
**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549**

FORM 8-K

CURRENT REPORT

**Pursuant to Section 13 or 15(d) of the
Securities Exchange Act of 1934**

Date of Report (Date of earliest event reported): July 12, 2011

Comstock Homebuilding Companies, Inc.

(Exact Name of Registrant as Specified in its Charter)

Delaware
**(State or Other Jurisdiction
of Incorporation)**

1-32375
**(Commission
File Number)**

20-1164345
**(IRS Employer
Identification No.)**

**11465 SUNSET HILLS ROAD, FOURTH FLOOR
RESTON, VIRGINIA 20910**
(Address of principal executive offices) (Zip Code)

Registrant's Telephone Number, Including Area Code: (703) 883-1700

(Former Name or Former Address, if Changed Since Last Report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (See General Instruction A.2. below):

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
 - Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
 - Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
 - Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))
-

Item 1.01 Entry into a Material Definitive Agreement.

The disclosure set forth in Item 2.03 to this Current Report is incorporated into this item by reference.

Item 2.03 Creation of a Direct Financial Obligation or an Obligation under an Off-Balance Sheet Arrangement of a Registrant.

On July 12, 2011, Comstock Homebuilding Companies, Inc. (the "Company"), through a subsidiary called Comstock Potomac Yard, L.C. (the "Borrower"), entered into a loan agreement ("Loan Agreement") with BCL Eclipse, LLC, an affiliate of SunBridge Capital Management, LLC ("Lender"), pursuant to which the Borrower secured a Thirteen Million Seven Hundred Eighty Nine Thousand One Hundred and Sixty Dollar (\$13,789,160) loan with a three year term (the "SunBridge Loan") to refinance the Company's Eclipse at Potomac Yard condominium project in Arlington, Virginia (the "Project"). Proceeds from the SunBridge Loan to the Borrower were primarily utilized to (i) pay off existing indebtedness owed to Eagle Bank of approximately Nine Million Dollars (\$9,000,000) (the "Eagle Bank Loan"), (ii) pay for expenses associated with the SunBridge Loan, and (iii) for general corporate purposes.

The SunBridge Loan provides for a one percent (1%) origination fee and an interest rate of twelve and a half percent (12.5%). There is no prepayment penalty associated with the SunBridge Loan. The Borrower is required to make the following payments as follows: (i) quarterly payments of interest only, (ii) seventy percent (70%) of the net proceeds of each sale of a unit to Lender ("Required Release Payment"), and (iii) fifty percent of the net proceeds of the Borrower's judgment against Balfour Beatty Construction upon receipt by Borrower. The SunBridge Loan also has a minimum sales pace requirement requiring Borrower to sell a minimum of six (6) units every six (6) months, on a cumulative basis (the Sales Covenant"). Failure to maintain the Sales Covenant in any six (6) month period results in an increase of the Required Release Payment to eighty percent (80%) and for any successive failure to meet the Sales Covenant, an increase of the Required Release Payment of up to ninety (90%). The Loan Agreement contains certain customary representations and warranties, and certain financial and other customary covenants. Outstanding principal and interest and may be accelerated upon an event of default, as such events are described in the Loan Agreement.

On July 12, 2011, the Company and a subsidiary of the Company, Comstock Emerald Farm, L.C., as guarantors, entered into a Guaranty, Pledge, and Security Agreement for the benefit of the Lender (the "Guaranty Agreement"). Pursuant to the Guaranty Agreement, the guarantors jointly and severally guaranteed the payment of principal and interest and any other amounts due under the Loan Agreement, (ii) the Company pledged its equity interest in Borrower, and (iii) each guarantor granted the Lender a security interest in all of its unencumbered assets, all as additional security for the Loan.

The entry into the SunBridge Loan also resulted in the elimination of a credit enhancement fee formerly being paid to the Chief Executive Officer and the Chief Operating Officer of the Company (the "Officers") of four percent (4%) per annum paid on the outstanding balance of the Eagle Bank Loan resulting from the Officers prior personal guaranty of the Eagle Bank Loan.

In connection with the SunBridge Loan, on July 12, 2011, the Company agreed to issue BridgeCom Development I, LLC, an affiliate of SunBridge ("BridgeCom"), an immediately exercisable warrant to purchase one million (1,000,000) shares of the Company's Class A common stock at an exercise price equal to the average closing price of the stock for the preceding thirty days (\$1.03) (the "Warrant"), except for certain circumstances as set forth in the Warrant the term to exercise and purchase 250,000 of the warrant shares expires nine months from the date of the Warrant otherwise the exercise period of the Warrant is ten years from the date of the Warrant. The Company is relying on the exemption provided by Section 4(2) of the Securities Act and Rule 506 of Regulation D of the Securities Act for the issuance of the warrant exercisable for shares of Class A common stock, which exception the Company believes is available because the warrant was not offered pursuant to a general solicitation and the status of the investor as an "accredited investor" as defined in Regulation D of the Securities Act.

On July 12, 2011, the Company and BridgeCom entered into a registration agreement pursuant to which BridgeCom is entitled to one demand registration with respect to an underwritten offering of the shares underlying the Warrant, two demand registrations on Form S-3 with respect to non-underwritten resales of the shares underlying the Warrant, and piggyback registration rights in connection with certain company registrations. The registration rights expire after six years and are subject to customary rights of the company to defer or suspend registration statements in furtherance of pending or contemplated financings, acquisitions and other corporate initiatives.

