary of the State of Delaware on March 22, 2017	8-K	3.1	March 28, 2017
3.7	Certificate of Amendment of Certificate of Designation of Series C Non-Convertible Preferred Stock of Comstock Holding Companies, Inc. filed with the Secretary of State of the State of Delaware on February 15, 2019	8-K	3.2	February 19, 2019
3.8	Certificate of Amendment of Amended and Restated Certificate of Incorporation of Comstock Holding Companies, Inc.	8-K	3.1	February 19, 2019
4.1	Specimen Stock Certificate	S-1	4.1	August 13, 2004
10.1*	Deed of Lease dated January 1, 2022 by and between Comstock Reston Station Holdings, LC and ParkX Management, LC			
10.2*	Limited Liability Company Operating Agreement of Comstock 33 Monroe Holdings, LC dated March 21, 2022			
10.3*	Asset Purchase Agreement dated March 31, 2022 among Comstock Holding Companies, Inc., Comstock Environmental Services, LLC and August Mack Environmental, Inc.			
31.1*	Certification of Chief Executive Officer pursuant to Exchange Act Rules 13a-14(a) and 15d-14(a), as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002			
31.2*	Certification of Chief Financial Officer pursuant to Exchange Act Rules 13a-14(a) and 15d-14(a), as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002			
32.1‡	Certifications of Chief Executive Officer and Chief Financial Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002			
101.INS*	Inline XBRL Instance Document - the instance document does not appear in the Interactive Data File because its XBRL tags are embedded within the Inline XBRL document.			
101.SCH*	Inline XBRL Taxonomy Extension Schema Document			
101.CAL*	Inline XBRL Taxonomy Extension Calculation Linkbase Document			
101.DEF*	Inline XBRL Taxonomy Extension Definition Linkbase Document			
101.LAB*	Inline XBRL Taxonomy Extension Label Linkbase Document			
101.PRE*	Inline XBRL Taxonomy Extension Presentation Linkbase Document			
104*	Cover Page Interactive Data File (formatted as Inline XBRL and contained in Exhibit 101)			

* Filed herewith
‡ Furnished herewith

Pursuant to Rule 405 of Regulation S-T, the following interactive data files formatted in Inline Extensible Business Reporting Language (iXBRL) are attached as Exhibit 101 to this Quarterly Report on Form 10-Q:

(i) the Consolidated Balance Sheets as of March 31, 2022 and 2021;
(ii) the Consolidated Statements of Operations for the three months ended March 31, 2022 and 2021;
(iii) the Consolidated Statements of Changes in Stockholders' Equity for the three months ended March 31, 2022 and 2021;
(iv) the Consolidated Statements of Cash Flows for the three months ended March 31, 2022 and 2021; and
(v) the Notes to Condensed Consolidated Financial Statements.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

COMSTOCK HOLDING COMPANIES, INC.

Date: May 16, 2022

By: /s/ CHRISTOPHER CLEMENTE
Christopher Clemente
Chairman and Chief Executive Officer

Date: May 16, 2022

By: /s/ CHRISTOPHER GUTHRIE
Christopher Guthrie
Chief Financial Officer

RESTON STATION

FAIRFAX COUNTY, VIRGINIA

DEED OF LEASE

between

COMSTOCK RESTON STATION HOLDINGS, LC,

as LANDLORD

and

PARKX MANAGEMENT, LC,

as TENANT

January 1, 2022

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BASIC LEASE INFORMATION

Effective Date: January 1, 2022

Landlord: COMSTOCK RESTON STATION HOLDINGS, LC, a Virginia limited liability company

Tenant: PARKX MANAGEMENT, LC, a Virginia limited liability company

Premises: 1904 Reston Metro Plaza, Suite 101, Reston, Virginia 20190.
The Premises are located on the first floor of the Building as shown on the floor plan attached hereto as Exhibit A-1 and consist of approximately 1,329 square feet of Net Rentable Area.

Term: The period commencing on the Term Commencement Date, continuing for five (5) Lease Years after the Rent Commencement Date, and ending on the Expiration Date.

Term Commencement Date: January 1, 2022.

Rent Commencement Date: January 1, 2022.

Expiration Date: December 31, 2026, or any earlier date on which this Lease is terminated in accordance with the provisions hereof.

Base Rent: An annual amount based upon Net Rentable Area, as specified below:

Lease Years	Base Rent PSF	Annual Base Rent	Monthly Base Rent
Lease Years 1-5	$35.00	$46,515.00	$3,876.25

Tenant's Share of Operating Cost: As defined in Section 7(b) below.

Tenant's Share of Taxes: As defined in Section 7(d) below.

Cost of Tenant's Work: As more particularly set forth in Section 2(d)(i) of Exhibit C.

Tenant Improvement Allowance: $90.00 per square foot of Net Rentable Area, not to exceed $119,610.00 based upon 1,329 square feet of Net Rentable Area.

Trade Name: ParkX

Permitted Use: A first-class parking operations monitoring center and administrative office, as set forth in Section 5.

Tenant's Operating Hours: Sunday through Saturday, twenty-four (24) hours a day, subject to Section 5(b).

Security Deposit: None

Project:	Reston Station, a transit-oriented, mixed-use development at the intersection of Wiehle Avenue and Dulles Toll Road in Reston, Virginia, as described in Section 1(b).
Retail Center:	The Premises and certain other retail space in the Project designated by Landlord, as described in Section 1(b).
Building:	The building in which the Premises are located, and all other improvements located on the Land.
Land:	The tax lot(s) on which the Building is built, legally described on Exhibit A attached hereto, subject to Section 2.
Landlord's Notice Address:	Comstock Reston Station Holdings, LC c/o Comstock Companies 1900 Reston Metro Plaza, 10th Floor Reston, Virginia 20190 Attention: Asset Mgt - Reston Station with a copy to: Comstock Companies 1900 Reston Metro Plaza, 10th Floor Reston, Virginia 20190 Attention: General Counsel
Rent Payment Address:	Comstock Reston Station Holdings, LC c/o Comstock Companies 1900 Reston Metro Plaza, 10th Floor Reston, Virginia 20190 Attention: Lease Administration – Reston Station
Tenant's Notice Address:	ParkX Management, LC 1900 Reston Metro Plaza, 10th Floor Reston, Virginia 20190 Attention: Dylan Clemente with a copy to: Comstock Companies 1900 Reston Metro Plaza, 10th Floor Reston, Virginia 20190 Attention: General Counsel
Brokers:	None

DEED OF LEASE

This Deed of Lease ("**Lease**") made and entered into as of the Effective Date between Landlord and Tenant. The "**Basic Lease Information**" (above) is incorporated into this Lease as if fully set forth herein. Capitalized terms used and not otherwise expressly defined within the body of this Lease will have the meanings ascribed to them in the Basic Lease Information.

WITNESSETH:

1. PREMISES, PROJECT AND RETAIL CENTER.

(a) Premises. Subject to and upon the terms, provisions and conditions hereinafter set forth, and each in consideration of the duties, covenants and obligations of the other hereunder, Landlord does hereby lease to Tenant and Tenant does hereby lease from Landlord the Premises, together with the right to use the Common Areas in accordance with Section 2. The Net Rentable Area of the Premises has been calculated in accordance with this subsection and is hereby stipulated for all purposes hereof to be the number set forth in the Basic Lease Information. For the purposes of this Lease, "**Net Rentable Area**" refers to an area of space determined in accordance with this subsection. The Net Rentable Area is all area within the perimeter of the space in question, measured as follows: (1) in the case of an exterior wall of the Building, from the outside face of the predominant surface of the storefront; (2) in the case of a wall separating the space from another leasable space, from the centerline of the demising wall separating the space in question from the adjacent leasable space; (3) in the case of a wall separating the space from any Common Area (hereinafter defined), from the outside face of the predominant surface of the wall separating the space from the Common Area; provided, however, that in the case of any space served by an adjacent corridor for use by Tenant and one or more other retail tenants of the Building (regardless of whether the corridor constitutes Retail Common Area) then, notwithstanding the foregoing, Net Rentable Area shall include an allocable share of the corridor space as determined by Landlord; and (4) in each instance, as applicable, without exclusion for any (x) columns and chases within the space and (y) slab penetrations for stairs or other facilities serving the Premises or other floor penetrations.

(b) Project and Retail Center.

(i) The Premises are part of a vertically-integrated, mixed-use development known as Reston Station (the "**Project**"), which is generally described in the Basic Lease Information and which is governed by the Project Documents. The Project includes improvements owned by Landlord and by other private party owners (including, as applicable, affiliates of Landlord), as well as improvements owned and/or operated by the Board of Supervisors of Fairfax County, Virginia, in its proprietary capacity (or its successors in interest), such as, but not limited to, the public parking facility and its appurtenances (the "**Public Garage**"). As used in this Lease, the term "**Project Documents**" refers collectively to the Ground Lease (defined hereinafter) and to all declarations, easements, covenants, conditions and restrictions relating to, affecting, or encumbering all or a portion of the Project, including the Premises, now or hereafter recorded, including that certain Reciprocal Easement Agreement, dated July 1, 2014, recorded among the land records of Fairfax County (the "**Land Records**") in Deed Book 23712 at Page 1626 and that certain Private Party Declaration for Reston Station, dated July 1, 2014 and recorded among the Land Records in Deed Book 23712 at Page 1678, as each and any of the foregoing may have been and may hereafter be further amended, modified, supplemented, restated or replaced from time to time. The Project may be increased or decreased from time to time in accordance with the Project Documents. The Premises and all other retail space that Landlord has identified in the Building and other buildings in the Project, together with the Retail Common Areas, comprise the "**Retail Center**." The Retail Center may include any property now or hereafter made a part of the Project that is affirmatively integrated into the Retail Center by Landlord or its affiliates. None of the plans provided by Landlord or any of Landlord's agents depicting the general layout of the Building, Retail Center or Project constitutes a warranty, representation or agreement that the Building, Retail Center or Project, or facilities and stores therein, will be exactly as indicated. This Lease is subject and subordinate to the Project Documents.

(ii) As used herein, the term "**Ground Lease**" means that certain Deed of Lease between the Board of Supervisors of Fairfax County, Virginia in its proprietary capacity ("**Ground Lessor**") and Landlord,

dated July 1, 2014, as amended from time to time, which term includes that certain Memorandum of Lease, dated May 31, 2011, and recorded in the land records of Fairfax County, Virginia in Book 21702 at Page 1503, as each or any of the foregoing may have been and may hereafter be further amended, modified, supplemented, restated or replaced from time to time, and which term may include a replacement ground lease for all or a portion of the Project containing the Premises between Ground Lessor and Landlord, Landlord's successor-in-interest, any affiliate of either of them, and any successor to any such affiliate.

2. COMMON AREAS.

(a) Common Areas. (i) During the Term, Tenant shall have a non-exclusive, revocable license to use the Common Areas for their intended purposes, such license being subject to the exclusive control and management of Landlord and the rights of Landlord and of other tenants. As used in this Lease, "**Common Areas**" refers to: (i) the portions of and facilities in and on the Building, if any, that are designated for common use by Landlord, Tenant and all other occupants (retail and otherwise), tenants and users of the Building, together with any such facilities outside the Building which are not Project Common Areas or Retail Common Areas ("**Building Common Areas**"); (ii) the portions of and facilities in the Retail Center, if any, that are designated for common use by Landlord, Tenant and all other tenants and users of the Retail Center ("**Retail Common Areas**"); (iii) the portions of and facilities within the Project, if any, that are designated by Landlord, its affiliates, or the Association for common use by Landlord, Tenant and all other owners, occupants, tenants and users of the Project, including common areas in the Project which are owned or maintained by the Association pursuant to the Project Documents ("**Project Common Areas**"), but in all cases excluding the Public Garage. As used herein, "**Association**" refers to the Reston Station Owners Association. The Common Areas may include parking areas, access roads and facilities in or about the Project, including truck ways, driveways, loading bays, zones, docks and areas, delivery areas, multi-story parking facilities, package pickup stations, elevators, escalators, pedestrian sidewalks, malls, courts and ramps, landscaped areas, retaining walls, stairways, bus stops, transit facilities, first-aid and comfort stations, lighting facilities, sanitary systems, utility lines, water filtration and treatment facilities and those areas within and adjacent to the Project for ingress and egress to and from the Project, as well as any temporary or permanent off-site utility systems or parking facilities serving the Project. All such improvements now or hereafter constructed at the Project which provide or relate to parking for the Retail Center (whether exclusive or shared with other users of the Project), are referred to herein as the "**Retail Parking Facilities**", and shall be subject to charge for use at the posted rates from time to time. For clarity, the "Retail Parking Facilities" do not include any parking facilities in the Public Garage. Landlord will use commercially reasonable efforts to cause the Association to manage, operate and maintain the Project Common Areas (including any Retail Parking Facilities) in accordance with the standards required by the Project Documents. Costs of the Common Areas shall be included in Operating Cost in accordance with Section 7(b).

(ii) Tenant shall abide by all rules and regulations in place from time to time for use of the Common Areas. Tenant shall not use the Common Areas for any advertising, sales or display purposes, or for any other purpose which would impede or create hazardous conditions for the flow of pedestrian or other traffic, without Landlord's prior written consent. Except as expressly otherwise granted to Tenant herein, Landlord reserves the exclusive right to the Common Areas for all purposes.

(b) Reservation of Rights. Landlord hereby reserves, on behalf of itself and its affiliates, the right, from time to time: (i) to alter, modify, increase or decrease the Land, Building, Retail Center and Project, including changing and adding or removing spaces, buildings or units from any of the foregoing, and adjusting boundaries of any of them; (ii) to modify, increase, decrease, demolish and construct improvements, and to perform other acts, including changing the shape, size, location and access to improvements, in the Building, the Retail Center, the Retail Parking Facilities and any other portion of the Project; (iii) to revise the ownership structure of properties at the Project, including by recording Condominium Documents to establish one or more condominium regimes in order to create separate ownership of the uses at the Project (e.g., commercial condominium units for retail, office, etc.) and to sever portions of the Project into separate ground leases as and to the extent contemplated by the Ground Lease; (iv) to change the name of the Building, Retail Center and Project, and the names of individual streets and other named areas in the Project or any address therein; and (v) to install, maintain, use, repair and replace pipes, ducts, cables, conduits, plumbing, vents, utility lines and wires to, in, through, above and below the Premises and other parts of the Building. Landlord has the exclusive right to use the exterior faces of all perimeter walls of the

Building, the roof, and all air space above the Building. In its exercise of the foregoing rights, Landlord shall use commercially reasonable efforts to minimize any adverse effect upon Tenant's use and enjoyment of the Premises or its operations therefrom. In the event of any exercise of Landlord's reserved rights, the terms used in this Lease (including "Building" and "Land") and other provisions hereof shall be appropriately modified to reflect such change, and Tenant's proportionate share shall be appropriately adjusted. As used herein, the term "**Condominium Documents**" refers to the declaration, by-laws, rules and regulations and related instruments for any condominium regime governing, among other property, the Premises and any other retail portions of the Building, as the same may be amended from time to time.

3. INITIAL LEASEHOLD IMPROVEMENTS. The Premises shall be leased by Tenant in its "as-is" condition as of the Term Commencement Date. Landlord and Tenant shall each comply with the provisions of the tenant improvement work schedule attached hereto and made a part hereof as Exhibit C. Commencing on the Term Commencement Date, Tenant shall proceed with due dispatch to complete the construction of the Tenant's Work and perform all other actions necessary or desirable to open for business in the Premises as required by this Lease. Tenant shall perform Tenant's Work at Tenant's sole cost and expense in accordance with the terms of this Lease, subject to reimbursement by Landlord up to the amount of the Tenant Improvement Allowance disbursed in accordance with Exhibit C and subject to the provisions thereof.

4. TERM; LANDLORD'S TERMINATION RIGHT.

(a) This Lease shall be effective as of the Effective Date. The Term of this Lease shall commence on the Term Commencement Date, subject to and upon the terms and conditions set forth herein, and shall end on the Expiration Date. Landlord and Tenant shall execute a Declaration of Lease Commencement, in the form attached hereto as Exhibit E, mutually confirming, among other things, the Term Commencement Date, Rent Commencement Date, and Net Rentable Area of the Premises, each as determined pursuant to the terms of this Lease. Failure of Tenant to execute such a declaration, or state Tenant's objection to information contained in such declaration, within ten (10) days after delivery of such declaration to Tenant shall be deemed confirmation of and agreement with the information set forth in such declaration.

(b) Notwithstanding the foregoing, Landlord shall have the right to terminate this Lease on ninety (90) days' prior written notice without cause, and this Lease shall be deemed to have expired on the termination date set forth in the termination notice (the "**Termination Date**"), provided, however, that such Termination Date shall be at least ninety (90) days after the date of the termination notice. The Termination Date may be any day during a month and any rule of law which would require the Termination Date to be the final day of any month is hereby specifically waived. On the Termination Date, Tenant shall quit and surrender the Premises under Section 22 of this Lease. Tenant shall be liable for all Rent and other charges coming due and owing under this Lease through the Termination Date. All other terms and conditions set forth in this Lease regarding Tenant's obligations upon the expiration or sooner termination of this Lease shall apply in the event Landlord exercises the foregoing termination right.

5. USE AND OPERATION.

(a) Except as expressly provided in this Section 5(a), the Premises shall be used and occupied by Tenant (and its permitted assignees and subtenants) solely and continuously for the purpose of operating a first-class business of the type described by the Permitted Use in the Basic Lease Information, and for no other purpose. Tenant has provided or will provide to Landlord, for Landlord's approval, Tenant's business plan, Tenant's lease concept plan and Tenant's test fit for the Premises. Without limiting the foregoing, (i) Landlord shall have the right to approve Tenant's operating hours and all products sold from the Premises (general product categories), including the right to cause Tenant to discontinue the sale of any specific product that Landlord, in its reasonable but sole judgment, believes to be inconsistent with the first-class image of the Project or that conflicts with the exclusivity provisions of any other lease at the Project in effect on the date of this Lease, (ii) the Premises shall not be used for any purpose which would tend to lower the first-class character of the Project or otherwise interfere with standard Project operations, (iii) Tenant shall not engage in any activity which is illegal or not in keeping with the standards of the Project, (iv) Tenant shall at all times keep the Premises clean and neat and shall be represented by courteous

and neatly attired employees, and (v) Tenant shall keep all lighted signs in proper operating condition and shall use no signage or displays without Landlord's prior written approval, which approval shall not be unreasonably withheld if, in Landlord's sole but reasonable judgment, such signage or display complies with Section 19, is presented in a manner consistent with standards of the Project and complies with the sign plan for the Project approved by Fairfax County, Virginia and all other applicable Legal Requirements (as defined in Section 15). Tenant shall be solely responsible for obtaining and maintaining all governmental licenses, permits and operating certificates necessary for Tenant's use of the Premises, including any alcoholic beverages license or permit required in the performance of Tenant's operations at the Premises, and Tenant shall keep current such permit or license at Tenant's sole expense, and shall promptly deliver a copy thereof to Landlord. Tenant shall operate at all times under the Trade Name set forth in the Basic Lease Information. Substantive changes relating to concept, Trade Name, price point, management, operations, or other materials matters described in Tenant's business plan, lease concept plan, and test fit will require Landlord's prior written consent.

(b) Tenant shall open for business with the type of business described in Section 5(a) on the Rent Commencement Date, fully furnished, fixtured, stocked and staffed and shall operate the entire Premises continuously and uninterruptedly thereafter during the Term. At all times during the Term, Tenant shall utilize and operate its business in the Premises (or cause such utilization and operation) prudently and in a manner consistent with sound business practice. Tenant's operating obligation shall include the obligation (i) to maintain a staff of trained personnel sufficient to operate its business in a first-class manner, (ii) to maintain (including repair and replacement, as necessary) the systems, finishes, decor and fixtures in first-class condition, (iii) to refrain from any act, conduct or practice which would result in a legal prohibition against continued use of the Premises or any part thereof for the permitted use provided herein, (iv) to operate Tenant's trade or business at the Premises on a fully-staffed basis during the hours set forth in the Basic Lease Information as Tenant's Operating Hours (it being acknowledged by all parties that Tenant's staffing may vary during the day and from day-to-day based on Tenant's anticipated labor needs for such day and time), and (v) to conduct its business in a manner that is dignified, efficient and in conformance with the highest standards of practice among stores of like nature in similar first-class projects in Northern Virginia. Landlord acknowledges that Tenant's current operating standards located at 1900 Reston Metro Plaza, 10th Floor, Reston, Virginia 20190 (the "**Operating Standard**") and as more particularly described in the lease concept plan and test fit approved by Landlord, is sufficient to satisfy the requirements of this Section 5(b).

(c) Tenant acknowledges and agrees it is solely responsible for determining its business complies with the applicable zoning regulations, and that Landlord makes no representation (explicit or implied) concerning such zoning regulations. If Landlord makes any alteration to any part of the Building or Project as a result of any damage or alteration to the Premises caused or made by or on behalf of Tenant or in order to comply with any requirement of any Legal Requirements and such requirement is a result of Tenant's particular business or use of the Premises, then Tenant shall reimburse Landlord upon demand for the cost thereof.

(d) Intentionally omitted.

(e) Because of the location of the Premises in the Project and the critical importance of maintaining the Premises in a first-class condition so as not to detract from the appearance and condition of the Project, initially and throughout the Term, Landlord shall have the right to approve (i) any material modifications or additions to the Interior Concept Plan (as defined in Exhibit C) after initial approval by Landlord, (ii) all plans and specifications for all Improvements and Alterations (each as defined in Section 14(a)) in the Premises, and (iii) all of Tenant's furniture, fixtures, equipment, millwork, wall finishes, floor covering, ceiling, lighting, interior and exterior signage and graphics (per Section 19) and artwork to be placed on or in the Premises. Once approved, Tenant agrees not to allow the Improvements or Tenant's furniture, fixtures, equipment, millwork, wall finishes, floor covering, ceiling, lighting, interior and exterior signage and graphics, or artwork in the Premises to deteriorate below the standard approved by Landlord and to keep the same in a first-class condition (including making appropriate repairs and replacements). Tenant shall keep the portion of the Premises visible from the exterior of the Building in a neat and clean condition and shall maintain and repair the interior of the Premises in a manner consistent with the first class nature of the Project. The furniture, fixtures, equipment, millwork, wall finishes, floor covering, ceiling and lighting initially installed in the Premises may be replaced or modified by Tenant during the Term; provided, however, that such modifications or replacements are approved by Landlord as provided in this Lease and are of a quality and

design consistent with the original items, and further provided that such modifications or replacements are consistent with Project standards and applicable Legal Requirements, and further provided that the execution of such modifications or replacements will not interfere with the operations or activities of any other tenant at the Project. If Tenant does not remove any non-approved or non-conforming furniture, fixtures, equipment, millwork, wall finishes, floor covering, ceiling or lighting within ten (10) days following written demand therefor by Landlord to Tenant, in addition to its other remedies provided for in this Lease or otherwise under law, Landlord shall have the right to remove the same, and Tenant shall repay Landlord's actual cost for such removal or for repairing any damage caused by the same or caused by its removal, together with Landlord's Fee (hereinafter defined), within ten (10) days of receipt of a bill therefor.

(f) Without limiting the foregoing or any other provisions of this Lease, Tenant shall observe and conform to (i) the rules and regulations attached hereto as Exhibit J (as the same may be modified from time to time by Landlord) (the "**Rules and Regulations**"), and (ii) the restrictions set forth on Exhibit D attached hereto and made a part hereof for all purposes ("**Prohibited Uses**"). In the event of a conflict between the provisions of the Rules and Regulations and the provisions of this Lease, the provisions of this Lease shall control. Tenant shall not occupy or use, or permit any portion of the Premises to be occupied or used for any business or purpose which is unlawful, disreputable or deemed to be hazardous on account of fire, or permit anything to be done which would in any way increase the rate of all-risk property insurance coverage on the Project and/or its contents.

(g) Tenant shall cause its employees, customers and invitees to comply with all Legal Requirements and Rules and Regulations in respect to smoking applicable to the Project. In furtherance, and not limitation, of the foregoing, Tenant shall (i) not permit smoking within fifteen feet (15') of any entrance to the Premises or Building, (ii) use a particulate cleaner reasonably approved by Landlord in any designated smoking areas, (iii) maintain negative air pressure in the Premises relative to the remainder of the interior portions of the Building, (iv) keep other portions of the Building free of smoke odors emanating from the Premises, and (v) prohibit Tenant's employees from smoking throughout the balance of the Retail Center and the garages serving the Project. Landlord, from time to time upon written notice to Tenant, may reasonably modify its policy with regard to smoking, and Tenant agrees to comply with any modifications thereto.

(h) Tenant shall conduct its business and control its agents, employees, contractors, invitees and visitors in such manner as not to create any nuisance, or interfere with, annoy or disturb any other tenant (or the customers or invitees of other tenants or residents) or Landlord in its operation of the Building or Project. Without limiting the foregoing, Tenant shall use all efforts necessary to minimize noises, odors, gases or vapors in the Premises and to preclude any noises, odors, gases or vapors being emitted therefrom. Tenant shall provide adequate ventilation, and any odors must be properly exhausted and dispersed in a manner acceptable to Landlord. Tenant shall keep customers from overflowing into public areas of the Building Common Areas, Retail Center or Project or onto adjacent sidewalks if such overflow violates the provisions of the first sentence of this Section 5(h). Should such overflowing occur, Tenant shall cooperate with Landlord to correct or minimize said overflow in a manner acceptable to Landlord.

(i) Intentionally omitted.

(j) The parties covenant and agree that because of the difficulty or impossibility of determining Landlord's damages by way of loss of the anticipated percentage rent or other lessees or occupants in or adjoining the Retail Center, loss of potential lessees at the Project, or by way of loss of value in the property because of diminished salability or mortgageability or adverse publicity or appearance by Tenant's actions, should Tenant (a) fail to take possession and open for business in the Premises fully fixtured, stocked and staffed on the date herein fixed for the Rent Commencement Date; (b) vacate, abandon, or desert the Premises; (c) cease operating Tenant's business in the Premises (except where the Premises is rendered untenantable by reason of fire, casualty, or condemnation), or (d) fail or refuse to maintain business hours, days or nights or any part thereof as provided in Section 5, then and in any of such events (referred to as "failure to do business"), Landlord shall have the right, at its option, in addition to all remedies available to Landlord under this Lease, (i) to collect not only the Base Rent and Additional Rent herein reserved, but also Additional Rent equal to one-half (1/2) of the Base Rent reserved for the period of the Tenant's failure to do business, computed at a daily rate for each and every day during such period,

and such Additional Rent shall be deemed liquidated damages payable by Tenant to Landlord, and Landlord shall not be required to prove actual damages, and/or (ii) to treat such failure to do business as an automatic Event of Default without necessity of notice or cure period. Said liquidated damages shall be payable monthly, concurrently with monthly installments of Base Rent. The terms "vacate", "abandon", or "desert" shall not be defeated because Tenant may have left all or any part of its trade fixtures or other personal property in the Premises. Nothing herein shall be construed as a limitation upon Tenant's obligation to continuously conduct business in the manner required by this Lease or upon Landlord's remedies under any other provision of this Lease.

6. RENT.

(a) Commencing on the Rent Commencement Date, Tenant hereby agrees to pay the Base Rent for the lease and use of the Premises, in the amount and at the address as set forth in the Basic Lease Information. Notwithstanding the foregoing, Tenant shall pay the first installment of Monthly Base Rent, the monthly amount of Tenant's Share of Operating Cost and the monthly amount of Tenant's Share of Taxes upon the execution of this Lease. Each successive twelve (12) month period during the Term following the Rent Commencement Date is a "**Lease Year,**" provided, however, that, if the Rent Commencement Date is not the first day of a calendar month, then the first Lease Year shall be extended to end on the last day of the calendar month in which the first anniversary of the Rent Commencement Date occurs.

(b) Tenant shall also pay, as "**Additional Rent**" (i) Tenant's Share of Operating Cost (as defined herein), (ii) Tenant's Share of Taxes (as defined herein), (iii) intentionally omitted and (iv) all other sums of money as shall become due and payable by Tenant to Landlord under this Lease. Landlord shall have the same remedies for default in the payment of any Additional Rent as are available to Landlord in the case of default in the payment of Base Rent. The term "**Rent**" shall mean Base Rent and Additional Rent. Tenant shall pay all Rent and sums provided to be paid to Landlord hereunder at the times and in the manner herein provided.

(c) Commencing on the Rent Commencement Date, Base Rent, the estimated amount of Tenant's Share of Operating Cost (as set forth in Section 7(a) hereof), and the estimated amount of Tenant's Share of Taxes (as set forth in Section 7(d) hereof) shall be due and payable in twelve (12) equal installments in advance on the first day of each calendar month during each Lease Year during the Term, including any extensions or renewals thereof. Tenant shall pay Rent to Landlord at Landlord's Rent Payment Address set forth in the Basic Lease Information (or at such other address as may be designated by Landlord by written notice to Tenant hereafter) without demand and without any deduction, abatement, counterclaim or setoff. If the Rent Commencement Date occurs on, or if this Lease ends on, any day other than the first (in the case of the Rent Commencement Date) or last (in the case of Lease termination) day of a month, then the Base Rent and other Additional Rent provided for herein for such month shall be prorated on a daily basis based upon a thirty (30)-day month and the installment or installments so prorated shall be paid in advance.

(d) If this Lease does not specifically provide the date by which any sum of money is due and payable, the same shall be due and payable five (5) days after Landlord's invoice or written demand therefor. In the event any sum of money due from Tenant hereunder is not paid within five (5) days after it is due, then Tenant also shall pay to Landlord a late payment fee equal to the greater of (x) $250.00 or (y) five percent (5%) of such delinquent payment or any component thereof, for each and every month or part thereof that such payment or any component thereof remains unpaid. In addition, all past due amounts of Rent shall bear interest from the date due until paid at the lesser of the following rates (the "**Interest Rate**"): the maximum rate permitted by applicable law or four percent (4%) above the prime commercial lending rate announced by Bank of America or its successor (or if there is no successor, then the highest prime commercial lending rate published by The Wall Street Journal from time to time), such interest rate to change automatically, effective as of the date of each change in such prime rate. No payment by Tenant or receipt by Landlord of a lesser amount than the Rent herein stipulated will be deemed to be other than on account nor shall any endorsement or statement on any check or any letter accompanying any check or payment of Rent be deemed an accord and satisfaction, and Landlord may accept such check or payment without prejudice to Landlord's right to recover the balance of such Rent or pursue any other remedy provided for in this Lease or available at law or in equity. Tenant's obligation to pay the Rent due under this Lease for the Term shall survive the expiration or termination of this Lease.

7. OPERATING COST AND TAXES.

(a) The estimated Operating Cost for any particular calendar year shall be the Operating Cost for such calendar year as estimated by Landlord prior to commencement of such calendar year (and prior to the Rent Commencement Date with respect to the first calendar year of the Term). Landlord may revise the estimated Operating Cost from time to time during the calendar year, and, upon receipt of the revised estimated Operating Cost statement, Tenant shall pay the revised estimated amount of Tenant's Share of Operating Cost. "**Tenant's Share of Operating Cost**" shall mean, for any year, (i) that percentage found by dividing the Net Rentable Area of the Premises by the Net Rentable Area of the Retail Center (which shall be initially as set forth in the Basic Lease Information) multiplied by (ii) the Operating Cost for such year.

(b) The term "**Operating Cost**" means all expenses and costs of every kind and nature which Landlord shall pay or become obligated to pay because of or in connection with the ownership, management, maintenance, repair and operation of all or any portion of the Retail Center, including the following:

(i) Wages, salaries and related expenses of all on-site and, to the extent of their involvement, off-site personnel engaged in the operation and maintenance and security of the Retail Center (including the Building and other buildings containing the Retail Center), and all costs and expenses of operating a property management office benefitting the Retail Center, including but not limited a reasonable market rent and to all costs associated with the telephone system, copiers, computers and other office furniture and equipment;

(ii) Cost of all supplies, tools, portable equipment, labor, and materials purchased and used in the operation, maintenance, repair, replacement or life safety of the Retail Center, including any service and maintenance contracts;

(iii) Costs of accounting and other professional services in connection with the Retail Center, including the costs of audits by certified public accountants;

(iv) Costs of water, electricity, and other utilities serving the Retail Common Areas and Building Common Areas;

(v) Premiums and other costs of all insurance maintained by or for the benefit of Landlord on or with respect to the Retail Center and Landlord's and the property management company's personal property used in connection therewith, including all-risk property insurance, liability insurance, rental abatement insurance, and other types of insurance determined by Landlord or any mortgagee to be necessary ("**Insurance Costs**");

(vi) The Retail Center's share of shared expenses and assessments under the Project Documents, Condominium Documents (if any), and other Project-wide agreements, including any expenses for services set forth elsewhere in this Lease to the extent provided by the Association or similar entity;

(vii) Management fees;

(viii) The cost of trash removal, snow removal, landscaping and other operations at the Retail Center;

(ix) The portion of Project Costs allocated to the Retail Center; provided, that "**Project Costs**" shall mean (i) any costs, expenses or disbursements relating to the owning, operating, managing, repairing, insuring, replacing, maintaining, or cleaning of the Project Common Areas and (ii) any payments made by Landlord or assessed or billed to Landlord or the Building or Land pursuant to the Project Documents or any Condominium Documents;

(x) Costs and expenses incurred by Landlord in repairing, insuring, replacing, operating, and maintaining the buildings that contain all or any portion of the Retail Center (including the Building), to the extent such costs and expenses are allocated to the Retail Center;

(xi) Costs associated with Retail Center signage and marketing and promotional activities relative to the Retail Center; and

(xii) All other expenses of any nature arising from the ownership and operation of the Retail Center (or any portion thereof).

Without limiting the foregoing, Landlord shall be entitled to incur costs or purchase services comprising Operating Cost and relating to the Building, the Retail Center, and one or more buildings in the Project under a single contract or otherwise together, and Landlord shall (or shall cause the Association to) allocate such costs, expenses or disbursements to the Retail Center on a reasonable basis. Operating Cost which are incurred on a building-by-building basis rather than for the entire Retail Center (e.g., Insurance Costs for all-risk property insurance or costs assessed through the Project Documents to a particular building or lot) shall be aggregated among Retail Center buildings, but prior to such aggregation, Landlord shall allocate such Operating Cost among the retail and non-retail portions of the building on a reasonable basis (such as, by way of example and not limitation, based upon the Net Rentable Area of the Building).

(c) Notwithstanding the foregoing provisions of Section 7(b), Operating Cost shall not include any costs and expenses related to the following:

(i) financing charges and payments of principal and interest on debt or amortization payments on any mortgage and rent or any other payments in the nature of ground base rent under any ground lease or other underlying lease, and except to the extent a portion of such rent payments represents the payment of taxes, utilities, insurance or other "net" elements under any such mortgages, ground lease or underlying lease (or payments in lieu thereof);

(ii) deductions for income tax purposes on account of depreciation, and amortization;

(iii) leasing commissions, brokerage fees and advertising expenses incurred in connection with procuring tenants for the Retail Center;

(iv) costs of preparing space in the Retail Center for occupancy by tenants;

(v) services performed by Landlord specifically for other tenants in the Retail Center to the extent such work or services are in excess of Retail Center standard services;

(vi) electricity and other utilities and services provided to tenants of the Retail Center by Landlord for which Landlord receives direct reimbursement by such tenant(s); and

(vii) salaries, wages or other compensation paid to officers, directors and executive employees above the level of senior property manager, except that such expenses may be paid out of the management fee;

(d) The estimated Taxes for each year shall be the Taxes for such year as estimated by Landlord prior to commencement of such year (and prior to the Rent Commencement Date with respect to the first year of the Term). Landlord may revise the estimated Taxes from time to time during the year, and, upon receipt of the revised estimated Taxes statement, Tenant shall pay the revised estimated amount of Tenant's Share of Taxes. "**Tenant's Share of Taxes**" shall mean, for any year, (i) that percentage found by dividing the Net Rentable Area of the Premises by the Net Rentable Area of the Building, multiplied by (ii) the Taxes for such year. "**Taxes**" shall mean all taxes, assessments, sewer and vault rents, service payments in lieu of taxes, excises, levies, fees or charges, general and special, ordinary and extraordinary, unforeseen as well as foreseen, of any kind which are assessed, levied, charged, confirmed or imposed by any public authority, quasi-public authority, development authority or taxing district upon the Building or Land, including the Building's share of Taxes upon the operation of the Retail Center, Landlord's or its affiliates' interest in the Common Areas, or the Rent provided for in this Lease, including any business, professional, and occupational license fees based on rents or gross receipts (e.g., the "BPOL Tax" administered by Fairfax County), the Transportation Tax (Va. Code §58.1-3221.B), and including any costs and fees incurred by Landlord in any tax contest, appeal or negotiation. Taxes shall not include Landlord's franchise,

estate, profit, use, occupancy, gross receipts, capital gains, capital stock, revenue, excise, inheritance, gift, transfer and income taxes; provided, however, that if at any time during the Term there shall be assessed or imposed as a substitute for, or in lieu of, taxes, assessments, levies, impositions or charges in effect as of the date of this Lease, any taxes, assessments, levies, impositions or charges assessed or imposed, wholly or partially, as a capital levy or otherwise, on the rents received from the Building or the rents reserved herein or any part thereof, then such assessments, levies, impositions or charges, to the extent so levied, assessed or imposed with respect to the Building, shall be added to and deemed to be included in Taxes. Taxes shall not include late charges, interest or penalties incurred as a result of Landlord's negligently failing to pay any taxes or assessments as the same shall become due unless such late charges, penalties or interest are due to Tenant's failure to timely pay any amounts due under this Lease. To the extent that the Building is not separately assessed for real estate tax purposes, but is assessed as part of a larger parcel or consists of multiple parcels, Landlord shall make a reasonable allocation as to the amount of taxes, assessments, levies or similar charges that should be allocated to the Building for purposes of determining Taxes hereunder.

(e) Tenant will be responsible for and will pay all ad valorem taxes on Tenant's Personal Property. As used in this Lease, the term "**Personal Property**" means (A) tangible personal property, including, furniture, furnishings, trade fixtures, inventory, supplies and business equipment of a tenant or occupant for the conduct of its business (collectively, the "**FF&E**"), and (B) documents, files, papers, computer or other information storage media or materials, any books and records, library materials, or any computer programs or software.

8. RECONCILIATION OF OPERATING COST AND TAXES.

(a) In the event that the actual Operating Cost for any calendar year during the Term exceeds the Estimated Operating Cost for such calendar year, Tenant shall pay to Landlord, as Additional Rent for such year, an amount equal to the difference between the actual and estimated amounts for Tenant's Share of Operating Cost for that year (the "**Operating Cost Underpayment**"). In the event that the actual Taxes for any year during the Term exceeds the estimated amount of Taxes for such year, Tenant shall pay to Landlord, as Additional Rent for such year, an amount equal to the difference between the actual and estimated amounts for Tenant's Share of Taxes for that year (the "**Taxes Underpayment**").

(b) In the event that the actual Tenant's Share of Operating Cost for any calendar year during the Term is less than the estimated Tenant's Share of Operating Cost for such calendar year, Landlord shall credit to Tenant against future amounts due under this Lease an amount equal to the difference between the actual and the amounts paid by Tenant as estimated amounts of Tenant's Share of Operating Cost for that year (the "**Operating Cost Overpayment**"). In the event that the actual Tenant's Share of Taxes for any year during the Term is less than the estimated Tenant's Share of Taxes for such year, Landlord shall credit to Tenant against future amounts due under this Lease an amount equal to the difference between the actual and the amounts paid by Tenant as estimated amounts of Tenant's Share of Taxes for that year (the "**Taxes Overpayment**"). If no amounts then remain due to Landlord under this Lease, Landlord will refund such overpayments to Tenant.

(c) If the Rent Commencement Date shall occur on other than the first day of a calendar year or if this Lease shall terminate on other than the last day of a calendar year, Tenant's liability for estimated amounts of Tenant's Share of Operating Cost and Tenant's Share of Taxes for such year, as well as Tenant's or Landlord's liability under Section 8(a) or 8(b), shall be computed on a pro-rata basis.

(d) Landlord shall, within one hundred twenty (120) days after the end of any calendar year, all or any portion of which falls during the Term, deliver to Tenant a statement of the actual Operating Cost and actual Taxes for such calendar year (the "**Annual Statement**"). If Section 8(a) is applicable, Tenant shall pay the Operating Cost Underpayment or Real Estate Tax Underpayment to Landlord within thirty (30) days of receipt of an invoice therefor, accompanied by a copy of the Annual Statement. If Section 8(b) is applicable, Landlord shall credit or refund the Operating Cost Overpayment and Taxes Overpayment to Tenant within thirty (30) days of sending the Annual Statement to Tenant. If Tenant objects to any item of expense contained in such Annual Statement, Tenant may, after paying the Operating Cost Underpayment and Taxes Underpayment (in each case, if applicable), notify Landlord in writing of its reasonable good faith objections. Tenant acknowledges that Landlord may not control

the Association or the costs and expenses incurred pursuant to the Project Documents, and Landlord may not have the ability to control costs and assessment incurred or imposed by the Association or in connection with the Project Documents. Landlord shall review such objections and furnish to Tenant reasonable documentation from Landlord's books and records of the specific items of expense to which Tenant has objected in writing. Tenant's right to object to any item contained in any such statement shall expire on June 30th of the calendar year in which the Annual Statement was delivered to Tenant; provided, however, that for each day beyond such one hundred twenty (120) day period that the Annual Statement is delivered, Tenant shall have an additional day beyond such June 30th date to object to the Annual Statement. Notwithstanding anything herein to the contrary, if Tenant does not notify Landlord in writing of any objection to any Annual Statement by such date, Tenant shall be deemed to have waived any such objection. Landlord and Tenant shall negotiate in good faith to resolve bona fide disputes in connection with any such objection.

(e) In any year that the Retail Center is not fully leased, Landlord may adjust Operating Cost to the level that Landlord reasonably believes would have been incurred if the Retail Center had been fully leased. In addition, if for any period during the Term any part of the Retail Center is leased to a tenant who, in accordance with the terms of its lease, provides its own services otherwise included in Operating Cost, then Operating Cost for such period shall be increased by the additional costs for the applicable expenses that Landlord reasonably estimates would have been incurred by Landlord if Landlord had furnished and paid for such services for the space occupied by such tenant.