In addition, on July 12, 2011, the Company also agreed to enter into a right of first offer and refusal ("Strategic Agreement") with BridgeCom to jointly pursue certain homebuilding and multi-family projects in the Washington DC metropolitan area ("Project Opportunities"). Under the general terms of the of the Strategic Agreement, the Company will offer material future investment opportunities to the Lender and if mutually agreed upon, the Company and Lender will enter into specific joint venture arrangements for each identified opportunity. The Strategic Agreement terminates at the earlier of three years from the date of the agreement or until each party funds a minimum of Twenty-Five Million Dollars (\$25,000,000) in identified Project Opportunities.

The Lender also issued a binding commitment letter to the Company, through a subsidiary called Comstock Penderbrook, L.C. ("CPB"), for a future cash out refinance of the Company's Penderbrook Square condominium projected located in Fairfax, Virginia ("Penderbrook Project") in an amount of up to Seven Million Dollar (\$7,000,000) with a three year term. The Company and a

subsidiary of the Company, Comstock Emerald Farm, L.C., will fully guarantee repayment of the loan and the proceeds from the loan will be utilized to pay off existing indebtedness owed to Guggenheim Corporate Funding, LLC, that is currently set to mature in the fourth quarter of 2011.

The foregoing description of the material terms of the Loan Agreement, Guaranty Agreement, Warrant, Registration Rights Agreement, and Strategic Agreement is qualified by reference to the terms of these documents, filed with this report as Exhibits 10.1, 10.2, 10.3, 10.4 and 10.5 and incorporated in this report by reference.

On July 12, 2011, the Company issued a press release announcing the foregoing. A copy of this press release is attached hereto as Exhibit 99.1.

Item 3.02 Unregistered Sales of Equity Securities.

The disclosure set forth in Item 2.03 to this Current Report is incorporated into this item by reference.

Item 9.01 Financial Statements and Exhibits.

(d) Exhibit

<u>Exhibit Number</u>	<u>Description</u>
10.1	Loan Agreement, dated as of July 12, 2011, between BCL Eclipse, LLC and Comstock Potomac Yard, L.C.
10.2	Guaranty, Pledge and Security Agreement, dated as of July 12, 2011, by Comstock Homebuilding Companies, Inc. and Comstock Emerald Farm, L.C. to and for the benefit of BCL Eclipse, LLC.
10.3	Warrant, dated as of July 12, 2011, in the name of BridgeCom Development I, LLC.
10.4	Registration Rights Agreement, dated as of July 12, 2011, between Comstock Homebuilding Companies, Inc. and BridgeCom Development I, LLC.
10.5	Right of First Refusal and First Offer Agreement, dated as of July 12, 2011, between Comstock Homebuilding Companies, Inc. and BridgeCom Development I, LLC.
99.1	Press release by Comstock Homebuilding Companies, Inc., dated July 13, 2011

SIGNATURES

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

Date: July 14, 2011

COMSTOCK HOMEBUILDING COMPANIES, INC.

By: /s/ CHRISTOPHER CLEMENTE
 Christopher Clemente,
 Chief Executive Officer

EXHIBIT INDEX

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LOAN AGREEMENT

THIS LOAN AGREEMENT (as amended, modified or supplemented from time to time, this “**Agreement**”), dated as of the 12th day of July, 2011, is made by and between **BCL ECLIPSE, LLC**, a Delaware limited liability company (“**Lender**”), and **COMSTOCK POTOMAC YARD, L.C.**, a Virginia limited liability company (“**Borrower**”).

RECITALS

A. Borrower desires to obtain a loan to refinance all of the condominium units owned by Borrower (the “**Units**”) and appurtenant undivided percentage interests in the common elements (the “**Common Elements**”) in the condominium known as The Eclipse on Center Park (the “**Condominium**”) located at 3600 and 3650 South Glebe Road, Arlington, Virginia and more particularly described in **Exhibit A** attached hereto (the “**Property**”).

B. Lender is willing to make a loan to Borrower in the principal amount of Thirteen Million Seven Hundred Eighty-Nine Thousand One Hundred Sixty Dollars (\$13,789,160) (the “**Loan**”) on the terms and subject to the conditions set forth in this Agreement.

AGREEMENT

For and in consideration of the mutual covenants set forth in this Agreement, and for other good and valuable consideration, the receipt and sufficiency of which are acknowledged, Lender and Borrower agree as follows:

SECTION ONE

THE LOAN

1.1 **Advance.** Upon the satisfaction of the conditions precedent set forth in Section 3, Lender shall advance the Loan to Borrower by wire transfer in immediately available funds to an account or accounts designated by Borrower.

1.2 **Note.** The Loan will be evidenced by a Deed of Trust Note made by Borrower payable to the order of Lender (as the same may be further amended, renewed, restated, supplemented or substituted from time to time, the “**Note**”).

1.3 **Use of Proceeds.** The proceeds of the Loan will be used (i) to pay off the outstanding principal amount and any accrued and unpaid interest, fees, and other charges under the Deed of Trust Note dated January 27, 2011 made by Borrower and payable to the order of EagleBank, and (ii) for general corporate purposes. For the avoidance of doubt, general corporate purposes do not include (i) prepayment of debt or making of any other debt payments other than regular debt payments scheduled as of the closing of the Loan, except as otherwise expressly permitted in the Loan Documents (as defined in Section 3.1(a)); (ii) payment of employee compensation or rent accrued for more than 30 days as of the closing of the Loan, provided however, such payments shall not be prohibited if (x) they are repaid from the proceeds of the Balfour Judgment or the sale or refinance of the project owned by Comstock Cascades II, L.C. (“**Cascades**”) and (y) the aggregate outstanding indebtedness of Borrower and its affiliates to Lender and its affiliates divided by the sum of (1) the appraised value of the Units as set forth in the Note that are encumbered by the Deed of Trust and (2) the agreed upon

appraised value of other real property owned by Borrower or any of its affiliates that are encumbered by a mortgage, deed of trust, or deed to secure debt securing any indebtedness to Lender or any of its affiliates (the “**Aggregate LTV**”) is equal to or less than fifty percent (50%); (iii) payment of any operating and capital expenses outside the ordinary course of business without the prior written approval of Lender, which approval shall be granted or withheld in Lender’s sole and absolute discretion; and (iv) payment of dividends or similar forms of distributions before the Loan is repaid in full without the prior written approval of Lender, which approval shall be granted or withheld in Lender’s sole and absolute discretion.

1.4 Guaranty. Comstock Homebuilding Companies, Inc., a Delaware corporation (“**Comstock**”), and Comstock Emerald Farm, L.C., a Virginia limited liability company (together, “**Guarantors**”) shall jointly and severally guaranty the payment and performance of Borrower’s obligations, covenants and agreements under the Loan Documents (hereinafter defined), which guaranty shall, be secured by a first priority perfected security interest in all of Guarantors’ unencumbered assets as more particularly set forth in a guaranty, pledge and security agreement made by Guarantors in favor of Lender (the “**Guaranty**”).

1.5 Term. The Note shall mature upon the date that is thirty-six (36) months after the date of closing on the Loan (the “**Maturity Date**”).

1.6 Fees. Borrower shall pay Lender a fee of one percent (1%) of the principal amount of the Loan, which fee shall be payable in full upon closing of the Loan.

1.7 Security. The Loan shall be secured by, among other things, the following:

- (i) the Guaranty;
- (ii) a first lien Deed of Trust, Security Agreement and Fixture Filing made by Borrower for the benefit of Lender (as amended, restated, supplemented or substituted, the “**Deed of Trust**”) on the Property;
- (iii) an Assignment of Leases and Rents made by Borrower for the benefit of Lender (as amended, restated, supplemented or substituted, the “**Leases Assignment**”) on the Property;
- (iv) an Assignment of Sales Contracts and Deposits made by Borrower for the benefit of Lender (as amended, restated, supplemented or substituted, the “**Contracts Assignment**”);
- (v) an Environmental Indemnity Agreement made by Borrower and Guarantors for the benefit of Lender (as amended, restated, supplemented or substituted, the “**Environmental Indemnity**”);
- (vi) a Collateral Assignment of Judgment Rights with respect to the judgment in favor of Borrower against Balfour Beatty Construction, LLC (the “**Balfour Judgment**”) made by Borrower for the benefit of Lender (as amended, restated, supplemented or substituted, the “**Collateral Assignment**”);

(vii) UCC-1 Financing Statements (as amended, restated, supplemented or substituted, the “**Financing Statements**”).

1.8 Stonehenge Subordination Agreement. It is understood and acknowledged that Stonehenge Funding, L.C. (“**Stonehenge**”) made a loan to Comstock (the “**Stonehenge Loan**”) pursuant to a Second Amended and Restated Indenture dated February 12, 2010 by and between Comstock and Comstock Asset Management, L.C. and evidenced by a promissory in the original principal amount of \$4,500,000. Guarantor shall cause Stonehenge to execute and deliver at the closing of the Loan a subordination agreement in substantially the same form as attached as **Exhibit B** (the “**Subordination Agreement**”).

1.9 Warrant Issuance. Upon the closing of the Loan, Comstock shall issue 1,000,000 warrants for its common stock to BridgeCom Development I, LLC, an affiliate of Lender, which warrants will be exercisable as set forth in a common stock warrant (the “**Warrant**”) in accordance with the terms and conditions set forth therein.

SECTION TWO

PAYMENTS, ETC.

2.1 Payments; Prepayments. Payments of principal, including mandatory prepayments, and interest with respect to the Loan shall be due and payable as set forth in the Note. All payments due under the Loan Documents shall be made in immediately available funds to Lender at such place as designated by Lender from time to time. Payments shall be applied, at Lender’s sole discretion: (i) first, to payment of accrued and unpaid interest, if any; (ii) second, to payment of any principal then due, if any; (iii) third to late charges, if any; (iv) fourth, to reasonable attorneys’ fees and costs of collection; and (v) fifth, to reduce the outstanding principal balance of the Note until such principal shall have been fully repaid. All payments hereunder shall be made without offset, demand, counterclaim, deduction, abatement, defense, or recoupment, each of which Borrower hereby waives. The terms and conditions of optional prepayments are as set forth in the Note.

2.2 Late Charges. If any payment due under the Note is not made within ten (10) days following its due date, Borrower shall pay to Lender upon demand a late charge equal to five percent (5%) of the amount of such payment.

2.3 Default Rate. After an Event of Default (hereinafter defined), the interest which accrues on the Note shall be increased to the Default Rate (as defined in the Note).

2.4 Computations. Interest and fees on the Loan shall be computed on the basis of a year of three hundred sixty (360) days and actual days elapsed.