9. INTENTIONALLY OMITTED.

10. UTILITIES AND SERVICES.

(a) So long as no Event of Default exists, Landlord will, or will use commercially reasonable efforts to cause the Association to, furnish the following services to Tenant during Tenant's occupancy of the Premises, in the manner required by the Project Documents and commensurate with other similar mixed-use projects in Northern Virginia, as part of Operating Cost: (1) maintenance, repair, cleaning, painting, electric lighting (during Tenant's Operating Hours after sunset) and re-lamping for all Building Common Area and Retail Common Areas; (2) maintenance, repair, and replacement of the structural elements of the Building and Retail Center (including the buildings that contain the Retail Center); (3) maintenance and repair of the Retail Parking Facilities; (4) access during Tenant's normal business hours to a loading bay or loading zone for use by all tenants of the Building; provided, however, that Tenant will use only those loading bays and zones designated by Landlord. Tenant shall use only the designated loading bays and zones for deliveries; no deliveries shall be made through the storefronts of the Retail Center. Tenant's use of the designated loading bays and zones must be in compliance with all applicable Legal Requirements, including permitted hours of use; and (5) regular collection of refuse from designated locations in or adjacent to the Building.

(b) In the event Tenant requests any of the services referred to in Section 10(a) in amounts in excess of or at times in addition to, those described in Section 10(a), or any other additional services, Tenant shall pay Landlord Landlord's actual cost for such services, together with Landlord's Fee (measured against the cost of the service provided) within ten (10) days of receipt of a bill therefor.

(c) Failure by Landlord to any extent to furnish any services to Tenant, the Premises and the Project, or any cessation thereof, shall not render Landlord liable in any respect for damages to person, property or otherwise, nor be construed as an eviction of Tenant, nor work an abatement of rent, nor relieve Tenant from fulfillment of any covenant or agreement hereof. If any of the equipment or machinery utilized in supplying the services listed in Section 10(a) break down, or for any cause cease to function properly, Landlord shall, however, use reasonable diligence to repair or cause the Association to repair, the same promptly.

(d) Landlord's only obligations with respect to the furnishing of utilities to or for the benefit of the Premises are set forth in Section 10 hereto. Tenant shall be responsible for, and shall pay prior to delinquency all charges for electricity, light, heat, power, telephone and other utilities and services used, rendered or supplied upon or in connection with the Premises. All utilities, including electricity, shall be separately metered and provided

directly by the utility company under Tenant's name and with separate controls (for access, level and other operations) controlled solely by Tenant. Notwithstanding the foregoing, water shall, at Landlord's sole option, be submetered, and Tenant shall pay to Landlord, as Additional Rent hereunder, the actual water charges invoiced to Landlord by the utility service provider attributable to the water used by Tenant as shown by the submeter readings within ten (10) days following receipt by Tenant of a statement therefor. In any event, the cost of separate metering or submetering shall be at Tenant's sole expense or shall be paid by Tenant to Landlord if performed by Landlord's contractor

11. DAMAGE AND REPAIRS

(a) Subject to Tenant's repair and maintenance obligations set forth in this Lease, Landlord shall be required to make only such improvements or repairs or replacements as may be required to repair any latent defects to the structural elements of the Building or for normal maintenance (in accordance with the standards set forth in Section 10) of the Building, Retail Common Areas therein, and Land; provided, however, that (i) any damage thereto caused by any act of negligence of Tenant, its employees, agents, invitees, licensees or contractors, or (ii) any structural changes necessary, in whole or in part, as a result of any alterations made by Tenant or as a result of any use made of the Premises by Tenant, shall be made at Tenant's expense. Landlord shall use commercially reasonable efforts to cause the Association to make repairs to the Common Areas maintained by the Association. This Section 11 shall not create any obligation of Landlord to repair any damage by fire or other casualty, and Landlord shall be obligated to make only the repairs specified in this Section 11(a).

(b) Subject to the provisions of Section 31, at Tenant's own cost and expense, Tenant shall repair or replace any damage or injury done to the Building or Project caused by Tenant or Tenant's agents, contractors, employees, invitees or visitors; provided, however, that Landlord may, at its option, make such repairs or replacements, and Tenant shall repay Landlord's actual cost thereof plus Landlord's Fee within ten (10) days following Tenant's receipt of written demand therefor. Notwithstanding the foregoing, any damage or injury to the Building or its systems and any damage or injury to Tenant's leasehold improvements which affects the Building's structural components or major mechanical, electrical or plumbing systems, caused by Tenant or its agents, contractors, employees, invitees or visitors shall be repaired or replaced by Landlord, but at Tenant's expense plus Landlord's Fee.

12. CARE AND MAINTENANCE OF THE PREMISES.

(a) Tenant shall not commit or allow any waste or damage to be committed on any portion of the Premises or the Building, and at the termination of this Lease, by lapse of time or otherwise, to deliver up the Premises to Landlord broom clean and in as good condition as such Premises existed at the date of initial occupancy of the Premises, ordinary wear and tear and damage by casualty excepted.

(b) Tenant shall keep the Premises, the Improvements (hereinafter defined) made thereto, and the fixtures and equipment located therein (including repair or replacement as necessary or appropriate) in good repair and in a clean, safe, sanitary and otherwise first-class condition and in compliance with all applicable Legal Requirements, all at Tenant's sole cost and expense. The foregoing obligation shall include every part of the Premises not required by Section 11(a) or otherwise elected by Landlord to be maintained by Landlord, including the storefront and exterior and interior portions of all doors, windows, plate glass and showcases, all HVAC systems exclusively serving the Premises, and plumbing and sewage facilities serving the Premises from the point of connection of Landlord's central facilities (including assuring the free flow of Tenant's sanitary sewer line to the main line serving the Premises and cleaning and servicing all grease traps and the like pursuant to a third-party maintenance agreement delivered in advance to and approved by Landlord in its reasonable discretion), fixtures and interior walls, floors, ceilings, signs (including permitted exterior signs), and all wiring, electrical, ventilation, exhaust hoods, air conditioning and sprinkler systems, interior appliances and similar equipment. Landlord may elect to maintain any of the foregoing in lieu of Tenant's obligation to do so (including exterior cleaning of plate glass), in which event Landlord shall notify Tenant thereof in writing, and the costs of such maintenance shall be included in Operating Cost. Prior to Tenant making any such repairs which affect or may affect the Building's mechanical, electrical, plumbing, life safety, fire alarm, heating, ventilation and air conditioning systems outside

the Premises, Tenant shall give notice to Landlord of the nature and extent of such repairs and, if Landlord so elects, Tenant shall retain the services of Landlord or a maintenance company reasonably selected by Landlord to perform such repairs and Tenant shall pay Landlord's actual cost of providing such repair services (to the extent that such actual cost does not exceed the then-current market rate for such services being charged by qualified third party maintenance companies) as Additional Rent hereunder within ten (10) days after receipt of an invoice therefor. Tenant shall provide and pay for its own maintenance services, supplies and janitorial service, which janitorial service shall be provided for each day Tenant is open for business. Tenant, at its own expense, shall keep in effect during the Term a maintenance contract on the HVAC equipment exclusively servicing the Premises with a licensed contractor, and shall provide copies of the contract and all renewals to Landlord annually. Any company hired by Tenant to perform any of the services described in this Section 12(b) and their employees shall be subject to the reasonable approval of Landlord and shall at all times operate and conform to the standards set forth in this Lease. Upon Landlord's request, Tenant shall require the service company to replace any employees not performing in a manner consistent with the standards and requirements set forth in this Lease as reasonably interpreted by Landlord. A list of Landlord's approved service providers will be provided upon request; provided, however, that Landlord may add or delete service providers from the approved list from time to time and Tenant shall consult with the property manager for the Retail Center prior to engaging any service provider contained on such list.

(c) Tenant shall provide plumbing and lavatory facilities within the Premises adequate to service the needs of its customers and employees and to meet all applicable Legal Requirements. Tenant shall not permit its employees to take breaks in any of the common or public areas of the Building or any Retail Common Areas, including service corridors, hallways, loading bays and zones, and other areas of the Retail Center outside the Premises.

(d) Tenant shall use garbage bags with a thickness of 1.2 mil or greater segregating in separate containers all dry refuse and all wet garbage and store all such materials at all times within the Premises until removed from the Premises by Tenant as set forth in this Lease. All wet garbage from the Premises shall be triple-bagged. No emanation of odors into the balance of the Premises or the Building will be permitted at any time. All boxes must be broken down for flat disposal. Refuse shall be accumulated in one storage area in the Premises until removed from the Premises. All refuse shall be removed from the Premises by Tenant and at the expense of Tenant on a daily basis and deposited in the trash room, trash compactor or dumpster designated by Landlord, during the hours designated by Landlord, via the route designated by Landlord, which may be varied or adjusted by Landlord from time-to-time. The initial route is shown on Exhibit I (the "**Trash Removal/Delivery Route**") and shall be subject to the Rules and Regulations. Tenant shall, at its expense, maintain the Trash Removal/Delivery Route in a clean and safe condition. Tenant shall not store trash or refuse in, or permit trash, rubbish, cartons, merchandise or other goods intended for use in the Premises to accumulate in, the Trash Removal/Delivery Route, service corridors, hallways, loading bays and loading zones, Building, Common Areas or other areas outside of the Premises, nor shall Tenant dispose of any trash in any Common Area trash receptacles other than the trash room, trash compactor or dumpster provided for that purpose. All recycling shall be placed in the areas designated by Landlord. Landlord may remove and dispose of items left outside the Premises and Tenant shall reimburse Landlord for the actual cost of such removal and disposal. Landlord shall not be responsible or liable to Tenant as a result of any such removal or disposal.

(e) Tenant shall treat the Premises and its exterior perimeter as often as necessary to keep the Premises free and clear of all pests, including rodents and insects and other vermin.

(f) Subject to any restrictions imposed by Legal Requirements, Tenant will be permitted to receive deliveries of merchandise and supplies at the designated loading bays and loadings zones for the Building between the hours of 8:00 a.m. to 6:00 p.m. via the Trash Removal/Delivery Route; provided, however, that Landlord will have no liability to Tenant for Tenant's inability to gain access to or to use the loading bays/zones or the Trash Removal/Delivery Route for any reason, including the use of such facilities by any other tenant or occupant of the Building. Landlord shall have no obligation to provide queuing, parking and off-loading facilities for Tenant's delivery vehicles at any location other than the loading bay or loading zones for the Building. Tenant's delivery vehicles shall not block the entrance to any Project parking garage or facility, nor shall Tenant's delivery vehicles queue or wait on the site or on the public streets adjacent to the Project.

(g) Tenant shall keep the Premises in a clean and orderly state of repair and, if Landlord reasonably requests that Tenant clean the Premises or change any part of Tenant's general operation or appearance as it relates to cleanliness and orderliness, Tenant shall comply with the request within five (5) days after receipt of such request.

(h) Tenant shall keep any display windows, including window or shadow boxes, in the Premises dressed and illuminated, and permitted signs and exterior lights well lighted during Tenant's Operating Hours set forth in the Basic Lease Information and Section 5, all of which display windows, signs and exterior lights are subject to Landlord's prior written approval.

(i) In the event Tenant fails to complete any of its obligations described in this Section 12 within five (5) days after written request therefor from Landlord (which prior written request shall not be required in the event any such condition creates an unsafe situation or hazard or in the event of an emergency, it being agreed that the failure of Tenant to have dry refuse or wet garbage removed in accordance with Section 12(d) shall be deemed an emergency), Landlord shall have the right to provide such services and Tenant will pay to Landlord any actual charge or cost incurred by Landlord in connection therewith together with Landlord's Fee (measured against the cost of the service provided) within ten (10) days following Tenant's receipt of written demand therefor. Failure of Tenant to comply with any one or more of the foregoing provisions shall be deemed to be a default under this Lease invoking all of the provisions hereof with respect to default.

(j) With Landlord's consent and at Tenant's option, Tenant may contract by separate written agreement with Landlord to have Landlord provide one or more of the foregoing services required to be obtained by Tenant as set forth above, including the extermination for the Premises and/or the maintenance of Tenant's exterior storefront metal and glass. The cost for each service shall be Landlord's actual out-of-pocket cost to provide such service, including Landlord's Fee (measured against the cost of the service provided), pro-rated for Tenant's estimated usage, if applicable, as reasonably determined by Landlord.

13. ASSIGNMENT AND SUBLETTING.

(a) Neither this Lease nor the interest of Tenant in this Lease shall be sold, assigned, transferred, mortgaged, pledged, hypothecated or otherwise disposed of, whether by operation of law or otherwise, nor shall the Premises or any part thereof be sublet or subject to any license or concession (each of the foregoing, a "**Transfer**") without the prior written consent of Landlord. The sale or transfer of stock or membership or partnership interest constituting a controlling interest in Tenant shall be considered for the purpose of this Lease to be a Transfer, and likewise shall require Landlord's prior written consent. Except as specifically set forth herein, for the purposes of this Lease, the entering into of any management agreement or any similar agreement which transfers control of the business operations of Tenant in the Premises shall be treated as a Transfer of this Lease and shall require Landlord's prior written consent. Any attempted Transfer made without Landlord's prior written consent shall be void and confer no rights upon any third party. Landlord's consent to the matters set forth in this subsection 13(a) may be granted or withheld in Landlord's sole and absolute discretion. Any proposed Transfer shall be subject to and conditioned upon the written consent of Landlord's mortgagee if such required by the terms of any mortgage or by a collateral document securing the same obligations as are secured by such mortgage.

(b) No permitted assignment made shall be effective until there are delivered to Landlord an agreement, executed by Tenant and the proposed assignee, wherein such assignee assumes due performance of the obligations of Tenant's part to be performed under this Lease to the end of the term hereof.

(c) Any permitted Transfer hereunder shall be subject and subordinate to the full terms and conditions of this Lease. Landlord shall be permitted to enforce the provisions of this Lease directly against Tenant and/or against any assignee or sublessee without proceeding in any way against any other person. In the event that Tenant defaults hereunder, Tenant hereby assigns to Landlord the rent due from any subtenant and hereby authorizes each such subtenant to pay said rent directly to Landlord. Nothing in this Section 13, however, shall result in any obligation of Landlord to any subtenant of Tenant. Collection or acceptance of Base Rent or Additional Rent from any such assignee, subtenant or occupant shall not constitute a waiver or release of Tenant from the terms of any covenant or obligation contained in this Lease, nor shall such collection or acceptance in any way be construed to

relieve Tenant from obtaining the prior written consent of Landlord to such assignment or subletting or any subsequent assignment or subletting. Regardless of either the assumption by any assignee or sublessee of due performance or Landlord's acceptance of rent or other charges from such assignee or sublessee, Tenant shall not be released by any assignment or sublease but shall continue to be fully responsible for the due performance of Tenant's obligations hereunder in the same manner and to the same extent as if no such assignment or sublease had been made.

(d) Any consent by Landlord to a Transfer shall apply only to the specific transaction thereby authorized and shall not relieve Tenant (or any subtenant or assignee) from the requirement of obtaining prior written consent of Landlord to any further Transfer. In addition to Landlord's other rights and remedies with respect to proposed Transfer, Landlord may also, at Landlord's option by notifying Tenant, terminate this Lease with respect to any portion of the Premises that would be affected by such Transfer. When the consent of Landlord is required hereunder to any proposed Transfer, contemporaneously with the request of Tenant therefor, Tenant shall submit in writing information reasonably sufficient to enable Landlord to make a decision with respect thereto, including information regarding the parties, terms and portion of the Premises affected. Landlord will notify Tenant of Landlord's election to consent, withhold consent or terminate within 30 days after receiving Tenant's written request for consent to the Transfer, which termination shall be effective not later than nine (9) months after Landlord's notice.

(e) With respect to any of the consents requested by Tenant, regardless of whether Landlord has consented thereto, Tenant shall pay to Landlord all reasonable counsel fees and disbursements and all other expenses incurred by Landlord in connection therewith.

(f) If the aggregate rental, bonus or other consideration paid by the sublessee of any such space or the assignee of this Lease exceeds the sum of (A) Tenant's Rent to be paid to Landlord for such space during such period and (B) the out-of-pocket costs and expenses actually incurred by Tenant under or in connection with such sublease or assignment (including costs and expenses of finishing out or renovation of the space involved, cash rental concessions and rental commissions actually paid), then fifty percent (50%) of such excess shall be paid to Landlord within fifteen (15) days after receipt by Tenant.

14. ALTERATIONS, IMPROVEMENTS AND TENANT'S PERSONAL PROPERTY.

(a) Tenant shall not make or allow to be made any Alteration (as defined below) in or to the Premises, without first obtaining the written consent of Landlord, which consent shall be granted or withheld in Landlord's sole discretion; provided, however, Landlord shall not unreasonably withhold its consent with respect to Alterations that (i) do not affect the structural portions or the mechanical, electrical or plumbing systems of the Building, and (ii) are not visible from the exterior of the Premises, including those located within the first five (5) feet behind Tenant's storefront window). If Tenant fails to obtain Landlord's consent prior to making any such Alteration or Improvement, then Landlord may correct or remove the same, and Tenant shall be liable for any and all loss, damage, cost or expense (including attorneys' fees and all court costs) incurred by Landlord in the performance of this work as well as Landlord's Fee (hereinafter defined). As used in this Lease, the term "**Alteration**" means the construction, installation, relocation or removal of any Improvement. As used in this Lease, the term "**Improvement**" means any addition, improvement or equipment installed in or attached to the Building or to any space therein (including the Tenant's Work referred to in Exhibit C), regardless of by whom, excluding Tenant's Personal Property and the Personal Property of any other tenant or occupant of the Building.

(b) If Landlord consents to Alterations by Tenant, Landlord shall have the right in its sole discretion to approve the plans and specifications for any Alterations and the contractors and subcontractors which Tenant proposes to use in connection with the Alterations; provided, however, that no consent by Landlord to any Alterations or plans shall be deemed to be an agreement or consent by Landlord to subject Landlord's interest in the Premises, Building or Land to any mechanic's or materialman's liens which may be filed in respect to such Alterations made by or on behalf of Tenant. Landlord's consent to or approval of any Alterations (or the plans therefor) shall not constitute a representation or warranty by Landlord, nor Landlord's acceptance, that the same comply with sound architectural and/or engineering practices or with Legal Requirements, and Tenant shall be

solely responsible for ensuring all such compliance. Tenant shall comply with (and shall cause all of its contractors and subcontractors to comply with) the rules and regulations regarding the prosecution of construction work in the Retail Center or Project as Landlord shall adopt from time to time during the term of this Lease and with the Project Documents. Tenant, or its contractors and subcontractors, as Landlord may direct, shall provide such insurance, bonding and/or indemnifications of Landlord as Landlord may reasonably require. Such insurance shall include the requirement to obtain and maintain (1) worker's compensation insurance (covering all persons to be employed by Tenant and Tenant's contractors and subcontractors in connection with such Alterations), (2) builder's risk insurance, including coverage for the full value of all Alterations and betterments incorporated into the Building, for such periods as Landlord may reasonably require and naming Landlord as loss payee as its interests may appear, and (3) commercial general liability insurance (including property damage coverage) for such periods and in such amounts as Landlord may reasonably require, naming Landlord and its agents, and any mortgagee as additional insureds thereunder. All of the foregoing insurance shall be in such form and with such companies as Landlord may reasonably require.

(c) Any Improvements made to the Premises shall at once become the property of Landlord and shall be surrendered to Landlord at the end of the Term unless Landlord notifies Tenant in writing not later than ninety (90) days before the expiration or other termination of this Lease to remove any or all such Improvements, in which event, such Improvements shall be removed by Tenant on or prior to the expiration or earlier termination of this Lease at Tenant's sole cost and expense. If Tenant does not remove any such Improvements following written demand therefor by Landlord to Tenant, in addition to its other remedies provided for in this Lease or otherwise under law, Landlord shall have the right to remove the same, and Tenant shall repay Landlord's actual cost for such removal and for repairing any damage caused by such removal, together with Landlord's Fee, within ten (10) days of receipt of an invoice therefor. The provisions of this subsection (c) shall survive termination of this Lease.

(d) In connection with Tenant's performance of Alterations in the Premises, Landlord shall have the right to post notices of non-responsibility and similar notices, as appropriate in and about the Premises. Tenant shall not allow any liens or notices of liens to be filed against the Premises or the Project in connection with any Alterations performed in the Premises. If any such liens or notices of liens shall be filed, Tenant shall immediately cause the same to be released by bonding or other method acceptable to Landlord. If Tenant does not promptly remove or bond over any such lien, in addition to its other remedies provided for in this Lease or otherwise under law, Landlord shall have the right to pay the amounts claimed to remove the same or otherwise bond over such lien, and Tenant shall repay Landlord's actual cost for such cure, together with Landlord's Fee (measured against the cost to cure) within ten (10) days of receipt of an invoice therefor.

(e) As a condition to granting its consent, Landlord may require Tenant to pay Landlord a reasonable fee to reimburse Landlord for overhead and administrative costs and expenses incurred in connection with the supervision by Landlord of Tenant's Alterations. All Alterations permitted by Landlord must conform to all Legal Requirements (including the Americans with Disabilities Act), must be performed in a good and workmanlike manner, must conform harmoniously with the Building's design and interior decoration and must not require any changes to or modifications of any of the Building's structural components or mechanical, electrical, HVAC, plumbing or other systems. Further any wiring and/or cabling installed by Tenant shall be accurately labeled and bundled.

(f) Tenant shall indemnify and hold Landlord harmless from all costs, damages, claims and expenses (including attorneys' fees) arising out of or relating to any Alterations performed in the Premises, including any occasioned by the filing of any lien.

(g) Within thirty (30) days after the completion of any Alterations performed in the Premises, Tenant shall furnish Landlord with a statement of costs thereof, "as built" architectural and engineering working drawings therefor, and final unconditional waivers of lien from all contractors, suppliers and materialmen furnishing labor or materials for such Alterations.

(h) Upon termination of this Lease by lapse of time or otherwise, Tenant shall at its sole cost remove all of Tenant's Personal Property and signs from the Premises and restore the portion of the Premises affected by

the installation and/or removal of same. If Tenant fails to remove any such Personal Property and signs upon termination of this Lease, the same shall be deemed abandoned and Landlord may have the same removed and any resulting damage repaired at Tenant's expense, and Tenant shall repay Landlord's actual cost for such removal or for repairing any damage caused by the same or caused by its removal (whether such removal be performed by Tenant or Landlord), together with Landlord's Fee, within ten (10) days of receipt of an invoice therefor. In such event, such Personal Property will automatically become the property of Landlord and may be retained by Landlord or disposed of by Landlord in its sole discretion, without any right of reimbursement therefor to Tenant or any claim of conversion. The provisions of this subsection (h) shall survive termination of this Lease.

15. LAWS. Tenant shall, and shall cause its contractors, subcontractors, agents and suppliers to, comply with all present and future laws, ordinances, orders, rules, statutes, requirements, permits, consents, certificates, approvals, codes, executive orders and regulations (federal, municipal or promulgated by other agencies or bodies having any jurisdiction thereof) and with the Project Documents and all documents of record relating to the use, condition or occupancy of the Premises, including the Americans with Disabilities Act, as amended, and all regulations promulgated thereunder with respect to all portions of the Premises, access thereto, the operation of Tenant's business therein (collectively, "**Legal Requirements**"). Tenant shall indemnify Landlord from, against and with respect to all expense or liability that may be claimed against Landlord as a result of a violation of any of the covenants in this Section 15 by Tenant, or Tenant's contractors, subcontractors, agents and suppliers. Tenant's obligations to indemnify Landlord as aforesaid shall survive the expiration or earlier termination of this Lease.

16. LANDLORD'S ENTRY; LANDLORD'S RESERVATION. Tenant shall permit Landlord or its agents or representatives to enter into and upon any part of the Premises at all reasonable hours to inspect same, clean or make repairs, alterations or additions thereto, as Landlord may deem necessary or desirable in its sole discretion, to exhibit the Premises to prospective tenants, lenders, or purchasers or to any mortgagee, to post notices of non-responsibility, and to affix and display "For Rent" signs, and Tenant shall not be entitled to any abatement or reduction of any sums due under this Lease by reason thereof. Landlord shall use commercially reasonable efforts to minimize any interference to Tenant's ongoing business in connection with any entry by Landlord into the Premises pursuant to this Section 16 and, except in the case of emergencies (or resolving any safety issue or hazardous situation) or Landlord's maintenance operations provided pursuant to Section 11(a) hereof (in which cases no notice shall be necessary), Landlord shall provide Tenant with reasonable prior notice of such entry. Landlord shall not be liable to Tenant for damages by reason of interference with the business of Tenant or inconvenience or annoyance to Tenant or the customers of Tenant. The Rent reserved herein shall not abate while the Landlord's rights under this Section 16 are exercised, and Tenant shall not be entitled to any set-off or counterclaims for damages of any kind against Landlord by reason thereof, all such claims being hereby expressly released by Tenant. In addition, Landlord reserves the right to install wiring, plumbing, ductwork and other materials in the space measured downward two feet (2') from the slab above the Premises to provide services to the Premises or other portions of the Building. Tenant will not interfere with Landlord's access to or use of this reserved area.

17. SUBORDINATION.

(a) Subordination, General. This Lease is subject and subordinate to all of the terms, covenants, agreements, provisions and conditions of any mortgage, ground lease, or deed of trust which may now or hereafter encumber the Land and Building and to all renewals, modifications, consolidations, replacements and extensions thereof (any of the foregoing, a "**mortgage**" and the holder of such mortgage, a "**mortgagee**"). In the event of the enforcement by the trustee, beneficiary or ground lessor under any such mortgage of the remedies provided for by law or by such mortgage, Tenant will, upon request of any person or party succeeding to the interest of Landlord as a result of such enforcement ("**Successor**") (at the sole election of such Successor), automatically attorn to and become the Tenant of the Successor without change in the terms or other provisions of this Lease; provided, however, that such Successor shall not be (i) subject to any offsets or defenses which Tenant may have against any prior landlord, (ii) bound by any payment of rent for more than one month in advance, (iii) bound by any amendment or modification of this Lease made after such lien is placed against the Building or Land (provided Tenant has been given notice thereof) without the written consent of such trustee or such beneficiary or (iv) liable for any act or omission of any prior landlord (including Landlord) under this Lease. In such event, the Successor shall have all

the rights of Landlord under this Lease, including the right to collect any rent or other sums due or accruing to Landlord and to enforce those rights by court proceeding or otherwise. Tenant waives the provision of any statute or rule of law, now or hereafter in effect, which may give or purport to give Tenant any right to terminate or otherwise adversely affect this Lease and the obligations of Tenant hereunder in the event that any such foreclosure proceeding is prosecuted or completed or in the event any ground lease is terminated. Notwithstanding the foregoing, Tenant agrees that at any time, the holder of a mortgage on the Building or Land may unilaterally subordinate its lien, in whole or in part, to this Lease, effective upon recording such subordination in the Land Records. The provisions of this Section shall be self-operative and no further instrument of subordination need be required by any mortgagee. Tenant shall, however, within ten (10) business days after Landlord's request, execute and deliver any appropriate certificate or instrument in confirmation of such subordination and attornment on mortgagee's standard form or otherwise in form acceptable to mortgagee. In addition to remedies afforded Landlord under Section 27 hereof, if Tenant shall fail to execute and return such certificate or instrument within such ten (10)-business day period, Landlord shall have the right to impose a fee of $100 per day for each day beyond such 10-business day period that the certificate or instrument has not been returned, such fee constituting Additional Rent hereunder.

(b) Ground Lease Requirements. Without modifying or mitigating the provisions set forth in this Lease, including those set forth in Section 17(a) above, the following shall apply for all purposes under this Lease:

(i) Tenant hereby represents and warrants that no person or entity having an interest (directly or indirectly) in Tenant constituting or exceeding five percent (5%) or greater in the aggregate (x) has ever been convicted of a felony, (y) is a person or entity against whom a legal action or administrative proceeding is then-pending to enforce the rights of the County of Fairfax, Virginia (or any agency, department, public authority or any public benefit corporation thereof) arising out of a real property dispute or a property management dispute, or (z) is a person or entity with respect to whom any notice of substantial monetary default which remains uncured has been given by the County of Fairfax, Virginia (or any agency, department, public authority or any public benefit corporation thereof) in respect of real property or a property management agreement.

(ii) Tenant shall use and occupy the Premises consistent with Legal Requirements.

(iii) This Lease is subject and subordinate to all of the terms, covenants, agreements, provisions and conditions of the Ground Lease.

(iv) If there is a termination of the Ground Lease, or if Ground Lessor shall exercise its rights to dispossess Landlord or to re-enter the Project or Premises, Tenant shall, at Ground Lessor's election, attorn to Ground Lessor and Ground Lessor shall have all rights of Landlord under this Lease, including the right to collect any rent or other sums due or accruing to Landlord under this Lease, and to enforce those rights by court proceeding or otherwise.

(v) Tenant shall not pay base rent under this Lease more than one (1) month in advance (excluding security and other deposits required under this Lease).

(vi) Tenant shall not mortgage or pledge its interest in this Lease.

(vii) All indemnities and waivers of Tenant set forth in this Lease shall benefit Ground Lessor in addition to the listed beneficiaries set forth therein.

(viii) All policies of insurance for which Tenant is required to list Landlord as an additional insured or loss payee shall also list the Ground Lessor as additional insured thereunder.

(ix) The following uses are Prohibited Uses in addition to those set forth on Exhibit D attached hereto: (1) massage parlor (excluding massage services provided at day spas, salons or other similar reputable businesses), (2) a store for providing off-track betting or gambling (excluding lottery, lotto, Keno or similar type of gaming), (3) a store whose primary purpose is the sale of drug paraphernalia (e.g., a "head shop"), (4) a store whose

primary purpose is the sale, rental or display of pornographic materials, (5) a store whose primary purpose is for the sale or display of firearms or other weapons, (6) a strip club, or (7) any illegal purpose or for any other use prohibited by the Project Documents.

18. ESTOPPEL CERTIFICATE. At Landlord's request and within ten (10) business days of receipt, Tenant will execute and deliver to Landlord an estoppel certificate, which certificate may be relied upon by Landlord, mortgagee (including Ground Lessor) or any prospective purchaser or mortgagee of the Building or Land, certifying as to such facts (if true) as Landlord (or such mortgagee(s)) or proposed purchasers of the Building or Land) may reasonably request (including reasonable notice provisions, term commencement, Tenant's acceptance of the Premises and the absence of defaults). If any requested statements are untrue, Tenant shall specify the reasons therefor in such certificate. In addition to remedies afforded Landlord under Section 27 hereof, if Tenant shall fail to timely execute and return such certificate or instrument, Landlord shall have the right to impose, as Additional Rent, a fee of $100 per day for each day beyond the 10-business day period that the certificate or instrument has not been returned.

19. GRAPHICS. Landlord has delivered to Tenant a copy of the Comprehensive Sign Package ("**CSP**") governing the design and installation of signs at the Project, including the Retail Center, as the same may be approved or modified from time to time by the County of Fairfax, Virginia. No graphics, signs or stickers shall be inscribed, painted, affixed or displayed on the windows, the exterior of the Premises or Building, or the interior of the Premises visible from the Common Areas unless they are (i) approved by Landlord (which approval may be granted or withheld in Landlord's sole discretion) and (ii) in conformance with the CSP, the Project Documents, and all applicable Legal Requirements (including the building permit for the Tenant's Work). With respect to any signs to be installed prior to the Rent Commencement Date, Tenant will furnish graphics to Landlord for review simultaneously with delivery of the Tenant Plans as set forth in Exhibit C. Tenant will pay the entire cost of all signs approved and installed at the Premises. If any graphics or signs are inscribed, painted, affixed, displayed or maintained in contravention of the foregoing, such graphics or signs shall be removed by Tenant immediately following written notice from Landlord. Without limiting or otherwise affecting the foregoing or any other provisions of this Lease, Tenant shall not:

(1) paint, decorate or make any changes to the storefront of the Premises, whether on the glass or on other materials;

(2) install any exterior lighting or awnings, or any exterior signs, advertising matter, decoration or painting in or upon the Premises;

(3) install any drapes, blinds, shades or other coverings on exterior windows and doors of the Premises;

(4) affix any window or door lettering, sign decoration or advertising matter to any window or door glass of the Premises, including any "be back," "out to lunch," credit card or hours of operations signs or notices, without Landlord's approval;

(5) erect or install any signs, window or door lettering, placards, decorations, or advertising media of any type which can be viewed from the Common Areas, or erect or install any of the foregoing which are suspended from the ceiling of the Premises; or

(6) place any directional signage in any Common Areas;

without in each instance first obtaining the prior written consent of Landlord, which consent may be withheld in Landlord's sole discretion. Tenant acknowledges that the following shall be prohibited in all cases: painted signs outside the Premises; paper, textile or cardboard signs; sticker; banners; flags, exposed transformers or nameplates; and rooftop signs. Tenant shall keep all signs installed for the Premises in good condition and in proper operating order at all times. Tenant will promptly repair any damage caused by the installation, use or removal of any of its signs. If Tenant does not promptly make any such repairs or remove any non-approved or non-conforming graphics or sign within five (5) days following written demand therefor by Landlord to Tenant, Landlord may have the same removed and any resulting damage repaired at

Tenant's expense, and Tenant shall repay Landlord's actual cost for such removal or for repairing any damage caused by the same or caused by its removal, together with Landlord's Fee within ten (10) days of receipt of an invoice therefor.

Subsequent to the installation of the initial Tenant's Work, whenever Landlord's approval is required pursuant to this Section 19, Landlord shall not unreasonably withhold such approval, so long as the request is for replacement graphics or signage to be installed in the same location, of similar dimensions or of an equal or higher quality; provided, however, that Landlord may require a different standard or quality in order to comply with changes in applicable laws and regulations and the Rules and Regulations.

20. DAMAGES FROM CERTAIN CAUSES. Except for injury to person or property damage directly caused by the intentionally wrongful acts or omissions of Landlord, neither Landlord nor any Landlord Party shall be liable to Tenant, its employees, agents, business invitees, licensees, customers, clients, family members, guests or trespassers for loss or damage to any property or injury to or death of persons arising from (i) the repairing of any portion of the Building or Project, (ii) any interruption in the use of the Premises, (iii) accident or damage resulting from the use or operation (by Landlord, Tenant, or any other person or persons whatsoever) of elevators, escalators, or heating, cooling, electrical or plumbing equipment or apparatus, (iv) the termination of this Lease by reason of the destruction of the Premises or a taking or sale in lieu thereof by eminent domain, (v) any fire, robbery, theft, criminal act and/or any other casualty, (vi) any leakage in any part of the Premises or the rest of the Building or Project, or from water, rain or snow that may leak into, or flow from, any part of the Premises or the rest of the Building or Project, or from drains, pipes or plumbing work in or about the Building, or (vii) any other cause whatsoever. Notwithstanding anything contained in this Lease to the contrary, in no event shall Landlord have any liability to Tenant on account of any claims for the interruption of or loss to Tenant's business or for any indirect damages or consequential losses. All goods, property or personal effects stored or placed by Tenant in or about the Premises or Project shall be at the sole risk of Tenant. The agents and employees of Landlord are prohibited from receiving any packages or other articles delivered to the Building for Tenant, and if any such agent or employee receives any such package or articles, such agent or employee shall be the agent of Tenant for such purposes and not of Landlord.

21. LIEN FOR RENT. In consideration of the mutual benefits arising under this Lease, Tenant hereby grants to Landlord a lien and security interest on all of Tenant's FF&E (excluding inventory sold in the normal course of Tenant's business) now or hereafter placed in or upon the Premises, and such property shall be and remain subject to such lien and security interest of Landlord for payment of all Rent and other sums agreed to be paid by Tenant herein. The provision of this paragraph relating to said lien and security interest shall constitute a security agreement under the Uniform Commercial Code (the "**UCC**") so that Landlord shall have and may enforce a security interest on all of Tenant's FF&E, to the extent not excluded above, now or hereafter placed in or on the Premises, Building or Project. Tenant agrees to execute as debtor such financing statement or statements as Landlord may now or hereafter reasonably request in order that such security interest or interests may be perfected pursuant to the UCC or as otherwise requested by Landlord's mortgagee. Landlord may at its election at any time file a copy of this Lease as a financing statement. Landlord may also file financing statements without the signature of Tenant as permitted by the UCC. Landlord, as secured party, shall be entitled to all of the rights and remedies afforded a secured party under the UCC in addition to and cumulative of Landlord's liens and rights provided by law or by the other terms and provisions of this Lease. Notwithstanding the foregoing, Landlord shall subordinate its lien and security interest in Tenant's FF&E described in Exhibit G attached hereto to the interests of purchase money lenders for Tenant's FF&E, provided that such subordination shall be in a form reasonably acceptable to Landlord.

22. SURRENDER; HOLDING OVER.

(a) Upon the expiration or earlier termination of this Lease, Tenant shall (i) surrender possession of the Premises to Landlord broom clean and in the same condition as on the Rent Commencement Date (subject to Tenant's removal obligations set forth in this Lease), reasonable wear and tear excepted and (ii) comply with all provisions of this Lease respecting turnover of the Premises to Landlord, including those set forth in Sections 14(c), 14(h), and 46(q) hereof.

(b) In the event of holding over by Tenant after expiration or termination of this Lease without the consent of Landlord (which may be granted or withheld in Landlord's sole discretion), Tenant shall pay, as Base Rent, the greater of (i) 150% of the monthly amount of Base Rent which Tenant was obligated to pay for the month immediately preceding the end of the Term for each month or any part thereof of any such holdover period (plus any Additional Rent) or (ii) 150% of the fair market rental value for the Premises as determined by Landlord (plus any Additional Rent); such amount shall be deemed earned by Landlord for the entire month and shall not be prorated for partial months. No holding over by Tenant after the Term shall operate to extend the Term. In the event of any unauthorized holding over, (a) Landlord shall have the right to regain possession of the Premises by any legal process in force at such time, (b) intentionally omitted, and (c) Tenant shall indemnify and hold Landlord harmless from all claims for damages, including all legal costs and fees and all claims by any other lessee to whom Landlord may have leased all or any part of the Premises covered hereby. Any holding over with the consent of Landlord in writing shall thereafter constitute this Lease a lease from month to month on the terms agreed upon by Landlord and Tenant.

23. CASUALTY.

(a) In the event of a fire or other casualty in the Premises, Tenant shall immediately give notice thereof to Landlord.

(b) If the Premises shall be partially destroyed by fire or other casualty so as to render the Premises untenantable in whole or in part for a period in excess of ten (10) days, the Base Rent provided for herein (except for Additional Rent) shall abate thereafter as to the portion of the Premises rendered untenantable until the earlier of (i) the date that the Premises is made tenantable or (ii) sixty (60) days after Landlord has completed any repairs reasonably necessary to restore the Premises to a condition substantially similar to the condition of the Premises on the original Term Commencement Date (such restoration work, "**Landlord's Restoration Work**"). Each of Landlord and Tenant agrees to commence and prosecute its respective repair work promptly and with all due diligence or, if required by the Project Documents or Association Documents, to take whatever action is necessary to cause the Association to undertake such repairs. Notwithstanding the foregoing, in the event (i) such destruction results in the Premises being untenantable in whole or in substantial part for a period reasonably estimated by Landlord to be one hundred eighty (180) days or longer after commencement of construction of the Landlord's Restoration Work, (ii) of damage or destruction of the Building or Project from any cause for which the period to restore is reasonably estimated by Landlord to be one (1) year or longer after the casualty, (iii) Landlord does not receive sufficient insurance proceeds to restore Landlord's Restoration Work (whether due to disbursement of such proceeds to any mortgagee or otherwise), or (iv) the Premises is substantially damaged by casualty during the last year of the Term, then, in any of the foregoing instances, Landlord shall have the right to terminate this Lease and all Rent owed up to the time of such destruction or termination shall be paid by Tenant (it being understood that Tenant shall pay Rent on all tenantable space until termination of this Lease; provided that such tenantable space is of such size and configuration as to allow Tenant to continue its business therefrom). Landlord shall give Tenant written notice of its decisions, estimates or elections under this Section 23 within ninety (90) days after any such damage or destruction.

(c) In the event of destruction to the Premises resulting in the Premises being untenantable in whole or in substantial part for a period reasonably estimated by Landlord to be one hundred eighty (180) days after commencement of construction of Landlord's Restoration Work and Landlord has not then terminated this Lease as provided in Section 23(b), then Tenant shall have the right, within thirty (30) days after Landlord delivers the estimate to Tenant of time to restore, to terminate this Lease by written notice to Landlord and all Rent owed up to the time of such termination shall be paid by Tenant (it being understood that Tenant shall pay Rent on all tenantable space until termination of this Lease; provided that such tenantable space is of such size and configuration as to allow Tenant to continue its business therefrom).

(d) Landlord shall be obligated to restore or rebuild only the portion of the Premises which consists of Landlord's Restoration Work, and nothing herein shall be construed to obligate Landlord under any circumstances to repair or restore any other tenant finish work. Tenant shall be obligated to diligently proceed to perform the work necessary to place the Premises in the condition that existed prior to the fire or other casualty, restore and replace

its Personal Property and, if Tenant closed for business, promptly reopen for business from the Premises on or prior to the date that is sixty (60) days after Landlord has completed Landlord's Restoration Work. At Landlord's sole option, Landlord may repair and restore, on Tenant's behalf, all (or any portion) of the Tenant's Work or Alterations in the Premises that Tenant is required to repair and restore pursuant to this Section, in which case, Tenant shall make all of its insurance proceeds available to Landlord for such use; provided, however, that in no event shall Landlord be required to spend more on any such repair or restoration than the amount of insurance proceeds Landlord actually receives from Tenant. Landlord may require Tenant to pay Landlord a reasonable fee to reimburse Landlord for overhead and administrative costs and expenses incurred in connection with any such repair or restoration undertaken or supervised by Landlord.

(e) Notwithstanding the foregoing provisions of this Section 23, to the extent not contrary to the provisions of Section 31 of this Lease, in the event of any casualty arising from the negligence or willful misconduct of Tenant or any of Tenant's owners, officers, employees, agents, contractors, invitees or customers, Tenant shall indemnify and hold Landlord harmless from any and all costs, expenses and damages of any kind whatsoever arising therefrom, and rent shall not be abated.

(f) All goods, property or personal effects stored or placed by Tenant in or about the Premises or Project shall be at the sole risk of Tenant.