2.5 Indebtedness. As used in this Agreement, the term “**Indebtedness**” means all present and future indebtedness of Borrower to Lender arising out of or in connection with the Note or any of the other Loan Documents.

SECTION THREE

CONDITIONS

3.1 Conditions Precedent to Closing. In addition to any other conditions stated in this Agreement, the following conditions must be satisfied prior to Lender closing on the Loan:

(a) Loan Documents. Receipt by Lender of appropriately completed and duly executed originals of this Agreement, the Note, the Guaranty, the Deed of Trust, the Leases Assignment, the Contracts Assignment, the Environmental Indemnity, the Collateral Assignment, and the Financing Statements, all as Lender may require (collectively with any other documents executed and delivered evidencing the Indebtedness, the “**Loan Documents**”) along with delivery of the fully executed Subordination Agreement, Warrant, and ROFR Agreement (as defined in Section 5.20(a));

(b) Organizational Documents. Borrower shall provide to Lender: (i) a currently certified copy of its articles of organization and all amendments thereto; (ii) evidence satisfactory to Lender and its counsel that it is in good standing in the jurisdiction where organized and qualified to do business in every jurisdiction in which the nature of its businesses or its properties makes such qualification necessary; (iii) resolutions authorizing the due execution and delivery of the Loan Documents to which it is a party and (iv) certified copies of its operating agreement and all amendments thereto. Each Guarantor shall provide to Lender: (i) a currently certified copy of its articles or certificate of incorporation or organization, as applicable, and all amendments thereto; (ii) evidence satisfactory to Lender and its counsel that it is in good standing in the jurisdiction where organized and qualified to do business in every jurisdiction in which the nature of its businesses or its properties makes such qualification necessary; (iii) resolutions authorizing the due execution and delivery of the Loan Documents to which it is a party and a certificate of incumbency and (iv) certified copies of its bylaws or operating agreement, as applicable, and all amendments thereto (all of the foregoing, collectively, the “**Organizational Documents**”).

(c) Opinion. Receipt by Lender of the opinion of the counsel for Borrower and Guarantors, in form and content satisfactory to Lender, in its sole, but reasonable, discretion.

(d) Insurance. Receipt by Lender of certificate(s) of insurance to evidence a fully paid policy or policies of comprehensive public liability insurance naming Lender as an additional insured thereunder in an amount not less than Two Million Dollars (\$2,000,000) in the aggregate, with not less than One Million Dollars (\$1,000,000) per occurrence; in any event, the amount of all insurance shall be sufficient to prevent any co-insurance contribution on any loss, with each policy providing for a thirty (30) day prior written notice of cancellation, amendment or alteration; together with the insurance required pursuant to Section 2.3 of the Deed of Trust.

(e) Financing Statements. The financing statements necessary to perfect Lender’s security interest in the personal property subject to the Deed of Trust and the personal property subject to the Guaranty, and in any other collateral requiring filing of a financing statement for perfection of a lien thereon, shall be duly filed, and Borrower and Guarantors each hereby consent to and authorize such filing, in all appropriate offices and jurisdictions. All other financing statements covering any of such personal property shall be terminated or Lender shall be reasonably satisfied that such terminations are forthcoming, and filing and recording receipts

evidencing such filings and terminations shall be delivered to Lender, all in form and substance satisfactory to Lender.

(f) Property Documents. Lender shall have received and approved, in its sole discretion, the following:

(1) Appraisal. An appraisal of the Property prepared by an appraiser acceptable to Lender, in form and content acceptable to Lender, conforming to all regulatory and internal appraisal guidelines applicable to or established by Lender, in its sole, absolute, nonreviewable discretion, reflecting an “as is” value and a “discounted cash flow value” satisfactory to Lender (the “**Appraisal**”), such Appraisal having been received and previously approved by Lender. For the avoidance of doubt; Borrower acknowledges that the gross appraised value to be used to calculate any mandatory prepayment under Section 4(a) of the Note is as set forth in Schedule 4(a) to the Note and not as set forth in the Appraisal;

(2) Title Insurance. A commitment for title insurance (the “**Title Commitment**”) insuring the first priority lien of the Deed of Trust, containing no exceptions unacceptable to Lender, issued in the name of Lender by a title company acceptable to Lender and in an amount equal to the principal amount of the Note. Such Title Commitment and the title policy issued pursuant thereto (the “**Title Policy**”) shall reflect that all requirements for the issuance of the Title Policy have been satisfied, and shall contain such other endorsements or coverages as Lender may require;

(3) Condominium Documents. Copies of all condominium documents and all amendments thereto with respect to the Property, including without limitation the plats and plans, declaration, bylaws, rules and regulations, current condominium operating budget, and any notices of special assessment (collectively, the “**Condominium Documents**”);

(4) Environmental Audit. A Phase I environmental audit of the Property prepared by an environmental consulting firm acceptable to Lender, in its sole discretion, confirming that the Property is in compliance with all applicable environmental laws;

(5) Flood Hazard. Evidence that no part of the building(s) in which the Units are located is located in a special flood hazard area;

(6) Zoning. Receipt by Lender of a zoning endorsement to the Title Policy acceptable to Lender or such other written evidence as is acceptable to Lender that the Property is zoned consistent with the uses contemplated;

(7) Leases; Sales Agreements. Copies of all existing leases and sales agreements with respect to the Property, if any, together with (i) such information regarding pre-qualification and deposit as may be in Borrower’s possession or control and (ii) a proposed form of lease and form of sales agreement for future leases and sales;

(8) Management Agreements. Copies of all management agreements with respect to the Property;

(9) Certificates of Occupancy. Copies of all certificates of occupancy with respect to the Property;

(10) Service Contracts. Copies of all service contracts related to the Property;

(11) Licenses and Permits. Copies of all licenses and permits related to the Property;

(12) Rent Roll. Certified rent roll for the Property as of the date of the closing of the Loan; and

(13) Tax Bills. Copies of all real estate tax bills with respect to the Property during the two-year period prior to closing of the Loan.