24. CONDEMNATION. Except in connection with a temporary taking, if all or substantially all of the Premises shall be taken or condemned by any governmental, quasi-governmental, public or other authority for any public or quasi-public use or purpose (including sale under threat of such a taking), herein referred to as a **"Taking,"** then the Term shall cease and terminate as of the date of the Taking, and all Base Rent and Additional Rent shall be abated as of such date. If less than substantially all of the Premises is the subject of a Taking, the Base Rent and Additional Rent shall be equitably adjusted as of the date of the Taking and this Lease shall otherwise continue in full force and effect, and Landlord shall restore the Premises to a complete architectural unit, as necessary. If the Taking is temporary, all Rent shall abate for the period of the Taking only, after which, the Lease shall continue in full force and effect, unmodified. Notwithstanding the foregoing, in the event of a Taking of so substantial a part of the Building that Landlord concludes, in its reasonable discretion, that it is impracticable to continue to operate the Building, then Landlord, at its option, shall have the right to terminate this Lease by giving Tenant termination notice specifying a date not earlier than thirty (30) days after the date of such notice as of which this Lease will terminate. All proceeds from any taking or condemnation of the Premises shall belong to and be paid to Landlord; provided, however, that nothing hereunder shall restrict the right of Tenant to claim separately for Tenant's FF&E and for any relocation expense compensable by statute, and receive such award therefor as may be allowed in the condemnation proceedings, if such award shall be made in addition to and stated separately from the award made for the Land and the Building or the part thereof so taken and only so long as such a claim by Tenant does not result in the reduction of Landlord's award.

25. ATTORNEYS' FEES. In the event Tenant defaults in the performance of any of the terms, covenants, agreements or conditions contained in this Lease, Tenant will pay to Landlord within ten (10) days of demand therefor and as Additional Rent all legal costs and expenses Landlord incurs in enforcing this Lease, including reasonable attorney's fees and court costs.

26. ASSIGNMENTS BY LANDLORD. Landlord or any successor-in-interest to Landlord shall have the right to transfer and assign, in whole or in part, all its rights and obligations hereunder and in the Building, Project and property referred to herein, and in such event and upon the transferee Landlord's assumption of transferor Landlord's obligations thereafter accruing hereunder (any such transferee to have the benefit of, and be subject to, the provisions of Section 17), Tenant shall release transferor Landlord from all liabilities and obligations accruing against transferor Landlord hereunder. Upon request by transferor Landlord, Tenant agrees to execute a certificate certifying such covenant and facts (if true) as transferor Landlord may reasonably require in connection with any such assignment by transferor Landlord.

27. DEFAULT BY TENANT.

(a) Landlord may treat the occurrence of any one or more of the following events as a breach of this Lease (each, an "**Event of Default**"): (i) Tenant fails to pay Base Rent, Tenant's Share of Operating Cost or Tenant's Share of Taxes in full on the date such sums are due; or (ii) Tenant fails to pay any other Additional Rent due under this Lease in full on the date such sum is due; provided, however, that no Event of Default shall occur for the first occasion of failure to pay Additional Rent (other than Tenant's Share of Operating Cost or Tenant's Share of Taxes) in any calendar year so long as Tenant pays the sum in full within five (5) days after notice that the same is past due (however, Landlord shall not be required to provide notice of failure to pay Additional Rent more than once per calendar year during the Term, and the second and each additional failure to pay Additional Rent as and when due during any calendar year will constitute an Event of Default without the requirement of notice); or (iii) Tenant fails to make the deliveries required pursuant to Sections 17 or 18 of this Lease within the ten (10)-business day period required for such deliveries; (iv) Tenant fails to maintain the insurance coverage required by Section 30 hereof; (v) default shall be made in the performance of any of the other, non-monetary covenants or conditions which Tenant is required to observe and to perform, and such default shall continue for twenty (20) days after notice thereof (or such additional time as is reasonably necessary, provided Tenant commenced to cure such default within such twenty (20) day period and is diligently prosecuting such cure to completion, which additional time, however, shall in no event exceed ninety (90) days after Landlord's default notice) (however, Landlord shall not be required to provide notice of default for non-monetary covenant or condition failure more than twice per calendar year during the Term, the third and each additional failure to perform Tenant's covenants or abide the conditions of this Lease during any calendar year will constitute an Event of Default without the requirement of notice); or (vi) if a petition is filed by or against Tenant (the term "Tenant" shall include, for the purpose of clause 27(a)(vi), any guarantor of Tenant's obligations hereunder): (1) in any bankruptcy or other insolvency proceeding; (2) seeking any relief under any state or federal debtor relief law; (3) for the appointment of a liquidator or receiver for all or substantially all of Tenant's property or for Tenant's interest in this Lease; or (4) for the reorganization or modification of Tenant's capital structure; however, if such a petition is filed against Tenant, then such filing shall not be a default unless Tenant fails to have the proceedings initiated by such petition dismissed within sixty (60) calendar days after the filing thereof, or if Tenant shall be liquidated or dissolved; or (vii) Tenant shall vacate the Premises during the Term or any renewals or extensions thereof, or (viii) Tenant shall fail to operate its business in accordance with Section 5 during the entirety of Tenant's Operating Hours and such failure continues for more than twenty-four (24) hours following written notice from Landlord (however, Landlord shall not be required to provide such notice of failure to operate more than once per calendar year during the Term, the second and additional such failure to operate Tenant's business in accordance with Section 5 during the entirety of Tenant's Operating Hours during any calendar year constituting Event of Default without the requirement of notice) or, (ix) at the option of Landlord, if Tenant shall attempt to assign this Lease or sublet any portion of the Premises except as permitted herein, or (x) if Tenant is a corporation or limited liability company, and Tenant shall cease to exist as a corporation or limited liability company, as applicable, in good standing in both Virginia and the state of its formation or if Tenant is a partnership or other entity, and Tenant shall be dissolved or otherwise liquidated.

(b) If an Event of Default has occurred, Landlord shall have any one or more of the following rights and remedies, in addition to any other rights and remedies provided in this Lease or allowed at law or in equity, without further notice or demand of any kind.

(i) Landlord may make any payment or perform any act required of Tenant but the making of such payment or the doing of such act by Landlord shall not operate to cure such Event of Default or to estop Landlord from the pursuit of any remedy to which Landlord would otherwise be entitled. Tenant shall repay Landlord's actual cost for such payment or act, together with Landlord's Fee (measured against the cost to cure), within ten (10) days of receipt of a bill therefor.

(ii) Landlord, with or without terminating this Lease or Tenant's right of possession hereunder, may recover any damages or delinquent payments due hereunder, in separate actions, from time to time or in a single proceeding deferred until the expiration of the Term (in which event Tenant hereby agrees that no cause of action shall be deemed to have accrued until the expiration of the Term). Tenant hereby waives all notices and

rights of recovery in connection with Landlord's recovery or retaking possession of the Premises and contents thereof, including any statutory right to a notice to quit or right of redemption.

(iii) Landlord, immediately or at any time after an Event of Default, may terminate this Lease and forthwith repossess the Premises without demand or notice of any kind to Tenant (including any notice to quit, which right to receive is hereby waived by Tenant), whereupon this Lease shall end and all rights of Tenant hereunder shall expire and terminate, but Tenant shall remain liable as hereinafter provided. Upon such termination by Landlord, Tenant shall immediately surrender possession of the Premises to Landlord and remove all of Tenant's effects therefrom, and Landlord may reenter and repossess the Premises and remove all persons and effects therefrom, by summary proceeding, ejectment or other legal action or by using such force as may be necessary. Neither Landlord nor its agents shall be liable by reason of any such reentry, repossession or removal. Tenant's failure to vacate shall be treated as a holdover without consent under Section 22 of this Lease.

(iv) In the event of any such termination of this Lease, Landlord may recover damages. The amount of damages which Landlord may recover in the event of such termination shall include, without limitation, the following:

(1) The worth, at the time of the award, of the unpaid Rent that had been earned at the time of termination of this Lease;

(2) The worth, at the time of the award, of the amount by which the unpaid Rent that would have been earned after the date of termination of this Lease until the time of award exceeds the amount of the loss of Rent that Tenant proves could have been reasonably avoided;

(3) The worth, at the time of the award, of the amount by which the unpaid Rent for the balance of the Term after the time of award exceeds the amount of the loss of Rent that Tenant proves could have been reasonably avoided; and

(4) Any other amount necessary to compensate Landlord for all the detriment proximately caused by Tenant's failure to perform Tenant's obligations under this Lease or which in the ordinary course of things would be likely to result therefrom, including costs incurred by Landlord in recovering the Premises, restoring the Premises to good order and condition, or in remodeling, renovating or otherwise preparing the Premises for reletting, the entirety of any tenant improvement allowance provided to a replacement tenant subsequently taking possession of the Premises (regardless of whether all or any portion of such allowance is used for work within the Premises, within other premises occupied by such replacement tenant or elsewhere within the Project) and any brokerage commissions and reasonable attorneys' fees incurred by Landlord in reletting the Premises.

"The worth, at the time of the award," as used in clauses (1) and (2) above, is to be computed by allowing interest at the maximum rate an individual is permitted by law to charge. "The worth, at the time of the award," as referred to in clause (iii) above, is to be computed by discounting the amount at the discount rate of the Federal Reserve Bank of Richmond at the time of the award, plus 1%. For the purpose of determining the unpaid rent in the event of a termination of this Lease, the monthly rent reserved in this Lease shall be deemed to be the sum of Base Rent and Additional Rent (specifically including Tenant's Share of Operating Cost and Tenant's Share of Taxes). Operating Cost and Taxes shall be calculated to include the monthly average of all such amounts payable to Landlord during the one year period prior to tenant's default.

(v) Landlord may terminate Tenant's right of possession (without terminating this Lease) and may enter upon and take possession of the Premises by any lawful means without demand or notice of any kind to Tenant (including any notice to quit) and without terminating this Lease, and expel or remove Tenant and any other person who may be occupying the Premises or any part thereof, and all property therefrom, without being liable for prosecution or any claim for any damages or liability therefor. If Landlord so elects, Landlord may make such alterations and repairs as, in Landlord's reasonable discretion, may be necessary to relet the Premises, and Landlord may (without any obligation on Landlord's part to do so) relet the Premises or any part thereof, without notice to Tenant, for such rent and such use, and for such period of time and subject to such terms and conditions as Landlord,

in its reasonable discretion, may deem advisable and receive the rent therefor. Tenant shall be responsible for all costs of reletting, including costs to alter, decorate, and repair the Premises to prepare it for reletting, and legal fees and brokerage commissions incurred by Landlord in connection with leasing the Premises (or any portion thereof) to a substitute tenant, which amounts shall constitute Additional Rent hereunder. Upon each such reletting, all rent received by Landlord from such reletting shall be applied against amounts due from Tenant under this Lease, but in all events, such rent shall be Landlord's sole property. Tenant agrees to pay Landlord, on demand, any deficiency that may arise by reason of such reletting. Tenant shall be liable for all damages sustained by Landlord, including without limitation deficiency in rent, interest, attorneys' fees, other collection costs, all court costs and all other expenses (including, without limitation, leasing fees) of placing the Premises in first-class rentable condition. Landlord shall not be liable for any failure to relet the Premises or any part thereof or for any failure to collect any rent due upon any such reletting. It is agreed that commencement and prosecution of any action by Landlord in unlawful detainer, ejectment or otherwise, or any judgment obtained in an action to recover possession of the Premises or other re-entry or removal shall not be construed as an election to terminate this Lease and shall not discharge Tenant from any of its obligations hereunder. Notwithstanding any such reletting without termination, Landlord may at any time thereafter elect to terminate this Lease for such prior default.

(vi) Landlord shall have the right, at its option, to take exclusive possession of Tenant's Personal Property and any other property located in the Premises and to use such property without charge therefor, except for that property subject to any lien rights pursuant to liens permitted in this Lease or property otherwise properly removed prior to termination in accordance with the provisions of this Lease. Subject to the provisions of this Lease, Landlord, to the extent permitted by law, shall have (in addition to all other rights) a right of distress for rent and a lien on all Tenant's Personal Property and any other property in the Premises as security for all Base Rent and Additional Rent and any other sums payable under this Lease.

(vii) Intentionally omitted.

(viii) In addition to any other right or remedy of Landlord under this Lease, at the sole and exclusive option of Landlord, evidenced by written notice from Landlord to Tenant, Landlord may, without relieving Tenant of any of its obligations that survive termination, terminate this Lease, without performance of any additional act or the giving of any additional notice to any other party, effective immediately upon the occurrence of any of the following events, even if the effective date of termination precedes the date of Landlord's notice, or on such later date as determined by Landlord: (1) Tenant's admitting in writing its inability to pay its debts generally as they become due, or (2) the commencement by Tenant of a voluntary case under the federal bankruptcy laws, as now constituted or hereafter amended, or any other applicable federal or state bankruptcy, insolvency or other similar law, or (3) the entry of a decree or order for relief by a court having jurisdiction in an involuntary case under the federal bankruptcy laws, as now constituted or hereafter amended, or any other applicable federal or state bankruptcy, insolvency or other similar law and the continuance of any such decree or order unstayed and in effect for a period of thirty (30) consecutive days, or (4) Tenant's making an assignment of all or a substantial part of its property for the benefit of its creditors in satisfaction of a pre-existing debt or obligation, or (5) Tenant's seeking or consenting to or acquiescing in the appointment of, or the taking possession by, a receiver, trustee or custodian for all or a substantial part of its property, or (6) the entry of a court order without Tenant's consent, which order shall not be vacated, set aside or stayed within thirty (30) days from the date of entry, appointing a receiver, trustee, or custodian for all or a substantial part of Tenant's property. The provisions of this section shall be construed with due recognition of the federal bankruptcy laws, where applicable, but shall be interpreted in a manner which results in a termination of this Lease, at the option of Landlord, in each and every instance, and to the fullest extent that such termination is permitted under the federal bankruptcy laws.

28. NON-WAIVER. Failure of Landlord to declare any default immediately upon occurrence thereof, or delay in taking any action in connection therewith, shall not waive such default, but Landlord shall have the right to declare any such default at any time thereafter.

29. LIMITATION ON LANDLORD'S LIABILITY; TENANT'S REMEDIES. (a) None of the Landlord Parties (hereinafter defined) shall be liable or responsible to Tenant for any loss or damage to any property or injury to or death of persons occasioned by theft, fire, act of God, public enemy, terrorism, injunction, riot, strike,

insurrection, war, court order, requisition or order of governmental body, or authority, or for any other causes beyond Landlord's control. All goods, property or personal effects stored or placed by Tenant in or about the Premises or Project shall be at the sole risk of Tenant.

(b) No shareholder, member, manager, trustee, partner, director, officer, employee, representative or agent of Landlord (a "**Landlord Party**") shall be personally liable in respect of any covenant, condition or provision of this Lease. Notwithstanding any provision to the contrary herein, Tenant shall look solely to the estate and property of the then-existing Landlord in and to the Building in the event of any claim against Landlord arising out of or in connection with this Lease, the relationship of Landlord and Tenant, or Tenant's use of the Premises, and Tenant agrees that the liability of Landlord arising out of or in connection with this Lease, the relationship of Landlord and Tenant, or Tenant's use of the Premises, shall be limited to such estate and property of Landlord in and to the Building. No properties or assets of Landlord or any Landlord Party or any other person or entity other than the estate and property of Landlord in and to the Building shall be subject to levy, execution or other enforcement procedures for the satisfaction of any judgment (or other judicial process) or for the satisfaction of any other remedy of Tenant arising out of or in connection with this Lease, the relationship of Landlord and Tenant or Tenant's use of the Premises. In the event of any default by Landlord, Tenant's exclusive remedy shall be an action for damages (Tenant hereby waiving the benefit of any laws granting Tenant a lien upon the property of Landlord or upon Rent due Landlord), but prior to any such action Tenant will give Landlord and any mortgagee notice specifying such default with particularity, and Landlord and/or such mortgagee shall have thirty (30) days after receipt of such notice in which to cure any such default; provided, however, that if such default cannot, by its nature, be cured within such period, Landlord shall not be deemed in default if Landlord and/or mortgagee shall within such period commence to cure such default and shall diligently prosecute the same to completion. Unless and until Landlord and/or any mortgagee fails so to cure any default after notice, Tenant shall have no remedy or cause of action by reason thereof. All obligations of Landlord hereunder will be construed as covenants, not conditions; all such obligations will be binding upon Landlord only during the period of its ownership of the Building and not thereafter; and no default or alleged default by Landlord shall relieve or delay performance by Tenant of its obligations to continue to pay Base Rent and Additional Rent hereunder as and when the same shall be due.

30. INSURANCE.

(a) Landlord shall maintain, or shall cause the Association to maintain, "all-risk" property insurance on the Building (excluding all Improvements within the Premises, which Tenant will insure for their full replacement cost) in amounts sufficient to avoid the provisions of co-insurance under the applicable insurance policies. Landlord may maintain or cause to be maintained other insurance as Landlord determines in its sole judgment is reasonably necessary, the costs of which shall be included in Operating Cost. Insurance shall be maintained with an insurance company authorized to insure properties in the Commonwealth of Virginia. If the annual premiums to Landlord for this property insurance exceed the standard premium rates because of the nature of Tenant's operations, contents or Improvements or because the same result in extra hazardous exposure, then Tenant shall upon receipt of copies of appropriate premium invoices reimburse Landlord for such increases in such premiums.

(b) Tenant shall obtain and maintain at its expense plate glass insurance and special causes of loss (i.e., "all-risk" or its equivalent) property insurance (including sprinkler leakage and water damage coverage) on all furniture, fixtures and equipment, or any personal or other removable property in the Premises, whether or not owned by Tenant and on all Improvements for the full replacement cost thereof. Tenant shall obtain and maintain comprehensive boiler and machinery coverage, including electrical apparatus, if applicable. All property insurance shall name Landlord and any other party designated by Landlord, including the Ground Lessor, any other mortgagee, Landlord's agents and/or affiliates, as its and their interests may appear, as additional insureds. In the event Tenant provides any insurance in this Section 30 in the form of a blanket policy, Tenant shall furnish Landlord with satisfactory proof that such blanket policy complies in all respects with the provisions of this Lease and that the coverage thereunder is at least equal to the coverage which would be provided under a separate policy covering only the Premises.

(c) Tenant shall maintain a policy or policies of commercial general liability insurance (including bodily injury and contractual liability coverage) with the premiums thereon fully paid in advance, issued by and binding upon an insurance company of good financial standing, such insurance to afford minimum protection of not less than $1,000,000.00 per occurrence, with a $2,000,000.00 annual aggregate, combined single limit for bodily injury and property damage. This policy shall contain a contractual liability endorsement. In addition, Tenant will carry the following coverages throughout the Term: a policy of worker's compensation insurance as required by applicable law, and employer's liability insurance with limits of no less than $500,000.00 per occurrence; a policy of comprehensive automobile liability insurance, including loading and unloading, and covering owned, non-owned and hired vehicles, with limits of no less than $1,000,000; business interruption insurance in an amount sufficient to cover costs, damages, lost income, expenses, Base Rent and all Additional Rent and all other sums payable under this Lease, should any or all of the Premises not be usable for a period of up to twelve (12) months; and umbrella insurance coverage over all risks set forth in Sections 30(a) of not less than $10,000,000.00. (All such insurance shall name Landlord and any other party designated by Landlord, including the Ground Lessor, any other mortgagee, Landlord's agents and/or affiliates, as additional insureds thereunder.

(d) All insurance policies required to be carried by Tenant under this Lease shall be subject to the prior approval of Landlord, and shall be written as primary policy coverage and not contributing with or in excess of any coverage which Landlord may carry. In addition, all insurance policies carried by Tenant shall be issued by a company or companies licensed to do business in the jurisdiction in which the Project is located and rated not lower than "Class A/VIII", as rated in the most recent edition of the Alfred M. Best Company, Inc.'s Key Rating Guide for insurance companies and otherwise approved by Landlord. Certificates of insurance (using an ACORD Form 28 or its then-current replacement form, and otherwise in a form satisfactory to Landlord) (or copies of policies, if requested by Landlord from time to time) evidencing the effectiveness of the insurance coverage Tenant is required hereunder to maintain shall be delivered to Landlord at least annually by Tenant, and within fifteen (15) days after request by Landlord, and each policy shall contain an endorsement that will prohibit its cancellation or material modification prior to the expiration of thirty (30) days after notice of such proposed cancellation or material modification to Landlord. Tenant shall be required to maintain the insurance required hereunder no later than the date that Tenant or any agent, employee or contractor of Tenant first has access to the Premises or the Building, unless an earlier date is otherwise provided herein. Any deductible/self-insured retention in excess of $5,000 per occurrence requires Landlord's written consent. Any assignee of this Lease or subtenant of the Premises shall be required to carry the same insurance required of Tenant hereunder. Tenant shall cause all contractors providing services to the Premises to carry insurance of customary type and amount, which insurance shall be subject to Landlord's approval, and which shall name Landlord, and any other party designated by Landlord, including Landlord's affiliates, lenders and agents, as their interests may appear, as additional insureds.

31. WAIVER OF SUBROGATION. Anything in this Lease to the contrary notwithstanding, Landlord and Tenant each hereby waives any and all rights of recovery, claim, action or cause-of-action, against the other, its agents (including partners, both general and limited), officers, directors, shareholders, employees or representatives, for any loss or damage that may occur to the Premises, or any Improvements therein, or the Building of which the Premises are a part, or any Improvements therein, or any personal property of such party therein, by reason of fire, the elements or any other cause which are required by this Lease to be insured against under the terms of an all-risk property insurance policy, and to the extent of such policy, regardless of the negligence of the other party hereto, its partners, agents, contractors, officers or employees, and covenants that no insurer shall hold any right of subrogation against such other party. Each party shall have the policies required under this Lease endorsed with a waiver of subrogation clause whereby the insurance provider's right of subrogation is waived with respect to the other party hereto.

32. HOLD HARMLESS; INDEMNITY. Except to the extent arising from the gross negligence or willful misconduct of Landlord, the Landlord Parties shall not be liable to Tenant, or to Tenant's agents, servants, employees, contractors, customers or invitees for death or injury to persons or damage to or loss of property from any cause whatsoever. Except as may be the direct result of the intentionally wrongful acts or omissions of Landlord, and except as otherwise provided in Section 31 hereof, Tenant shall, and does hereby, indemnify, hold harmless and defend (with counsel satisfactory to Landlord) Landlord, its partners, members, managers, property manager, mortgagees, Ground Lessor, invitees and their officers, directors, agents and employees (collectively, the

"**Indemnified Parties**"), from and against any loss, damage, liability, cost or expense (including reasonable attorneys' fees and all court costs) incurred by the Indemnified Parties and occasioned by or in any way related to or connected with (i) the making or removal of any Improvements or the use or occupancy of the Premises, the Building, or the Project by Tenant, its agents, employees, invitees, and any other persons who gain access to the Premises including any violation of any Legal Requirements, (ii) the negligence or the intentionally wrongful acts or omissions of Tenant, its agents, employees and invitees, (iii) any default, breach or violation of this Lease by Tenant, its agents, employees and invitees, and (iv) injury or death to individuals or damage to property sustained in or about the Premises.

33. RELOCATION. Landlord shall have the right to change the location and configuration of the Premises subject to the following terms and conditions: (a) if Tenant has commenced beneficial use of the Premises, then Landlord shall provide Tenant not less than thirty (30) days' advance written notice of the date Tenant must vacate the Premises; (b) Landlord shall provide Tenant with substitute space of a generally similar nature and size elsewhere in the Building or Retail Center (the "**Substitute Premises**"); and (c) Landlord shall at Landlord's expense (1) remove Tenant's equipment and furnishings from the Premises and reinstall them in the Substitute Premises; and (2) redecorate the Substitute Premises in a manner substantially similar to the manner in which the Premises were decorated. If Landlord changes the location or configuration of the Premises pursuant to this Section 33, Landlord shall prepare an amendment to this Lease reflecting the revised location, configuration Net Rentable Area of the Substitute Premises and adjust, in its reasonable discretion, the terms of any provisions that are based upon the Net Rentable Area of the Premises. Within ten (10) days after Landlord submits such amendment to Tenant, Tenant shall execute such amendment.

34. SEVERABILITY. If any term or provision of this Lease, or the application thereof to any person or circumstance shall to any extent be invalid or unenforceable, the remainder of this Lease, or the application of such provision to persons or circumstances other than those as to which it is invalid or unenforceable, shall not be affected thereby. Each provision of this Lease shall be valid and shall be enforceable to the extent permitted by law.

35. NOTICES. All notices, demands, consents and approvals which may or are required to be given by either party to the other hereunder shall be in writing and shall be deemed to have been fully given when personally delivered, when sent by a nationally recognized, overnight courier service, or deposited in the United States mail, certified or registered, postage prepaid and addressed to the party to be notified at the notices address for such party set forth in the Basic Lease Information, or to such other place as the party to be notified may from time to time designate by at least fifteen (15) days' notice to the notifying party.

36. SUCCESSORS. This Lease shall be binding upon and inure to the benefit of Landlord, its successors and assigns, and shall be binding upon and inure to the benefit of Tenant, its successors and, to the extent assignment may be approved by Landlord hereunder, Tenant's assigns.

37. ENTIRETY. This instrument and any attached addenda or exhibits constitute the entire agreement between Landlord and Tenant. No prior or contemporaneous promises, inducements, representations or agreements, oral or otherwise, between the parties hereto not embodied herein shall be binding or have any force or effect. Tenant will make no claim on account of any representations whatsoever, whether made by any renting agent, broker, officer or other representative of Landlord or which may be contained in any circular, prospectus or advertisement relating to the Premises or the Project, or otherwise, unless the same is specifically set forth in this Lease. Landlord and Tenant each acknowledge that they have been represented by counsel in the negotiation of this Lease. In the event of any ambiguity in the terms and conditions of this Lease, the doctrine of contra proferentem shall not be applicable, and there shall be no assumption that this Lease is to be construed more or less strongly against either party.

38. BROKERS. Tenant hereby warrants and represents that it has not dealt with any brokers or intermediaries entitled to any compensation in connection with this Lease or Tenant's occupancy of space in the Project. Each party hereby agrees to hold the other party, its partners and representatives harmless from any and all claims,

liabilities, costs and expenses (including reasonable attorneys' fees) arising from any claim for any commissions or other fees by any broker or agent acting or purporting to have acted on behalf of such party.

39. INTENTIONALLY OMITTED.

40. INTENTIONALLY OMITTED.

41. QUIET ENJOYMENT. So long as Tenant pays the Rent herein recited and performs all of Tenant's covenants and agreements herein contained, Tenant shall quietly enjoy the Premises without disturbance by any person lawfully claiming by, through, or under Landlord, subject, however, to the provisions of this Lease, the Association Documents, the Project Documents (including the Ground Lease), and all mortgages, encumbrances, easements and matters of record to which this Lease is or may become subject. It is understood and agreed that this covenant and any and all other covenants of Landlord contained in this Lease shall be binding upon Landlord and its successors only with respect to breaches occurring during its and their respective ownership of Landlord's interest hereunder.

42. INTENTIONALLY OMITTED.

43. HAZARDOUS MATERIALS.

(a) Tenant, its agents and employees, shall not violate or cause to be violated any federal, state or local law, ordinance or regulation relating to the environmental conditions on, under or about the Premises or the Building, or the Land, including soil and ground water conditions. Tenant shall not, and Tenant's agents and employees shall not, cause or permit the use, generation, storage, transport or disposal in or about the Premises or the Project of any substances, materials or wastes subject to regulation under federal, state or local Legal Requirements from time to time in effect concerning hazardous, toxic or radioactive materials, including asbestos, linseed oil or any other substance capable of spontaneous combustion ("**Hazardous Materials**") (excluding customary cleaning fluids used in accordance with all applicable Legal Requirements). For the purposes of this Article, Hazardous Materials shall include, but not be limited to, substances defined as "hazardous substances" or "toxic substances" in the Comprehensive Environmental Response, Compensation and Liability Act of 1980, as amended, 42 U.S.C. Section 9061 *et seq.*; Hazardous Materials Transportation Act, 49 U.S.C. Section 1802; and Resource Conservation and Recovery Act of 1976, 42 U.S.C. Section 6901 *et seq.* and any other substances considered hazardous, toxic or the equivalent pursuant to any other applicable laws and in the regulations adopted and publications promulgated pursuant to said laws or any future laws or regulations (collectively, the "**Environmental Laws**").

(b) Tenant shall clean up and remove or cause to be cleaned up and removed from, under or about the Premises, the Building or the Land any Hazardous Materials it or its agents or employees have or have caused to be introduced, at its sole cost and expense, and shall ensure that such removal is conducted in compliance with all applicable Environmental Laws.

(c) Tenant shall and does hereby indemnify, defend and hold Landlord, mortgagee, Ground Lessor, and its and their successors and assigns harmless from and against any losses (including attorneys' fees and court costs) which Landlord, any mortgagee, Ground Lessor, or its or their successors and assigns may sustain or which may arise by reason of Tenant's failure to comply with the requirements of Section 43 hereof.

(d) This Section 43 shall survive the expiration or earlier termination of this Lease.

44. ADVERTISING. Any of Tenant's print, audio, electronic or other advertising that refers to the location of the Premises, Retail Center or Project shall use only images, names and descriptions of the Premises, Retail Center or Project that have been approved by Landlord. In no event shall any advertising or promotional materials of Tenant be permitted to reflect negatively upon or defame the Retail Center or Project. Tenant agrees that any reference to the Project in any Tenant advertising (electronic or on site signage) shall refer to the Project as "Reston Station".

45. INTENTIONALLY OMITTED.

46. MISCELLANEOUS.

(a) Time is of the essence with respect to Landlord's and Tenant's rights and obligations under this Lease.

(b) The words "include" and "including" shall be construed for purposes of this Lease as being followed by the phrase "without limitation."

(c) All rights and remedies of Landlord under this Lease shall be cumulative and none shall exclude any other rights or remedies allowed by law.

(d) This Lease is declared to be a Commonwealth of Virginia contract, and all of the terms hereof shall be construed according to the laws of the Commonwealth of Virginia, without resort to its conflicts of laws rules.

(e) **LANDLORD AND TENANT HEREBY WAIVE TRIAL BY JURY IN ANY ACTION, PROCEEDING, OR COUNTERCLAIM ARISING OUT OF OR IN ANY WAY CONNECTED WITH THIS LEASE.**

(f) Tenant hereby submits to the personal jurisdiction of any court sitting in Fairfax County, Virginia with respect to all claims and controversies arising out of this Lease or the enforcement thereof. Landlord hereby (i) submits to the personal jurisdiction of any court sitting in Fairfax County, Virginia with respect to all claims and controversies arising out of this Lease or the enforcement thereof and (ii) for purposes of Section 55-218.1 of the Annotated Code of Virginia, appoints Christopher Clemente, whose address is c/o Comstock Partners, 1900 Reston Metro Plaza, 10th Floor, Reston, Virginia 20190, as Landlord's resident agent for service of process in any such claim or controversy, and agrees that service upon such agent shall constitute personal service upon Landlord so long as notice of such service is given in accordance with the provisions of Section 35.

(g) For purposes of Section 55-2 of the Annotated Code of Virginia, this Lease is and shall be deemed a deed of lease.

(h) This Lease may be executed in any number of counterparts and by different parties in separate counterparts, each of which when so executed shall be deemed an original, and all of which, taken together, shall constitute one and the same instrument.

(i) Nothing contained in this Lease shall be construed to create a partnership, joint venture or other relationship between Landlord and Tenant other than that of landlord and tenant.

(j) Tenant certifies that: (i) it is not acting, directly or indirectly, for or on behalf of any person, group entity, or nation named by any Executive Order or the United States Treasury Department as a terrorist, "Specially Designated National and Blocked Person," or other banned or blocked person, entity, nation, or transaction pursuant to any law, order, rule or regulation that is enforced or administered by the Office of Foreign Assets Control; and (ii) it is not engaging in, instigating or facilitating this transaction, directly or indirectly, on behalf of any such person, group, entity, or nation. Tenant hereby agrees to defend, indemnify, and hold harmless Landlord from and against any and all claims, damages, losses, risks, liabilities, and expenses (including attorneys' fees and costs) arising from or related to any breach of the foregoing certification.

(k) Neither this Lease nor a memorandum thereof shall be recorded without the prior consent of Landlord.

(l) If two or more persons or entities shall sign this Lease as Tenant, the liability of each such person or entity to pay the Rent and perform all other obligations hereunder shall be deemed to be joint and several, and all Notices, payments and agreements given or made by, with or to any one of such persons or entities shall be

deemed to have been given or made by, with or to all of them. In like manner, if Tenant shall be a partnership or other legal entity, the partners or members of which are, by virtue of any applicable law, rule, or regulation, subject to personal liability, the liability of each such partner or member under this Lease shall be joint and several and each such partner or member shall be fully obligated hereunder and bound hereby as if each such partner or member had personally signed this Lease.

(m) The submission of this Lease by Landlord to Tenant for examination shall not constitute an offer to lease or a reservation of or option for the Premises. Tenant's execution of this Lease shall be deemed an offer by Tenant, but this Lease shall become effective only upon execution thereof by both parties and delivery thereof to Tenant.

(n) It is generally understood that mold spores are present essentially everywhere and that mold can grow in most any moist location. Emphasis is properly placed on prevention of moisture and on good housekeeping and ventilation practices. Tenant acknowledges the necessity of housekeeping, ventilation, and moisture control (especially in kitchens, janitor's closets, bathrooms, break rooms and around outside walls) for mold prevention. Tenant shall inspect the Premises on the Term Commencement Date and shall certify to Landlord that it has not observed mold, mildew or moisture within the Premises. Tenant agrees to immediately notify Landlord if it observes mold/mildew and/or moisture conditions (from any source, including leaks), and allow Landlord to evaluate and make recommendations and/or take appropriate corrective action. Tenant relieves Landlord from any liability for any bodily injury or damages to property caused by or associated with moisture or the growth of or occurrence of mold or mildew on the Premises. In addition, execution of this Lease constitutes acknowledgement by Tenant that control of moisture and mold prevention are integral to its Lease obligations.

(o) Whenever in this Lease a day is appointed on which, or a period of time is appointed within which, either party hereto is required to perform or complete any act, matter or thing, the time for performance or completion shall be extended by a period of time equal to the number of days on or during which such party is prevented from the performance or completion of such act, matter or thing as a result of strikes, lock-outs, embargoes, general unavailability of labor or materials (for reasons not caused by the party claiming Unavoidable Delay), wars, insurrections, rebellions, declarations of national emergencies, acts of God or other causes beyond such party's reasonable control ("**Unavoidable Delay**"); provided, however, that no Unavoidable Delay shall relieve Tenant of its obligations hereunder to make full and timely payments of Rent and to obtain insurance as required by this Lease.

(p) This Lease does not grant Tenant any easement concerning light, air or view, and the hindrance, elimination or shutting off of light, air or view by any structure shall in no way affect Tenant's obligations under this Lease or give rise to any liability of Landlord to Tenant with respect thereto.

(q) Tenant will provide to Landlord copies of all keys for all locks to the Premises. The locks used by Tenant shall be consistent with the lock set of the Building. Upon termination of this Lease, Tenant shall surrender to Landlord all keys to the Premises and give to Landlord the combination of all locks for safes, safe cabinets and vault doors, if any, in the Premises.

(r) This Lease may not be altered, changed or amended, except by an instrument in writing, signed by both parties hereto.

(s) As used in this Lease, the term "**Landlord's Fee**" shall mean an additional charge payable to cover overhead associated with Landlord's performing certain work hereunder, in an amount equal to twenty percent (20%) of the cost of such work, which shall be Additional Rent.

(t) Neither Tenant, nor any of Tenant's employees, partners, officers, directors, members, shareholders, agents or brokers, shall issue or make any public statement, comment, announcement, or press release regarding this Lease, the Premises, the Project or Landlord without first receiving Landlord's approval as to form and content, it being expressly agreed that in no event shall any entity or individual issue or make a public statement, comment, announcement or press release regarding this Lease that would coincide with or precede any public

statement, comment, announcement or press release of Landlord regarding this Lease, unless such information is publically available. During the Term, in any publication (whether in print or electronic) identifying the location of the Premises, Tenant agrees to include reference to "Reston Station" in any such publication.

47. PARKING. Tenant and employees shall have the non-exclusive right, in common with other occupants of retail portions of the Project (and their respective customers and employees) lawfully entitled thereto, to use of all exits, entrances, driveways and Retail Parking Facilities serving the Retail Center for the accommodation and parking of vehicles of Tenant and its employees, while at the Retail Center or attending the Premises, at the published rates charged to users of the Retail Parking Facilities. Tenant acknowledges that Landlord or the Association may relocate parking operations from time to time as development of the Project continues, or in the event of casualty, condemnation, or Unavoidable Delay.

[Remainder of this page intentionally blank.]

IN WITNESS WHEREOF, the parties hereto have executed this Lease under seal by their duly authorized officials or agents as of the date aforesaid.

LANDLORD:

COMSTOCK RESTON STATION HOLDINGS, LC,
a Virginia limited liability company

By: CP Management Services, LC, its Manager

By: _____ [SEAL]
Name: Christopher Clemente
Title: Manager

TENANT:

PARKX MANAGEMENT, LC,
a Virginia limited liability company

By: Comstock Holding Companies, Inc., its Manager

By: _____ [SEAL]
Name: Christopher Clemente
Title: Chief Executive Officer

EXHIBIT A

DESCRIPTION OF LAND

All of that certain lot or parcel of land situated, lying and being in Fairfax County, Virginia, and being more particularly described in that certain Fifth Amended and Restated Memorandum of Lease, dated September 29, 2021, and recorded in the land records of Fairfax County, Virginia in Book 27366 at Page 0748, as the same may be amended from time to time.

EXHIBIT A-1

FLOOR PLAN OF PREMISES

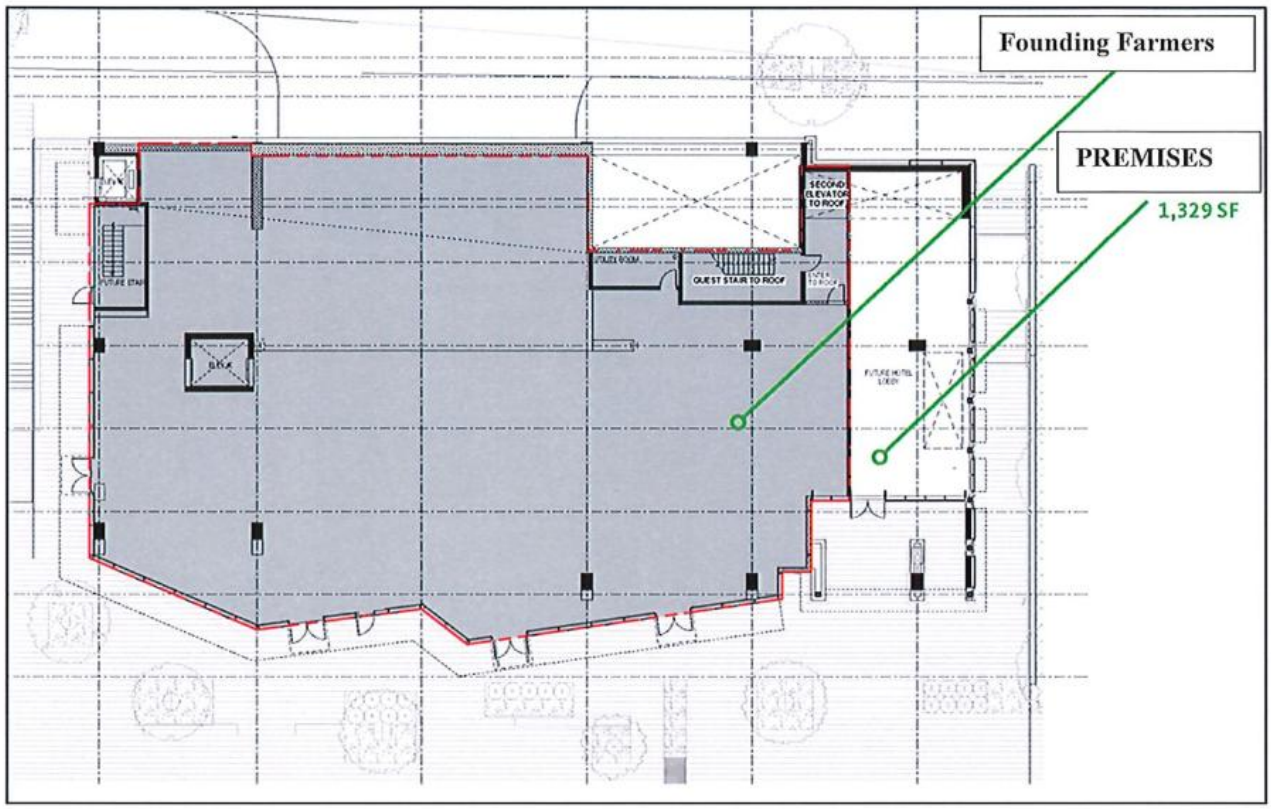


EXHIBIT B

RESERVED

EXHIBIT C

TENANT IMPROVEMENT WORK SCHEDULE

The Premises shall be leased by Tenant in its "as-is" condition as of the Term Commencement Date.

1. Preparation of Tenant Plans.

(a) Tenant shall provide and submit to Landlord for its approval the Tenant Plans necessary to price, permit and construct Tenant's Work. The Tenant Plans shall be in form sufficient to allow Landlord to assess Tenant's proposed Tenant's Work.

(b) "**Tenant Plans**" means complete sets (at least three prints and one reproducible copy) of architectural, structural, mechanical, electrical and plumbing working drawings for any and all Tenant's Work, including HVAC and fire and life safety systems (which shall include such written instructions or specifications as may be necessary to secure a building permit from Fairfax County, Virginia and shall show the full detailed scope of all Tenant's Work). The Tenant Plans shall be consistent with the interior concept plan (the "**Interior Concept Plan**") to be approved by Landlord. Tenant shall be responsible to provide and submit Tenant Plans which are fully coordinated with the plans and specifications for the Building (the "**Building Plans and Specifications**") and which conform to all applicable Legal Requirements. Landlord shall assist Tenant in the coordination of the Tenant Plans with the Building Plans and Specifications. The structural, mechanical, electrical and plumbing portions of the Tenant Plans shall be prepared by engineers reasonably approved by Landlord. The cost of preparing the Tenant Plans, including any changes thereto, shall be paid by Tenant, subject to reimbursement in accordance with Paragraph 2(d). Landlord shall cooperate with Tenant and Tenant's architect in the preparation of the Tenant Plans; provided, however, that timely completion of the Tenant Plans shall remain the sole responsibility of Tenant. If Landlord hires any third party in connection with the review or inspection of the Tenant Plans or Tenant's Work, Tenant shall reimburse Landlord for the actual costs therefor within fifteen (15) days after invoice from Landlord or, at Landlord's election, Landlord shall deduct such amounts from the Tenant Improvement Allowance.

(c) Landlord agrees to review the Tenant Plans and respond to Tenant in writing within fifteen (15) business days after the date of Landlord's receipt of the Tenant Plans, either approving the Tenant Plans or specifying the revisions required to enable approval; provided, however, that Landlord's review shall not relieve Tenant of its obligations under Paragraph 1(b) or any other provision of this Exhibit C. Landlord's approval of the Tenant Plans shall not be unreasonably withheld, so long as Landlord has approved the underlying Tenant's Work (in accordance with the approval standards set forth in Section 14 of the Lease) and the Tenant Plans conform to all requirements hereof. Landlord's approval of the Tenant Plans shall not constitute a representation or warranty of any kind whatsoever, express or implied, including any representation or warranty that the Tenant Plans comply with Legal Requirements or that they will not interfere with Building structures or systems.

2. Construction of Tenant's Work.

(a) Tenant shall contract with a general contractor ("**Tenant's Contractor**") to construct the Tenant's Work subject to the following:

(i) Tenant shall obtain Landlord's prior written approval of Tenant's Contractor and all subcontractors to be used by Tenant's Contractor for mechanical, electrical, plumbing and controls work (collectively "**MEP Work**"). Any general contractor selected by Tenant must be licensed to do business in Fairfax County, Virginia and, in Landlord's reasonable judgment, both Tenant's Contractor and the subcontractors specified for MEP Work must be qualified to work in the Project. Landlord may require without compensation to Tenant that Landlord's designated contractors be engaged for any construction affecting the Building's structure, roof, fire and life safety systems, sprinklers, plumbing systems, electrical systems and HVAC (to the extent of any interaction with the Building HVAC) and signs.

(ii) Tenant's contract with Tenant's Contractor shall require Tenant's Contractor and all subcontractors to comply with such reasonable and consistently applied written rules and regulations as may be promulgated by Landlord for construction activities in the Project. Tenant's Contractor and subcontractors shall provide such bonding, insurance, and/or indemnifications as Landlord may reasonably require, prior to commencement of construction of Tenant's Work.

(b) Tenant shall submit the name and, if requested by Landlord, experience record of Tenant's Contractor and the subcontractors to be used by Tenant's Contractor for MEP Work to Landlord for its approval. Landlord shall either approve Tenant's Contractor and the subcontractors to be used by Tenant's Contractor for MEP Work or specify the reason that Landlord is unable to grant such approval within fifteen (15) business days of receipt of Tenant's written submittal.

(c) Tenant will not begin construction of the Tenant's Work until the later to occur of: (i) Landlord's approval of the Tenant Plans, (ii) Landlord's approval of Tenant's Contractor and the subcontractors to be used by Tenant's Contractor for MEP Work, and (iii) Landlord's receipt of copies of all permits required in Fairfax County, Virginia to construct the Tenant's Work.

(d) (i) As a material inducement for Landlord to enter into the Lease and to provide the Tenant Improvement Allowance, Tenant has agreed and hereby acknowledges and represents that the Cost of Tenant's Work (as defined below) shall equal or exceed the amount set forth in the Basic Lease Information. For purposes of the immediately preceding sentence, the term "**Cost of Tenant's Work**" shall (A) mean all of the hard and direct costs of construction of the Tenant's Work paid by Tenant on or before the Rent Commencement Date, (B) all costs of design, planning and engineering services incurred by Tenant in connection with the Tenant's Work (including obtaining all necessary permits), and (C) all costs relating to the fabrication and installation of permanent furniture, fixtures and equipment (but specifically excluding the costs incurred by Tenant for any leased items). In the event Landlord determines that the Cost of Tenant's Work shall not equal or exceed the Tenant Improvement Allowance, in addition to all of Landlord's rights and remedies under the Lease, Landlord may elect not to approve the Tenant Plans or to reduce the Tenant Improvement Allowance to the reasonable cost of the Tenant's Work.

(ii) (A) To assist Tenant with the cost of any approved Tenant's Work (including architectural and engineering design fees), Landlord shall provide an allowance up to the amount for Tenant Improvement Allowance set forth in the Basic Lease Information, based on the terms and conditions set forth below. To the extent of the Cost of Tenant's Work, and so long as no Event of Default exists, Landlord shall pay the Tenant Improvement Allowance to Tenant or Tenant's Contractor (at Landlord's option), within thirty (30) days after each of the following items is complete: (i) Landlord has received lien waivers in a form reasonably satisfactory to Landlord and in accordance with the law of the Commonwealth of Virginia, executed by Tenant's general contractor and all subcontractors and suppliers that supplied labor or materials for or in connection with the Tenant's Work, evidencing that Tenant has paid all materialmen, suppliers and contractors for all labor and materials for all of the Tenant's Work; (ii) Landlord has received and such other supporting documentation as Landlord may reasonably request to evidence that the work has been satisfactorily performed (e.g., AIA applications for payment executed by Tenant's Contractor, Tenant's architect and Tenant and certified by Landlord's architect, appropriate partial lien waivers and other customary construction draw supporting documentation), and (iii) the date Tenant opens for business to the public in the entire Premises pursuant to a final, unconditional certificate of occupancy, nonresidential use permit or other similar occupancy permit obtained by Tenant (a copy of which has been delivered to Landlord).

(B) Following the earlier to occur of (a) (1) the close-out of the contract with Tenant's Contractor (it being acknowledged that "close-out" includes the receipt by Landlord of final lien waivers from all contractors and subcontractors), (2) the payment of all amounts due Tenant's Contractor under its contract, (3) the payment of all architectural and design fees, (4) the payment of all amounts due other qualified third party contractors, and (5) Tenant's opening for business from the Premises pursuant to a final certificate of occupancy and Tenant's commencing payment of Base Rent and Tenant's Share of Operating Cost and Tenant's Share of Taxes then due under Section 7 of the Lease (the date on which the last of items (1), (2), (3), (4) and (5) occurs, is hereby called the "**Close-Out Date**"), or (b) one (1) year after the Term Commencement Date, any unused portion of the Tenant Improvement Allowance will be retained by Landlord and Tenant shall have no further claim to such funds.

(e) Tenant shall indemnify and hold harmless the Landlord Parties from and against any and all losses, damages, costs (including costs of lawsuits and reasonable attorneys' fees), liabilities, or causes of action relating to the work of Tenant's Contractor, including but not limited to mechanic's, materialman's or other liens or claims (and all costs or expenses associated therewith) asserted, filed or arising out of any such work. All materialmen, contractors, artisans, mechanics, laborers and other parties hereafter contracting with Tenant or Tenant's Contractor for the furnishing of any labor, services, materials, supplies or equipment with respect to any portion of the Premises are hereby charged with notice that they must look solely to Tenant or Tenant's Contractor for payment of same; Tenant's and Tenant's Contractor's

purchase orders, contracts and subcontracts in connection therewith shall clearly state this requirement. Without limiting the generality of the foregoing, Tenant shall repair or cause to be repaired at its expense all damage caused by Tenant's Contractor, its subcontractors or its employees.

(f) Tenant shall, at Tenant's sole cost and expense, cause Tenant's architect(s) or engineer(s) to prepare a report (subject to review and certification of Landlord's architect), in form and substance acceptable to Landlord, for the benefit of Landlord, certifying to the compliance of work constructed by Tenant's Contractor with the Tenant Plans approved by Landlord and compliance with all applicable Legal Requirements. Upon completion of the Tenant's Work, Tenant shall deliver a set of "as-built" plans to Landlord in CAD format (or such other format requested by Landlord).

3. Change Orders. It is agreed that Tenant may authorize changes in the Tenant's Work provided that: (a) changes must meet the criteria set forth in paragraphs 1(a) and 1(b) above; and (b) Landlord approves any such changes, which approval shall be consistent with the approval standards set forth in Section 14 of the Lease. Tenant shall submit revised Tenant Plans, incorporating all approved change orders, to Landlord for Landlord's review and approval.

4. Miscellaneous. Tenant shall perform Tenant's Work in a good and workmanlike manner, free from defects, and in accordance with all applicable Legal Requirements and the provisions of this Exhibit C. The time required by Tenant's Contractors to perform Tenant's Work shall not delay the Rent Commencement Date, notwithstanding the fact that the Premises may not be completed and Tenant may not be in occupancy at such time. The following Building systems must not be shut down, operated, interrupted, modified, or reconfigured without the expressed prior written consent of Landlord: *Elevator, Air Distribution, Sprinkler, Telephone/Data, Electrical Power, Domestic Water, Standpipe, Life Safety/Fire Alarm, Heating Hot Water, Chilled Water, Security, Plumbing, BMS, or Condenser Water/Cooling Tower*. An engineer employed by Landlord must be present during all shutdowns at a reimbursable overtime rate (4 hour minimum). Special care must be taken when these systems serve other tenant areas. A shut down fee of $500.00 per shut down will be charged to Tenant.

EXHIBIT D

ADDITIONAL USE RESTRICTIONS

(1) Tenant shall not use any area of the Project outside the Premises (a) for the sale of any merchandise, including food and beverage items, (b) to solicit business, (c) to display signs, or (d) for public meetings or entertainment, except as expressly provided otherwise in the Lease.

(2) Tenant shall not display, sell, lease, or offer for sale or lease, in any manner in the Premises or in the Project any pornographic or obscene material of any kind including books, magazines and movies or sexually explicit items of any kind, nor operate in the Premises a tattoo parlor or any business devoted primarily to applying tattoos to people, nor for a strip club or any similar business.

(3) Tenant shall not use or permit the use of any portion of the Premises as living quarters, sleeping apartments or lodging rooms.

(4) Tenant shall not use the Premises for any shooting gallery, flea circus, funeral establishment, automobile showroom or lot, automotive repair or service, a secondhand store, bowling alley, video game or vending machine parlor, pool or billiard establishment or similar business or activity.

(5) Tenant shall not use any portion of the Premises for storage or other services except as customary for Tenant's operations in the Premises in accordance with the uses of the Premises permitted in Section 5 of the Lease.

(6) No auction, fire, distress, liquidation, going out of business, bankruptcy or like sales (whether real or fictitious) may be conducted within the Premises without the previous written consent of Landlord, which consent may be granted or withheld in Landlord's sole discretion. Tenant shall display, sell and advertise only first-quality seasonal merchandise and not any seconds or damaged goods, and shall never conduct any so-called outlet, warehouse or like discount operations in or from the Premises.

(7) No vending machines may be visible to the public or available for public use, nor shall there be any public telephones in the Premises.

(8) Tenant shall maintain negative air pressure in the Premises.

(9) Except for valet services specifically approved in advance and in writing by Landlord, Tenants shall not charge for parking, nor shall tenants permit customers or invitees to park outside the parking areas provided for the Project or employees to park outside areas designated by Landlord as employee parking areas.

(10) Tenant shall not use any portion of the Premises for any of the uses listed on Schedule D-1, attached hereto.

SCHEDULE D-1

ADDITIONAL USE RESTRICTIONS

(1) Any sale of (a) whole or ground coffee beans, (b) espresso, espresso-based drinks, or coffee-based drinks, (c) tea or tea-based drinks, (d) gourmet, brand-identified brewed coffee, or (e) blended beverages under a brand or containing coffee. Notwithstanding the foregoing, a full-service, sit-down restaurant with a wait staff and table service serving a complete breakfast, lunch and/or dinner menu may sell, in conjunction with a sale of a meal or at the bar, blended beverages, brewed coffee, tea and hot espresso drinks for on-premises consumption only.

(2) Any business whose primary operation is a men's or women's salon and/or a day spa providing hair and/or cosmetics and/or skin and/or massage and/or nail services.

(3) Any restaurant whose primary business is a farm-to-table full service, sit down restaurant, or restaurant who has more than 4,500 square feet of Net Rentable Area and serves breakfast.

(4) A health and beauty aids store, a store whose primary purpose is to offer one-hour or other on-site photo processing, including, without limitation, digital photo processing, a pharmacy mail order facility, a drugstore, a pharmacy prescription department, or a retail health center.

(5) Any fast-casual (*i.e.* without table service) restaurant primarily serving custom burgers.

(6) Any ATM or similar mechanism for effecting financial transactions (provided, however, that the foregoing exclusion does not apply to any full-service bank or similar financial institution leasing a full-service branch and/or to any ATM contained wholly within a tenant's premises).

(7) Any full-service, sit-down pizza restaurant.

(8) Any business whose property operation is a men's only barbershop.

EXHIBIT E

DECLARATION OF LEASE COMMENCEMENT

This **Declaration of Lease Commencement** is dated as of January 1, 2022 between COMSTOCK RESTON STATION HOLDINGS, LC, a Virginia limited liability company ("**Landlord**"), and PARKX MANAGEMENT, LC, a Virginia limited liability company ("**Tenant**").

WITNESSETH:

WHEREAS, Landlord and Tenant are parties to that certain Deed of Lease dated January 1, 2022 (the "**Lease**") relating to premises located at 1904 Reston Metro Plaza, Suite 101, Reston, Virginia 20190 in the project known as Reston Station, located in Fairfax County, Virginia.

NOW, THEREFORE, Landlord and Tenant hereby confirm as follows:

1. The Term Commencement Date of the Lease is January 1, 2022.

2. The Rent Commencement Date of the Lease is January 1, 2022 and the scheduled Expiration Date is December 31, 2026, unless sooner terminated in accordance with the terms of the Lease.

3. The Net Rentable Area of the Premises is approximately 1,329 square feet.

4. No free rent, rent abatements, allowances and other concessions are currently due and owing to Tenant from Landlord in connection with the Premises.

5. Capitalized terms not defined herein shall have the meaning given to such terms in the Lease.

IN WITNESS WHEREOF Landlord and Tenant have executed this Declaration as of the date first set forth above.

LANDLORD:

COMSTOCK RESTON STATION HOLDINGS, LC,
a Virginia limited liability company

By: CP Management Services, LC, its Manager

APPR.
BYuma
LEGAL

By: _____ [SEAL]
Name: Christopher Clemente
Title: Manager

TENANT:

PARKX MANAGEMENT, LC,
a Virginia limited liability company

APPR.
BYuma
LEGAL

By: _____ [SEAL]
Name: Christopher Clemente
Title: Chief Executive Officer

EXHIBIT F

RESERVED

EXHIBIT G

LIST OF TENANT'S EQUIPMENT

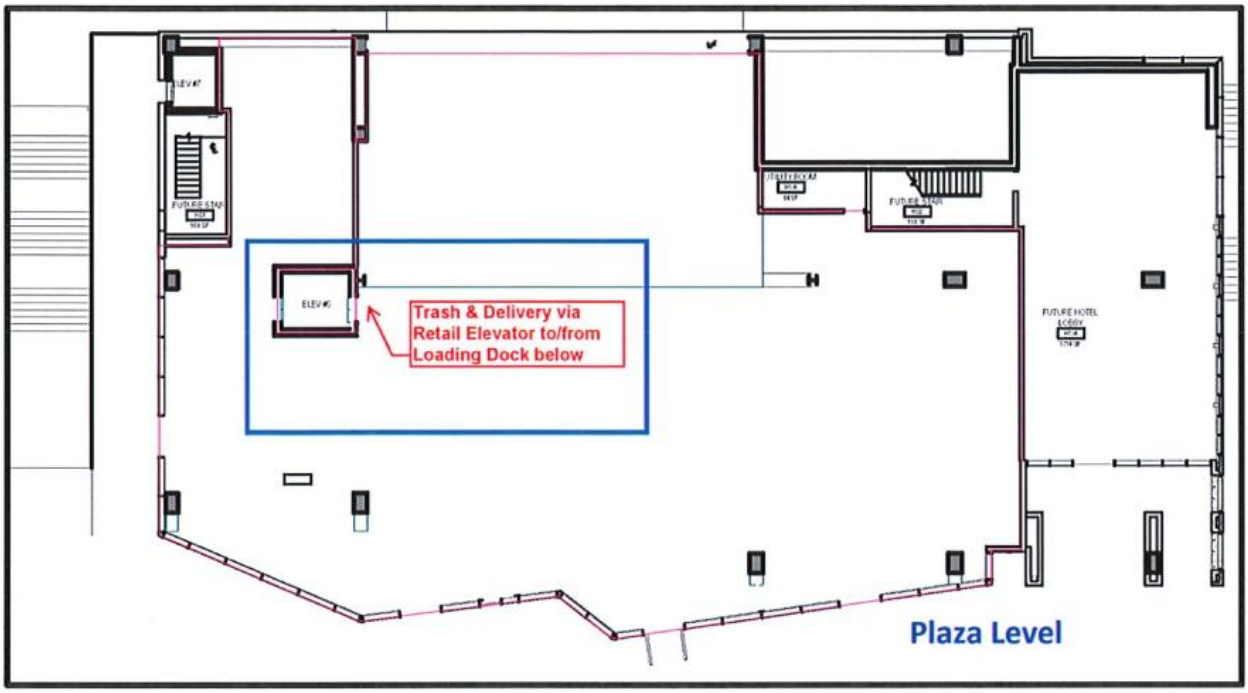
NONE

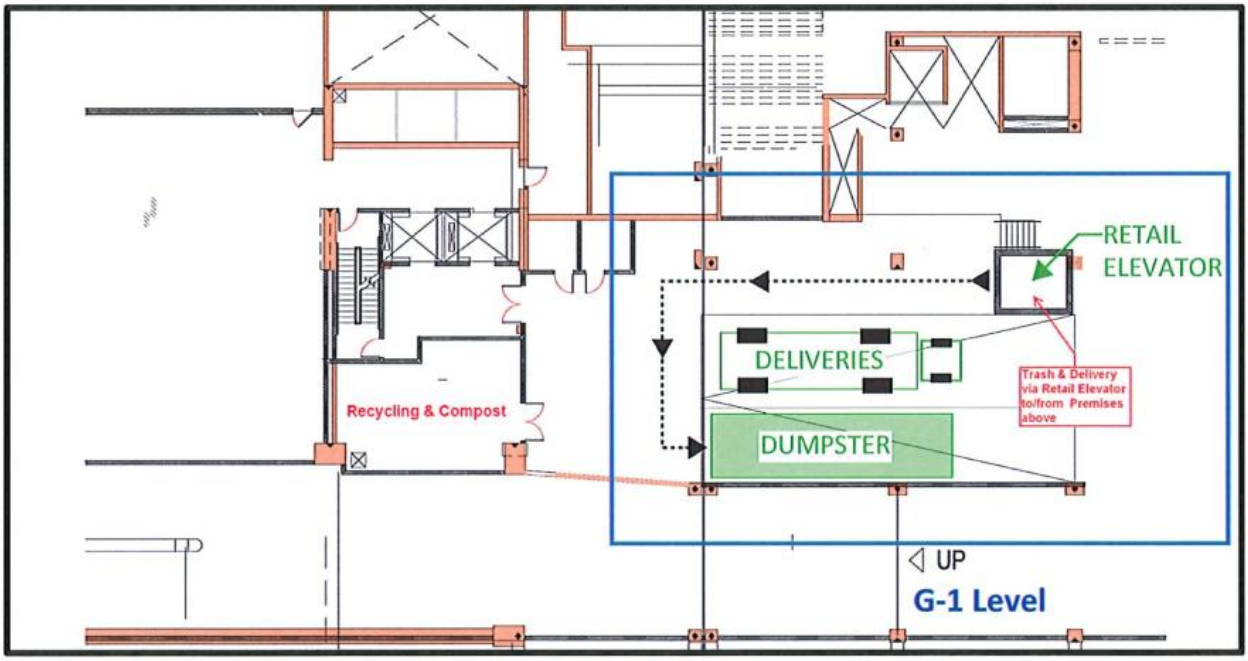
EXHIBIT H

RESERVED

EXHIBIT I

ROUTE FOR REFUSE REMOVAL AND RECEIPT OF DELIVERIES





Not to scale. Locations approximate. For reference only.

EXHIBIT J

RULES AND REGULATIONS

1. The sidewalks, entrances, passages, courts, vestibules, stairways, elevators, corridors and halls or other parts of the Project not occupied by any tenant shall not be obstructed or encumbered by any tenant nor used for any purpose other than ingress and egress to and from the Premises. Landlord shall have the right to control and operate the public areas of the Project and the facilities furnished for the common use of all tenants in such manner as Landlord deems best for the Project.

2. Tenant shall advise and cause its vendors to deliver all merchandise during hours designated by Landlord.

3. All deliveries are to be made to designated service or receiving areas and Tenant shall request delivery trucks to approach their service or receiving areas by designated service routes and drives. Use of the loading bays and loading zones for deliveries, excluding moving vans, shall be limited to the hours from 8:00 a. m. to 6:00 p.m., seven (7) days a week.

4. Tractor trailers which must be unhooked or parked must use steel plates under dolly wheels to prevent damage to the asphalt paving surface. In addition, wheel blocking must be available for use. Tractor trailers are to be removed from the loading areas after unloading. No waiting, parking or storing of such trailers will be permitted at the Project.

5. Reserved.

6. Except for small parcel packages delivered by overnight services, no deliveries will be permitted through the front entrances to the retail spaces unless Tenant does not have a rear service door. In such event, prior arrangements must be made promptly with Landlord's manager. Merchandise being received shall immediately be moved into Tenant's Premises and not be left in the service or receiving areas.

7. Tenant is responsible for storage and removal from the Premises of its trash, refuse and garbage, all of which must be placed in the trash room, trash compactor or dumpster designated by Landlord. Tenant shall not dispose of the following items in drains, sinks or commodes: plastic products (plastic bags, straws, boxes); sanitary napkins, tea bags; cooking fats, cooking oils; any meat scraps or cutting residue; petroleum products (gasoline, kerosene, lubricating oils); paint products (thinner, brushes); or any other item which the same are not designed to receive.

8. The entire Premises, including vestibules, entrances and returns, doors, fixtures, windows and plate glass, shall be maintained in a safe, neat and clean condition.

9. For the benefit of the Project, subject to the Comprehensive Sign Plan and all Legal Requirements, all retail storefronts shall have an overall minimum transparency of 50% as measured from floor to ceiling. In addition, the portion of the retail storefronts that is located between three and eight feet from grade is required to be at least 60% transparent. The purpose of this condition is to allow pedestrians to view the activity within the retail establishment and to allow patrons and employees of the retail establishments to view the activity on the sidewalk and street. "**Transparency**" shall mean using glass or other transparent exterior material offering a view into an area of the retail establishment where human activity normally occurs and shall not be satisfied by views into areas blocked by display cases, the rear of shelving, interior walls, blinds, hallways, or the like.

10. Other than as permitted under the Lease, Tenant shall not permit or suffer any advertising medium to be placed on exterior walls, on Tenant's exterior windows, on standards in the Project, on the sidewalks or on the parking lot areas or light poles. No permission, expressed or implied, is granted to exhibit or display any banner, pennant, sign, and trade or seasonal decoration of any size, style or material within the Project, outside the Premises.

11. Tenant shall not permit or suffer the use of any advertising medium which can be heard or experienced outside of the Premises, including, without limiting the generality of the foregoing, flashing lights, searchlights, loud speakers, phonographs, or radios. No radio, television, or other communication antenna equipment or device is to be

mounted, attached, or secured to any part of the roof, exterior surface, or anywhere outside the Premises, unless Landlord has previously given its written consent.

12. Tenant shall not permit or suffer showcases or merchandise of any kind at any time to be placed, exhibited or displayed outside its Premises, nor shall Tenant use the exterior sidewalks or exterior walkways of its Premises or display, store or place any merchandise. No sale of merchandise by tent sale, truck load sale or the like, shall be permitted on the parking lot or other Retail Common Areas or Project Common Areas.

13. Landlord shall have the right to prohibit any advertising by any tenant that, in Landlord's opinion, tends to impair the reputation of the Project, other tenants of the project or Landlord or its desirability, and upon written notice from Landlord, Tenant shall refrain from or discontinue such advertising.

14. Tenant shall not permit or suffer any portion of the Premises to be used for lodging or sleeping or any immoral or illegal purposes.

15. Toilets and other plumbing fixtures shall not be used for any purposes other than those for which they were constructed, and no sweepings, rubbish, rags, or other substances shall be thrown therein.

16. No vehicles or animals (except service animals), birds or pets of any kind shall be brought into or kept in or about the Premises, the Retail Center or the Common Areas, and no cooking shall be done or permitted by any tenant except in any kitchen actually contained therein. Bicycles shall be parked only in designated areas.

17. No flammable, combustible or explosive fluid, chemical or similar substance shall be brought or kept upon the Premises or Project.

18. No Persons, except those authorized by Landlord, shall enter the roof of the Building or any mechanical or equipment room within any building or the Retail Center.

19. Tenant shall not, in or on any part of the Common Areas:

    (a) Vend, peddle or solicit orders for sale or distribution of any merchandise, device, service, periodical, book, pamphlet or other matter whatsoever.

    (b) Exhibit any sign, placard, banner, notice or other written material, except for activities as approved in writing by Landlord and only in such areas as approved.

    (c) Distribute any circular, booklet, handbill, placard or other material, except for activities as approved in writing by Landlord and only in such areas approved.

    (d) Solicit membership in any organization, group or association or contribution for any purpose.

    (e) Create a nuisance.

    (f) Use any Common Areas for any purpose when none of the other retail establishments within the Retail Center is open for business or employment, except for activities as approved in writing by Landlord and only in such areas as approved by Landlord.

    (g) Throw, discard or deposit any paper, glass or extraneous matter of any kind except in designated receptacles, or create litter or hazards of any kind.

    (h) Deface, damage or demolish any sign, light standard or fixture, landscaping materials or other improvement within the Project, or the property of customers, business invitees or employees situated within the Project.

20. In addition, the following rules and regulations shall apply to Tenant's employees:

(a) All permanent (whether part-time, full-time or seasonal) tenant employees while on-duty or participating in any work-related activity, including general managers, must park in the assigned locations and must display proper parking stickers at all times.

(b) Smoking is not permitted at the Retail Center.

(c) During their work hours, Tenant employees may use only public restrooms in the Premises.

21. Landlord shall have no liability of any kind whatsoever for enforcing or failing to enforce any rule or regulation set forth herein or in the Lease.

22. Landlord shall have the right at any time to modify, change or delete any rule or regulation as long as the new rules and regulations do not materially interfere with Tenant's exercise of its rights under the Lease.

23. Except as specifically permitted by the Lease, Tenant may not install any seating in the Common Areas, whether temporary or permanent.

24. Tenant's contractors and employees shall park vehicles only in locations designated by Landlord.

25. Neither Tenant nor Tenant's Contractor will be permitted to store any materials outside the Premises.

LIMITED LIABILITY COMPANY OPERATING AGREEMENT

OF

COMSTOCK 33 MONROE HOLDINGS, L C

THIS LIMITED LIABILITY COMPANY OPERATING AGREEMENT (the "Agreement") of **COMSTOCK 33 MONROE HOLDINGS, L C** (the "Company") is made and entered into as of the 21st day of March, 2022 by Comstock Partners, LC, a Virginia limited liability company, and Comstock Holding Companies, Inc., a Delaware corporation, as members of the Company (herein referred to collectively as the "Members"), and Ricardo Orozco and Sean Prewitt, as Independent Directors.

W I T N E S S E T H:

WHEREAS, the Company was formed as a limited liability company under and pursuant to the Act by the filing of Articles of Organization (the "Articles") Maryland State Department of Assessments and Taxation on February 25, 2022; and

WHEREAS, the Company was formed for the purpose of certain business activities stated below including, without limitation, acquiring, owning, holding and managing the membership interests in Comstock 33 Monroe, L C, a Maryland limited liability company (the "Property Owner"); and

WHEREAS, on the date hereof, the Property Owner shall enter into that certain Loan Agreement (the "Loan Agreement") with Athene Annuity and Life Company ("AAIA MOD") and Athene Annuity and Life Company ("AAIA NON MOD"), each an Iowa corporation, individually or collectively, as the context may require, together with successors and/or assigns (herein, the "Lender") pursuant to which Lender shall make a loan to the Property Owner in the original principal sum of $84,000,000 as evidenced by that certain Promissory Note (such loan as evidenced by the Note and the Loan Agreement being hereinafter referred to as the "Loan"); and

WHEREAS, the Loan is secured, inter alia, by certain real property to be acquired as of the date hereof by the Property Owner, which is located at 33 Monroe Street and 198 East Montgomery Avenue, Rockville, Maryland 20850 ("Property" and sometimes herein as the "Mortgaged Premises"); and

WHEREAS, in addition thereto, Members desire to set forth in this Agreement rules, regulations, and provisions regarding the management of the business of the Company, the regulations of the affairs of the Company, the governance of the Company, the conduct of the Company's business and the rights and privileges of the Members.

NOW, THEREFORE, the Members hereby provide and agree as follows:

ARTICLE I

DEFINITIONS

1.1 Definitions. As used herein the following terms shall have the indicated meanings, and all meanings attributed to defined terms herein shall be equally applicable to both the singular and plural forms of the terms so defined. Terms not otherwise defined herein shall have the meanings set forth in the Act or the Loan Agreement.

"Act" means the Maryland Limited Liability Company Act (Maryland Corporations and Associations Code Ann. §4A-101, et seq.) in effect on the date hereof and as may be hereafter amended.

"Affiliate" shall mean, as to any Person, any other Person that, directly or indirectly, is in control of, is controlled by or is under common control with such Person or is a director or officer of such Person or of an Affiliate of such Person.

"Agreement" means this Limited Liability Company Operating Agreement of the Company and as the same may be hereafter amended.

"Bankruptcy" shall mean with respect to any Person (a) such Person filing a voluntary petition under the Bankruptcy Code or any other federal or state bankruptcy or insolvency law; (b) the filing of an involuntary petition against such Person under the Bankruptcy Code or any other federal or state bankruptcy or insolvency law, or soliciting or causing to be solicited petitioning creditors for any involuntary petition against such Person; (c) such Person filing an answer consenting to or otherwise acquiescing in or joining in any involuntary petition filed against it, by any other Person under the Bankruptcy Code or any other federal or state bankruptcy or insolvency law, or soliciting or causing to be solicited petitioning creditors for any involuntary petition from any Person; (d) such Person consenting to or acquiescing in or joining in an application for the appointment of a custodian, receiver, trustee, assignee, sequestrator (or similar official), liquidator, or examiner for such Person or any portion of the Property; (e) the filing of a petition against a Person seeking reorganization, arrangement, composition, readjustment, liquidation, dissolution or similar relief under the Bankruptcy Code or any other applicable law; (f) under the provisions of any other law for the relief or aid of debtors, an action taken by any court of competent jurisdiction that allows such court to assume custody or Control of a Person or of the whole or any substantial part of its property or assets or (g) such Person making an assignment for the benefit of creditors, or admitting, in writing or in any legal proceeding, its insolvency or inability to pay its debts as they become due, other than as may be required by Legal Requirements.

"Bankruptcy Code" shall mean Title 11 of the United States Code, 11 U.S.C. § 101, et seq., as the same may be amended from time to time, and any successor statute or statutes and all rules and regulations from time to time promulgated thereunder, and any comparable foreign laws relating to bankruptcy, insolvency or creditors' rights or any other federal or state bankruptcy or insolvency law.

"Business Day" means any day other than a Saturday, Sunday or any other day on which national banks in New York, New York are not open for business.

"Cash Flow of the Company" means the cash receipts generated from the ordinary day-to-day operations of the business of the Company and from all other sources available to the Company, including sales of assets and refinancings, without deduction of depreciation, cost recovery, and other non-cash charges, but after deductions for

(i) the payment or the accrual for payment, of all operating expenses, capital costs relating to the business of the Company and its assets including, without limitation, interest, amortization and other charges or provisions (i.e., escrows) pursuant to Company indebtedness, the cost of the Company's tax returns, tax shelter registration and reporting costs, if any, filing fees and any fees, taxes or costs required to be paid by the Company to maintain its existence as a valid business enterprise in good standing in the State of Maryland;

(ii) provisions for the reasonable current and future working capital requirements of the Company or for the preservation of the Company assets, as determined by the Manager; and

(iii) other reserves which, in the discretion of the Manager, are necessary for the operation of the Company's business.

"Cause" shall mean with respect to an Independent Director, (i) acts or omissions by such Independent Director, that constitute willful disregard of, or gross negligence with respect to, such Independent Director's duties, (ii) such Independent Director has engaged in or has been charged with or has been indicted or convicted for any crime or crimes of fraud or other acts constituting a crime under any law applicable to such Independent Director, (iii) such Independent Director has breached its fiduciary duties of loyalty and care as and to the extent of such duties in accordance with the terms of this Agreement, (iv) there is a material increase in the fees charged by such Independent Director or a material change to such Independent Director's terms of service, (v) such Independent Director is unable to perform his or her duties as Independent Director due to death, disability or incapacity, or (vi) such Independent Director no longer meets the definition of Independent Director.

"Certificate of Formation" shall have the meaning set forth in the recitals.

"Code" means the Internal Revenue Code of 1986, as amended, as it may be further amended from time to time, and any successor statutes thereto, and all applicable U.S. Department of Treasury regulations issued pursuant thereto in temporary or final form.

"Company" means COMSTOCK 33 MONROE HOLDINGS, L C, the Maryland limited liability company formed by the Member.

"Control" (and the correlative terms "controlled by" and "controlling") shall mean, the possession, directly or indirectly, of the power to direct or cause the direction of management and policies of the business and affairs of the entity in question by reason of the ownership of beneficial interests, by contract or otherwise.

"Disregarded Entity" shall mean an entity disregarded from its owner for federal income tax purposes under United States Treasury regulations Section 301.7701-3.

"Indebtedness" shall have the meaning ascribed thereto in the Loan Agreement.

"Independent Director" means Ricardo Orozco, and/or Sean Prewitt.

"Lender" shall have the meaning set forth in the recitals.

"Loan" shall have the meaning set forth in the recitals.

"Loan Agreement" shall have the meaning set forth in the recitals.

"Loan Documents" shall mean, collectively, the Loan Agreement, the Note, the Mortgage, the Assignment of Leases, the Environmental Indemnity, the Lockbox Agreement, the Assignment of Agreements Affecting Real Estate, the Assignment of Management Agreement, the Guaranty, the Completion Guaranty, the Cash Management Agreement, the Assignment of Asset Management Agreement, the Assignment of Parking Management Agreement, the Assignment of Purchase and Sale Agreement, and all other documents and certificates contemplated thereby or delivered in connection with the Loan, as each may be further amended, restated, replaced, supplemented or otherwise modified in accordance with the Loan Agreement.

"Manager" means CP Management Services, LC, a Virginia limited liability company, or such other member or other Person designated by the Member(s) in accordance with Sections 6.6 and 8.1 below. Manager is hereby designated as a "manager" of the Company within the meaning of the Act.

"Material Action" shall mean, as to any Person, (i) to the fullest extent permitted by law, to dissolve, wind up or liquidate such Person or engage in or permit any Division, (ii) to sell or otherwise dispose of all or substantially all of the assets of such Person, (iii) to merge, combine or consolidate with any other Person, or (iv) to take any Bankruptcy Action.

"Member" means Comstock Partners, LC, a Virginia limited liability company, and Comstock Holding Companies, Inc., a Delaware corporation, includes any Person admitted as an additional member of the Company or a substitute member of the Company pursuant to the provisions of this Agreement, each in its capacity as a member of the Company.

"Member Cessation Event" shall have the meaning set forth in Section 6.9.

"Membership Interest" means the Member's entire limited liability company interest in the Company.

"Mortgage" means that certain Deed of Trustand Security Agreement by the Property Owner for the benefit of Lender dated as of the date hereof, as amended on or prior to the date hereof, as the same may be further amended, restated, replaced, supplemented or otherwise modified in accordance with the Loan Agreement.

"Mortgaged Premises" shall have the meaning set forth in the recitals.

"Note" shall have the meaning ascribed thereto in the Loan Agreement.

"Permitted Indebtedness" means customary unsecured payables incurred in the ordinary course of owning the Property Owner provided the same are not evidenced by a promissory note, do not exceed, in the aggregate, at any time a maximum amount of $10,000 and are paid within 60 days of the date incurred.

"Person" means any individual, corporation, partnership, joint venture, limited liability company, estate, trust, unincorporated organization, any federal, State, county or municipal government or any bureau, department or agency thereof and any fiduciary acting in such capacity on behalf of any of the foregoing.

"Primary Springing Member" means Ricardo Orozco.

"Property" shall have the meaning set forth in the recitals.

"Rating Agencies" shall mean each of S&P, Moody's, Fitch, Realpoint and any other nationally-recognized statistical rating agency which has been approved by Lender and has rated the Securities; provided, if the Loan is not part of a Securitization, any action that would otherwise require a consent by a Rating Agency (but would not otherwise require the consent of Lender hereunder) shall instead require the consent of Lender.

"Rating Agency Condition" means (i) with respect to any action taken at any time before the Loan evidenced and secured by the Loan Documents has been sold or assigned to a securitization trust, that the Lender thereunder has consented in writing to such action, and (ii) with respect to any action taken at any time after such Loan has been sold or assigned to a securitization trust, that each Rating Agency shall have notified the Company in writing that such action will not result in a reduction or withdrawal, downgrade or qualification of the then current rating by such Rating Agency of the Loan or any pool of the loans of which the Loan forms a part, or any of securities issued by such securitization trust.

"Related Provisions" shall have the meaning set forth in Section 12.7.

"Secondary Springing Member" means Sean Prewitt.

"Securities" shall have the meaning ascribed thereto in the Loan Agreement.

"Securitization" shall have the meaning ascribed thereto in the Loan Agreement

"Special Purpose Provisions" shall have the meaning set forth in Section 12.7.

"Treasury Regulations" mean the regulations and all amendments thereto issued by the U. S. Treasury Department in interpretation of the Code.

ARTICLE II

FORMATION

2.1 Formation. The Member hereby acknowledges formation of the Company by the filing of the Articles of the Company with the Maryland State Department of Assessment and Taxation. The Member was admitted to the Company as a member of the Company upon execution of a counterpart signature page to this Agreement. The existence of the Company as a separate legal entity shall continue until cancellation of the Articles as provided in the Act.

2.2 Name. The name of the Company is COMSTOCK 33 MONROE HOLDINGS, L C. The Company may adopt and conduct its business under such assumed or trade names as the Manager may from time to time determine. The Company shall file any assumed or fictitious name certificates as may be required to conduct business in any state.

2.3 Formation. The Company was formed as a limited liability company pursuant to the Act. The terms and provisions hereof will be construed and interpreted in accordance with the terms and provisions of the Act; provided, that, if any of the terms and provisions of this Agreement should be deemed inconsistent with those of the Act, this Agreement will be controlling. The Members shall execute, deliver and file any other certificates (and any amendments and/or restatements thereof) necessary for the Company to qualify to do business in any jurisdiction in which the Company may wish to conduct business.

2.4 Limited Liability Company Agreement. The Members hereby state that except as otherwise required by the Act, the Company shall be operated subject to the terms and conditions of this Agreement.

2.5 Offices. The principal executive office of the Company shall be 1900 Reston Metro Plaza, 10th Floor, Reston, Virginia 20190. The business of the Company may also be conducted at such other or additional place or places or offices as may hereafter be designated by the Manager.

ARTICLE III

PURPOSE AND POWER

3.1 Purpose. Notwithstanding anything to the contrary in this Agreement or in any other document governing the formation, management or operation of the Company, the purposes for which the Company is formed are limited solely to acquiring, owning, holding, operating and managing the member interest in the Property Owner, and engaging in any lawful act or activity and exercising any powers permitted to limited liability companies organized under the laws of the State of Maryland that are related or incidental to and necessary, convenient or advisable to accomplish the foregoing. Also, it is the stated intent and purpose of the Company to operate under this Agreement and the Act and to be characterized as a limited liability company under the Act and to be characterized, for federal tax purposes, as a disregarded entity under federal tax laws. Subject to the terms of this Agreement, the Manager shall revise this Agreement and/or otherwise restructure the Company if such action is necessary to continue the status of the Company as a limited

liability company under the Act and to continue the Company's characterization as a disregarded entity under federal tax laws.

3.2 Powers. In furtherance of the foregoing purposes, the Company shall have the full power and authority to conduct its business as provided by this Agreement, the Act and applicable law. The Company, or the Manager on behalf of the Company and on behalf of the Property Owner, and the Member are hereby authorized to execute, deliver and perform the Loan Documents and any documents contemplated thereby or related thereto and any amendments thereto, without any further act, vote or approval of any Person, notwithstanding any other provision of this Agreement. Each of the Members and the Manager is hereby authorized to enter into the documents described in the preceding sentence on behalf of the Company, but such authorization shall not be deemed a restriction on the power of the Members or the Manager to enter into other documents on behalf of the Company and on behalf of the Property Owner. Any action heretofore taken by or on behalf of the Company in connection with the foregoing is hereby ratified and confirmed notwithstanding any other provisions of this Agreement. Notwithstanding any other provision of this Agreement and any provision of law that otherwise so empowers the Company, the Members or any Officer or any other Person, so long as any Obligation is outstanding, neither the Members nor any Officer nor any other Person shall be authorized or empowered on behalf of the Company to, nor shall they permit the Company to, and the Company shall not, without the prior unanimous written consent of the Members and all Independent Directors, take any Material Action or Bankruptcy Action, provided, however, that, so long as any Obligation is outstanding, the Member may not authorize the taking of any Material Action, unless there are at least two Independent Directors then serving in such capacity and each such Independent Director has consented thereto.

ARTICLE IV

PERCENTAGE INTEREST AND CAPITAL

4.1 Capital Contribution. As of the date of this Agreement, the Members of the Company are listed on Exhibit "A" attached hereto. The Members are not required to make any additional capital contribution to the Company. However, the Members may make additional capital contributions to the Company at any time upon the written consent of such Members. The provisions of this Agreement, including this Section 4.1, are intended to benefit the Members and, to the fullest extent permitted by law, shall not be construed as conferring any benefit upon any creditor of the Company (and no such creditor of the Company shall be a third-party beneficiary of this Agreement) and the Members shall not have any duty or obligation to any creditor of the Company to make any contribution to the Company or to issue any call for capital pursuant to this Agreement.

4.2 Capital Accounts. The Company will maintain for each Member an account designated as his/her/its "Capital Account" in accordance with Treasury Regulations Section 1.704-1(b).

ARTICLE V

PROFITS, LOSSES AND DISTRIBUTIONS

5.1 Cash Flow Distributions. The Cash Flow of the Company, if any, shall be distributed to the Member subject to any limitations on the Company's ability to make distributions imposed by the Lender pursuant to the Loan Documents, if any. Notwithstanding any provision to the contrary contained in this Agreement, the Company shall not make a distribution to the Members on account of its interest in the Company if such distribution would violate the Act or any other applicable law, or would constitute a default under the Loan Documents.