(g) No Default. No event shall have occurred and be continuing that constitutes an Event of Default (as defined below).

(h) Representations. All representations and warranties contained in this Agreement shall be true and correct in every material respect as of the date of closing.

(i) Fees and Expenses. Borrower shall pay in full all fees and charges incurred by Lender in the procuring and making of the Loan, including without limitation, the reasonable fees and disbursements of Lender's attorneys, charges for the Appraisal, fees and expenses relating to examination of title, title insurance premiums, surveys, and document recording, documentary, transfer or other similar taxes and revenue stamps, and Lender's loan fees.

(l) Satisfactory Documents and Other Matters. All documents delivered pursuant to this Agreement must be in form and substance satisfactory to Lender and its counsel, and all legal matters incident to this Agreement must be satisfactory to Lender's counsel.

SECTION FOUR

REPRESENTATIONS AND WARRANTIES

In order to induce Lender to extend credit to Borrower, Borrower and each Guarantor make the following representations and warranties as to itself as applicable:

4.1 Organization. Borrower is a limited liability company duly organized, validly existing and in good standing under the laws of the Commonwealth of Virginia and is duly qualified as a foreign limited liability company and in good standing under the laws of each other jurisdiction in which such qualification is required. Each Guarantor is a corporation or a limited liability company, as applicable, duly organized, validly existing and in good standing under the laws of the State of Delaware or the Commonwealth of Virginia, as applicable, and is duly qualified as a foreign corporation or limited liability company, as applicable, and in good standing under the laws of each other jurisdiction in which such qualification is required.

4.2 Execution and Delivery. Borrower and each Guarantor has the power, and has taken all the necessary actions, to execute and deliver and perform its respective obligations under the Loan Documents, and the Loan Documents, when executed and delivered, will be binding obligations of Borrower enforceable in accordance with their respective terms.

4.3 Power and Authority. Borrower and each Guarantor has the power and authority to own its properties and to carry on its business as now being conducted.

4.4 Financial Statements. All financial statements and information delivered to Lender by Borrower or any Guarantor are correct and complete in all material respects, and present fairly the financial conditions, and reflect all known liabilities, contingent and otherwise, of Borrower and Guarantors as of the dates of such statements and information, and since such dates no material adverse change in the assets, liabilities, financial condition, business or operations of Borrower or any Guarantor has occurred.

4.5 Taxes. All tax returns and reports of Borrower and Guarantors required by law to be filed have been duly filed, and all taxes, assessments, other governmental charges or levies (other than those presently payable without penalty or interest and those that are being contested in good faith in appropriate proceedings) upon Borrower or any Guarantor and upon any of its properties, assets, income or franchises, that are due and payable have been paid.

4.6 Litigation. There is no action, suit or proceeding pending or, to the knowledge of Borrower or any Guarantor, threatened against or affecting Borrower or any Guarantor that, either in any case or in the aggregate, may result in any material adverse change in the business, properties or assets or in the condition, financial or otherwise, of Borrower or any Guarantor, or that may result in any material liability on the part of Borrower or any Guarantor that would materially and adversely affect the ability of Borrower or any Guarantor to perform its and/or their obligations under the Loan Documents, or that questions the validity of any of the Loan Documents or any action taken or to be taken in connection with the Loan Documents.

4.7 No Breach. The execution and delivery of the Loan Documents, and compliance with the provisions of the Loan Documents, will not conflict with or violate any provisions of law or conflict with, result in a breach of, or constitute a default under the Organizational Documents, any judgment, order or decree binding on Borrower or any Guarantor, or any other agreements to which Borrower or any Guarantor is a party.

4.8 No Defaults. Except for Existing Debt identified on Schedule 4.14(a) which is subject to a forbearance agreement that remains in good standing, and to the best of Borrower's and Guarantors' knowledge, neither Borrower nor any Guarantor is in default with respect to any debt, direct or indirect, or with respect to the Condominium Documents.

4.9 Compliance. Borrower and each Guarantor is in compliance in all material respects with all applicable laws and regulations, including, without limitation, the Employee Retirement Income Security Act of 1974, as amended ("**ERISA**").

4.10 Approvals. No authorizations, approvals or consents of, and no filings and registrations with, any governmental or regulatory authority or agency are necessary for the execution, delivery or performance of the Loan Documents by Borrower or any Guarantor.

4.11 Title to Assets. Borrower and each Guarantor has good and marketable title to all of its assets, subject only to the liens and security interests permitted by this Agreement.

4.12 Use of Proceeds. The proceeds of the Loan shall be used only for the purposes set forth in Section 1.3 of this Agreement. The proceeds of the Loan shall not be used to purchase or carry any margin stock, as such term is defined in Regulations U and X of the Board of Governors of the Federal Reserve System.