5.2 Allocation of Profits and Losses. After giving effect to the special allocations and other matters addressed in the attached Tax Matters Addendum, the Profits and Losses of the Company shall be determined by the Manager in accordance with the Tax Matters Addendum and other generally acceptable accounting practices and, unless the Manager determines that some other allocation is necessary or appropriate, shall be allocated among the Members as follows:

(A) The Profits of the Company for each Fiscal Year shall be allocated among the Members participating in the Company as follows:

(i) first, to the extent that the aggregate Losses previously allocated to the Members pursuant to Sections 5.(B) exceed the aggregate Profits previously allocated to such Members pursuant to this Section 5.2(A)(i), the amount of such excess shall be allocated to such Members in the reverse order of priority in which such Losses were previously allocated (to the extent not theretofore charged back hereunder);

(ii) next, to the Members, pro rata, based on their respective preferred return accrued pursuant to Section 5.3(C), until such time as the Members have been allocated Profits equal to such preferred return; and

(iii) thereafter, any remaining Profits shall be allocated among the Members, pro rata, in accordance with their percentage Interests in the Company.

(B) The Losses of the Company for each Fiscal Year, shall be allocated among the Members who bear the actual economic loss, pro rata, in accordance with their actual economic loss; and if no Member bears the corresponding economic loss, then to CP. All allocations hereunder are subject to the limitations contained in the Tax Matters Addendum.

5.3 Discretionary Distributions. Subject to Section 5.1, the Manager may, from time to time, distribute all or any portion of the balance of the Cash Flow of the Company to the Members in the following priority:

(A) First, to the Members in accordance with their respective percentage Interests until CP has received a 9% Internal Rate of Return ("IRR") in respect of its Capital Contributions;

(B) Second, (i) 90% in accordance with their percentage Interests and (ii) 10% equally to CP and CHCI until CP receives a 13% IRR in respect of its Capital Contributions pursuant to clauses (A) and (B) herein; and

(C) Thereafter, (x) 80% pro-rata to the Members in accordance with their percentage Interests and (y) 20% equally to CP and CHCI.

ARTICLE VI

MEMBERS, MEMBER MEETINGS, AND VOTING RIGHTS

6.1 Admission of Additional Members and Transfers of Indirect Interests.

(a) Except for a member admitted to the Company pursuant to Section 11.1, and for so long as any Obligation (as defined in the Loan Agreement) remains outstanding, subject to the Loan Documents, no other Person shall be admitted to the Company as a member of the Company without the unanimous consent of the Members existing at the time such membership decision is to be made and in accordance with the Loan Documents. The Secretary or Manager shall revise Exhibit "A" attached hereto to reflect the admission of new Members.

(b) So long as any Obligation (as defined in the Loan Agreement) remains outstanding, no transfer of any direct or indirect ownership interest in the Company may be made except as permitted by the Loan Documents.

6.2. Assignments.

(a) Subject to Section 6.1, and any transfer restrictions contained in the Loan Documents, the Members may assign their respective limited liability company interest in the Company. Subject to Section 6.1, if a Member transfers its limited liability company interest in the Company pursuant to this Section 6.2, the transferee shall be admitted to the Company as a member of the Company upon its execution of an instrument signifying its agreement to be bound by the terms and conditions of this Agreement, which instrument may be a counterpart signature page to this Agreement. If a Member transfers all of its limited liability company interest pursuant to this Section 6.2, such admission shall be deemed effective immediately prior to the transfer and, immediately following such admission, the transferor Member shall cease to be a member of the Company. Any successor to a Member by merger or consolidation in compliance with the Loan Documents shall, without further act, be a Member hereunder, and such merger or consolidation shall not constitute an assignment for purposes of this Agreement, and the Company shall continue without dissolution.

(b) Notwithstanding anything to the contrary contained in this Agreement, so long as any Obligations remain outstanding, the Company shall always have at least (1) one Member.

6.3 Resignation. So long as any Obligation (as defined in the Loan Agreement) remains outstanding, the Members may not resign, except as permitted under the Loan Documents and if an additional member is admitted to the Company pursuant to Section 6.1. If a Member is permitted to resign pursuant to this Section 6.3, an additional member of the Company shall be admitted to the Company, subject to Section 6.1, upon its execution of an instrument signifying its agreement to be bound by the terms and conditions of this Agreement, which instrument may be a counterpart signature page to this Agreement. Such admission shall be deemed effective immediately prior to the resignation and, immediately following such admission, the resigning Member shall cease to be a member of the Company.

6.4 Meetings. Meetings of the Company may be called by the Manager or any Member by giving written notice to all Members, stating the date, the time, the place and the purpose(s) of the meeting. Any such meetings shall be held at the principal executive office of the Company, or such other place as may be designated in the notice. Such notice must be given no fewer than ten (10) days nor more than two (2) months before the meeting date.

6.5 Quorum Requirements for Meetings. The Members holding a majority of the total voting power of Members entitled to vote at any meeting shall constitute a quorum for the transaction of business. Once a Membership Interest is represented at any meeting, it is deemed to be present for the remainder of that meeting and for any adjournment unless a new record date is or must be set for that adjourned meeting. A meeting may be adjourned and notice of any adjourned meeting is not necessary if the time and place to which the meeting is adjourned are announced at the meeting at which the adjournment is taken.

6.6 Voting. Each Member shall have voting power proportionate to his/her/its Membership Interest. Except as otherwise expressly provided in this Agreement, the Members shall only be entitled to vote on the selection of the Managers. Unless otherwise provided by law or this Agreement, action on a matter (other than the election of Manager) by Members at a meeting at which a quorum is present is approved if the votes cast favoring the action exceed the votes cast opposing the action. Managers shall be elected by a plurality of the votes cast by the shares entitled to vote in the election at a meeting at which a quorum is present.

6.7 Action Without a Meeting. Action required or permitted to be taken at a meeting of the Members may be taken in lieu of a meeting, without prior notice and without a vote if a consent or consents in writing, setting forth the action so taken, shall be signed by the Members having not less than the minimum number of votes that would be necessary to authorize or take such action at a meeting at which all members entitled to vote thereon were present and voted. Such action by written consent in lieu of a meeting shall be delivered to the Manager of the Company for filing with the Company records or as otherwise permitted by law.

6.8 Limited Liability. Except as otherwise expressly provided by the Act, the debts, obligations and liabilities of the Company, whether arising in contract, tort or otherwise, shall be the debts, obligations and liabilities solely of the Company, and the Member nor any Manager shall be obligated personally for any such debt, obligation or liability of the Company solely by reason of being a Member or Manager of the Company.

6.9 Springing Members and Independent Directors. Upon the occurrence of any event that causes the Member to cease to be a member of the Company (other than upon continuation of the Company without dissolution upon (i) an assignment by the Member of all of its limited liability company interest in the Company and the admission of the transferee pursuant to Sections 6.2 and 6.1 or (ii) the resignation of the Member and the admission of an additional member of the Company pursuant to Sections 6.3 and 6.1) (a "Member Cessation Event"), the Primary Springing Member shall, without any action of any Person and simultaneously with the Member Cessation Event, automatically be admitted to the Company as a Special Member and shall continue the Company without dissolution. If, however, at the time of a Member Cessation Event, the Primary Springing Member is no longer able to step into the role of Special Member, then in such event, the Secondary Springing Member shall, without any action of any Person and simultaneously with the Member Cessation Event, automatically be admitted to the Company as Special Member and shall continue the Company without dissolution. It is the intent of these provisions that the Company never have more than one Special Member at any particular point in time. No Special Member may resign from the Company or transfer its rights as Special Member unless a successor Special Member has been admitted to the Company as Special Member by executing a counterpart to this Agreement. The Special Member shall automatically cease to be a member of the Company upon the admission to the Company of a substitute Member. The Special Member shall be a member of the Company that has no interest in the profits, losses and capital of the Company and has no right to receive any distributions of Company assets. Pursuant to Section § 4A-601 of the Act, a Special Member shall not be required to make any capital contributions to the Company and shall not receive a limited liability company interest in the Company. A Special Member, in its capacity as Special Member, may not bind the Company. Except as required by any mandatory provision of the Act, a Special Member, in its capacity as Special Member, shall have no right to vote on, approve or otherwise consent to any action by, or matter relating to, the Company, including, without limitation, the merger, consolidation or conversion of the Company. In order to implement the admission to the Company of the Special Member, each of the Primary Springing Member and the Secondary Springing Member shall execute a counterpart to this Agreement. Prior to its admission to the Company as Special Member, each Person acting as a Primary Springing Member or Secondary Springing Member shall not be a member of the Company.

(b) The Company shall at all times have a Primary Springing Member and a Secondary Springing Member. No resignation or removal of a Springing Member, and no appointment of a successor Springing Member, shall be effective unless and until such successor shall have executed a counterpart to this Agreement. In the event of a vacancy in the position of Primary Springing Member or Secondary Springing Member, the Member shall, as soon as practicable, appoint a successor Springing Member to fill such vacancy. By signing this Agreement, a Springing Member agrees that, should such Springing Member become a Special Member, such Springing Member will be subject to and bound by the provisions of this Agreement applicable to a Special Member.

(c) As long as any Obligation is outstanding, the Member shall cause the Company at all times to have at least two Independent Directors who will be appointed by the Member. To the fullest extent permitted by law, and notwithstanding any duty otherwise existing at law or in equity, the Independent Directors shall consider only the interests of the Company, including its creditors, and shall have a duty of loyalty and care to the Company and its creditors similar to that of a director of a business corporation. In addition to the duties to the Company as set forth in the immediately

preceding sentence (but excluding (i) the interests of Affiliates of the Company, and (ii) the interests of any group of Affiliates of which the Company is a part), the Independent Directors shall have fiduciary duties of loyalty and care similar to that of a director of a business corporation organized under the General Corporate Law of the State of Maryland. The foregoing shall not eliminate the implied contractual covenant of good faith and fair dealing. To the fullest extent permitted by law, an Independent Director shall not be liable to the Company, the Member or any other Person bound by this Agreement for breach of contract or breach of duties (including fiduciary duties), unless the Independent Director acted in bad faith or engaged in willful misconduct. No resignation or removal of an Independent Director, and no appointment of a successor Independent Director, shall be effective until such successor shall have accepted his or her appointment as an Independent Director by executing a counterpart to this Agreement. In the event of a vacancy in the position of Independent Director, the Member shall, as soon as practicable, appoint a successor Independent Director. Notwithstanding anything to the contrary contained in this Agreement, no Independent Director shall be removed or replaced without Cause and unless the Company provides the Lender with no less than three (3) business days' prior written notice of (a) any proposed removal of such Independent Director, together with a statement as to the reasons for such removal, and (b) the identity of the proposed replacement Independent Director, together with a certification that such replacement satisfies the requirements for an Independent Director set forth in this Agreement. All right, power and authority of the Independent Director shall be limited to the extent necessary to exercise those rights and perform those duties specifically set forth in this Agreement. No Independent Director shall at any time serve as trustee in bankruptcy for any Affiliate of the Company.

ARTICLE VII

MANAGEMENT

7.1 Management of Company. The overall management of the business and affairs of the Company shall be vested in the Manager. All decisions with respect to the management of the Company shall be made by the Manager. Unless authorized to do so by this Agreement or by the Manager, no officer, attorney-in-fact, employee or other agent of the Company shall have any power or authority to bind the Company in any way, to pledge its credit or to render it liable for any purpose. The initial number of Independent Directors shall be two. Subject to Section 6.9(c), the Member may determine at any time in its sole and absolute discretion the number of Independent Directors. The initial Independent Directors designated by the Member are means Ricardo Orozco and Sean Prewitt.

7.2 Major Decisions. Notwithstanding anything in this Article VII to the contrary, CP may solely direct the Manager to enter into any of the following transactions without the consent or approval of CHCI (each individually a "Major Decision" and collectively referred to as the "Major Decisions"):

(A) propose or enter into any financing, refinancing, or securitization of the Property and the use of any proceeds thereof, including, without limitation, interim and permanent financing, and any other financing or refinancing of the operations of the Company or tender of a deed in lieu of foreclosure of any of the Property and the execution and delivery of any documents, agreements, or instruments evidencing, securing or relating to any such financing;

(B) the approval of any budget and/or operating Plan, and any amendments or modifications thereto;

(C) exercise a buyout of the interest of CHCI in the Company by CP at fair market value, with fair market value of CHCI's interest to be determined by a third party appraisal subject to the reasonable approval of CP; and

(D) any sale or otherwise disposal of the Property.

ARTICLE VIII

MANAGER

8.1 Election, Withdrawal and Removal of Managers. The Company shall at all times have a Manager. The initial Manager shall be CP Management Services, LC, a Virginia limited liability company, who shall hold office until removal from office or until his/her/its respective successor is duly elected and qualified. A Manager need not be a Member. Subject to any requirements under the Loan Documents, the Member may (i) at any time, elect new, additional or substitute Managers, or (ii) at any time and without cause, remove any Manager. Any Manager may, at any time and upon thirty (30) days prior written notice to the Member, resign as a Manager, but such resignation shall not affect his/her/its status as a Member, if any.

8.2 Authority of the Manager. Unless otherwise specifically stated herein, all decisions relating to the operation and management of the Company and its assets and affairs shall be made by the Manager of the Company. The Manager of the Company shall be entitled to take action with respect to all matters relative to the Company and its assets.

8.3 Manager. The Manager shall:

(a) Sign and deliver in the name of the Company any deeds, mortgages, bonds, contracts or other instruments pertaining to the business of the Company, except in cases in which the authority to sign and deliver is required by law to be exercised by another Person or is expressly delegated or limited by this Agreement;

(b) Carry out the day to day operations of the Company;

(c) Perform other duties prescribed by this Agreement, or by the Act; and

(d) In the event the Company has a vacancy in the office of Secretary, receive any notices, documents or other matters that otherwise are required to go to the Secretary.

8.4 Compensation of Managers. No payment will be made by the Company to any Manager for the services of such Manager or any partner or employee of the Manager.

8.5 Conflict of Interest Transaction. A contract or transaction between the Company and a Manager in which the Manager has a direct or indirect interest is not voidable by the Company solely because of the Manager's interest in the contract or transaction, if the material facts of the transaction and the Manager's interests are disclosed or known to the Company and the transaction is authorized, approved or ratified by the Member or if the transaction is fair to the Company.

8.6 Other Interests. Notwithstanding any duty otherwise existing at law or in equity, any Manager or member of the Company may engage in other business, including business of a nature which is the same as or similar to the business of the Company, without any duty or obligation to account to the Company in connection therewith.

8.7 Standard of Conduct. Notwithstanding any duty otherwise existing at law or in equity, each Manager shall discharge the duties of his/her/its office in good faith, in a manner the Manager reasonably believes to be in the best interests of the Company, subject to Section 7.1, and with the care an ordinarily prudent person in a like position would exercise under similar circumstances.

ARTICLE IX

SPECIFIC COVENANTS

This Article IX is being adopted in order to comply with certain provisions required in order to qualify the Company as a "special purpose" entity.

Notwithstanding any provision in this Agreement to the contrary or in any other document governing the formation, management or operation of the Company and except as otherwise expressly permitted in the Loan Documents, until such time as no Obligation remains outstanding (including, without limitation, until such time as the Debt is paid in full), the below covenants shall apply and be binding on the Member, Manager and the Company, and no Member or any Manager of the Company shall amend, modify or otherwise change this Agreement or any other organizational documents of the Company in any manner that violates any of the Special Purpose Provisions (as defined below in Section 12.7).

9.1 Limitation on Indebtedness. The Company will not incur any debt, secured or unsecured, direct or contingent (including guaranteeing any obligation) other than Permitted Indebtedness.

9.2 Limitation on Dissolution, Liquidation, Consolidation, Merger or Sale of Assets. The Company is, to the fullest extent permitted by law, prohibited from engaging in any dissolution, winding up, liquidation, consolidation, merger or sale of all or substantially all its assets.

9.3 Separateness Covenants. Notwithstanding anything to the contrary in this Agreement or in any other document governing the formation, management, or operation of the Company and any provision of law that so empowers the Company, so long as any Obligation is outstanding, the Member shall cause the Company to, and the Company shall not:

(a) engage in any business or activity other than the ownership of its interest in Property Owner, and activities incidental thereto;

(b) acquire or own any material assets other than its interest in Property Owner;

(c) merge into or consolidate with any Person, divide or otherwise engage in or permit any Division or have the power to engage in or permit any Division or dissolve, terminate, liquidate in whole or in part, transfer or otherwise dispose of all or substantially all of its assets or change its legal structure. As used herein, the term "Division" shall mean, as to any Person, such Person dividing and/or otherwise engaging in and/or becoming subject to, in each case, any division (whether pursuant to plan of division or otherwise), including, without limitation and to the extent applicable, pursuant to §18-217 of the Limited Liability Company Act of the State of Delaware (or the corresponding provision in the Maryland Limited Liability Company Act if such entity is a Maryland limited liability company);

(d) (i) fail to observe its organizational formalities or preserve its existence as an entity duly organized, validly existing and in good standing (if applicable) under the laws of the jurisdiction of its organization or formation, and qualification to do business in the State where the Property is located, if applicable, or (ii) without the prior written consent of Lender, amend, modify, terminate or fail to comply with the provisions of the Company's Articles, this Agreement or similar organizational documents, as the case may be,;

(e) other than Company's owner interest in Property Owner, own any subsidiary or make any investment in, any Person without the prior written consent of Lender;

(f) other than as provided in the Cash Management Agreement, commingle its assets with the assets of any of its members, general partners, Affiliates, principals or of any other Person, participate in a cash management system with any other Person or fail to use its own separate stationery, telephone number, invoices and checks;

(g) incur any debt secured or unsecured, direct or contingent (including guaranteeing any obligations);

(h) intend to become insolvent and intend to fail to pay its debts and liabilities (including, as applicable, shared personnel and overhead expenses) from its assets as the same shall become due (to the extent there fails to exists sufficient cash flow from the operations of the Property to do so, provided that such insufficiency does not arise from the conversion, misappropriation, or intentional misapplication of revenues by or on behalf of Company or any other Borrower Related Party);

(i) (i) fail to maintain its records (including financial statements), books of account and bank accounts separate and apart from those of the members, general partners, principals and Affiliates of the Company, the Affiliates of a member, general partner or principal of the Company, and any other Person, (ii) permit its assets or liabilities to be listed as assets or liabilities on the financial statement of any other Person or (iii) include the assets or liabilities of any other Person on its financial statements; provided, however, that the Company's assets may be included in a consolidated financial statement of its Affiliates provided that (x) appropriate

notation shall be made on such consolidated financial statements to indicate the separateness of the Company and such Affiliates and to indicate that the Company's assets and credit are not available to satisfy the debts and other obligations of such Affiliates or any other Person, and (y) such assets shall be listed on the Company's own separate balance sheet;

(j) enter into any contract or agreement with any member, general partner, principal or Affiliate of the Company, Guarantor, or any member, general partner, principal or Affiliate thereof (other than the Property Management Agreement, Parking Management Agreement and Asset Management Agreement, or any other business management services agreement with an Affiliate the Company, provided that (i) such other business management services agreement is acceptable to Lender, (ii) the manager, or equivalent thereof, under such other business management services agreement holds itself out as an agent of the Company and (iii) such other business management services agreement meets the standards set forth in this subsection (j) following this parenthetical), except upon terms and conditions that are commercially reasonable, intrinsically fair and substantially similar to those that would be available on an arms-length basis with third parties other than any member, general partner, principal or Affiliate of the Company, Guarantor, or any member, general partner, principal or Affiliate thereof;

(k) seek the dissolution or winding up in whole, or in part, of the Company;

(l) fail to correct any known misunderstandings regarding the separate identity of the Company, or any member, general partner, principal or Affiliate thereof or any other Person;

(m) guarantee or become obligated for the debts of any other Person or hold itself out to be responsible for the debts of another Person;

(n) make any loans or advances to any third party, including any member, general partner, principal or Affiliate of the Company, or any member, general partner, principal or Affiliate thereof, and shall not acquire obligations or securities of any member, general partner, principal or Affiliate of the Company, or any member, general partner, or Affiliate thereof;

(o) fail to file its own tax returns or be included on the tax returns of any other Person except as required by Applicable Law, except to the extent that (A) it has been or is required to file consolidated Tax returns by Applicable Law or (B) it is treated as a "disregarded entity" for tax purposes and is not required to file tax returns under Applicable Law;

(p) fail either to hold itself out to the public as a legal entity separate and distinct from any other Person or to conduct its business solely in its own name or a name franchised or licensed to it by an entity other than an Affiliate of Property Owner or of Principal, as the case may be, and not as a division or part of any other entity in order not (i) to mislead others as to the identity with which such other party is transacting business, or (ii) to suggest that the Company is responsible for the debts of any third party (including any member, general partner, principal or Affiliate of the Company, or any member, general partner, principal or Affiliate thereof);

(q) fail to maintain adequate capital for the normal obligations reasonably foreseeable in a business of its size and character and in light of its contemplated business operations (provided, however, the foregoing shall not require any shareholder, partner or member of such entity, as applicable, to make additional capital contributions, loans, or advances to such entity);

(r) hold itself out as or be considered as a department or division of (i) any general partner, principal, member or Affiliate of the Company, (ii) any Affiliate of a general partner, principal or member of the Company, or (iii) any other Person; provided, however that the foregoing will not prohibit the Company from utilizing the Comstock logo or name at or in connection with the Property;

(s) fail to allocate fairly and reasonably any overhead expenses that are shared with an Affiliate, including paying for office space and services performed by any employee of an Affiliate;

(t) pledge its assets for the benefit of any other Person, other than with respect to the Loan;

(u) fail to maintain a sufficient number of employees in light of its contemplated business operations (provided, however, the foregoing shall not require any shareholder, partner or member of such entity, as applicable, to make additional capital contributions, loans, or advances to such entity);

(v) for so long as the Loan is outstanding pursuant to the Note, the Loan Agreement and the other Loan Documents, it shall not file or consent to the filing of any petition, either voluntary or involuntary, to take advantage of any applicable insolvency, bankruptcy, liquidation or reorganization statute, or make an assignment for the benefit of creditors without the affirmative vote of the Independent Director and of all other general partners/managing members/directors;

(w) fail to hold its assets in its own name;

(x) intentionally omitted;

(y) have any of its obligations guaranteed by an Affiliate, except for guarantees and indemnities that are expressly contemplated by the Loan Documents (including the Guaranty, Completion Guaranty and Environmental Indemnity);

(z) violate or cause to be violated the assumptions made with respect to the Company in the Insolvency Opinion;

(aa) fail at any time to have at least one Independent Director; or

(bb) permit its board of directors or board of managers to take any action which, under the terms of any certificate of incorporation, by-laws, voting trust agreement with respect to any common stock or other applicable organizational documents, requires the

unanimous vote of one hundred percent (100%) of the members of the board without the vote of the Independent Director.

For purposes of this Section 9.3, all capitalized terms that are not otherwise defined herein shall have the meanings ascribed to them in the Loan Agreement.

ARTICLE X

FISCAL MATTERS

10.1 Books and Records. Full and accurate books and records of the Company (including, without limitation, all information and records required by the Act) shall be maintained at its principal executive office showing all receipts and expenditures, assets and liabilities, profits and losses, and all other records necessary for recording the Company's business and affairs.

10.2 Fiscal Year. The fiscal year of the Company shall end on December 31 of each year.

ARTICLE XI

DISSOLUTION

11.1 Dissolution. Subject to the terms of the Loan Documents, for so long as any Obligation(as defined in the Loan Agreement) remains outstanding, the Company shall be dissolved, and its affairs shall be wound up upon the first to occur of the following: (i) the termination of the legal existence of the last remaining member of the Company or the occurrence of any other event which terminates the continued membership of the last remaining member of the Company in the Company unless the business of the Company is continued in a manner permitted by this Agreement or the Act, or (ii) the entry of a decree of judicial dissolution under§ 4A-903 of the Act. Upon the termination of the legal existence of the last remaining member of the Company or the occurrence of any other event which terminates the continued membership of the last remaining member of the Company in the Company, to the full extent permitted by law, the Company shall be continued in a manner permitted by this Agreement or the Act.

Notwithstanding any other provision of this Agreement, the Bankruptcy of the Member or a Special Member or any other member of the Company shall not cause such member to cease to be a member of the Company and, upon the occurrence of such an event, the Company shall continue without dissolution. Additionally, notwithstanding any other provision of this Agreement, the Member and each Special Member waive any right it might have to agree in writing to dissolve the Company upon the Bankruptcy of the Member or any Special Member, or the occurrence of an event that causes the Member or any Special Member to cease to be a member of the Company.

Upon the occurrence of any event that causes the last remaining member of the Company to cease to be a member of the Company or that causes the Member to cease to be a member of the Company (other than upon continuation of the Company without dissolution upon (i) an assignment by the Member of all of its limited liability company interest in the Company and the admission of

the transferee pursuant to Sections 6.2 and 6.1 or (ii) the resignation of the Member and the admission of an additional member of the Company pursuant to Sections 6.3 and 6.1), to the fullest extent permitted by law, the personal representative of such member is hereby authorized to, and shall, within ninety (90) days after the occurrence of the event that terminated the continued membership of such member in the Company, agree in writing (i) to continue the Company and (ii) to the admission of the personal representative or its nominee or designee, as the case may be, as a substitute member of the Company, effective as of the date of the occurrence of the event that terminated the continued membership of such member in the Company.

11.2 Winding Up; Cancellation of Certificate of Formation. In the event of dissolution, the Company shall conduct only such activities as are necessary to wind up its affairs (including the sale of the assets of the Company in an orderly manner), and the assets of the Company shall be applied in the manner, and in the order of priority, set forth in§ 4A-906 of the Act. The Company shall terminate when (i) all of the assets of the Company, after payment of or due provision for all debts, liabilities and obligations of the Company, shall have been distributed to the Member in the manner provided for in this Agreement and (ii) the Certificate of Formation shall have been canceled in the manner required by the Act.

ARTICLE XII

GENERAL PROVISIONS

12.1 Notices. All notices, consents, waivers, directions, requests, votes or other instruments or communications provided for under this Agreement shall be in writing, signed by the party giving the same, and shall be deemed properly given three (3) Business Days after mailing if sent by registered or certified United States mail, postage prepaid, addressed;

(a) in the case of the Company, to the address set forth in Section 2.5;

(b) in the case of any Member, to the address set forth on Exhibit "A"; or to such address as any party may specify in writing to the other parties.

12.2 Integration. This Agreement embodies the entire agreement and understanding among the Member and supersedes all prior agreements and understandings, if any, relating to the subject matter hereof.

12.3 Applicable Law. This Agreement and the rights of the Member, Springing Members and Managers shall be governed by and construed and enforced in accordance with the laws of the State of Maryland (without regard to conflict of laws principles).

12.4 Severability. In case any one or more of the provisions contained in this Agreement or any application thereof shall be invalid, illegal or unenforceable in any respect, the validity, legality and enforceability of the remaining provisions contained herein and any other application thereof shall not in any way be affected or impaired thereby.

12.5 Binding Effect. Except as herein otherwise provided to the contrary, this Agreement shall be binding upon, and inure to the benefit of, the Member and its respective heirs, executors, administrators, successors, transferees and assigns.. Notwithstanding any other provision of this Agreement, the Member agrees that this Agreement constitutes a legal, valid and binding agreement of the Member, and is enforceable against the Member by the Independent Directors, in accordance with its terms.

12.6 Terminology. All personal pronouns used in this Agreement, whether used in the masculine, feminine, or neuter gender, shall include all other genders; and the singular shall include the plural, and vice versa. Titles of Articles and Sections are for convenience only and neither limit nor amplify the provisions of this Agreement itself.

12.7 Amendment. Notwithstanding anything to the contrary contained in or implied by any other provision of this Agreement or of any other document governing the formation, management or operation of the Company, so long as any Obligations are outstanding, then except as to any correction of an obvious typographical error or correction of an obvious clerical mistake that does not change the substance of the provisions of the portions of this Agreement referenced immediately hereafter, the Company and the Member are prohibited from amending (a) the provisions of Articles IX or XI or Sections 3.1, 3.2, 4.1, 5.1, 6.1, 6.2, 6.3, 6.9, 8.1, 8.2, 12.7 or 12.8 of this Agreement (the "Special Purpose Provisions") or (b) any defined term used in the Special Purpose Provisions, any provisions of Sections 2.2, 5.1, 12.2, 12.3, 12.5, 12.9 or 12.10 or any other provision of this Agreement so as to repeal, override or substantially alter the effect of any of the Special Purpose Provisions (the "Related Provisions"), without the written consent of the Lender, its successors or assigns, and with respect to matters in Article IX, if the Rating Agency Condition is satisfied. Thereafter, this Agreement may be amended, modified or supplemented only by a writing executed by each of the Members. To the fullest extent permitted by law, no amendment to the Certificate of Formation shall be made that is inconsistent with the Special Purpose Provisions. In the event of any conflict between any of the Special Purpose Provisions or the Related Provisions and any other provision of this Agreement or any other document governing the formation, management or operation of the Company, the Special Purpose Provisions and the Related Provisions shall control.

12.8 Waiver of Partition; Nature of Interest. To the fullest extent permitted by law, each of the Member and the Special Members hereby irrevocably waives any right or power that such Person might have to cause the Company or any of its assets to be partitioned, to cause the appointment of a receiver for all or any portion of the assets of the Company, to compel any sale of all or any portion of the assets of the Company pursuant to any applicable law or to file a complaint or to institute any proceeding at law or in equity to cause the dissolution, liquidation, winding up or termination of the Company. The Member shall not have any interest in any specific assets of the Company, and the Member shall not have the status of a creditor with respect to any distribution pursuant to Section 5.1 hereof. The interest of the Member in the Company is personal property.

12.9 Benefits of Agreement; No Third-Party Rights. Except for the Lender, its successors or assigns as holders of the Loan with respect to the Special Purpose Provisions, (1) none of the provisions of this Agreement shall be for the benefit of or enforceable by any creditor of the Company or by any creditor of the Member or a Special Member, and (2) nothing in this

Agreement shall be deemed to create any right in any Person not a party hereto, and this Agreement shall not be construed in any respect to be a contract in whole or in part for the benefit of any third Person. The Lender, its successors or assigns are intended third-party beneficiaries of this Agreement and may enforce the Special Purpose Provisions.

12.10 Indemnification. The Company shall be authorized and shall indemnify the Member and the Manager pursuant to, in accordance with and to the extent allowed under the Act and other applicable law. Notwithstanding the foregoing, any such indemnification shall be fully subordinate to the Loan and, to the fullest extent permitted by law, shall not constitute a claim against the Company in the event that the Company's cash flow is insufficient to pay its obligations under the Loan Documents.

[Signatures on the Following page(s)]

IN WITNESS WHEREOF, this Agreement is executed effective as of the date first set forth above.

MEMBER:

COMSTOCK PARTNERS, LC,
a Virginia limited liability company

By: _____
Christopher Clemente
Its Manager

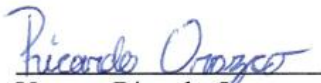
COMSTOCK HOLDING COMPANIES, INC.,
a Delaware corporation

By: _____
Christopher Clemente
Its Chief Executive Officer

APPR. BY LEGAL

[Signature Page to Limited Liability Company Agreement of COMSTOCK 33 MONROE HOLDINGS, L C – Member]

PRIMARY SPRINGING MEMBER AND INDEPENDENT DIRECTOR:



Name: Ricardo Orozco

SECONDARY SPRINGING MEMBER AND INDEPENDENT DIRECTOR:

Name: Sean Prewitt

[Signature Page to Limited Liability Company Operating Agreement of
COMSTOCK 33 MONROE HOLDINGS, L C – Springing Members and Independent Directors]

EXHIBIT "A"
TO
LIMITED LIABILITY COMPANY AGREEMENT OF
COMSTOCK 33 MONROE HOLDINGS, L C

Members

Name, Address	Percentage Interest	Cash Contributed or Agreed Value of Other Property or Services
Comstock Partners, LC c/o Comstock Companies 1900 Reston Metro Plaza 10th Floor Reston, Virginia 20190	95%	As set forth in the books and records of the Company
Comstock Holding Companies, Inc. c/o Comstock Companies 1900 Reston Metro Plaza 10th Floor Reston, Virginia 20190	5%	As set forth in books and records of the Company

TAX MATTERS ADDENDUM
TO OPERATING AGREEMENT

The terms of this Tax Matters Addendum ("Addendum") are hereby incorporated into the Operating Agreement of **COMSTOCK 33 MONROE HOLDINGS, L C** ("Agreement") to which it is attached.

ARTICLE I – DEFINITIONS

1.01 Adjusted Capital Account Deficit. The deficit balance, if any, in such Member's Capital Account at the end of any taxable year, with the following adjustments:

(A) Credit to such Capital Account any amount that such Member is obligated to restore under Treas. Reg. Section 1.704-1(b)(2)(ii)(c), as well as any addition thereto pursuant to the penultimate sentences of Treas. Reg. Sections 1.704-2(g)(1) and 1.704-2(i)(5); and

(B) Debit to such Capital Account the items described in Treas. Reg. Sections 1.704-1(b)(2)(ii)(d)(4) through (6). The foregoing definition of Adjusted Capital Account Deficit is intended to comply with the provisions of Treas. Reg. Section 1.704-1(b)(2)(ii)(d) and shall be interpreted consistently therewith.

1.02 Capital Accounts. The Company shall maintain a Capital Account for each Member in accordance with Treas. Reg. Section 1.704-1(b)(2)(iv) or other provision of similar import. To each Member's Capital Account there shall be credited such Member's Capital Contributions, his or her distributive share of Profits, any item in the nature of income or gain allocated to him or her under Sections 2.02 through 2.09 of this Addendum, and the amount of any Company liabilities that are assumed by such Member or which are secured by any Company property distributed to such Member. To each Member's Capital Account there shall be debited the amount of cash and the fair market value (as of the date of distribution) of any Company property distributed to such Member pursuant to any provision of this Agreement, such Member's distributive share of Losses, any items in the nature of expenses or deductions that are allocated to him or her pursuant to Sections 2.02 through 2.09 of this Addendum, and the amount of any liabilities of such Member assumed by the Company or which are secured by any property contributed by such Member to the Company. To each Member's Capital Account there shall be debited or credited such other adjustments as are required by Treas. Reg. Section 1.704-1(b)(2)(iv) to the extent not already reflected as a consequence of the foregoing, including, without limitation, adjustments arising from a revaluation of Company property, which adjustments shall reflect the manner in which any unrealized appreciation or depreciation in the property would be allocated if the property were sold. In the event any Interest in the Company is Transferred pursuant to the terms of this Agreement, the transferee shall succeed to the Capital Account of the transferor to the extent it relates to the Transferred Interest. No Member shall be required to pay to the Company any deficit in its Capital Account upon liquidation or otherwise except to the extent provided by the Act.

1.03 Code. The Internal Revenue Code of 1986, as amended from time to time.

1.04 Company Minimum Gain. The amount determined by (i) computing, with respect to each Company Nonrecourse Liability, the amount of gain (of whatever character) that would be realized by the Company if it disposed of the property subject to such liability in a taxable transaction in full satisfaction of such liability (and for no other consideration), and (ii) aggregating the amounts so computed. Company Minimum Gain shall be determined in a manner consistent with the rules of Treas. Reg. §1.704-2(d).

1.05 Company Nonrecourse Liability. Any nonrecourse liability of the Company, or portion thereof, for which no Member or related Persons (within the meaning of Treas. Reg. §1.752-4(b)) bears the economic risk of loss.

1.06 Economic Risk of Loss. The determination of whether a Member bears the economic risk of loss with respect to any Company liability shall be made in accordance with Treas. Reg. §1.752 (without regard to whether that section applies to such liability).

1.07 Member Minimum Gain. With respect to each Member Nonrecourse Liability, the amount of gain (of whatever character) that would be realized by the Company if it disposed of the property subject to such liability in a taxable transaction in full satisfaction of such liability (and for no other consideration). Member Minimum Gain shall be determined in a manner consistent with the rules of Treas. Reg. §1.704-2(i)(3).

1.08 Member Nonrecourse Liability. Any nonrecourse liability of the Company with respect to which any Member (or a party related to such Member, within the meaning of Treas. Reg. §1.752-4(b)) bears the Economic Risk of Loss.

1.09 Profits and Losses. An amount equal to the Company's taxable income or loss for each taxable year determined in accordance with Code Section 703(a) (for this purpose, all items of income, gain, deduction or loss required to be separately stated pursuant to Code Section 703(a)(1) shall be included in taxable income or loss), except that taxable income shall be adjusted to (i) include tax exempt income; (ii) treat as a deduction expenditures described in Code Section 705(a)(2)(B) or treated as Code Section 705(a)(2)(B) expenditures pursuant to Treas. Reg. Section 1.704-1(b)(2)(iv)(i); and (iii) exclude allocations of Company income, gain, deduction and loss under Sections 2.02 through 2.09 of this Addendum. If the Company's taxable income or loss as so adjusted is a positive amount, such amount shall be the Company's Profit for such taxable year or period; if negative, such amount shall be the Company's Loss for such taxable year or period. It is further provided that if the book value (i.e. the value at which property is reflected on the books of the Company in accordance with the provisions of Treas. Reg. Section 1.704-1(b)) of property differs from its adjusted tax basis (due to contributions or distributions of appreciated property or re-valuations of Company property), Profit or Loss shall be computed with reference to book depreciation and book gain or loss on such property.

ARTICLE II – ALLOCATION OF PROFITS AND LOSSES

2.01 In General. Except as expressly provided to the contrary in this Article II, for purposes of determining Capital Account balances, Profit and Loss with respect to any Company

taxable year shall be allocated prior to reducing Capital Accounts by any distributions with respect to such Company taxable year. For purposes of applying this Section 2.01, a Member's Capital Account balance shall be deemed to be increased by such Member's share of Company Minimum Gain and Member Minimum Gain determined as of the end of such Company taxable year.

2.02 Minimum Gain Chargeback – Company Nonrecourse Liabilities. If there is a net decrease in Company Minimum Gain during a taxable year, items of income and gain for such year (and, if necessary, for subsequent years) shall be allocated to the Members in proportion to, and to the extent of, their shares of such net decrease in Company Minimum Gain as determined under Treas. Reg. Section 1.704-2(g)(2). Any such allocations shall be made in accordance with, and only to the extent required by, Treas. Reg. Sections 1.704-2(f) and 1.704-2(j)(2)(i).

2.03 Minimum Gain Chargeback – Member Nonrecourse Liabilities. If there is a net decrease in Member Minimum Gain during a taxable year, items of income and gain for such year (and, if necessary, for subsequent years) shall be allocated to the Members in proportion to, and to the extent of, their shares of such net decrease in Member Minimum Gain as determined under Treas. Reg. Section 1.704-2(i)(5). Any such allocations shall be made in accordance with, and only to the extent required by, Treas. Reg. Sections 1.704-2(i)(4) and 1.704-2(j)(2)(ii).

2.04 Qualified Income Offset. If any Member unexpectedly receives any adjustments, allocations or distributions described in Treas. Reg. Section 1.704-1(b)(2)(ii)(d)(4) through (6) which results in an Adjusted Capital Account Deficit, such Member shall be allocated items of income and book gain in an amount and manner sufficient to eliminate such Adjusted Capital Account Deficit as quickly as possible.

2.05 Limitation on Loss Allocations. Notwithstanding anything in Section 2.01 of this Addendum to the contrary, Losses shall not be allocated to any Member to the extent such Losses would create an Adjusted Capital Account Deficit with respect to such Member. Such Losses shall be reallocated (subject to the immediately preceding sentence) to the other Members under this Section 2.05.

2.06 Company Nonrecourse Deductions. Items of Company loss, deduction, or Code Section 705(a)(2)(B) expenditure that are attributable to Company Nonrecourse Liabilities ("Company Nonrecourse Deductions") shall be allocated among the Members in accordance with Section 5.2 of the Agreement. This provision is to be interpreted in a manner consistent with Treas. Reg. Section 1.704-2(e).

2.07 Member Nonrecourse Deductions. Items of Company loss, deduction, or Code Section 705(a)(2)(B) expenditure that are attributable to a Member Nonrecourse Liability ("Member Nonrecourse Deductions") shall be allocated to the Members in the ratio in which they share the Economic Risk of Loss with respect to such liability within the meaning of Treas. Reg. Section 1.752-2. This provision is to be interpreted in a manner consistent with the requirements of Treas. Reg. Section 1.704-2(i).

2.08 Optional Basis Adjustments. To the extent an adjustment to the basis of any Company assets pursuant to Code Section 734(b) or 743(b) is required, pursuant to Treas. Reg. §1.704-1(b)(2)(iv)(m), to be taken into account in determining Capital Accounts, the amount of

such adjustment to the Capital Accounts shall be treated as an item of gain or loss, as applicable, and such gain or loss shall be specially allocated to the Members in a manner consistent with the manner in which their Capital Accounts are required to be adjusted pursuant to such Regulation.

2.09 Curative Allocation. The allocations set forth in Sections 2.02 through 2.08 of this Addendum (the "Regulatory Allocations") are intended to comply with certain requirements of Treas. Reg. Section 1.704-1(b) and Treas. Reg. Section 1.704-2. Notwithstanding any other provision of Article V of the Agreement or Article II of this Addendum, the Regulatory Allocations shall be taken into account in allocating other Profits, Losses, and items of income, gain, loss, deduction, and credit to the Members so that, to the extent possible, the net amount of such allocations of Profits and Losses and other items shall be equal to the amount that would have been allocated to each Member if the Regulatory Allocations had not occurred.

2.10 Recapture. Any income recognized pursuant to Code Sections 1245 and 1250 shall be allocated among the Members in the same proportions as the depreciation deductions giving rise to such income were allocated among such Members and their respective predecessors in interest.

2.11 Overriding Allocation. It is the intent of the Members that each Member's distributive share of income, gain, loss, deduction, or credit (or item thereof) shall be allocated in accordance with Sections 2.01 through 2.10 of this Addendum to the fullest extent permitted by Code Section 704(b). In order to preserve and protect the allocations provided for in Sections 2.01 through 2.10, the Manager are authorized and directed to allocate income, gain, loss, deduction or credit (or item thereof) arising in any year differently than otherwise provided for in this Article if, and to the extent that, the allocations under this Article would cause the allocations to violate Code Section 704(b). Any allocation made pursuant to this Section 2.11 shall be deemed to be a complete substitute for any allocation otherwise provided for in Sections 2.01 through 2.10 of this Addendum, and no amendment of this Addendum or approval of any Member shall be required.