4.13 Perfection and Priority. When the Loan is advanced, Lender shall have a valid, enforceable and perfected security interest in the Security Property (as defined in the Deed of Trust) and the Collateral (as defined in the Guaranty), subject only to liens permitted by Lender.

4.14 Outstanding Debt; Accrued Obligations. As of the closing, (i) Borrower will have no outstanding debt other than the Loan, and (ii) no Guarantor will have any outstanding debt other than the debt set forth on Schedule 4.14(a) attached hereto (the "**Existing Debt**"). As of the closing, Borrower and Guarantors have no accrued rent or employee compensation other than as set forth on Schedule 4.14(b) attached hereto.

4.15 Capitalization.

(a) The authorized capital stock of Comstock consists of 77,266,500 shares of Class A common stock and 2,733,500 shares of Class B common stock and 50,000 shares of preferred stock. As of the date of this Agreement, 17,220,462 shares of Class A Common Stock were issued and outstanding, and the following are unexercised shares: 1,370,515 shares of restricted stock, 662,500 shares in options, and 489,479 shares in warrants (excluding the Warrant).

(b) Comstock owns 100% of the membership interests in the other Guarantor.

4.16 Solvency. Both immediately before and immediately after the closing of the Loan (a) the fair value of the assets of Borrower and each Guarantor will exceed its debts and liabilities, subordinated, contingent or otherwise; and (b) Borrower and each Guarantor will be able to pay its debts and liabilities, subordinated, contingent or otherwise, as such debts and liabilities become due.

4.17 Intellectual Property. None of the execution, delivery or performance of this Agreement and the other Loan Documents will alter, impair or otherwise affect or require the consent, approval or other authorization of any other person in respect of any right of Borrower or any Guarantor in any intellectual property.

4.18 Disclosure. The representations and warranties made in this Agreement and all other documents furnished to Lender by Borrower or any Guarantor in connection with this Agreement or any transaction contemplated hereby, and in all materials furnished by Borrower or any Guarantor to Lender in connection with the Loan, (i) do not and will not contain, at the time furnished, any untrue statement of a material fact, and (ii) do not and will not omit, at the time furnished, any material fact necessary in order to make them not misleading.

SECTION FIVE

COVENANTS OF BORROWER AND GUARANTORS

In consideration of credit extended or to be extended by Lender, Borrower and each Guarantor covenants and agrees as follows:

5.1 Financial Information. Borrower and each Guarantor shall deliver to Lender: (i) each year within ninety (90) days after the close of its fiscal year, financial statements prepared in accordance with generally accepted accounting principles consistently applied, certified as true and correct by an officer of each such entity; (ii) each year within thirty (30) days after filing with the Internal Revenue Service, a copy of each such entity's federal income tax return and all schedules thereto and (iii) promptly following Lender's request, such financial and other information with respect to such entity and the Property as Lender reasonably may require from time to time. All financial statements shall be in such reasonable detail and shall be accompanied by such certificates of Borrower or such Guarantor, as applicable, as may be reasonably required by Lender.

5.2 Taxes. Borrower and each Guarantor shall timely file all tax returns and reports required by law to be filed, and timely pay all taxes, assessments, other governmental charges or levies upon itself and upon any of its properties, assets, income or franchises.

5.3 Compliance with Laws. Borrower and each Guarantor shall comply with all applicable laws and regulations, including, without limitation, ERISA.

5.4 Maintain Existence, Properties, Insurance and Business; Organizational Documents. Borrower and each Guarantor shall maintain its existence in good standing, maintain and keep its properties in good condition (ordinary wear and tear, fire or other casualty excepted), and maintain adequate insurance for all of its properties with financially sound and reputable insurers. Borrower and each Guarantor shall remain in the same line of business as it is in on the date of this Agreement and shall not enter into any new lines of business without the prior written consent of Lender. The Organizational Documents of Borrower and of each Guarantor shall not be amended, changed or modified in any respect without prior written consent of Lender; provided, however, that on the condition that Lender is given thirty (30) days' advance written notice, Lender hereby consents to Comstock's change in corporate domicile from Delaware to Virginia and all amendments to its organizational documents as are reasonably required to effect such change in domicile subsequent to the closing of the Loan; provided further that UCC-1 financing statements shall be filed in the changed domicile at the cost and expense of the Comstock.

5.5 Notices. As soon as it has actual knowledge, Borrower and each Guarantor shall notify Lender of the institution or threat of any material litigation or condemnation or administrative proceeding of any nature involving Borrower or any Guarantor.

5.6 Books and Records. Borrower and each Guarantor shall maintain complete and accurate books of account and records. The principal books of account and records for Borrower and each Guarantor shall be kept and maintained at 11465 Sunset Hills Road, 4th Floor, Reston, VA 20190. Neither Borrower nor any Guarantor shall remove such books of account and records without giving Lender at least thirty (30) days' prior written notice. Borrower and each Guarantor, upon reasonable notice from Lender, shall permit Lender, or any officer,

employee or agent designated by Lender, to examine its books of account and records, and each agree that Lender or such officer, employee or agent may audit and verify such books of account and records. Borrower and each Guarantor shall reimburse Lender for any reasonable expenses incurred by Lender in connection with any audits of its books of account and records. All books of account maintained Borrower and each Guarantor shall be maintained and prepared in accordance with generally accepted accounting principles consistently applied.