2.12 Tax Allocations: Section 704(c). Anything in the foregoing to the contrary notwithstanding, in accordance with Code Section 704(c) and the Treasury Regulations thereunder, income, gain, loss and deduction with respect to any property contributed to the capital of the Company shall, solely for tax purposes, be allocated to the contributing Member so as to take into account any variation between the adjusted basis of the property for federal income tax purposes and its value upon contribution as reflected on the books of the Company. If the book value of Company property is subsequently adjusted, subsequent tax allocations of income, gain, loss and deduction with respect to such property shall take into account variations between its adjusted basis for federal income tax purposes and its book value as so adjusted in the same manner as under Code Section 704(c) and the Treasury Regulations thereunder.

2.13 Allocation to Transferred Interest. Profits, Losses and credits allocated to an Interest assigned or reissued during a taxable year of the Company shall be allocated to the Person who was the holder of such Interest during such taxable year, in proportion to the number of days that each such holder was recognized as the owner of such Interest during such taxable year or in any other proportion permitted by the Code and selected by the Manager in accordance with this Agreement, without regard to the results of Company operations during the period in which each such holder was recognized as the owner of such Interest during such taxable year, and without

regard to the date, amount or recipient or any distributions which may have been made with respect to such Interest.

ARTICLE III – AUDITS AND TAX RETURNS

3.01 Audits and Tax Returns. The accounts of the Company may be reviewed, compiled or audited by accountants designated by the Manager at such times as the Manager may deem necessary or desirable. The Manager shall cause to be prepared all tax returns required of the Company and shall make elections under the Code on behalf of the Company. The Company's taxable year shall be the calendar year.

3.02 Tax Matters Partner. In the event the Company is subject to the unified audit procedures set forth in Sections 6221-6234 of the Code, **Comstock Partners, LC** shall be the "tax matters partner" of the Company for the purposes of such procedures and shall be authorized to take all actions reasonably necessary on behalf of the Company with respect to any audits of its tax returns.

ASSET PURCHASE AGREEMENT

THIS ASSET PURCHASE AGREEMENT (this "Agreement") is made and entered into as of March 31, 2022, by and among August Mack Environmental, Inc., an Indiana corporation (the "Buyer"), Comstock Environmental Services, LLC, a Virginia limited liability company (the "Seller"), and Comstock Holding Companies, Inc., a Delaware corporation (the "CHCI" and, together with the Seller, the "Seller Parties"). The Buyer, the Seller and CHCI sometimes are collectively referred to as the "Parties" and sometimes are individually referred to as a "Party".

WITNESSETH THAT:

WHEREAS, the Seller is in the business of providing environmental engineering, environmental consulting services and tank construction services (the "Business");

WHEREAS, the Seller owns all of the assets (real, personal, tangible, intangible and mixed) used, useful or held for use in the operation of the Business;

WHEREAS, CHCI is the sole owner and manager of the entity that directly owns all of the issued and outstanding equity interests of Seller; and

WHEREAS, the Seller desires to sell, and the Buyer desires to buy, substantially all of the assets (and assume certain of the liabilities) of the Seller used or useful in the operation of the Business, on the terms and subject to the conditions set forth in this Agreement.

NOW THEREFORE, in consideration of the premises and for other good and valuable consideration, the receipt and sufficiency of which hereby are acknowledged, the Parties agree as follows:

ARTICLE 1
ASSETS PURCHASED; LIABILITIES ASSUMED

1.1 Acquired Assets. On the terms and subject to the conditions set forth in this Agreement, at the Closing, the Seller shall sell to the Buyer and the Buyer shall buy from the Seller, free and clear of any liens, restrictions, restrictions on transfer, options, pledges, rights of first refusal, mortgages, licenses, easements, security interests, claims, charges or encumbrances of any kind or nature whatsoever (collectively, "Liens"), substantially all of the assets of the Seller used or held for use by the Seller in or for the operation of the Business (whether personal, tangible, intangible or mixed) (collectively, the "Acquired Assets"), including without limitation the assets listed on Schedule 1.1 (but excluding the Excluded Assets).

1.2 Excluded Assets. Notwithstanding the foregoing, the Seller shall not be obligated to sell, and the Buyer shall not be obligated to purchase or acquire from the Seller, any assets of the Seller other than the Acquired Assets, including any of the Seller's assets listed on Schedule 1.2 (collectively, the "Excluded Assets").

1.3 Assumed Liabilities. On the terms and subject to the conditions set forth in this Agreement, at the Closing, the Buyer shall assume the liabilities and obligations of the Seller solely with respect to (collectively, the "Assumed Liabilities"):

(a) the obligations of the Seller for the future performance after the Closing pursuant to the Assumed Contracts (as defined on Schedule 1.1), other than for any act or omission (i) occurring prior to the Closing that resulted in or could result in any breach or default thereunder or violation of any law or (ii) that could obligate any party to indemnify, defend or hold the other

party thereto harmless from any claim, loss, obligation or expense in connection with any work performed on or prior to the Closing;

(b) all trade accounts payable (other than trade accounts payable owed to Persons that are Affiliates of the Seller) and accrued expenses of the Seller that were incurred in the ordinary course of business, in all cases solely to the extent included in the Purchase Price adjustment set forth in Section 2.2 and that remain unpaid as of the Closing Date; and

(c) any accrued but unused vacation or other paid time off ("PTO") for each Transferred Employee.

1.4 Excluded Liabilities. The Buyer expressly does not assume and does not and shall not agree to assume any liability or obligation of the Seller or any owner thereof not expressly defined in this Agreement as an Assumed Liability (collectively, the "Excluded Liabilities"), including, but not limited to, the liabilities listed on Schedule 1.4. The Seller shall promptly pay, discharge and perform in full all Excluded Liabilities when and as the same become due.

ARTICLE 2
PURCHASE PRICE

2.1 Purchase Price. The purchase price (the "Purchase Price") for the Acquired Assets shall be the assumption of the Assumed Liabilities, plus an amount equal to (i) the amount of Actual Net Working Capital (as defined and ultimately determined in Section 2.2(a) below), plus (ii) $288,341.00. The Purchase Price shall be subject to adjustment in accordance with Section 2.2 below and shall be payable by the Buyer on the Closing Date as follows:

(a) $150,000.00 in immediately available funds (the "Indemnity Escrow Amount") will be delivered to U.S. Bank (the "Escrow Agent"), to be held or disbursed in accordance with the terms of an Escrow Agreement in substantially the form of Exhibit A (the "Escrow Agreement") for the purposes of securing the Seller's obligations under Article 7;

(b) $250,000.00 in immediately available funds (the "Adjustment Escrow Amount" and, together with the Indemnity Escrow Amount and all earnings thereon, the "Escrow Fund") will be delivered to the Escrow Agent, to be held or disbursed in accordance with the terms of the Escrow Agreement for the purposes of securing the Seller's obligations under Section 2.2; and

(c) an amount equal to $1,017,317.00 (the "Closing Payment"), which represents (i) the amount of Estimated Net Working Capital (as defined in Section 2.2(a) below), plus (ii) $288,341.00 minus (iii) the Escrow Fund, minus (iv) any debt, expenses, or other items directed by the Seller in writing to be paid by Buyer on the Seller's behalf, will be delivered by wire transfer of immediately available funds to an account designated in writing by the Seller.

2.2 Purchase Price Adjustment.

(a) The Seller shall deliver to the Buyer at the Closing its Net Working Capital as of the close of business on the Closing Date (the "Actual Net Working Capital"). The Parties estimate that Actual Net Working Capital is $1,128,976.00 (the "Estimated Net Working Capital") for purposes of the Closing and the Purchase Price will be adjusted after the Closing on a dollar for dollar basis. The Seller shall deliver to the Buyer all requested work papers and other details for the Buyer and its advisors to agree upon the Estimated Net Working Capital. After the Closing, the Parties will true-up the amount equal to the Actual Net Working Capital minus the Estimated

Net Working Capital (the "Post-Closing Adjustment") in accordance with the terms set forth in Section 2.2(b). Within thirty (30) days after Closing, the Buyer shall prepare in accordance with United States generally accepted accounting principles consistently applied (the "Commonly Accepted Accounting Principles") and deliver to the Seller a report of the Actual Net Working Capital as of the Closing Date. Upon receipt of the Actual Net Working Capital, the Seller shall have thirty (30) days from receipt of the Actual Net Working Capital (the "Review Period") to review the Actual Net Working Capital and have reasonable access to the books and records necessary to enable the Seller to verify the information and computations therein. If the Seller accepts the Actual Net Working Capital by written notice to the Buyer prior to the expiration of the Review Period, then the Actual Net Working Capital as delivered by the Buyer shall be final and binding upon the Parties and shall be deemed the "Actual Net Working Capital" as referenced herein. If the Seller disagrees with the Buyer's delivery of the Actual Net Working Capital, the Seller shall provide written notice to the Buyer of such disagreement within the Review Period, which written notice must set forth in reasonable detail the nature of the Seller's disagreement and its proposed resolution of such disagreement. If the Seller delivers written notice of disagreement, the Seller and the Buyer shall use commercially reasonable efforts to agree in writing as to the "Actual Net Working Capital" as referenced hereunder. If the Parties are unable to reach such agreement within thirty (30) days following the receipt by the Buyer of the Seller's written notice of disagreement, then the matter shall be submitted to a mutually agreeable independent regional-based accounting firm (the "Settlement Accountant"). The Settlement Accountant shall determine all matters in dispute and establish the "Actual Net Working Capital", which in no event shall be more favorable to either the Seller or the Buyer than what they had originally proposed, within thirty (30) days following the submission of the matter to the Settlement Accountant, which determination shall be final, non-appealable, binding and conclusive on the Parties, absent manifest calculation error. The fees and expenses of the Settlement Accountant shall be allocated ratably between the Seller, on one part, and the Buyer, on one part, in the same proportion that the aggregate dollar amount of items unsuccessfully disputed by each such party bears to the aggregate dollar amount of all disputed items submitted to the Settlement Accountant.

(b) For purposes of clarity, within five (5) business days of the Post-Closing Adjustment being finally determined, either the Buyer or the Seller will pay to the other party an amount equal to the Post-Closing Adjustment in accordance with this Section 2.2(b). If the amount of the Post-Closing Adjustment is a positive number, then (i) the Buyer shall pay to the Seller an amount equal to the Post-Closing Adjustment; and (ii) the parties shall jointly instruct the Escrow Agent to release to the Seller such funds available in the escrow account relating to the Adjustment Escrow Amount. If the amount of the Post-Closing Adjustment is a negative number, then (y) the parties shall jointly instruct the Escrow Agent to release to the Buyer an amount equal to the Post-Closing Adjustment from the escrow account holding the Adjustment Escrow Amount; provided, however, that if the amount of the Post-Closing Adjustment that is owed to the Buyer exceeds the Adjustment Escrow Amount, then the Seller shall pay to the Buyer any remaining Post-Closing Adjustment in excess of the Adjustment Escrow Amount in wire transfer of immediately available funds to an account designated in writing by the Buyer; and (z) the parties shall jointly instruct the Escrow Agent to release to the Seller such funds remaining in the escrow account relating to the Adjustment Escrow Amount, if any, after payment of the Adjustment Escrow Amount to the Buyer.

(c) For purposes of this Agreement, "Net Working Capital" means (x) only the current assets of the Business as of the close of business on the Closing Date that are Acquired Assets and are set forth on Schedule 2.2(c)(x), less (y) only the current liabilities of the Business as of the close of business on the Closing Date that are Assumed Liabilities and are set forth on Schedule 2.2(c)(y) and shall include amounts attributable to customer deposit liabilities and deferred revenue. Notwithstanding anything to the contrary set forth herein, if, prior to Closing, any accounts

receivable are deemed by the Buyer as uncollectible or otherwise impaired, such accounts receivable shall not be credited to the Seller for purposes of calculating Net Working Capital, Estimated Net Working Capital or Actual Net Working Capital (the "Impaired Accounts Receivable"). Seller shall retain the rights to any such Impaired Accounts Receivable and may pursue collection of such Impaired Accounts Receivable after the Closing; provided, however, that collection efforts shall be consistent with the past practices of the Seller, which include, among other things, commercially reasonable efforts not to injure any ongoing customer relationships of the Business as it relates to the Buyer after the Closing.

(d) Notwithstanding the foregoing provisions of this Section 2.2, if any accounts receivable (or portion thereof) constituting part of the Actual Net Working Capital that are not retainage receivables are not collected within one hundred eighty (180) days after the Closing or if any accounts receivable (or portion thereof) constituting part of the Actual Net Working Capital that are retainage receivables are not collected within one year after the Closing, then the Buyer shall, at the Buyer's sole discretion, have the right to:

(i) require the Seller, and the Seller shall have an obligation with fifteen (15) days of any such request, to purchase all such uncollected accounts receivable at face value against assignment of such accounts receivable back to the Seller; and/or

(ii) make a claim against the Indemnity Escrow Amount in accordance with the Escrow Agreement for the amount of any such uncollected accounts receivable.

A list of the retainage receivables will be included in the calculation of Estimated Net Working Capital. With respect to any payments received after the Closing from an account debtor that had an accounts receivable constituting part of the Actual Net Working Capital, any such payments shall be first applied to any invoice as directed by such account debtor and, if not so directed, then against the oldest accounts receivable of such account debtor. Buyer shall use commercially reasonable efforts to collect all accounts receivable that are included in the Actual Net Working Capital; provided that Buyer shall have no obligation to file a complaint or pursue litigation against any account debtor. Once Seller has indemnified Buyer for any such uncollectible accounts receivable, Buyer shall assign such rights to the uncollectible receivable to the Seller, and Seller may pursue collection of such uncollectible receivable; provided, however, that collection efforts shall be consistent with the past practices of the Seller, which include, among other things, commercially reasonable efforts not to injure any customer relationships of the Business as it relates to the Buyer after the Closing.

2.3 Allocation of the Purchase Price. The Purchase Price (and any amount of Assumed Liabilities required to be treated as consideration for U.S. federal income tax purposes and any other relevant items) shall be allocated, including the Escrow Fund once paid to the Seller to the extent actually paid, among the Acquired Assets as set forth in Exhibit B. Seller and Buyer agree to report the allocation as provided in the applicable sections of the Internal Revenue Code of 1986, as amended (the "Code" and the regulations issued thereunder, the "Treasury Regulations") and the rules and regulations promulgated thereunder and in accordance with such allocation and agree to prepare and file all income Tax Returns in a manner consistent with such allocation (including on Form 8594 of the United States Internal Revenue Service ("IRS"), or any successor to such form). Seller and Buyer shall make their respective IRS Forms 8594 (and any amendments thereof) filed or to be filed with the IRS available for inspection by the other party for the purpose of verifying compliance with this Section 2.4. For purposes of this Agreement, "Tax Return" shall mean any return, declaration, report, claim for refund, information return or statement or other document relating to Taxes, including any schedule or attachment thereto, and including any amendment thereof.

ARTICLE 3
CLOSING

3.1 Closing. The consummation of the transactions contemplated by this Agreement (the "Closing") shall be deemed to have taken place at 11:59 p.m. Pennsylvania time on the date of this Agreement (the "Closing Date"). Notwithstanding anything to the contrary set forth herein, the Closing will take place by facsimile, email or other electronic communication.

3.2 Seller's Closing Deliveries. In addition to any other documents to be delivered under the provisions of this Agreement, the Seller shall deliver the following to the Buyer at the Closing, all of which shall be in form and substance reasonably satisfactory to the Buyer and its counsel:

(a) a Bill of Sale and Assignment in substantially the form of Exhibit C, duly executed by the Seller;

(b) an Assignment and Assumption Agreement in substantially the form of Exhibit D, duly executed by the Seller;

(c) the Escrow Agreement in substantially the form of Exhibit A, duly executed by the Seller;

(d) a certificate of the Secretary or Assistant Secretary of the Seller, certifying (i) the resolutions duly adopted by the Board of Managers, authorizing and approving the execution, delivery and performance of this Agreement by the Seller and the transactions contemplated by this Agreement, and (ii) the Articles of Organization and Operating Agreement of the Seller, as amended as of the Closing Date;

(e) a Certificate of Good Standing (or its equivalent) of the Seller, certified by the Virginia State Corporation Commission, dated no earlier than ten (10) days prior to the Closing Date;

(f) an Assignment and Assumption of lease agreement for the leased property at 806 Fayette Street, Conshohocken PA 19428, duly executed by the Seller;

(g) an IRS Form W-9, duly executed by the Seller;

(h) all necessary consents of third parties to the assignment of any Material Contracts that are included in the Assumed Contracts;

(i) (i) payoff letters evidencing the payment and satisfaction in full of all indebtedness of the Seller related to the Business (including capital leases), and (as applicable) the release of the respective Liens of each holder's portion of such indebtedness, and (ii) without limiting in any respect the foregoing, evidence of the release of any and all other Liens against the Acquired Assets;

(j) a SUTA Account Termination or Transfer Request for the Pennsylvania Department of Labor and Industry reflecting that 100% of the Business is transferred, duly executed by the Seller;

(k) originals of all certificates of titles of all vehicles or other equipment owned by the Seller and set forth on Schedule 4.6; and

(l) Employment Agreements and other employment documentation with employees of the Business listed in Schedule 3.2(l), in form and substance satisfactory to the Buyer.

3.3 Buyer's Closing Deliveries. In addition to any other documents to be delivered under the provisions of this Agreement, the Buyer shall deliver the following to the Seller at the Closing, all of which shall be in form and substance reasonably satisfactory to the Seller and its counsel:

(a) the Closing Payment, as set forth in Section 2.1 above;

(b) counterparts to the agreements set forth in Section 3.2 above to which it is a party;

(c) an Officer's certificate of the Buyer certifying the resolutions duly adopted by the Board of Directors, authorizing and approving the execution, delivery and performance of this Agreement by Buyer and the transactions contemplated by this Agreement; and

(d) a Certificate of Good Standing of the Buyer, certified by the Indiana Secretary of State, dated no earlier than ten (10) days prior to the Closing Date.

ARTICLE 4
REPRESENTATIONS AND WARRANTIES OF THE SELLER

The Seller Parties jointly and severally represent and warrant the following to the Buyer as of the Closing:

4.1 Organization and Good Standing. The Seller is a limited liability company duly organized, validly existing and in good standing under the laws of Virginia. CHCI is a corporation duly incorporated, validly existing and in good standing under the laws of the State of Delaware. The Seller is duly qualified to do business as a foreign entity and is in existence or good standing (where such concept has meaning) under the laws of Pennsylvania and each state or other jurisdiction in which either the ownership or use of the properties owned or used by it, or the nature of the activities conducted by it, requires such qualification.

4.2 Authorization. The Seller Parties have full power and authority to execute and deliver this Agreement and to perform their obligations hereunder, and have full power and authority to own and operate their assets, properties and business and carry on their businesses as presently conducted. The execution, delivery and performance of this Agreement (and all related agreements hereto) has been duly authorized by all necessary corporate action on the part of the Seller Parties.

4.3 Validity; Binding Effect. This Agreement has been duly and validly executed and delivered by the Seller Parties. This Agreement constitutes a valid and legally binding obligation of the Seller Parties, enforceable against the Seller Parties in accordance with its terms (subject to applicable bankruptcy, insolvency, moratorium, reorganization or similar laws affecting the rights of creditors generally and the availability of equitable remedies).

4.4 Noncontravention. Except as set forth in Schedule 4.4, the execution, delivery and performance of this Agreement by the Seller Parties, the consummation of the transactions contemplated by this Agreement and the compliance with or fulfillment of the terms and provisions hereof or of any other agreement or instrument contemplated hereby, does not and shall not (a) conflict with or result in a breach of any of the provisions of the Articles of Organization or Operating Agreement of the Seller; (b) contravene any Law which affects or binds the Seller Parties; (c) result in a breach of, constitute a default under or give rise to a right of termination or acceleration under any Material Contract; or (d) require the Seller Parties to

obtain the approval, consent or authorization of, or to make any declaration, filing or registration with, any third party or any federal, state, local, municipal, foreign or other governmental authority ("Governmental Authority") which has not been obtained in writing prior to the Closing Date.

4.5 Financial Statements; Absence of Changes.

(a) Attached hereto as Schedule 4.5(a) are true, accurate and complete copies of the following: (i) the internally prepared balance sheets of the Seller as of December 31, 2020, and December 31, 2021, and the related statements of income for the fiscal years then ended; and (ii) the internally prepared balance sheet of the Seller as of January 31, 2022 (the "Interim Balance Sheet"), and the related statement of income for the time period then ended (items in clauses (i) and (ii), collectively, the "Financial Statements").

(b) The Financial Statements (i) fairly present in all material respects the operating results and the financial condition on the dates and for the periods indicated; (ii) are correct and complete in all material respects; (iii) are consistent with the books and records of the Seller (which books and records are correct and complete in all material respects); and (iv) were prepared in accordance with the Commonly Accepted Accounting Principles. No financial statements of any person or entity other than the Seller are required to be included in the Financial Statements. The Seller has no liabilities or obligations of any nature (whether absolute, accrued, contingent or otherwise), except for (x) liabilities or obligations reflected or reserved against in the Interim Balance Sheet, (y) liabilities or obligations incurred since the date of the Interim Balance Sheet in the ordinary course of business and (z) liabilities or obligations set forth in Schedule 4.5(b).

(c) Except as set forth in Schedule 4.5(c), since January 31, 2022, (i) there has not been any material adverse change in the business, operations, assets, prospects or condition of the Seller, and to the Knowledge of the Seller Parties, no event has occurred or circumstance exists that could reasonably be expected to result in such a change; (ii) the Seller has operated only in the ordinary course of business; (iii) no party has accelerated, terminated, modified or cancelled any material agreement, contract, lease or license to which the Seller is a party or by which the Seller is bound; (iv) the Seller has not experienced any material damage, destruction or loss (whether or not covered by insurance) to any of its material assets; and (v) the Seller has not changed its accounting, invoicing or collection practices.

4.6 Title to and Sufficiency of Acquired Assets. Except as set forth on Schedule 4.6, the Seller has good and marketable title to all of the Acquired Assets, free and clear of any and all Liens and other than the Excluded Assets and such assets set forth on Schedule 4.6, the Acquired Assets constitute all of the assets used by the Seller in the Business and constitute all of the assets necessary for the Buyer to continue the operations of the Business after the Closing as it has been conducted prior to the Closing. The Acquired Assets are in good operating condition and repair, in all material respects, ordinary wear and tear excepted. Except for the vehicles or equipment set forth on Schedule 4.6, none of the Acquired Assets have, or are required by applicable Law to have, a certificate of title.

4.7 Real Estate. The Seller leases the properties described and set forth on Schedule 4.7 (the "Real Estate") pursuant to those certain lease agreements set forth and described on Schedule 4.7. The Real Estate is the only real property used in the operation of the Business. There are no other leases, agreements, or understandings between the Seller and the applicable landlords relating to the Real Estate.

4.8 Taxes.

(a) For purpose of this Agreement, "Taxes" means all income, gross receipts, license, payroll, employment, excise, severance, stamp, occupation, premium, property, franchise, profits, withholding, social security (or similar), unemployment, disability, real property, personal property, sales, use, transfer, registration, value added, alternative, add-on minimum, estimated, or other tax, fee, assessment, levy, tariff, charge or duty of any kind whatsoever. The Seller has filed or caused to be filed all Tax Returns required to have been filed by the Seller, including with respect to the Acquired Assets or the Business. All such Tax Returns and reports were true, accurate, correct and complete in all material respects and all Taxes shown as due and owing on such Tax Returns and reports have been paid. All Taxes due and owing by the Seller (whether or not shown on any Tax Return), including with respect to the Acquired Assets or the Business, have been timely and fully paid. All Taxes due and owing by any Affiliate of the Seller with respect to the business, assets or activities of the Seller have been timely and fully paid (whether or not shown on any Tax Return). The Seller is not the beneficiary of any extension of time within which to file any Tax Return. "Affiliate" means, with respect to any person or entity, any other person or entity that directly, or indirectly through one or more intermediaries, controls, is controlled by, or is under common control with, such person or entity; with the term "control" including the power to direct the management and policies of a person or entity.

(b) The Seller, and each Affiliate of Seller, have withheld, deducted, collected and paid all Taxes required to have been withheld, deducted, collected or paid by the Seller. No claim has ever been made by a Governmental Authority in a jurisdiction where the Seller does not file Tax Returns that they are or may be subject to taxation by such jurisdiction. No Tax Return of the Seller has been audited or is currently under audit or examination. There is no current dispute between the Seller and any Governmental Authority with respect to Taxes. There are no Liens for Taxes (other than for Taxes not yet due and payable) upon any of the assets of the Seller.

(c) There is no Tax sharing agreement, Tax allocation agreement, Tax indemnity obligation or similar written or unwritten agreement, arrangement, statutory or regulatory obligation, understanding or practice with respect to Taxes (including any advance pricing agreement, closing agreement or other arrangement relating to Taxes) that will require any payment by the Seller. The Seller is classified as a pass-through entity for U.S. federal income Tax purposes.

(d) The Seller has not, nor has any Affiliate of the Seller with respect to the Seller, waived any statute of limitations in respect of Taxes or agreed to any extension of time with respect to a Tax assessment or deficiency. The Seller has never been a party to any "listed transaction," as defined in Section 6707A(c)(2) of the Code and Treasury Regulations Section 1.6011-4(b)(2).

(e) The Seller has maintained adequate records and documentation with respect to customer exemptions from any applicable sales Tax.

4.9 Compliance with Law. The Seller is in compliance and at all times has been in compliance in all material respects with all applicable laws (including statutes, ordinances, requirements, rules, regulations, codes, plans, injunctions, judgments, orders, decrees, rulings and charges thereunder) of federal, state, local, municipal and foreign governments (and all agencies thereof) (the "Laws"), and no claims, actions, suits, proceedings, demands, charges, complaints, investigations, inquiries, notices, hearings, litigation, arbitration, or governmental or regulatory investigations, proceedings or audits (the "Actions") have been filed or commenced against the Seller alleging any failure so to comply. To the Knowledge of the Seller, no event has occurred or circumstance exists that (with or without notice or lapse

of time) may constitute or result in a violation by the Seller of, or a failure on the part of the Seller to comply with, any Law.

4.10 Permits. Schedule 4.10 hereto sets forth a complete and accurate list of each authorization, license, certificate, certification, registration or permit issued, granted, given or otherwise made available by or under the authority of any Governmental Authority, pursuant to any Law or any business certification or licensing organization (the "Permits") that is held by the Seller or that otherwise relates to the Business or the Acquired Assets. Each Permit listed or required to be set forth in Schedule 4.10 is valid and in full force and effect. The Seller is, and at all times has been, in material compliance with all of the terms and requirements of each Permit. The Permits set forth in Schedule 4.10 collectively constitute all of the Permits necessary or advisable to permit the Buyer to lawfully conduct and operate the Business in the manner in which the Seller currently conducts and operates the Business.

4.11 Litigation. There is no pending or, to the Knowledge of the Seller, threatened Actions by or against the Seller or that otherwise relates to or may affect the Business or the Acquired Assets, and except as set forth on Schedule 4.11, no such Litigation existed at any time within the past three (3) years. No event has occurred or circumstance exists that is reasonably likely to give rise to or serve as a basis for the commencement of any such Action. There is no Action that could have a material adverse effect on the business, operations, assets, condition, or prospects of the Seller or upon the Acquired Assets.

4.12 Material Contracts. Schedule 4.12 hereto sets forth all (i) customer contracts and agreements (whether oral or written) to which the Seller is a party and which the gross amounts invoiced by the Seller exceed $5,000.00 per annum and all Material Supplier agreements; and (ii) all agreements between the Seller and any employee, officer, manager or director (collectively, the "Material Contracts"). With respect to each Assumed Contract, (a) the agreement is legal, valid, binding, enforceable and in full force and effect, (b) other than the failure to obtain any consent to assignment that may be required in connection with the transactions contemplated by this Agreement, the Seller is in full compliance with all applicable terms and requirements of such agreement, (c) to the Seller's Knowledge, each other person or entity that has or has had any obligation or liability under such agreement is, and at all times has been, in full compliance with all applicable terms and requirements of such agreement, (d) other than the failure to obtain any consent to assignment that may be required in connection with the transactions contemplated by this Agreement, no party is in breach or default thereof, and no event has occurred which with notice or lapse of time, or both, would constitute a breach or default thereof, or permit termination, modification or acceleration thereunder, and (e) no party has repudiated any provision of the agreement. The Seller has delivered to the Buyer a correct and complete copy of each Material Contract.

4.13 Labor and Employment Matters.

(a) Schedule 4.13 hereto sets forth a complete and accurate list of the following information for each employee, manager, officer and director of the Seller, including each employee on leave of absence or layoff status: name; job title; date of hiring or engagement; date of commencement of employment or engagement; current compensation paid or payable; any bonuses payable or otherwise related to such person; sick and vacation leave that is accrued but unused; if such individual is employed in the Business; and service credited for purposes of vesting and eligibility to participate under any benefit plan of the Seller or that is made available to employees of the Seller. Except as set forth in Schedule 4.13 hereto, (i) the Seller is not, nor has ever been, a party to any collective bargaining agreement or other labor contract; (ii) there has not been, there is not presently pending or existing and, to the Knowledge of the Seller there is not threatened, any strike, slowdown, picketing, work stoppage, lock out or employee grievance process involving the Seller; (iii) there is no organizational activity or other labor dispute against or affecting the Seller and has not been any in the past three (3) years; (iv) no application or petition

for an election of or for certification of a collective bargaining agent is pending with respect to the Seller; and (v) there has been no charge of discrimination filed against or, to the Knowledge of the Seller, threatened against the Seller with the Equal Employment Opportunity Commission or similar Governmental Authority.

(b) The Seller has complied in all material respects with all Laws and contracts and agreements relating to employment practices, terms and conditions of labor, employment, equal employment opportunity, nondiscrimination, immigration, wages, hours, benefits, worker classification (including proper classification of employees as exempt or non-exempt and of independent contractors as such and not employees), overtime and collective bargaining and labor relations. The Seller is not materially delinquent in payments to any of its employees for any wages, salaries, commissions, bonuses or other direct compensation for any services performed for the Seller as of the date hereof or amounts required to be reimbursed to such employees. All agreements or contracts between the Seller and any employee, officer, manager, or director of the Seller are set forth on Schedule 4.13 and all such agreements.

4.14 Benefit Plans.

(a) Schedule 4.14(a) contains a true and complete list of each pension, benefit, retirement, profit-sharing, deferred compensation, welfare, employment, severance, termination, bonus, incentive, retention, change in control, equity, equity-linked, fringe-benefit or other compensation, benefit or perquisite agreement, plan, policy, or program, whether or not written, including each "employee benefit plan" within the meaning of Section 3(3) of the Employee Retirement Income Security Act of 1974, as amended ("ERISA"), whether or not subject to ERISA, which is maintained, sponsored, contributed to, or required to be contributed to by the Seller for the benefit of any current or former employee or other service provider of the Seller or any spouse or dependent of such individual or as to which the Seller has any obligation or liability, contingent or otherwise (each, a "Benefit Plan").

(b) Each Benefit Plan and related trust agreement, annuity contract or other funding instrument complies with, and has been established, administered, operated and maintained in material compliance with its terms and any applicable Laws. There are no pending or, to the Seller's Knowledge, threatened: (i) Actions, by or on behalf of any of the Benefit Plans, by any employee or beneficiary covered under any such Benefit Plans, or otherwise involving any such Benefit Plans or the assets thereof (other than routine claims for benefits) or (ii) Actions by any Governmental Authority with respect to any Benefit Plan. All benefits accrued under any unfunded Benefit Plan have been paid, accrued or otherwise adequately reserved to the extent required by, and in accordance with, the Commonly Accepted Accounting Principles. Each Benefit Plan that is intended to meet the requirements of a "qualified plan" under Section 401(a) of the Code has received a favorable determination letter from the Internal Revenue Service (or, if it is a prototype plan, is the subject of a favorable opinion letter issued by the Internal Revenue Service) to the effect that such Benefit Plan meets the requirements of Section 401(a) of the Code, and no events have occurred that could reasonably be expected to adversely affect such qualified status. The Seller has no liability with respect to any "employee benefit plan" (as defined in Section 3(3) of ERISA) subject to Title IV of ERISA, including by reason of being treated as a single employer under Section 414 of the Code with any person or entity other than the Seller. The Seller has no current or potential obligation to provide postemployment health, life or other welfare benefits other than as required under Section 4980B of the Code or any similar applicable Law. Except as set forth on Schedule 4.14(b), the consummation of the transactions contemplated by this Agreement and any other transfer instrument, certificate, document, agreement, writing or instrument delivered pursuant to this Agreement (collectively, "Ancillary Documents") will not (A) entitle any current

or former employee or officer of the Seller to severance pay, unemployment compensation or any other payment, (B) accelerate the time of payment or vesting, or increase the amount of, compensation due any such employee or officer, or (C) result in the forfeiture of compensation or benefits under any Benefit Plan. Schedule 4.14(b) sets forth each Benefit Plan that is subject to Section 409A of the Code. Each such Benefit Plan has, since January 1, 2005, complied in all material respects in operation and form with Section 409A of the Code and the Treasury Regulations promulgated thereunder.

4.15 Customers and Suppliers. Schedule 4.15 lists the Seller's top twenty-five (25) customers and top ten (10) suppliers by dollar volume of sales or purchases during the calendar year ended December 31, 2021, and year to date through February 28, 2022 (each, a "Material Customer or Supplier"). Except as set forth on Schedule 4.15, no Material Customer or Supplier has terminated, or, to the Knowledge of the Seller Parties, intends to terminate, its business relationship with the Seller or has materially reduced, or, to the Knowledge of the Seller Parties, intends to materially reduce, the dollar volume of business it does or intends to do with the Seller from historic levels.

4.16 Intellectual Property.

(a) "Intellectual Property" means any and all of the following in any jurisdiction throughout the world: (i) trademarks and service marks, whether registered or unregistered, including all applications and registrations and the goodwill connected with the use of and symbolized by the foregoing; (ii) copyrights, whether registered or unregistered, including all applications and registrations related to the foregoing; (iii) trade secrets and confidential know-how; (iv) patents and patent applications; (v) internet domain name registrations; and (vi) other intellectual property and related proprietary rights, interests and protections (including all rights to sue and recover and retain damages, costs and attorneys' fees for past, present and future infringement and any other rights relating to any of the foregoing).

(b) Schedule 4.16(b) lists all Intellectual Property included in the Acquired Assets ("Acquired IP"). The Seller owns or has adequate, valid and enforceable rights to use all the Acquired IP, free and clear of all Liens. The Seller is not bound by any outstanding judgment, injunction, order or decree restricting the use of the Acquired IP, or restricting the licensing thereof to any person or entity. With respect to the registered Intellectual Property that is Acquired IP, (i) all such Intellectual Property is valid, subsisting and in full force and effect and (ii) the Seller has paid all maintenance fees and made all filings required to maintain the Seller's ownership thereof. For all such registered Intellectual Property, Schedule 4.16(b) lists (A) the jurisdiction where the application or registration is located, (B) the application or registration number, and (C) the application or registration date. Notwithstanding anything herein or Schedule 4.16(b), Acquired IP shall not include any software ownership or licenses including, but not limited to, software programs commonly known and utilized as QuickBooks, Big Time and Salesforce.

(c) The Seller's prior and current use of the Acquired IP has not and does not infringe, violate, dilute or misappropriate the Intellectual Property of any person or entity and there are no claims pending or threatened by any person or entity with respect to the ownership, validity, enforceability, effectiveness or use of the Acquired IP. No person or entity is infringing, misappropriating, diluting or otherwise violating any of the Acquired IP, and neither the Seller nor any Affiliate of the Seller has made or asserted any claim, demand or notice against any person or entity alleging any such infringement, misappropriation, dilution or other violation.

4.17 Insurance. Schedule 4.17 hereto sets forth a summary of all insurance policies maintained by the Seller or that provide coverage for the Seller's assets or the Business, including their coverages,

expiration dates, deductibles and limits. To the Knowledge of the Seller, all such insurance policies are valid, outstanding and enforceable and are sufficient for compliance with all Material Contracts and the operation of the Business as currently conducted. All premiums due and payable with respect to any such insurance policy have been paid. The Seller has not received any written notice of cancellation or termination or other indication that any insurance policy is no longer in full force or effect or will not be renewed. Schedule 4.17 sets forth, for the current policy year and each of the three (3) preceding policy years, claims loss or loss runs history for each such insurance policy (or equivalent that was then in effect).

4.18 Environmental Matters. Except as set forth on Schedule 4.18(a), the Seller is, and at all times in the past five (5) years has been, in compliance, in all material respects, with all environmental Laws and has not received any: (i) environmental claims or notices; or (ii) written requests for information pursuant to environmental Law, which, in each case, either remains pending or unresolved, or is the source of ongoing obligations or requirements as of the Closing. The Seller has obtained and is in material compliance with all federal, state, and local environmental Permits and approvals (each of which is listed on Schedule 4.18(b)) necessary for the ownership, lease, operation or use of the Business or assets of the Seller and all such environmental Permits and approvals are in full force and effect. No real property owned, operated or leased by the Seller in the past five (5) years is listed on, or has been proposed for listing on, the National Priorities List (or CERCLIS) under the Comprehensive Environmental Response, Compensation, and Liability Act of 1980, as amended by the Superfund Amendments and Reauthorization Act of 1986, 42 U.S.C. §§ 9601 et seq, or any similar state list ("CERCLA"). The Seller is not and has not been an arranger, handler, owner, operator, treater, storer, transporter, generator or disposer of hazardous waste under the Resource Conservation and Recovery Act, CERCLA, or any other Law. The Seller has removed and properly disposed of any and all hazardous, infectious, radioactive, asbestos, industrial and manufacturing, and construction demolition waste and debris stored at or associated with the business along with any equipment that is contaminated with the aforementioned waste or materials prior to the Closing. Except as set forth on Schedule 4.18(a), in the past five (5) years there has been no release of any hazardous materials in contravention of environmental Law with respect to the Business or assets of the Seller or any real property owned, operated or leased by the Seller during such period, and the Seller has not received an environmental notice that any real property owned, operated or leased during such period in connection with the Business (including soils, groundwater, surface water, buildings and other structure located on any such real property) has been contaminated with any hazardous material which would reasonably be expected to result in an environmental claim against, or a material violation of environmental Law or term of any environmental Permit by, the Seller. The Seller has made available to the Buyer true and complete copies of all sampling results, environmental or safety audits or inspections, or other written reports or documents concerning environmental, health or safety issues pertaining to the Real Estate, to the extent the same are in the Seller's or its Affiliates' possession.

4.19 Affiliate Transactions. Neither the Seller nor any of its shareholders, affiliates, directors or officers or their family members (collectively, "Affiliates") owns or has owned, of record or as a beneficial owner, an equity interest or any other financial or profits interest in any person or entity that has: (a) had business dealings with the Seller (and each such business dealing has been conducted in the ordinary course of business at substantially prevailing market prices and on substantially prevailing market terms) or (b) engaged in competition with the Seller. The Seller does not have, and in the past three (3) years has not had, any contractual relationship (other than with employees solely for the purposes of employment with the Seller) with any equity holder of the Seller or any of its Affiliates.

4.20 Broker's Fees. The Seller Parties do not, nor do any of their Affiliates, have any liability or obligation to pay any fees or commissions to any broker, finder or agent with respect to the transactions contemplated by this Agreement for which the Buyer could become liable or obligated.

4.21 Disclosure. Except as set forth in this Article 4, neither the Seller nor any of its agents, employees, Affiliates, or other representatives have made, nor are any of them making any representation or warranty, express or implied, in respect of the Seller or the Business, and any other representations or warranties are hereby expressly disclaimed.

ARTICLE 5
REPRESENTATIONS AND WARRANTIES OF BUYER

The Buyer represents and warrants to the Seller that the following statements are true and correct as of the Closing:

5.1 Organization and Good Standing. The Buyer is a corporation duly organized and validly existing under the laws of the State of Indiana.

5.2 Authorization. The Buyer has full corporate power and company authority to execute and deliver this Agreement and to perform its obligations hereunder. The execution, delivery and performance of this Agreement have been duly authorized by all necessary corporate action on the part of the Buyer.

5.3 Validity; Binding Effect. This Agreement has been duly and validly executed and delivered by the Buyer. This Agreement constitutes a valid and legally binding obligation of the Buyer, enforceable against the Buyer in accordance with its terms.

5.4 Noncontravention. The execution, delivery and performance of this Agreement by the Buyer, the consummation of the transactions contemplated by this Agreement and the compliance with or fulfillment of the terms and provisions hereof or of any other agreement or instrument contemplated hereby, do not and shall not (a) conflict with or result in a breach of any of the provisions of the Articles of Incorporation or the Bylaws of the Buyer; (b) contravene any Law which affects or binds the Buyer or any of its properties; or (c) require the Buyer to obtain the approval, consent or authorization of, or to make any declaration, filing or registration with, any third party or any Governmental Authority which has not been obtained in writing.

5.5 Broker's Fees. The Buyer does not, nor does any of its Affiliates, have any liability or obligation to pay any fees or commissions to any broker, finder or agent with respect to the transactions contemplated by this Agreement for which the Seller could become liable or obligated.

ARTICLE 6
COVENANTS

6.1 Employees and Employee Benefits.

(a) Employment of Employees by Buyer. The Buyer may (in its sole discretion), but is not obligated to, offer to hire each person employed by the Seller in the Business on the Closing Date (each a "Transferred Employee"). Subject to applicable Law, the Buyer will have reasonable access to personnel records (including performance appraisals, disciplinary actions and grievances) of the Seller for all such persons. Effective immediately before Closing, the Seller will terminate the employment of all such persons that the Buyer agrees to hire. Any employment offered by the Buyer is "at will" and may be terminated by the Buyer or by an employee at any time for any reason (subject to any written commitments to the contrary made by the Buyer or an employee and applicable Law). Nothing in this Agreement shall be deemed to prevent or restrict in any way the right of the Buyer to terminate, reassign, promote or demote any such person after the Closing or to change adversely or favorably the title, powers, duties, responsibilities, functions, locations,

salaries, employee benefits, other compensation or terms or conditions of employment of such persons.

(b) Salaries and Benefits. The Seller shall be responsible for the payment of, and shall pay, all wages and other remuneration and/or compensation due to its employees with respect to their services as employees of the Seller through the close of business on the Closing Date, bonus payments (including without limitation any stay bonuses), the payment of any termination, severance or stay-bonus payments, and the provision of health plan continuation coverage in accordance with the requirements of the Consolidated Omnibus Budget Reconciliation Act of 1985, as amended (and the regulations and other guidance promulgated thereunder), and Sections 601 through 608 of ERISA. The Seller shall remain solely responsible for all workers' compensation claims of any current or former employees, directors, independent contractors or consultants which relate to events occurring on or prior to the Closing Date. The Seller shall also be liable for any claims made or incurred by their employees, directors, independent contractors or consultants or the spouses, dependents or beneficiaries thereof through the Closing Date under the benefit plans of Seller. For purposes of the immediately preceding sentence, a charge will be deemed incurred, in the case of hospital, medical or dental benefits, when the services that are the subject of the charge are performed and, in the case of other benefits (such as disability or life insurance), when an event has occurred or when a condition has been diagnosed that entitles the employee to the benefit. The Seller shall pay, or cause to be paid, all such amounts to the appropriate persons as and when due.

6.2 Customer and Other Business Relationships. Following the Closing, the Seller and its officers, employees, and agents will (a) reasonably cooperate with the Buyer to obtain any consents required under the Assumed Contracts and (b) refer to the Buyer all inquiries relating to the Business. Following the Closing: (i) the Buyer shall have the right to receive all payments related to the Acquired Assets or under the Assumed Contracts, and the Seller shall promptly deliver to the Buyer any and all payments received by the Seller related to the Acquired Assets or under the Assumed Contracts or otherwise related to the Business as operated by the Buyer after the Closing; and (ii) the Seller shall be required to pay, settle and discharge all accounts payable or other liabilities that are Excluded Liabilities.

6.3 Restrictive Covenants. In consideration of the sale of the Acquired Assets and in order to protect the value of the Business after the Closing, the Seller Parties hereby acknowledge, covenant and agree as follows:

(a) During the Restricted Period, the Seller Parties shall not (and shall cause their Affiliates, not to) directly or indirectly, invest in, own, manage, operate, finance, control, advise, render services to, provide financial assistance to or guarantee the obligations of any person or entity engaged in or planning to become engaged in the Business anywhere in the Restricted Territory; provided, however, that the Seller Parties may purchase or otherwise acquire up to (but not more than) five percent (5%) of any class of the securities of any entity (but may not otherwise participate in the activities of such entity) engaged in the Business if such securities are listed on any national or regional securities exchange or have been registered under Section 12(g) of the Securities Exchange Act of 1934, as amended.

For purposes of this Section 6.3, (i) "Restricted Period" means the period commencing on the Closing Date and expiring on the second (2nd) anniversary of this Agreement (which shall be extended by the length of any period during which a Restricted Party is in violation of this Section 6.3), and (ii) "Restricted Territory" means anywhere in the areas described on Exhibit E hereto.

(b) During the Restricted Period, the Seller Parties shall not (and shall cause their Affiliates, not to) directly or indirectly (i) solicit any customer that was a party to an Assumed Contract for the purpose of selling or providing any competitive Business products or services, or (ii) sell or provide any products or services, that are competitive Business's products or services, to any such customer.

(c) During the Restricted Period, the Seller Parties shall not (and shall cause their Affiliates, not to), directly or indirectly, hire, employ, engage or solicit the employment or engagement of any individual that was employed by Seller immediately prior to the Closing and who is employed in the Business by Buyer after the Closing.

(d) The Seller Parties shall not (and it shall cause their Affiliates, not to), directly or indirectly, disparage, denigrate or make any inaccurate, untruthful or incorrect statement (whether verbally, in writing, electronically, through social media, by word or by gesture, or through any other means of communication) about Buyer, the Business or any of its employees, agents, Affiliates or representatives.

6.4 Confidentiality. The Seller hereby (a) acknowledges and agrees that prior to the consummation of the transactions contemplated by this Agreement that it has had access to trade secrets and other information which is confidential with respect to the Acquired Assets and valuable to the operation of the Business (the "Confidential Information"), and (b) understands the necessity of keeping the Confidential Information confidential and secret. The Seller will hold the Confidential Information in confidence, unless required to disclose such Confidential Information by judicial or administrative process or by other legal requirement, including, without limitation, any disclosures required by the rules of the U.S. Securities and Exchange Commission or any United States stock exchange.

6.5 Remedies. Without limiting the right of the Buyer to pursue all other legal or equitable remedies available for any violation of Section 6.3 or Section 6.4 and to recover its legal fees and expenses, the Parties agree that monetary damages are inadequate for such violation given the unique nature of the Business, and that the Buyer shall be entitled to injunctive relief to prevent violation or continuing violation thereof and that no bond or other security shall be required in connection therewith. It is the intent and understanding of each Party hereto that if, in any action before any court or agency legally empowered to enforce Section 6.3 or Section 6.4 any term, restriction, covenant or promise is found to be unreasonable and for that reason unenforceable, then such term, restriction, covenant or promise shall be deemed modified to the minimum extent necessary to make it enforceable by such court or agency. Nothing herein shall be construed as prohibiting the Buyer from pursuing any other remedies at Law or in equity which it may have. The Seller acknowledges and agrees that the existence of any claim or cause of action by any of them against the Buyer shall not relieve any of the Seller Parties of their obligations under this Agreement and otherwise shall not operate as a defense to the enforcement of this Agreement.

6.6 Books and Records. Following the Closing, each Party will afford the other Party, and the other Party's counsel and accountants, during normal business hours, reasonable access to and assistance from each Party's accountants, accounting firm, or other financial advisors, and to the books, records and other data in each Party's possession or control (including without limitation accounting, Tax and financial records) relating to the Business with respect to periods prior to the Closing and the right to make copies and extracts therefrom, to the extent that such access may be reasonably desired by a Party in connection with: (a) the preparation of Tax Returns; (b) the determination or enforcement of rights and obligations under this Agreement, including by any Buyer Indemnified Person or Seller Indemnified Person; (c) compliance with the requirements of any Governmental Authority; or (d) in connection with any actual or threatened Action.

6.7 Information Technology and Digital Records. Following the Closing, the Seller will afford the Buyer and its counsel, during normal business hours, reasonable access at the Seller's expense to Seller's digital books, records and other data in the Seller's possession or control relating to electronically stored data, information and systems (including without limitation records of the Seller's data collection and security policies) of the Business with respect to periods prior to the Closing and the right to make copies and extracts therefrom. The Seller shall, or at the Seller's expense engage a third party technology consultant, to transfer all of Seller's digital books, records, and other data to the Buyer (the "IT Transition"). In connection with the IT Transition, the Seller shall provide the Buyer with access to the Seller's website (to have website traffic directed to the Buyer's website and to the extent the Seller's website is viewed by the public containing a disclosure that Buyer purchased the assets of Seller) for a period of one (1) year and the use of Seller's email accounts for a period of six (6) months following the Closing. Notwithstanding the foregoing, (i) the Seller shall not be obligated to pay for the IT Transition for a period longer than six (6)months after the Closing and (ii) Buyer may not utilize the 'Comstock' name after Closing for any public, marketing, or advertising purposes excepting disclosures that Buyer purchased the assets of Seller. For a period of two (2) years following the Closing, Seller shall forward all e-mails sent on Seller's e-mail accounts to Buyer.

6.8 Cease Using Name. After the Closing, the Seller shall not operate any business under the name "Comstock Environmental Services".

6.9 Cooperation. If any further action is necessary or desirable to carry out the purposes of this Agreement, each of the Parties will take such further action (including the execution and delivery of such further instruments and documents) as any other Party reasonably may request, all at the sole cost and expense of the requesting Party (unless the requesting Party is entitled to indemnification therefor under Article 7 below). After the Closing, in the event and for so long as any Party actively is contesting or defending against any third-party action, suit, proceeding, hearing, investigation, charge, complaint, claim, or demand in connection with (a) any transaction contemplated under this Agreement or (b) any fact, situation, circumstance, status, condition, activity, practice, plan, occurrence, event, incident, action, failure to act, or transaction that existed on or prior to the Closing Date involving the Seller, the other Party(ies) will reasonably cooperate with such Party and such Party's counsel in the contest or defense, make available their personnel, and provide such testimony and access to their books and records as is reasonably necessary in connection with the contest or defense, all at the sole cost and expense of the contesting or defending Party (unless the contesting or defending Party is entitled to indemnification therefor under Article 7). This provision will be inapplicable to any direct claims between Seller and the Buyer.

6.10 Operation of Business After the Closing. The Parties hereto acknowledge that certain Permits required or desirable for the operation of the Business after the Closing may not be transferable by the Seller to the Buyer at the Closing, or may not be obtainable by the Buyer until after the Closing, and that transfer of or application for any such Permits may require the Seller to sign certain documents, affidavits and certifications. As and when requested from time to time by the Buyer until any such Permits are transferred to or obtained by the Buyer, the Seller shall, in accordance with applicable Laws, use commercially reasonable efforts (a) to provide all necessary and lawful cooperation for the voluntary transfer or surrender of any such Permits, assets or contracts or the use of any such Permits for the operation of the Business by the Buyer after the Closing; and (b) to facilitate the Buyer's successful application for any such Permit. In the event Seller seeks to recover amounts due under Contracts consistent with the terms of this Agreement and through the course of Seller's final audits, Buyer shall provide reasonable cooperation efforts to Seller in coordination with such activities including, but not limited to, access to and coordination efforts with employees listed in Schedule 3.2(m) of this Agreement.

ARTICLE 7
INDEMNIFICATION AND REMEDIES

7.1 Indemnification and Reimbursement by Seller. Subject to the limitations and other provisions of this Agreement, the Seller Parties jointly and severally shall indemnify, defend and hold harmless the Buyer, and its officers, directors, managers, employees, equity holders, representatives, agents, subsidiaries and Affiliates (collectively, the "Buyer Indemnified Persons"), and will reimburse the Buyer Indemnified Persons for any loss, liability, claim, damage, expense whatsoever (including reasonable costs of investigation and defense and reasonable professional and attorney fees and expenses) and whether direct, between, or among the Parties or with respect to any third party (collectively, "Damages"), arising from, related to or in connection with: (a) any inaccuracy or breach of any representation or warranty made by any of the Seller Parties in this Agreement; (b) any breach of any covenant or obligation of the Seller in this Agreement; (c) the Seller's ownership or operation of the Acquired Assets and the Business prior to the Closing; (d) the Excluded Assets; (e) the Excluded Liabilities; (f) any failure of the Seller to comply with, or any other liability arising under or in connection with, the Worker Adjustment Retraining and Notification Act, or any similar Laws; and (g) any and all Actions, claims, demands, assessments, judgments, costs and expenses (including interest, penalties, reasonable legal fees and accounting fees) related to the foregoing clauses (a) through (f), inclusive, and the enforcement of the provisions of this Section 7.1.

7.2 Indemnification and Reimbursement by Buyer. Subject to the limitations and other provisions of this Agreement, the Buyer will indemnify, defend and hold harmless the Seller and its officers, directors, managers, employees, equity holders, representatives, agents, subsidiaries and Affiliates (collectively, the "Seller Indemnified Persons"), and will reimburse the Seller Indemnified Persons for any Damages arising from, related to or in connection with: (a) any inaccuracy or breach of any representation or warranty made by the Buyer in this Agreement; (b) any breach of any covenant or obligation of the Buyer in this Agreement; (c) the Assumed Liabilities; and (d) any and all Actions, claims, demands, assessments, judgments, costs and expenses (including interest, penalties, reasonable legal fees and accounting fees) related to the foregoing clauses (a) through (c), inclusive, and the enforcement of the provisions of this Section 7.2.

7.3 Limitations. All representations and warranties made by any Party in this Agreement shall survive the Closing for eighteen (18) months, at which time they shall expire and be of no further force and effect, other than the representations and warranties set forth in Sections 4.1, 4.2, 4.3, 4.4, the first sentence of 4.6, 4.8, 4.14, 4.18, 4.20, 5.1, 5.2, 5.3, 5.4, and 5.5, which shall survive the Closing until the date that is sixty (60) days after the expiration of the applicable statute of limitations, at which time they shall expire and be of no further force and effect (representations and warranties listed in the immediately forgoing exceptions clause, each a "Fundamental Representation and Warranty"). Notwithstanding the foregoing sentence, if a written notice regarding the inaccuracy or breach of any representation or warranty shall have been timely delivered as required by this Article 7 on or prior to the applicable expiration date, such representation and warranty shall survive with respect to such claim until the related claim for indemnification has been satisfied or otherwise resolved as provided in this Article 7. The covenants contained in this Agreement shall survive until fully performed. In no event shall the Buyer Indemnified Persons be entitled to indemnification under Section 7.1(a) (other than with respect to claims for the inaccuracy or breach of a Fundamental Representation and Warranty to which the following limitation shall not apply) until the aggregate amount of all Damages in respect of the matters described in Section 7.1(a) exceeds $35,000.00 (the "Basket"). Once the Basket is exceeded, then the Buyer Indemnified Persons shall be entitled to pursue recovery of all such Damages in excess of the Basket; provided that, in no event shall the Buyer Indemnified Persons be entitled to indemnification under Section 7.1(a) for the inaccuracy or breach of a representation or warranty (other than with respect to claims for the inaccuracy or breach of a Fundamental Representation and Warranty to which the following limitation shall not apply) if the

aggregate amount of all Damages in respect of the matters described in Section 7.1(a) (other than with respect to claims for the inaccuracy or breach of a Fundamental Representation and Warranty) exceeds $300,000.00. The aggregate amount required to be paid by the Seller Indemnified Persons pursuant to Section 7.1(a) as a result of Damages from Seller's breach of or inaccuracy in Fundamental Representations and Warranties and as a result of Damages arising under Sections 7.1(b) through (f) shall not exceed the Purchase Price. For purposes of determining the amount of Damages and for determining whether a representation or warranty has been breached or is inaccurate, in connection with a claim under Section 7.1(a), for the inaccuracy or breach of a representation or warranty containing any material or materiality or other similar qualification, such material or materiality or similar qualifier shall not be considered. The Parties acknowledge and agree that their sole and exclusive remedy with respect to any and all claims for any breach of any representation, warranty, covenant, agreement or obligation set forth herein, shall be pursuant to the indemnification provisions set forth in this Article 7; provided that, for purposes of clarity, the foregoing shall not apply to any of the Ancillary Documents. Notwithstanding the foregoing sentence, nothing in this Article 7 shall limit any person or entity's right to seek and obtain any equitable relief to which it shall be entitled. Notwithstanding anything else to the contrary, (a) nothing in this Article 7 shall limit in any way any Party's ability to make, or recover for, any claim for fraud, willful misconduct or intentional misrepresentation related to this Agreement or the transactions contemplated hereby; and (b) no adjustments, if any, required to be paid by the Seller under Section 2.2 of this Agreement shall be counted against, or taken into account with respect to, the Basket or indemnification caps set forth in this Section 7.3.

7.4 Effect of Investigation. Each Buyer Indemnified Person's right to indemnification or other remedy based on the representations, warranties, covenants and agreements of the Seller contained in this Agreement will not be affected by any investigation conducted by the Buyer with respect to, or any knowledge acquired by the Buyer at any time, with respect to the accuracy or inaccuracy of or compliance with, any such representation, warranty, covenant or agreement.

7.5 Tax Treatment of Indemnification Payments. All indemnification payments made by the Seller Parties under this Agreement shall be treated by the Parties as an adjustment to the Purchase Price for Tax purposes, unless otherwise required by Law.

7.6 Mitigation. Each Indemnified Party shall use commercially reasonable efforts to mitigate any Damages which are the subject of claims under this Agreement upon and after becoming aware of any facts or circumstances that would reasonably be expected to result in any Damages that are indemnifiable hereunder.

7.7 No Double Recovery. Notwithstanding any provision of this Agreement to the contrary, no Indemnified Party shall be entitled to double recovery for any Damages resulting from a state of facts or circumstances constituting the breach of more than one of the representations, warranties, covenants, agreements and obligations of the Indemnifying Party in this Agreement. The Seller shall not have any liability or obligation with respect to any claim for indemnification to the extent that the Damages related to such matter actually served to reduce the amount of Actual Net Working Capital pursuant to Section 2.2 of this Agreement.

7.8 Insurance Proceeds. Payments by an Indemnifying Party pursuant to this Article 7 in respect of any Damages shall be limited to the amount that remains after deducting therefrom any insurance proceeds paid to and actually received by the Indemnified Party (or its Affiliates) and any indemnity, contribution or other similar payment paid to and actually received by the Indemnified Party (or its Affiliates) in respect of any such claim to the extent specifically identifiable to an indemnification obligation of the Indemnifying Party (net of costs of collection resulting from making any claim thereunder and taking into account any deductible or retention amount paid or payable). The Indemnified Party shall

not be required to pursue recovery of such amounts prior to seeking indemnification under this Article 7, but shall use its commercially reasonable efforts to recover under insurance policies or indemnity, contribution or other similar agreements for any Damage specifically identifiable to an indemnification obligation of the Indemnifying Party.

7.9 Recourse First against Indemnity Escrow Amount. In the case of any indemnification claim by a Buyer Indemnified Person against the Seller, the Buyer Indemnified Person shall, to the extent there are sufficient amounts in the Escrow Fund, be required to first seek recourse against the Indemnity Escrow Amount, with the balance of any claim for Damages being satisfied directly by the Seller Parties.

7.10 Right to Defend. Promptly after acquiring knowledge of any loss, action, suit, investigation, proceeding, demand, assessment, audit, judgment, or claim brought by a person or entity that is not a party to this Agreement (each a "Third Party Claim") to which it may be liable, any party entitled to indemnification hereunder (the "Indemnified Party") shall give to the party obligated to indemnify hereunder (the "Indemnifying Party") prompt written notice thereof; provided, that the failure to so notify such Indemnifying Party will not relieve such Indemnifying Party of its obligations under this Article 7, except to the extent that the Indemnifying Party demonstrates that the defense of such Third Party Claim is prejudiced by the Indemnified Party's failure to give such claim notice. Each Indemnifying Party shall, at its own expense, promptly defend, contest or otherwise protect against any Third Party Claim against which it has agreed to indemnify any Indemnified Party, and each Indemnifying Party shall receive from the Indemnified Party all necessary and reasonable cooperation in said defense, including, but not limited to, the services of employees of the Indemnified Party who are familiar with the transactions out of which any such damage, loss, deficiency, liability, claim, encumbrance, penalty, cost, expense, action, suit, investigation, proceeding, demand, assessment, audit, judgment or claim may have arisen. The Indemnifying Party shall have the right to control the defense of any such third party proceeding unless it is relieved of its liability hereunder with respect to such defense by the Indemnified Party, and except for claims involving (i) non-monetary Damages sought against the Indemnified Party; or (ii) criminal allegations. The Indemnifying Party shall have the right, at its option, and, unless so relieved, to compromise or defend, at its own expense by its own counsel, any such matter involving the asserted liability to a third party of the Indemnified Party involving monetary damages but may not compromise or settle any matter involving equitable or injunctive recourse against the Indemnified Party without such party's written consent. In the event that the Indemnifying Party shall undertake to compromise or defend any such asserted liability, it shall promptly notify the Indemnified Party of its intention to do so. In the event that an Indemnifying Party, after written notice of a Third Party Claim from an Indemnified Party, fails to take timely action to defend the same, the Indemnified Party shall have the right to defend the same by counsel of its own choosing, but at the cost and expense of the Indemnifying Party. In such an event, the Indemnified Party shall not compromise any such asserted liability without the written consent of the Indemnifying Party, such consent not to be unreasonably withheld, conditioned, or delayed.

ARTICLE 8
GENERAL PROVISIONS

8.1 Expenses. Except as provided for in Section 6.5 and Article 7, each Party will bear its respective expenses incurred in connection with the preparation, execution, and performance of this Agreement, including all fees and expenses of agents, representatives, counsel and accountants. The Buyer shall timely and fully pay any and all transfer and sales Taxes resulting from the sale of the Acquired Assets from the Seller to the Buyer, or the assumption of the Assumed Liabilities by the Buyer, as contemplated by this Agreement; provided, however, that Seller agrees to promptly reimburse the Buyer for 50% of any such transfer and sales Taxes but only up to a maximum Seller reimbursement amount of $10,000.00.

8.2 Public Announcements. Any public announcement or similar publicity with respect to this Agreement will be issued, if at all at such time and in such manner as the Buyer and the Seller mutually determine. Unless consented to by the Parties in writing, the Parties shall keep this Agreement and the transactions consummated hereby strictly confidential and may not make any disclosure of this Agreement to any person or entity; provided, however, that the (x) Parties may disclose the terms of this Agreement to their accountants, attorneys and similar professionals, who have an obligation to maintain the confidentiality of such information, as necessary for tax returns, to enforce their rights under this Agreement or the Ancillary Documents, and for similar purposes, and (y) Seller and its Affiliates may make any disclosures necessary to comply with the SEC disclosure obligations or the rules of any United States stock exchange. The Seller and the Buyer shall consult with each other concerning the means by which the Seller's employees, customers, and suppliers and others persons or entities having dealings with the Seller will be informed of the transactions contemplated herein.

8.3 Notices. All notices, requests, demands, claims, and other communications hereunder will be in writing. Any notice, request, demand, claim, or other communication hereunder shall be deemed duly given (a) when delivered personally to the recipient, (b) when sent by electronic mail or facsimile, on the date of transmission to such recipient (with, in the case of electronic mail, the sender not receiving an undeliverable message in connection with sending such electronic mail message or with, in the case of facsimile, receipt by the sender thereof of a confirmation of transmission), (c) one (1) Business Day after being sent to the recipient by reputable overnight courier service (charges prepaid), or (d) four (4) Business Days after being mailed to the recipient by certified mail, return receipt requested and postage prepaid, and addressed to the intended recipient, and in the case of clauses (b) through (d) above when sent or mailed to the recipient pursuant to the contact information for such recipient set forth on the signature pages of this Agreement, which contact information may be modified by a party hereto providing written notice of such modification to all other Parties pursuant to this Section 8.3. "Business Day" means any day except Saturday, Sunday or any other day on which commercial banks located in Conshohocken, Pennsylvania are authorized or required by Law to be closed for business.

8.4 Governing Law. This Agreement shall be governed by and construed under the laws of the Commonwealth of Pennsylvania without regard to conflict of law principles.

8.5 Waiver. The rights and remedies of the Parties are cumulative and not alternative. Neither the failure nor any delay by any Party in exercising any right, power, or privilege under this Agreement or the other documents and instruments referred to in this Agreement will operate as a waiver of such right, power, or privilege, and no single or partial exercise of any such right, power, or privilege will preclude any other or further exercise of such right, power, or privilege. To the maximum extent permitted by applicable Law, (a) no claim or right arising out of this Agreement or the documents referred to in this Agreement can be discharged by one Party, in whole or in part, by a waiver or renunciation of the claim or right unless in writing signed by the other Party; (b) no waiver that may be given by a Party will be applicable except in the specific instance for which it is given; and (c) no notice to or demand on one Party will be deemed to be a waiver of any obligation of such Party or of the right of the Party giving such notice or demand to take further action without notice or demand as provided in this Agreement or the other documents and instruments referred to in this Agreement.

8.6 Entire Agreement; Modification. This Agreement (together with the Schedules, Exhibits and the other documents, agreements and instruments referenced herein) supersedes all prior agreements between the Parties with respect to its subject matter (including that certain Term Sheet, dated December 1, 2021, by and between the Seller and Buyer), and constitutes a complete and exclusive statement of the terms of the agreement between the Parties with respect to the subject matter contained herein. This Agreement may not be amended except by a written agreement executed by all Parties that will be burdened by such amendment.

8.7 Assignments, Successors, and No Third Party Rights. No Party may assign any of its rights under this Agreement without the prior written consent of the other Party, except that the Buyer may so long as it remains liable for its obligations under this Agreement (a) collaterally assign this Agreement to any of its lenders; (b) assign its rights and obligations under this Agreement to a wholly-owned subsidiary; and (c) assign its rights and obligations under this Agreement to any successor-in-interest, whether by merger, sale of assets or otherwise. Subject to the preceding sentence, this Agreement will apply to, be binding in all respects upon, and inure to the benefit of the permitted successors and assigns of the Parties. Other than with respect to the Buyer Indemnified Persons and Seller Indemnified Persons as contemplated by Article 7, who are expressly intended to be, and hereby are made, third party beneficiaries of the provisions of Article 7, nothing expressed or referred to in this Agreement will be construed to give any person or entity other than the Parties any legal or equitable right, remedy, or claim under or with respect to this Agreement or any provision of this Agreement.

8.8 Severability. The provisions of this Agreement are severable and shall be separately construed. If any provision of this Agreement is held invalid or unenforceable by any court of competent jurisdiction, the other provisions of this Agreement will remain full force and effect. Any provision of this Agreement held invalid or unenforceable only in part or degree will remain in full force and effect to the extent not held invalid or unenforceable.

8.9 Section Headings; Construction. The headings of the Articles and Sections in this Agreement are provided for convenience only and will not affect the construction or interpretation of this Agreement. All references to "Section" or "Sections" refer to the corresponding Section or Sections of this Agreement. All words used in this Agreement will be construed to be of such gender or number as the circumstances require. Unless otherwise expressly provided, the word "including" does not limit the preceding words or terms. If any payment is required to be made, or other action (including the giving of notice) is required to be taken, pursuant to this Agreement on a day which is not a Business Day, then such payment or action shall be considered to have been made or taken in compliance with this Agreement if made or taken on the next succeeding Business Day. In this Agreement, a period of days shall be deemed to begin on the first day after the event that began the period and to end at 5:00 p.m. (local time, Indianapolis, Indiana) on the last day of the period. If any period of time is to expire hereunder on any day that is not a Business Day, the period shall be deemed to expire at 5:00 p.m. (local time, Conshohocken, Pennsylvania) on the next succeeding Business Day. Each Party represents and agrees that: it has had the opportunity to be represented by independent counsel of its own choosing, it or its authorized officers or directors (as applicable) have carefully read and fully understand this Agreement in its entirety, it is fully aware of the contents of this Agreement and its meaning, intent and legal effect. This Agreement is the product of negotiations between the Parties and any rules of construction relating to interpretation against the drafter of an agreement shall not apply to this Agreement and are expressly waived by each Party. The terms "Knowledge of the Seller", "Knowledge of the Seller Parties", or words of similar import mean the actual knowledge of David White, Chris Guthrie, Jon Buzan, John Krinis, and Robert Scott after reasonable due inquiry.

8.10 Counterparts. This Agreement may be executed in one or more counterparts, each of which will be deemed to be an original copy of this Agreement and all of which, when taken together, will be deemed to constitute one and the same agreement. Facsimile or electronic transmission of a counterpart hereto shall be deemed an original hereof.

[Signature Page Follows]

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

"*Buyer*"

AUGUST MACK ENVIRONMENTAL, INC.

By: _____
Geoffrey A. Glanders, President

August Mack Environmental, Inc.
1302 North Meridian Street, Suite 300
Indianapolis, Indiana 46202
Facsimile: (317) 916-8000
Email: gglanders@augustmack.com
Attn: Geoffrey A. Glanders

with a copy to:
Taft Stettinius & Hollister LLP
One Indiana Square, Suite 3500
Indianapolis, Indiana 46204
Facsimile: (317) 713-3699
Email: bschwer@taftlaw.com
Attn: Brad Schwer

"*Seller*"

COMSTOCK ENVIRONMENTAL SERVICES, LLC,
a Virginia limited liability company

By: CHCI Capital Management, LC, a Virginia limited liability company
Manager

By: Comstock Holding Companies, Inc., a Delaware Corporation
Its Manager

By:_____
Name: Christopher Clemente
Title: Chief Executive Officer

See under CHCI below for Seller notice

"*CHCI*"

COMSTOCK HOLDING COMPANIES, INC., a Delaware corporation

By:_____
Name: Christopher Clemente
Title: Chief Executive Officer

Comstock Holding Companies, Inc.
Reston Station
1900 Reston Metro Plaza, Tenth Floor
Reston, Virginia 20190
Facsimile: N/A
Email: JThompson@comstockcompanies.com
Attn: Jubal R. Thomson, Executive Vice President and General Counsel

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

"*Buyer*"

AUGUST MACK ENVIRONMENTAL, INC.

By: _____
Geoffrey A. Glanders, President

August Mack Environmental, Inc.
1302 North Meridian Street, Suite 300
Indianapolis, Indiana 46202
Facsimile: (317) 916-8000
Email: gglanders@augustmack.com
Attn: Geoffrey A. Glanders

with a copy to:
Taft Stettinius & Hollister LLP
One Indiana Square, Suite 3500
Indianapolis, Indiana 46204
Facsimile: (317) 713-3699
Email: bschwer@taftlaw.com
Attn: Brad Schwer

"*Seller*"

COMSTOCK ENVIRONMENTAL SERVICES, LLC,
a Virginia limited liability company

By: CHCI Capital Management, LC, a Virginia limited liability company
Manager

By: Comstock Holding Companies, Inc., a Delaware Corporation
Its Manager

By:_____
Name: Christopher Clemente
Title: Chief Executive Officer

APPR. BY LEGAL

See under CHCI below for Seller notice

"*CHCI*"

COMSTOCK HOLDING COMPANIES, INC., a Delaware corporation

By:_____
Name: Christopher Clemente
Title: Chief Executive Officer

Comstock Holding Companies, Inc.
Reston Station
1900 Reston Metro Plaza, Tenth Floor
Reston, Virginia 20190
Facsimile: N/A
Email: JThompson@comstockcompanies.com
Attn: Jubal R. Thomson, Executive Vice President and General Counsel

Exhibit A

Escrow Agreement

See attached.

ESCROW AGREEMENT

THIS ESCROW AGREEMENT (the "Agreement") dated effective as of March 31, 2022 (the "Effective Date"), is by and among August Mack Environmental, Inc., an Indiana corporation ("Purchaser"), Comstock Environmental Services, LLC, a Virginia limited liability company ("Seller"), and U.S. Bank National Association, a national banking association, as escrow agent hereunder ("Escrow Agent").

BACKGROUND

A. Purchaser and Seller have entered into that certain Asset Purchase Agreement dated as of March 30, 2022 (the "Purchase Agreement"), pursuant to which Purchaser is purchasing substantially all of the assets and certain liabilities of Seller used in the operation of Seller's environmental engineering, environmental consulting, and tank construction business. The Purchase Agreement provides that Purchaser shall deposit on behalf of Seller the Escrow Fund (defined below) in a segregated escrow account to be held by Escrow Agent for the purpose of post-closing working capital adjustments and indemnifications that may become due to Purchaser pursuant to the Purchase Agreement.

B. Escrow Agent has agreed to accept, hold, and disburse the funds deposited with it and any earnings thereon in accordance with the terms of this Agreement.

C. Purchaser and Seller have appointed the Representatives (as defined below) to represent them for all purposes in connection with the funds to be deposited with Escrow Agent and this Agreement.

D. Purchaser and Seller acknowledge that (i) Escrow Agent is not a party to and has no duties or obligations under the Purchase Agreement, (ii) all references in this Agreement to the Purchase Agreement are solely for the convenience of Purchaser and Seller, and (iii) Escrow Agent shall have no implied duties beyond the express duties set forth in this Agreement.

NOW THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto, for themselves, their successors and assigns, hereby agree as follows:

1. Definitions. The following terms shall have the following meanings when used herein:

"Adjustment Escrow Amount" means Two Hundred Fifty Thousand and No/100 Dollars ($250,000.00).

"Business Day" means any day, other than a Saturday, Sunday or legal holiday, on which Escrow Agent at its location identified in Section 15 is open to the public for general banking purposes.

"Claim Notice" has the meaning set forth in Section 6(a).

"Escrow Fund" means the Adjustment Escrow Amount and the Indemnity Escrow Amount, together with any interest and other income thereon.

"Escrow Period" means the period commencing on the date hereof and ending at the close of Escrow Agent's Business Day on the second (2nd) anniversary of the Effective Date unless earlier terminated pursuant to this Agreement.

"Final Order" means a final and nonappealable order of a court of competent jurisdiction (an "Order"), which Order is delivered to Escrow Agent accompanied by a written instruction from Purchaser or Seller given to effectuate such Order and confirming that such Order is final, nonappealable and issued by a court of competent jurisdiction, and Escrow Agent shall be entitled to conclusively rely upon any such confirmation and instruction and shall have no responsibility to review the Order to which such confirmation and instruction refers.

"Indemnified Party" has the meaning set forth in Section 11.

"Indemnity Claim" has the meaning set forth in Section 6(a).

"Indemnity Escrow Amount" means One Hundred Fifty Thousand and No/100 Dollars ($150,000.00).

"Joint Written Direction" means a written direction executed by a Purchaser Representative and a Seller Representative, delivered to Escrow Agent in accordance with Section 15 and directing Escrow Agent to disburse all or a portion of the Escrow Fund or to take or refrain from taking any other action pursuant to this Agreement.

"Purchaser Representative" means the person(s) so designated on Schedule B hereto or any other person designated in a writing signed by Purchaser and delivered to Escrow Agent and a Seller Representative in accordance with the notice provisions of this Agreement, to act as its representative under this Agreement.

"Representatives" means a Purchaser Representative and a Seller Representative.

"Seller Representative" means the person(s) so designated on Schedule B hereto or any other person designated in a writing signed by Seller and delivered to Escrow Agent and a Purchaser Representative in accordance with the notice provisions of this Agreement, to act as its representative under this Agreement.

2. Appointment of and Acceptance by Escrow Agent. Purchaser and Seller hereby appoint Escrow Agent to serve as escrow agent hereunder. Escrow Agent hereby accepts such appointment and, upon receipt by wire transfer of the Escrow Fund in accordance with Section 3, shall hold, invest and disburse the Escrow Fund in accordance with this Agreement.

3. Deposit of Escrow Fund. Simultaneously with the execution and delivery of this Agreement, Purchaser will transfer the Escrow Fund, by wire transfer of immediately available

funds, to an account designated by Escrow Agent (the "Escrow Account"). Escrow Fund will remain uninvested.

4. Disbursements of Escrow Fund.

(a) Escrow Agent shall disburse Escrow Fund, or a portion thereof, at any time and from time to time, upon receipt of, and in accordance with, a Joint Written Direction substantially in the form of Attachment 1 hereto and received by Escrow Agent as set forth in Section 15. Such Joint Written Direction must contain the amount of the Escrow Fund to be so released and complete payment instructions, including funds transfer instructions or an address to which a check should be sent.

(b) Purchaser and Seller, as between themselves, hereby agree that if Purchaser makes a claim for any uncollected accounts receivable pursuant to Section 2.2(d)(ii) of the Purchase Agreement, Purchaser and Seller shall execute and deliver to Escrow Agent a Joint Written Direction, authorizing Escrow Agent to disburse the Indemnity Escrow Amount to Purchaser in the amount of such uncollected accounts receivable.

(c) Purchaser and Seller, as between themselves, hereby agree that Purchaser and Seller shall execute and deliver to Escrow Agent a Joint Written Direction, authorizing Escrow Agent to disburse the Adjustment Escrow Amount to Seller or Purchaser, as applicable, pursuant to the terms of Section 2.2(b) of the Purchase Agreement.

(d) Upon the expiration of the Escrow Period, Escrow Agent shall distribute to Seller pursuant to the funds transfer instruction set forth in this Section 4(c), as promptly as practicable, any remaining Indemnity Escrow Amount not subject to a Claim Notice as provided in Section 6. Purchaser and Seller each acknowledges that the Escrow Agent is authorized to use the following funds transfer instructions to disburse any funds due to Seller:

Bank Name: Eagle Bank
Bank Address: 7815 Woodmont Avenue
Bethesda, MD 20814
ABA No.: 055003298
Account Name: Comstock Real Estate Services, L. C.
Account No.: 020-017-7905

(e) Prior to any disbursement, Escrow Agent must receive reasonable identifying information regarding the recipient so that Escrow Agent is able to comply with its regulatory obligations and reasonable business practices, including without limitation a completed United States Internal Revenue Service ("IRS") Form W-9 or Form W-8, as applicable. All disbursements of Escrow Fund will be subject to the fees and claims of Escrow Agent and the Indemnified Parties pursuant to Section 11 and Section 12.

(f) Purchaser and Seller may each deliver written notice to Escrow Agent in accordance with Section 15 changing their respective funds transfer instructions, which notice will

be effective only upon receipt by Escrow Agent and after Escrow Agent has had reasonable time to act upon such notice.

5. Suspension of Performance; Disbursement into Court. If, at any time, (a) a dispute exists with respect to any obligation of Escrow Agent under this Agreement, (b) Escrow Agent is unable to determine, to Escrow Agent's sole satisfaction, Escrow Agent's proper actions with respect to its obligations hereunder, or (c) the Representatives have not, within 10 days of receipt of a notice of resignation, appointed a successor escrow agent to act under this Agreement, then Escrow Agent may, in its sole discretion, take either or both of the following actions:

(i) suspend the performance of any of its obligations (including without limitation any disbursement obligations) under this Agreement until such dispute or uncertainty is resolved to the sole satisfaction of Escrow Agent or until a successor escrow agent is appointed.

(ii) petition (by means of an interpleader action or any other appropriate method) any court of competent jurisdiction, in any venue convenient to Escrow Agent, for instructions with respect to such dispute or uncertainty and, to the extent required or permitted by law, pay into such court, for holding and disposition by such court, the Escrow Fund, after deduction and payment to Escrow Agent of all fees and expenses (including court costs and attorneys' fees) payable to, incurred by, or expected to be incurred by Escrow Agent in connection with the performance of its duties and the exercise of its rights hereunder.

Escrow Agent will have no liability to Purchaser or Seller for any such suspension of performance or disbursement into court, specifically including any liability or claimed liability that may arise due to any delay in any other action required or requested of Escrow Agent.

6. Resolutions & Disbursement of Claims. If during the Escrow Period Purchaser elects to make a claim for indemnity against Seller pursuant to Article 7 of the Purchase Agreement, then the procedure for administering and resolving such claims is as follows:

(a) If Purchaser elects to assert a claim for indemnity as contemplated by the Purchase Agreement (an "Indemnity Claim"), it must give written notice of such claim (a "Claim Notice") to Escrow Agent and Seller prior to the expiration of the Escrow Period. Such Claim Notice must include a description of the claim and the basis therefor and the amount, if known, asserted by Purchaser for such claim (including, if appropriate, an estimate of all costs and expenses reasonably expected to be incurred by Purchaser by reason of such claim).

(b) Escrow Agent shall pay an Indemnity Claim to Purchaser from the Indemnity Escrow Amount only pursuant to (i) Seller's written direction, (ii) a Joint Written Direction, or (iii) a Final Order.

7. Investment of Funds. Based upon Purchaser's and Seller's prior review of investment alternatives, Escrow Agent is directed to leave the Escrow Fund uninvested. To the

extent applicable regulations grant rights to receive brokerage confirmations for certain security transactions, Purchaser and Seller waive receipt of such confirmations.

8. Tax Reporting.

(a) Escrow Agent has no responsibility for the tax consequences of this Agreement and Purchaser and Seller shall consult with independent counsel concerning any and all tax matters. Purchaser and Seller jointly and severally agree to (i) assume all obligations imposed now or hereafter by any applicable tax law or regulation with respect to payments or performance under this Agreement and (ii) request and direct the Escrow Agent in writing with respect to withholding and other taxes, assessments or other governmental charges, and advise the Escrow Agent in writing with respect to any certifications and governmental reporting that may be required under any applicable laws or regulations. Except as otherwise agreed by Escrow Agent in writing, Escrow Agent has no tax reporting or withholding obligation except to the Internal Revenue Service with respect to Form 1099-B reporting on payments of gross proceeds under Internal Revenue Code Section 6045 and Form 1099 and Form 1042-S reporting with respect to investment income earned on the Escrow Fund, if any. Escrow Agent shall have no responsibility for Form 1099-MISC reporting with respect to disbursements that Escrow Agent makes in an administrative or ministerial function to vendors or other service providers and shall have no tax reporting or withholding duties with respect to the Foreign Investment in Real Property Tax Act (FIRPTA).

(b) To the extent that U.S. federal imputed interest regulations apply, Purchaser and Seller shall so inform the Escrow Agent, provide the Escrow Agent with all imputed interest calculations and direct the Escrow Agent to disburse imputed interest amounts as Purchaser and Seller deem appropriate. The Escrow Agent will rely solely on such provided calculations and information and will have no responsibility for the accuracy or completeness of any such calculations or information. Purchaser and Seller shall provide Escrow Agent a properly completed IRS Form W-9 or Form W-8, as applicable, for each payee. If requested tax documentation is not so provided, Escrow Agent is authorized to withhold taxes as required by the United States Internal Revenue Code and related regulations.

(c) Except as otherwise directed by Purchaser and Seller in writing, Escrow Agent will report, on an accrual basis, all interest or income on the Escrow Fund as being owned by Seller for federal income tax purposes. If any accrued interest income attributed to Seller is subsequently disbursed by Escrow Agent to Purchaser, Purchaser and Seller shall jointly direct Escrow Agent in writing with respect to the appropriate tax treatment and reporting of such disbursements.

9. Resignation or Removal of Escrow Agent. Escrow Agent may resign and be discharged from the performance of its duties hereunder at any time by giving ten (10) days' prior written notice to Purchaser and Seller specifying a date when such resignation will take effect and, after the date of such resignation notice, notwithstanding any other provision of this Agreement, Escrow Agent's sole obligation will be to hold the Escrow Fund pending appointment of a successor Escrow Agent. Similarly, Escrow Agent may be removed at any time by Purchaser and Seller giving at least thirty (30) days' prior written notice to Escrow Agent specifying the date when such removal will take effect. If Purchaser and Seller fail to jointly appoint a successor

Escrow Agent prior to the effective date of such resignation or removal, Escrow Agent may petition a court of competent jurisdiction to appoint a successor escrow agent, and all costs and expenses related to such petition shall be paid jointly and severally by Purchaser and Seller. The retiring Escrow Agent shall transmit all records pertaining to the Escrow Fund and shall pay all Escrow Fund to the successor Escrow Agent, after making copies of such records as the retiring Escrow Agent deems advisable and after deduction and payment to the retiring Escrow Agent of all fees and expenses (including court costs and attorneys' fees) payable to, incurred by, or expected to be incurred by the retiring Escrow Agent in connection with the performance of its duties and the exercise of its rights hereunder. After any retiring Escrow Agent's resignation or removal, the provisions of this Agreement will inure to its benefit as to any actions taken or omitted to be taken by it while it was Escrow Agent under this Agreement.

10. Duties and Liability of Escrow Agent.

(a) Escrow Agent undertakes to perform only such duties as are expressly set forth herein and no duties will be implied. Escrow Agent has no fiduciary or discretionary duties of any kind. Escrow Agent's permissive rights will not be construed as duties. Escrow Agent has no liability under and no duty to inquire as to the provisions of any document other than this Agreement, including without limitation any other agreement between any or all of the parties hereto or any other persons even though reference thereto may be made herein and whether or not a copy of such document has been provided to Escrow Agent. Escrow Agent's sole responsibility is to hold the Escrow Fund in accordance with Escrow Agent's customary practices and disbursement thereof in accordance with the terms of this Agreement. Escrow Agent shall not be responsible for or have any duty to make any calculations under this Agreement, or to determine when any calculation required under the provisions of this Agreement should be made, how it should be made or what it should be, or to confirm or verify any such calculation. Escrow Agent will not be charged with knowledge or notice of any fact or circumstance not specifically set forth herein. This Agreement will terminate upon the distribution of all the Escrow Fund pursuant to any applicable provision of this Agreement, and Escrow Agent will thereafter have no further obligation or liability whatsoever with respect to this Agreement or the Escrow Fund.