5.7 Liens. Neither Borrower nor any Guarantor shall create, incur, assume or permit to exist any mortgage, deed of trust, assignment, pledge, lien, security interest, charge or encumbrance, including, without limitation, the right of a vendor under a conditional sale contract or the lessor under a capitalized lease (collectively, the "**Liens**") of any kind or nature in or upon any of its assets, except:

(a) Liens created or deposits made that are incidental to the conduct of its business, that are not incurred in connection with any borrowing or the obtaining of any credit and that do not and will not interfere with the use by Borrower or any Guarantor, as applicable, of any of its assets in the normal course of its business or materially impair the value of such assets for the purpose of such business;

(b) Liens created in connection with project-level financing by Comstock or its affiliate of projects other than the Condominium; and

(c) Liens securing the Indebtedness;

provided, however, that, no Guarantor shall be required to comply with this Section 5.7 while the Aggregate LTV is equal to or less than fifty percent (50%).

5.8 Debt.

(a) Without the prior written consent of Lender, neither Borrower nor any Guarantor shall incur or permit to exist any debt for borrowed funds, the deferred purchase price of goods or services or capitalized lease obligations, except for (i) trade debt incurred in the ordinary course of business, (ii) debt incurred in connection with project level financing by Comstock or its affiliate of projects other than the Condominium, (iii) the Existing Debt, and (iv) the Indebtedness.

(b) Other than principal and interest payments due and owing under the Revolving Line of Credit Note dated February 22, 2006 in the original principal amount of Fifteen Million Dollars (\$15,000,000) made by Comstock payable to the order of Bank of America, N.A., any unsecured loan hereafter extended to Borrower or any Guarantor by a third party and any secured or unsecured loan extended to Borrower or any Guarantor by a director or officer of Borrower or any Guarantor, or any entity under the control of a director or officer of Borrower or any Guarantor, shall be subject to a subordination agreement in substantially the same form as attached as **Exhibit B**.

(c) Except for the Indebtedness, no other indebtedness of Borrower or any Guarantor may be prepaid in whole or in part other than the Loan during the Term; provided that Comstock may prepay the following with Lender's prior written consent:

(i) Subordinated Deficiency Note dated September 21, 2009 in the original principal amount of \$400,000 made by Comstock payable to the order of Cornerstone Bank;

(ii) Amended and Restated Subordinated Deficiency Note dated November 5, 2009 in the original principal amount of \$205,488.23 made by Comstock payable to the order of Wachovia Bank, National Association; and

(iii) Subordinated Deficiency Note dated November 10, 2009 in the original principal amount of \$25,000 made by Comstock payable to the order of Fifth Third Bank.

(d) No Guarantor shall be required to comply with this Section 5.8 while the Aggregate LTV is equal to or less than fifty percent (50%).

5.9 Contingent Liabilities. Without the prior written consent of Lender, neither Borrower nor any Guarantor shall guarantee, endorse, become contingently liable upon or assume the obligation of any person, or permit any such contingent liability to exist, except by the endorsement of negotiable instruments for deposit or collection or similar transactions in the ordinary course of business; provided, however, that no Guarantor shall be required to comply with this Section 5.9 while the Aggregate LTV is equal to or less than fifty percent (50%).

5.10 Sale of Assets. Without the prior written consent of Lender, neither Borrower nor Guarantor shall sell, lease, assign or otherwise dispose of any of its assets except for (a) sales in the ordinary course of business including sales of Units, (b) the disposition of assets that are no longer needed or useful in its business and (c) obsolete or non-performing assets which are replaced with assets of similar or better quality and utility. No sale, lease, assignment or other disposition of any of Borrower's or Guarantor's assets shall be for less than fair market value or not at arm's length.

5.11 Liquidations, Terminations, Mergers and Acquisitions. Without the prior written consent of Lender, which Lender may grant or withhold in its sole discretion, neither Borrower nor any Guarantor shall dissolve, liquidate, terminate, merge or consolidate with (including by operation of law) any other person.

5.12 Loans and Advances; Investments. Without the prior written consent of Lender, Borrower shall not make any loan or advance to any of its affiliates, directors, members, managers, officers or employees, or any other person, except for the creation of accounts receivable in the ordinary course of business on terms that are no less favorable than would apply in an arm's-length transaction nor shall any Guarantor make any (i) investments in any subsidiary or affiliate other than in the ordinary course of, and consistent with, its business as currently conducted or (ii) loans or advances to any of its directors, officers or employees.

5.13 Subsidiaries and Joint Ventures. Without the prior written consent of Lender, neither Borrower nor any Guarantor shall form any subsidiary, become a general or limited partner in any partnership or become a party to a joint venture; provided that Comstock shall be permitted to form any subsidiary, become a general or limited partner in any partnership or become a party to a joint venture with respect to any corporate opportunity (i) that is not subject to the ROFR Agreement pursuant to the terms and conditions of the ROFR Agreement or (ii) with respect to which it previously complied with Section 2 of the ROFR Agreement. If

Lender grants its consent to the formation or acquisition of a subsidiary, Borrower or such Guarantor, as applicable, shall cause such subsidiary to perform and observe all of the covenants contained in this Agreement.

5.14 Affiliates. Without the prior written consent of Lender, neither Borrower nor any Guarantor shall engage in business with any of its affiliates, stockholders, officers, or directors except in the ordinary course of business and on terms that are no less favorable to Borrower or such Guarantor, as applicable, than would apply in an arm's-length transaction.