(b) Escrow Agent will not be liable for any action taken or omitted by it in good faith except to the extent that a court of competent jurisdiction determines, which determination is not subject to appeal, that Escrow Agent's gross negligence or willful misconduct in connection with its material breach of this Agreement was the sole cause of any loss to Purchaser or Seller. Escrow Agent may retain and act hereunder through agents, and will not be responsible for or have any liability with respect to the acts of any such agent retained by Escrow Agent in good faith.

(c) Escrow Agent may conclusively rely upon any notice, instruction, request or other instrument, not only as to its due execution, validity and effectiveness, but also as to the truth and accuracy of any information contained therein, which Escrow Agent believes to be genuine and to have been signed or presented by the person purporting to sign it and shall have no responsibility or duty to make inquiry as to or to determine the truth, accuracy or validity thereof (or any signature appearing thereon). In no event will Escrow Agent be liable for (i) acting in accordance with or conclusively relying upon any instruction, notice, demand, certificate or document believed by

Escrow Agent to have been created by or on behalf of Purchaser or Seller, (ii) incidental, indirect, special, consequential or punitive damages or penalties of any kind (including, but not limited to lost profits), even if Escrow Agent has been advised of the likelihood of such damages or penalty and regardless of the form of action or (iii) any amount greater than the value of the Escrow Fund as valued upon deposit with Escrow Agent.

(d) Escrow Agent will not be responsible for delays or failures in performance resulting from acts of God, strikes, lockouts, riots, acts of war or terror, epidemics, governmental regulations, fire, communication line failures, computer viruses, attacks or intrusions, power failures, earthquakes or any other circumstance beyond its control. Escrow Agent will not be obligated to take any legal action in connection with the Escrow Fund, this Agreement or the Purchase Agreement or to appear in, prosecute or defend any such legal action or to take any other action that in Escrow Agent's sole judgment may expose it to potential expense or liability. Purchaser and Seller are aware that under applicable state law, property which is presumed abandoned may under certain circumstances escheat to the applicable state. Escrow Agent will have no liability to Purchaser or Seller, their respective heirs, legal representatives, successors and assigns, or any other party, should any or all of the Escrow Fund escheat by operation of law.

(e) Escrow Agent may consult, at Purchaser's and Seller's cost, legal counsel selected by it in the event of any dispute or question as to the construction of any of the provisions hereof or of any other agreement or of its duties hereunder, or relating to any dispute involving this Agreement, and will incur no liability and must be fully indemnified from any liability whatsoever in acting in accordance with the advice of such counsel. Purchaser and Seller agree to perform or procure the performance of all further acts and things, and execute and deliver such further documents, as may be required by law or as Escrow Agent may reasonably request in connection with its duties hereunder. When any action is provided for herein to be done on or by a specified date that falls on a day other than a Business Day, such action may be performed on the following Business Day.

(f) If any portion of the Escrow Fund is at any time attached, garnished or levied upon, or otherwise subject to any writ, order, decree or process of any court, or in case disbursement of Escrow Fund is stayed or enjoined by any court order, Escrow Agent is authorized, in its sole discretion, to respond as it deems appropriate or to comply with all writs, orders, decrees or process so entered or issued, including but not limited to those which it is advised by legal counsel of its own choosing is binding upon it, whether with or without jurisdiction; and if Escrow Agent relies upon or complies with any such writ, order, decree or process, it will not be liable to any of the parties hereto or to any other person or entity by reason of such compliance even if such order is reversed, modified, annulled, set aside or vacated.

(g) Escrow Agent and any stockholder, director, officer or employee of Escrow Agent may buy, sell and deal in any of the securities of any other party hereto and contract and lend money to any other party hereto and otherwise act as fully and freely as though it were not Escrow Agent under this Agreement. Nothing herein will preclude Escrow Agent from acting in any other capacity for any other party hereto or for any other person or entity.

(h) In the event instructions, including funds transfer instructions, address change or change in contact information are given to Escrow Agent (other than in writing at the time of execution of this Agreement), whether in writing, by facsimile or otherwise, Escrow Agent is authorized, but not required, to seek confirmation of such instructions by telephone call-back to any person designated by the instructing party on Schedule B hereto, and Escrow Agent may rely upon the confirmation of anyone purporting to be the person so designated. The persons and telephone numbers for call-backs may be changed only in writing actually received and acknowledged by Escrow Agent and will be effective only after Escrow Agent has a reasonable opportunity to act on such changes. If Escrow Agent is unable to contact any of the designated representatives identified in Schedule B, Escrow Agent is hereby authorized but will be under no duty to seek confirmation of such instructions by telephone call-back to any one or more of Purchaser's or Seller's executive officers ("Executive Officers"), as the case may be, which will include the titles of Chief Executive Officer, President and Vice President, as Escrow Agent may select. Such Executive Officer must deliver to Escrow Agent a fully executed incumbency certificate, and Escrow Agent may rely upon the confirmation of anyone purporting to be any such officer. Purchaser and Seller agree that Escrow Agent may at its option record any telephone calls made pursuant to this Section. Escrow Agent in any funds transfer may rely solely upon any account numbers or similar identifying numbers provided by Purchaser or Seller to identify (i) the beneficiary, (ii) the beneficiary's bank, or (iii) an intermediary bank, even when its use may result in a transfer of funds to a person other than the intended beneficiary or to a bank other than the intended beneficiary's bank or intermediary bank. Purchaser and Seller acknowledge that these optional security procedures are commercially reasonable.

11. Indemnification of Escrow Agent. Purchaser and Seller, jointly and severally, shall indemnify and hold harmless Escrow Agent and each director, officer, employee and affiliate of Escrow Agent (each, an "Indemnified Party") upon demand against any and all claims, actions and proceedings (whether asserted or commenced by Purchaser, Seller or any other person or entity and whether or not valid), losses, damages, liabilities, penalties, costs and expenses of any kind or nature (including without limitation reasonable attorneys' fees, costs and expenses) (collectively, "Losses") arising from this Agreement or Escrow Agent's actions hereunder, except to the extent such Losses are finally determined by a court of competent jurisdiction, which determination is not subject to appeal, to have been directly caused solely by the gross negligence or willful misconduct of such Indemnified Party in connection with Escrow Agent's material breach of this Agreement. Purchaser and Seller further agree, jointly and severally, to indemnify each Indemnified Party for all costs, including without limitation reasonable attorneys' fees, incurred by such Indemnified Party in connection with the enforcement of Purchaser's and Seller's obligations to Escrow Agent under this Agreement. Each Indemnified Party shall, in its sole discretion, have the right to select and employ separate counsel with respect to any action or claim brought or asserted against it, and the reasonable fees of such counsel shall be paid upon demand by Purchaser and Seller jointly and severally. The obligations of Purchaser and Seller under this Section shall survive any termination of this Agreement and the resignation or removal of Escrow Agent.

12. Compensation of Escrow Agent.

(a) Fees and Expenses. Purchaser and Seller agree, jointly and severally, to compensate Escrow Agent upon demand for its services hereunder in accordance with Schedule A attached hereto. Without limiting the joint and several nature of their obligations to Escrow Agent, Purchaser and Seller agree between themselves that each will be responsible to the other for one-half of Escrow Agent's compensation. The obligations of Purchaser and Seller under this Section shall survive any termination of this Agreement and the resignation or removal of Escrow Agent.

(b) Disbursements from Escrow Fund to Pay Escrow Agent. Escrow Agent is authorized to, and may disburse to itself from the Escrow Fund, from time to time, the amount of any compensation and reimbursement of expenses due and payable hereunder (including any amount to which Escrow Agent or any other Indemnified Party is entitled to seek indemnification hereunder). Escrow Agent shall notify Purchaser and Seller of any such disbursement from the Escrow Fund to itself or any other Indemnified Party and shall furnish Purchaser and Seller copies of related invoices and other statements.

(c) Security and Offset. Purchaser and Seller hereby grant to Escrow Agent and the other Indemnified Parties a first priority security interest in, lien upon and right of sale and offset against the Escrow Fund with respect to any compensation or reimbursement due any of them hereunder (including any claim for indemnification hereunder). If for any reason the Escrow Fund are insufficient to cover such compensation and reimbursement, Purchaser and Seller shall promptly pay such amounts upon receipt of an itemized invoice.

13. Representations and Warranties. Purchaser and Seller each respectively make the following representations and warranties to Escrow Agent:

(a) it has full power and authority to execute and deliver this Agreement and to perform its obligations hereunder; and this Agreement has been duly approved by all necessary action and constitutes its valid and binding agreement enforceable in accordance with its terms.

(b) each of the applicable persons designated on Schedule B attached hereto has been duly appointed to act as its authorized representative hereunder and individually has full power and authority on its behalf to execute and deliver any instruction or direction, to amend, modify or waive any provision of this Agreement and to take any and all other actions as its authorized representative under this Agreement and no change in designation of such authorized representatives will be effective until written notice of such change is delivered to each other party to this Agreement pursuant to Section 15 and Escrow Agent has had reasonable time to act upon it.

(c) the execution, delivery and performance of this Agreement by Escrow Agent does not and will not violate any applicable law or regulation and no printed or other material in any language, including any prospectus, notice, report, and promotional material that mentions "U.S. Bank" or any of its affiliates by name or the rights, powers, or duties of Escrow Agent under this Agreement will be issued by any other parties hereto, or on such party's behalf, without the prior written consent of Escrow Agent.

(d) it will not claim any immunity from jurisdiction of any court, suit or legal process, whether from service of notice, injunction, attachment, execution or enforcement of any judgment or otherwise.

(e) there is no security interest in the Escrow Fund or any part thereof and no financing statement under the Uniform Commercial Code is on file in any jurisdiction claiming a security interest in or describing (whether specifically or generally) the Escrow Fund or any part thereof.

14. Identifying Information. To help the government fight the funding of terrorism and money laundering activities, federal law requires all financial institutions to obtain, verify and record information that identifies each person who opens an account. For a non-individual person such as a business entity, a charity, a trust or other legal entity, Escrow Agent requires documentation to verify its formation and existence as a legal entity. Escrow Agent may require financial statements, licenses or identification and authorization documents from individuals claiming authority to represent the entity or other relevant documentation. Purchaser and Seller agree to provide all information requested by Escrow Agent in connection with any legislation or regulation to which Escrow Agent is subject, in a timely manner. Escrow Agent's appointment and acceptance of its duties under this Agreement is contingent upon verification of all regulatory requirements applicable to Purchaser, Seller and any of their permitted assigns, including successful completion of a final background check. These conditions include, without limitation, requirements under the USA PATRIOT Act, the USA FREEDOM Act, the Bank Secrecy Act, and the U.S. Department of the Treasury Office of Foreign Assets Control. If these conditions are not met, Escrow Agent may at its option promptly terminate this Agreement in whole or in part and refuse any otherwise permitted assignment by Purchaser or Seller, without any liability or incurring any additional costs.

15. Notices. All notices, approvals, consents, requests and other communications hereunder (each, a "Notice") must be in writing, in English, and may only be delivered (a) by personal delivery, or (b) by national overnight courier service, or (c) by certified or registered mail, return receipt requested, or (d) by email. Notice will be effective upon receipt except for notice via email, which will be effective on the date and time it is sent only if a copy is issued on the same day by any other method provided for in this Section. Notices may only be sent to the applicable party or parties at the address specified below:

If to Purchaser or Purchaser Representative, at:

August Mack Environmental, Inc.
1302 North Meridian Street, Suite 300
Indianapolis, Indiana 46202
Attn: Geoffrey A. Glanders
Telephone: (317) 916-8000
E-mail: gglanders@augustmack.com

If to Seller or Seller Representative, at:
Comstock Environmental Services, LLC

Attn: Christopher Clemente
Reston Station
1900 Reston Metro Plaza, 10th Floor
Reston VA 20190
Telephone: (703)230-1985

E-mail: cclemente@comstockcompanies.com

With a copy to:

Comstock Companies
Attn: Jubal Thompson, General Counsel
Reston Station
1900 Reston Metro Plaza, 10th Floor
Reston VA 20190
Telephone: (703)230-1985
E-mail: jthompson@comstockcompanies.com

If to Escrow Agent, at:

U.S. Bank National Association
ATTN: Laura Stabley and Brian J. Kabbes
One U.S. Bank Plaza, 3rd Floor
St. Louis, Missouri 63101
Telephone: 314-418-3935 & 314-418-3943
E-mail: laura.stabley@usbank.com & brian.j.kabbes@usbank.com

and to:

U.S. Bank National Association
ATTN: Russel Otzenberger
Trust Finance Management
60 Livingston Avenue, EP-MN-WS3T
St. Paul MN 55107
Telephone:651-466-6101
E-mail:russel.otzenberger@usbank.com

or to such other address as each party may designate for itself by like notice and unless otherwise provided herein will be deemed to have been given on the date received. Escrow Agent shall not have any duty to confirm that the person sending any Notice by electronic transmission (including by e-mail, web portal or other electronic methods) is, in fact, a person authorized to do so. Electronic signatures believed by Escrow Agent to comply with the ESIGN Act of 2000 or other applicable law (including electronic images of handwritten signatures and digital signatures provided by DocuSign, Orbit, Adobe Sign or any other digital signature provider acceptable to Escrow Agent) shall be deemed original signatures for all purposes. Notwithstanding the foregoing, Escrow Agent may in any instance and in its sole discretion require that an original document bearing a manual signature be delivered to Escrow Agent in lieu of, or in addition to, any such electronic Notice. Purchaser and Seller agree to assume all risks arising out of the use of electronic signatures and electronic methods to submit instructions and directions to Escrow

Agent, including without limitation the risk of Escrow Agent acting on unauthorized instructions, and the risk of interception and misuse by third parties.

16. Amendment and Assignment. None of the terms or conditions of this Agreement may be changed, waived, modified, terminated or varied in any manner whatsoever unless in writing duly signed by each party to this Agreement. No course of conduct will constitute a waiver of any of the terms and conditions of this Agreement, unless such waiver is specified in writing, and then only to the extent so specified. No party may assign this Agreement or any of its rights or obligations hereunder without the written consent of the other parties, provided that if Escrow Agent consolidates, merges or converts into, or transfers all or substantially all of its corporate trust business (including the escrow contemplated by this Agreement) to another entity, the successor or transferee entity without any further act will be the successor Escrow Agent.

17. Governing Law, Jurisdiction and Venue. This Agreement must be construed and interpreted in accordance with the internal laws of the Commonwealth of Pennsylvania without giving effect to the conflict of laws principles thereof that would require the application of any other laws. Each of the parties hereto irrevocably (a) consents to the exclusive jurisdiction and venue of the state and federal courts in the Commonwealth of Pennsylvania in connection with any matter arising out of this Agreement, (b) waives any objection to such jurisdiction or venue, (c) agrees not to commence any legal proceedings related hereto except in such courts, (d) consents to and agrees to accept service of process to vest personal jurisdiction over it in any such courts made as set forth in Section 15, and (e) waives any right to trial by jury in any action in connection with this Agreement.

18. Entire Agreement, No Third-Party Beneficiaries. This Agreement constitutes the entire agreement between the signatory parties hereto relating to the holding, investment and disbursement of Escrow Fund and sets forth in their entirety the obligations and duties of Escrow Agent with respect to Escrow Fund. This Agreement and any Joint Written Direction may be executed in two or more counterparts, which when so executed will constitute one and the same agreement or direction. To the extent any provision of this Agreement is prohibited by or invalid under applicable law, such provision will be ineffective to the extent of such prohibition or invalidity, without invalidating the remainder of such provision or the remaining provisions of this Agreement. The Section headings have been inserted for convenience only and will be given no substantive meaning or significance whatsoever in construing the terms and conditions of this Agreement. Nothing in this Agreement, express or implied, is intended to or will confer upon any person other than the signatory parties hereto and the Indemnified Parties any right, benefit or remedy of any nature whatsoever under or by reason of this Agreement.

[signature page follows]

The parties hereto have caused this Agreement to be executed effective as of the Effective Date.

AUGUST MACK ENVIRONMENTAL, INC.

By: _____ Name: Geoffrey A. Glanders
Title: President

COMSTOCK ENVIRONMENTAL SERVICES, LLC,
a Virginia limited liability company

By: CHCI Capital Management, LC, a Virginia limited liability company
Manager

By: Comstock Holding Companies, Inc., a Delaware corporation
Its Manager

By: _____
Christopher Clemente
Chief Executive Officer

U.S. BANK NATIONAL ASSOCIATION
as Escrow Agent

By: _____
Name: _____
Title: _____

The parties hereto have caused this Agreement to be executed effective as of the Effective Date.

AUGUST MACK ENVIRONMENTAL, INC.

By: _____ Name: Geoffrey A. Glanders
Title: President

COMSTOCK ENVIRONMENTAL SERVICES, LLC,
a Virginia limited liability company

By: CHCI Capital Management, LC, a Virginia limited liability company
Manager

By: Comstock Holding Companies, Inc., a Delaware corporation
Its Manager

By: _____
Christopher Clemente
Chief Executive Officer

APPR. BY LEGAL

U.S. BANK NATIONAL ASSOCIATION
as Escrow Agent

By: _____
Name: _____
Title: _____

The parties hereto have caused this Agreement to be executed effective as of the Effective Date.

AUGUST MACK ENVIRONMENTAL, INC.

By: _____
Name: Geoffrey A. Glanders
Title: President

COMSTOCK ENVIRONMENTAL SERVICES, LLC, a Virginia limited liability company

By: CHCI Capital Management, LC, a Virginia limited liability company, its Manager

By: Comstock Holding Companies, Inc., a Delaware corporation, its Manager

By: _____
Name: Christopher Clemente
Title: Chief Executive Officer

U.S. BANK NATIONAL ASSOCIATION
as Escrow Agent

By: _____
Name: Tonia Stabley
Title: Vice President

SCHEDULE A

U.S. BANK NATIONAL ASSOCIATION

Schedule of Fees
for Services as Escrow Agent

A. Administration Fee, One-Time: $2,500

The one-time administration fee covers the routine duties of Escrow Agent associated with the administration of the account. Administration fees are payable in advance. In the event that the Agreement is not terminated within three years, then an additional administrative fee of $1,000 shall be due for each year or part thereof. This assumes that Escrow Agent will be directed to leave the funds uninvested.

B. Disbursement Processing Fees (if any): $100 per disbursement in excess of ten disbursements per year

The first ten disbursements per year are included within the administration fee. Disbursement processing fees after ten disbursements per year (if any) will billed in arrears. This includes payment by check or wire.

C. Out-of-Pocket Expenses (if any): At Cost

Reimbursement of expenses associated with Escrow Agent's acceptance, administration of, or performance under the Agreement, including without limitation fees and expenses of legal counsel, accountants and other agents, tax preparation, reporting and filing, publications, and filing and recording fees, will be billed at cost.

Extraordinary services are responses to requests, inquiries or developments, or the carrying out of duties or responsibilities of an unusual nature, including termination, which may or may not be provided for in the governing documents, or are not routine or undertaken in the ordinary course of business. Payment of fees for extraordinary services is appropriate where particular requests, inquiries or developments are unexpected, even if the possibility of such things could have been foreseen at the inception of the transaction. A reasonable charge will be assessed and collected based on the nature of the extraordinary service. At our option, these charges will be billed at a flat fee or at Escrow Agent's hourly rate then in effect. Extraordinary services might include, without limitation, amendments or supplements, specialized reporting, non-routine calculations, foreign wire transfers, processing of IRS Form W-8IMY, use investments not automated with Escrow Agent's trust accounting system, and actual or threatened litigation or arbitration proceedings.

IMPORTANT INFORMATION ABOUT PROCEDURES FOR OPENING A NEW ACCOUNT

To help the government fight the funding of terrorism and money laundering activities, federal law requires all financial institutions to obtain, verify and record information that identifies each person who opens an account. For a non-individual person such as a business entity, a charity, a trust or other legal entity we will ask for documentation to verify its formation and existence as a legal entity. Escrow Agent may also ask to see financial statements, licenses, identification and authorization documents from individuals claiming authority to represent the entity or other relevant documentation.

SCHEDULE B

Each of the following person(s) is a **Purchaser Representative** authorized to execute documents and direct Escrow Agent as to all matters, including fund transfers, address changes and contact information changes, on Purchaser's behalf (only one representative required):

Geoffrey A. Glanders		(317) 916-8000
Name	Specimen signature	Telephone No.
Bryan Petriko		(317) 679-2962
Name	Specimen signature	Telephone No.
Name	Specimen signature	Telephone No.

If only one person is identified above, the following person is authorized for call-back confirmations:

Name	Telephone Number

Each of the following person(s) is a **Seller Representative** authorized to execute documents and direct Escrow Agent as to all matters, including fund transfers, address changes and contact information changes, on Seller's behalf (only one representative required):

Christopher Guthrie		(703) 230-1292
Name	Specimen signature	Telephone No.
Michael Gualtieri		(703) 230-1286
Name	Specimen signature	Telephone No.
Name	Specimen signature	Telephone No.

If only one person is identified above, the following person is authorized for call-back confirmations:

Name	Telephone Number

SCHEDULE B

Each of the following person(s) is a **Purchaser Representative** authorized to execute documents and direct Escrow Agent as to all matters, including fund transfers, address changes and contact information changes, on Purchaser's behalf (only one representative required):

Geoffrey A. Glanders		(317) 916-8000
Name	Specimen signature	Telephone No.
Bryan Petriko		(317) 679-2962
Name	Specimen signature	Telephone No.
Name	Specimen signature	Telephone No.

If only one person is identified above, the following person is authorized for call-back confirmations:

Name	Telephone Number

Each of the following person(s) is a **Seller Representative** authorized to execute documents and direct Escrow Agent as to all matters, including fund transfers, address changes and contact information changes, on Seller's behalf (only one representative required):

Christopher Michael Guthrie		(703) 230-1292
Name	Specimen signature	Telephone No.
Michael William Gualtieri		(703) 230-1286
Name	Specimen signature	Telephone No.
Name	Specimen signature	Telephone No.

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If only one person is identified above, the following person is authorized for call-back confirmations:

Name	Telephone Number

ATTACHMENT 1

FORM OF JOINT WRITTEN DIRECTION

[To be completed on closing]

U.S. Bank National Association, as Escrow Agent
ATTN: Global Corporate Trust Services
Address: _____

RE: ESCROW AGREEMENT made and entered into as of _____, 2022 by and among August Mack Environmental, Inc. ("Purchaser"), Comstock Environmental Services, LLC ("Seller") and U.S. Bank National Association, in its capacity as escrow agent (the "Escrow Agent").

Pursuant to Section 4 of the above-referenced Escrow Agreement, Purchaser and Seller hereby instruct Escrow Agent to disburse the amount of [$_____] from the Escrow Account to [Purchaser][Seller], as provided below:

Purchaser	Seller
Bank Name: _____	Bank Name: _____
Bank Address: _____	Bank Address: _____
ABA No.: _____	ABA No. _____
Account Name: _____	Account Name: _____
Account No.: _____	Account No.: _____

[Purchaser]
By: _____
Name:
Date: _____

[Seller]
By: _____
Name:
Date: _____

Exhibit B

Allocation of the Purchase Price

Actual Net Working Capital:	$1,128,976.00
Fixed Assets:	$106,000.00
Goodwill:	$182,341.00
Total Purchase Price	$1,417,317.00

Exhibit C

Bill of Sale and Assignment

See attached.

BILL OF SALE

THIS BILL OF SALE is entered into as of March 31, 2022, by Comstock Environmental Services, LLC, a Virginia limited liability company ("Seller"), in favor of August Mack Environmental, Inc., an Indiana corporation ("Buyer"), in accordance with that certain Asset Purchase Agreement, made effective as of March 31, 2022 (the "Purchase Agreement"), by and among Seller, Buyer, and Comstock Holding Companies, Inc., a Delaware corporation. Capitalized terms used herein but not otherwise defined shall have the meanings given them in the Purchase Agreement.

1. Seller hereby grants, sells, assigns, transfers, conveys, and delivers unto Buyer, all right, title and interest in and to all of the Acquired Assets, free and clear of all Liens.

2. Seller hereby further covenants that it will, at any time and from time to time at the reasonable request of Buyer, perform, execute, acknowledge and deliver, or cause to be done, executed, acknowledged or delivered, all such further acts and documents as Buyer may reasonably request to vest in Buyer full right, title and interest in and to any of the Acquired Assets.

3. This instrument is subject to all of the terms and conditions of the Purchase Agreement. If any provision of this instrument is construed to conflict with a provision of the Purchase Agreement, then the provision of the Purchase Agreement shall be deemed to be controlling. This instrument shall be binding upon and inure to the benefit of Seller, Buyer, and their respective successors and permitted assigns. This instrument shall be governed by, and construed in accordance with, the internal laws, and not the law of conflicts, of the Commonwealth of Pennsylvania.

4. A signed copy of this instrument delivered by facsimile, e-mail, or other means of electronic transmission shall be deemed to have the same legal effect as delivery of an original signed copy of this instrument.

[Signature Page Follows]

IN WITNESS WHEREOF, Seller has caused this Bill of Sale to be executed effective as of the date first written above.

Comstock Environmental Services, LLC, a Virginia limited liability company

By: CHCI Capital Management, LC, a Virginia limited liability company
Manager

By: Comstock Holding Companies, Inc., a Delaware corporation
Its Manager

By: _____
Christopher Clemente
Chief Executive Officer

APPR. BY LEGAL

Exhibit D

Assignment and Assumption Agreement

See attached.

ASSIGNMENT AND ASSUMPTION AGREEMENT

THIS ASSIGNMENT AND ASSUMPTION AGREEMENT (this "Agreement") is entered into as of March 31, 2022 (the "Effective Date"), by and between Comstock Environmental Services, LLC, a Virginia limited liability company (the "Seller"), and August Mack Environmental, Inc., an Indiana corporation (the "Buyer"), in accordance with that certain Asset Purchase Agreement, made effective as of March 31, 2022 (the "Purchase Agreement"), by and among Seller, Buyer, and Comstock Holding Companies, Inc., a Delaware corporation. Capitalized terms used herein but not otherwise defined shall have the meanings given them in the Purchase Agreement.

RECITALS:

A. Pursuant to the terms of the Purchase Agreement, Buyer is purchasing the Acquired Assets from Seller.

B. In connection with the purchase of the Acquired Assets contemplated by the Purchase Agreement, Seller wishes to transfer and assign to Buyer certain specified liabilities of Seller and all of Seller's rights and obligations under certain contractual undertakings, and Buyer wishes to accept and assume the same, subject to the terms and conditions of this Agreement and the Purchase Agreement.

NOW, THEREFORE, in light of the foregoing, the parties hereby agree as follows:

1. Assignment. Subject in all cases to the terms of the Purchase Agreement, Seller hereby grants, conveys, transfers, and assigns to Buyer and its successors and assigns, all of the right, title and interest of Seller in and to the Assumed Contracts, free and clear of all Liens.

2. Assumption. In consideration of the foregoing and the obligations of Seller under the Purchase Agreement, Buyer hereby assumes and agrees to discharge all of the Assumed Liabilities in accordance with their respective terms.

3. Excluded Liabilities. It is understood and agreed that notwithstanding anything contained herein to the contrary, Buyer is not assuming and shall not assume, or become liable for, at any time, any Excluded Liabilities.

4. Further Assurances. Each of the parties hereto covenants and agrees, at its own expense, to execute and deliver, at the request of the other party hereto, such further instruments of transfer and assignment and to take such other action as such party nay reasonably request to more effectively consummate the assignments and assumptions contemplated by this Agreement.

5. Terms of the Purchase Agreement. In the event of a conflict between the terms and provisions of this Agreement and the Purchase Agreement, the terms and provisions of the Purchase Agreement shall govern and control.

6. Binding Effect. This Agreement shall be binding upon and inure to the benefit of the parties and their respective successors and permitted assigns.

7. Governing Law. This Agreement shall be governed by, and construed in accordance with, the internal laws, and not the law of conflicts, of the Commonwealth of Pennsylvania.

8. Waivers. No waiver of any of the provisions of this Agreement shall be valid and enforceable unless such waiver is in writing and signed by the party to be charged, and, unless otherwise stated therein, no such waiver shall constitute a waiver of any other provisions hereof (whether or not similar) or a continuing waiver.

9. No Third Party Rights. Nothing express or implied in this Agreement is intended or shall be construed to confer on any person other than Seller and Buyer any rights under this Agreement.

10. Severability. In the event that any part of this Agreement is declared by any court or other judicial or administrative body to be null, void or unenforceable, said provision shall survive to the extent it is not so declared, and all of the other provisions hereof shall remain in full force and effect.

11. Counterparts. This Agreement may be executed in multiple counterparts, and each counterpart hereof shall be deemed to be an original agreement, but all such counterparts shall constitute but one agreement. A signed copy of this Agreement delivered by facsimile, e-mail, or other means of electronic transmission shall be deemed to have the same legal effect as delivery of an original signed copy of this Agreement.

[*Signature Page Follows*]

IN WITNESS WHEREOF, the parties have caused this Assignment and Assumption Agreement to be executed as of the Effective Date first written above.

"Seller"

Comstock Environmental Services, LLC, a Virginia limited liability company

By: CHCI Capital Management, LC, a Virginia limited liability company
Manager

By: Comstock Holding Companies, Inc., a Delaware corporation
Its Manager

By: _____
Christopher Clemente
Chief Executive Officer

"Buyer"

August Mack Environmental, Inc.,
an Indiana corporation

By: _____
Geoffrey A. Glanders, President

IN WITNESS WHEREOF, the parties have caused this Assignment and Assumption Agreement to be executed as of the Effective Date first written above.

"Seller"

Comstock Environmental Services, LLC, a Virginia limited liability company

By: CHCI Capital Management, LC, a Virginia limited liability company
Manager

By: Comstock Holding Companies, Inc., a Delaware corporation
Its Manager

By: _____
Christopher Clemente
Chief Executive Officer

APPR. BY LEGAL

"Buyer"

August Mack Environmental, Inc.,
an Indiana corporation

By: _____
Geoffrey A. Glanders, President

Exhibit E

Restricted Territory

Any geographic area located within a radius of two hundred (200) miles from the Real Estate.

Schedule 1.1

Acquired Assets

The Acquired Assets shall include the following assets of the Seller used or held for use by the Seller in or for the operation of the Business:

(a) the following contracts to which the Seller is a party (collectively, the "Assumed Contracts");

i. all agreements or contracts with clients, whether written or verbal;

ii. all agreements set forth on Schedule 4.12(i);

(b) all accounts receivable held by the Seller as of the Closing Date, and any security, claim, remedy or other right related to the foregoing;

(c) all furniture, fixtures, equipment, machinery, tools, vehicles, office equipment, supplies, computers, telephones and other tangible personal property;

(d) to the extent assignable, all Permits;

(e) other than the Former Employee Judgment (as defined in Schedule 1.2), all claims, deposits (other than security deposits under the real estate lease, if any), prepayments, refunds (excluding any Tax refunds), causes of action, choses in action, rights of recovery, rights of set off, insurance benefits, and rights of recoupment (excluding any such item relating to the payment of taxes);

(f) all files (electronic or otherwise), books, records, ledgers, data, documents, correspondence, project and proposal information, customer lists, creative materials, advertising and promotional materials, studies, reports and other printed or written materials related to the Acquired Assets;

(g) other than Excluded Intellectual Property, all Intellectual Property, whether registered or unregistered, including, but not limited to, copyrights, trademarks, trade names, trade secrets and know-how, patents and all applications therefor or relating thereto, the goodwill associated therewith, all licenses and sublicenses granted and obtained with respect thereto, all rights thereunder, all remedies against infringement thereof, and all rights to protection of interests therein under the laws of all jurisdictions; and

(h) other than Excluded Intellectual Property, all other intangible property (such as going concern value, goodwill, and telephone numbers and listings).

Schedule 1.2

Excluded Assets

The Excluded Assets shall include the following assets of the Seller:

(a) cash and cash equivalents and checks, or other payments received by the Seller prior to the Closing;

(b) rights to any Impaired Accounts Receivable;

(c) rights to Tax refunds, or credits and current and deferred Tax assets, which relate to time periods prior to the Closing;

(d) rights under this Agreement or under any Ancillary Document;

(e) corporate records, minute book and seal;

(f) any Contracts that are not Assumed Contracts, including, but not limited to:

i. the Contract between the Seller and Comstock Herndon Ventures LC related to an environmental services project at 770 Herndon, VA and related accounts receivable (which had a balance of $14,900 as of January 31, 2022); and

ii. the Contract between the Seller and Spartan or its affiliate related to a tank construction project at the James E. Van Zandt Medical Hospital Center and related accounts receivable (which had a balance of $98,000 as of January 31, 2022);

(g) any property (whether real, personal, tangible, intangible or mixed) not used by Seller in or for the operation of the Business;

(h) any rights in connection with and assets of any Benefit Plans;

(i) any rights to any security deposit under the real estate lease;

(j) any rights to any and all Intellectual Property of the Seller containing the trade name "Comstock" or any derivation thereof, including, without limitation, email addresses, domain names, marketing materials, trademarks or tradenames (collectively, the "Excluded Intellectual Property");

(k) the Seller's insurance policies and any rights arising thereunder, including the right to any prepaid insurance premiums; and

(l) any rights under that certain judgment against React Environmental Services Group, Inc. and Jerry F. Naples, Jr, (the "Former Employee Judgment").

Schedule 1.4

Excluded Liabilities

The Excluded Liabilities shall include without limitation the following obligations and liabilities of the Seller:

(a) for any liability or obligation for Taxes of the Seller or any of its Affiliates;

(b) for costs, fees and expenses incurred in connection with this Agreement and the transactions contemplated hereby;

(c) resulting from, arising out of, relating to, in the nature of, or caused by any (i) breach of contract, (ii) tort, (iii) infringement or violation of Law or of any order or judgment, or (iv) environmental matter;

(d) which relate to any Excluded Assets or to the operation of the Business prior to the Closing (unless expressly an Assumed Liability);

(e) for unpaid remuneration or compensation due to or in connection with the Seller's employees through the Closing, including accrued but unpaid salaries, bonuses, commissions, union fees, benefits or dues;

(f) under any employment, severance, retention, bonus or termination agreement with any employee or contractor of the Seller;

(g) arising out of or relating to any employee grievance, the facts or circumstances of which occurred prior to the Closing, whether or not the affected employees are hired by the Buyer at or after the Closing;

(h) arising out of any Actions or dispute or workers' compensation claim pending or settled as of the Closing;

(i) arising out of any Actions, dispute or workers' compensation claim commenced after the Closing relating to any occurrence or event happening prior to or on the Closing;

(j) for any capital leases, borrowed money, credit cards or other indebtedness or incurred in connection with any credit facilities;

(k) based on the Seller or its employees', agents' and contractors' acts or omissions occurring after the Closing;

(l) under this Agreement or under any Ancillary Document;

(m) resulting from, arising out of, or relating to any Benefit Plan;

(n) arising out of change of control agreements and employment agreements with change of control provisions between the Seller and the Seller's employees, including, but not limited to: John Krinis, Brian Donoghue, Jon Buzan, and Robert Scott; and

(o) any obligations and liabilities of the Seller related to claims or disputes by Spartan under the Contract between the Seller and Spartan or its affiliate related to a tank construction project at the James E. Van Zandt Medical Hospital.

Schedule 2.2(c)(x)

Current Assets

	Per Quickbooks (2/28/2022)	Adjustments		Estimate of Acquired Assets For Closing
Assets				
Accounts Receivable	$ 1,839,206	$ (98,000)	(1)	$ 1,741,206
Retainage Receivables	$ 164,442	$ -		$ 164,442
Bad Debt Reserve	$ (2,323)	$ -		$ (2,323)
Accrued Revenue	$ 187,226	$ -		$ 187,226
Prepaid Expenses	$ 15,904	$ (5,904)	(2)	$ 10,000
Additional Receivable Reserve	$ -	$ (143,363)	(3)	$ (143,363)
Retainage Receivable Reserve	$ -	$ (42,188)	(4)	$ (42,188)
Current Assets Purchased	$ 2,204,455	$ (289,454)		$ 1,915,000

Notes

(1) Remove accounts receivable due from James E Van Zandt Medical Center (Spartan) Which Is An Excluded Asset.

(2) Certain prepaid expenses are either not transferring, have been cleaned up, or are WIP. These items are:

Assets	Amounts
Nov - Sales Force subscription 11/1/21 - 10/31/22	$ 1,696
July - 1410 Doron Dr	$ 1,941
Aug - 1410 Doron Dr.	$ 2,267

(3) Five Specific receivables are reserved at closing. They are:

Projects	Amounts
7001 Horrocks Street, Philadelphia, PA	$ 40,806
130 East Lancaster Avenue, Shillington, PA	$ 45,051
716 Belvoir Road, Plymouth Meeting, PA	$ 33,750
Christopher Columbus HOPE, Paterson, NJ	$ 9,380
Paterson HOPE, Paterson, NJ	$ 14,375

(4) Retainage receivables incurred prior to August 2021 are reserved at 50%.

Seller and Buyer agree that subsequent to closing, Buyer will continue to pursue full collection of all outstanding trade and retainage receivables, related to the Additional Receivable Reserve (note (3)) and Retainage Receivable Reserve (note (4)). Seller is entitled to receive the full gross amount of these receivables that are ultimately collected. To the extent that these receivables are not collected, and Buyer elects to assign them pursuant to the Asset Purchase Agreement, Seller retains the right at that time to pursue collection of any uncollected amounts related to those account balances.

Prior to closing, Seller has provided goods and services for 2 customers stated below that have not been invoiced. There are no amounts recorded in current assets in the books and records reflected in the table above as Seller is awaiting an executed change order from the customer. Seller and Buyer agree that subsequent to closing the Buyer will seek to obtain the executed change order and that subsequent billings for goods and services provided in periods prior to closing will be remitted to Seller if collected. To the extent that the Buyer does not receive the executed change orders within 120 days following close, these contingent assets will be considered to be Excluded Assets pursuant to the Asset Purchase Agreement.

The 2 specific customers and related amounts are –
Tracey Mechanical (general contractor related to Temple University project) – estimated change order $40,000 to $45,000
Philadelphia Water Authority – estimated change-order $5,000 to $15,000.

Schedule 2.2(c)(y)

Current Liabilities

	Per Quickbooks (2/28/2022)	Adjustments		Estimate of Acquired Assets For Closing
Liabilities				
Accounts Payable	$ 5,383,834	$ (4,646,356)	(5)	$ 737,479
401k Payable	$ 13,286	$ (13,286)	(6)	$ -
Accrued Expenses	$ 34,680	$ (29,180)	(7)	$ 5,500
Customer Overpayment/Deposit Liability	$ 15,242			$ 15,242
Accrued Vacaction/PTO	$ -	$ 27,803	(8)	$ 27,803
				$ -
Loan - Bancorp Bank - ST	$ 5,772	$ (5,772)	(9)	$ -
	$ 5,452,814	$ (4,666,791)		$ 786,023

Notes

(5) Remove accounts payable due to Parent (Comstock) which is not being assumed by Buyer under Article 1.3(b) of the Asset Purchase Agreement.

(6) Remove amounts related to benefit plan which is an Excluded Liability per Schedule 1.4 (item (m))

(7) Eliminate accrued Conshohocken Gross Receipts Tax. Buyer is not assuming Taxes per Schedule 1.4 (item (a))

(8) Represents accrued vacation balance being assumed by AM as of March 30, 2022. Comstock will pay transitioning employees directly for accrued vacation hours (in excess of 40) not assumed by AM. In addition, Comstock's policy is that upon termination unused sick leave, personal days and volunteer hours are forfeited so this liability is neither assumed by AM or paid to transitioning employees.

(9) Eliminate liability for Bancorp loan related to 2018 Dodge Ram truck that will be paid off prior to Closing.

Schedule 3.2(l)

Cooperation Employees

Tyler Auker
Brandon Bullett
Jon Buzan
Bill Chaykin
Brian Donoghue
Steven Hartman
Chelsea Johnston
Tim Kincaid
John Krinis
Brandon Lawyer
Navjot Mangat
Siena Myrsiades
Andrea Radtke
Stephanie Scott
Robert Scott
Brian Sheaffer
Dan Sheehan
Noah Shreiner
Steve Treschow
Chris Williams

Exhibit 31.1

CERTIFICATION OF CHIEF EXECUTIVE OFFICER
Pursuant to Exchange Act Rules 13a-14(a) and 15d-14(a),
as Adopted Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002

I, Christopher Clemente, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Comstock Holding Companies, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: May 16, 2022

/s/ CHRISTOPHER CLEMENTE

Christopher Clemente
Chairman and Chief Executive Officer
(Principal Executive Officer)

Exhibit 31.2

CERTIFICATION OF CHIEF FINANCIAL OFFICER
Pursuant to Exchange Act Rules 13a-14(a) and 15d-14(a),
as Adopted Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002

I, Christopher Guthrie, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Comstock Holding Companies, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: May 16, 2022

/s/ CHRISTOPHER GUTHRIE

Christopher Guthrie
Chief Financial Officer
(Principal Financial Officer and Principal Accounting Officer)

Exhibit 32.1

CERTIFICATIONS OF CHIEF EXECUTIVE OFFICER AND CHIEF FINANCIAL OFFICER
Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002

In connection with the Quarterly Report on Form 10-Q of Comstock Holding Companies, Inc. (the "Company") for the quarter ended March 31, 2022, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), each of Christopher Clemente, Chairman and Chief Executive Officer of the Company, and Christopher Guthrie, Chief Financial Officer of the Company, certifies, to his best knowledge and belief, pursuant to 18 U.S.C. § 1350, as adopted pursuant to § 906 of the Sarbanes-Oxley Act of 2002, that

(1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934 (15 U.S.C. 78m(a) or 78o(d)); and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: May 16, 2022

/s/ CHRISTOPHER CLEMENTE
Christopher Clemente
Chairman and Chief Executive Officer

Date: May 16, 2022

/s/ CHRISTOPHER GUTHRIE
Christopher Guthrie
Chief Financial Officer

The foregoing certifications are not deemed filed with the Securities and Exchange Commission for purposes of Section 18 of the Securities Exchange Act of 1934, as amended.