5.15 Organization; Control and Management. Until such time as the Loan is fully repaid, there shall be no Transfer (hereinafter defined) of any interest in Borrower, nor any change in the Control (hereinafter defined) or management of Borrower or any Guarantor, nor any Transfer of the Property except for sales of Units in accordance with the Loan Documents, without Lender's prior written consent. "**Transfer**" means any assignment, pledge, conveyance, sale, transfer, mortgage, encumbrance, grant of a security interest or other disposition, either directly or indirectly, by operation of law or otherwise. "**Control**" means the ownership, directly or indirectly, in the aggregate of fifty percent (50%) or more of the beneficial ownership interests of an entity and the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of an entity, whether through the ability to exercise voting power, by contract or otherwise. "Controlled by" and "controlling" shall have the respective correlative meaning thereto.

5.16. Minimum Liquidity Covenants. Guarantors shall, collectively, maintain the minimum liquidity requirements set forth in Section 3.21 of the Guaranty.

5.17 Minimum Sales Requirement.

(a) Borrower shall enter into and close under sales contracts on at least six (6) Units (the "**Minimum Sales**") for each six-month period (the "**Measuring Period**") during the Term (the first such period shall commence on the date of the closing of the Loan). Each sales contract shall be subject to the prior approval of Lender, provided that Lender shall not unreasonably withhold its approval of any sales contract with a purchase price of at least Four Hundred Four Dollars (\$404) per square foot. If more than six (6) Units are sold within any such Measuring Period, the excess sales shall carry forward to satisfy all or a portion of the foregoing sales requirement for any ensuing Measuring Period and continuing on a cumulative basis until the Maturity Date.

(b) Borrower may not close under any sales contract that would result in the Condominium becoming ineligible for Federal Housing Administration financing.

5.18 Intentionally omitted.

5.19 Performance of Other Contracts. Borrower and each Guarantor shall duly and punctually perform all of its material contracts and other obligations to all parties with which it has contracts and other obligations.

5.20 Participation Rights.

(a) Lender (or its affiliate) shall have a right of first refusal to participate as a joint venture partner with Comstock in each future material corporate opportunity (each, a

“**Corporate Opportunity**”) as more particularly set forth in a right of first refusal and first offer agreement by and between Comstock and Lender of even date herewith (the “**ROFR Agreement**”).

(b) Within 45 days following Lender’s written request, which request may be delivered from and after October 1, 2011 so long as Cascades owns the Cascades project, Comstock shall exercise its rights under the Cascades operating agreement to repurchase all of the Class B Units and shall admit Lender as a member of Cascades on substantially similar terms as current Class B members as set forth in the governing documents for Cascades; provided however, Comstock shall not have the absolute right to repurchase Lender’s equity interest in Cascades unless in connection with (i) a cash out refinancing of the Cascades project (with Fannie Mae, Freddie Mac or similar institutional financing) or (ii) the sale of the Cascades project.

(c) If New Hampshire Ave Ventures, L.C and/or W Street Ventures, L.C. (together, the “**Ventures**”) is seeking additional material financing, Lender shall have the right, but not the obligation, as part of a Corporate Opportunity, to provide such financing on terms and conditions to be agreed upon by the parties; provided that such terms shall include a minimum preferred return of twenty percent (20%) or such greater amount as may be mutually agreed to by the parties.

5.21 Observation Rights. Lender shall be entitled to designate representatives to receive copies of all materials distributed to, and attend any meeting of, Comstock’s Investment Committee (including any subcommittee thereof) as an observer upon not less than three (3) business days’ prior notice.

5.22 Non-Competes. Comstock shall maintain in full force and effect and enforce its rights under the (i) Confidentiality and Non-Competition Agreement dated December 17, 2004 by and between Comstock and Gregory V. Benson; (ii) Confidentiality and Non-Competition Agreement dated December 17, 2004 by and between Comstock and Christopher Clemente; and (iii) Confidentiality and Non-Competition Agreement dated August 17, 2010 by and between Comstock and Joseph Squeri.

5.23 Collateral Monitoring. At Lender’s sole discretion, a third-party professional selected by Lender and reasonably acceptable to Borrower may be retained once per calendar year, at Borrower’s sole cost and expense, to establish and monitor the conditions of the collateral assets throughout the Term.

5.24 Notice to Lender. Borrower and each Guarantor shall promptly advise Lender in writing of any condition, event, or act that comes to its attention that (i) would prejudice Lender’s rights under the Loan Documents; (ii) would, with notice or lapse of time or both, become an Event of Default; (iii) constitutes an Event of Default; or (iv) constitutes a material adverse change to its assets, business, properties, or business prospects.

5.25 Perform Obligations. Borrower and each Guarantor shall fully perform and discharge its obligations under the Loan Documents when and as they become due.

5.26 Waiver of Subrogation. Notwithstanding anything to the contrary contained in this Agreement, Borrower hereby unconditionally and irrevocably waives, releases, and abrogates any and all rights it may now or hereafter have under any agreement, at law or in equity

(including any law subrogating the rights of Borrower to those of Lender), to assess any claim against or seek contribution, indemnification, or any other form of reimbursement from any other party liable for payment of any or all of the obligations for any payment made by Borrower under or in connection with the Loan Documents. This Section 5.26 shall survive the termination of this Agreement.

5.27 Further Assurances. At any time and from time to time, upon the written request of Lender, and at the sole expense of Borrower or Guarantor, as applicable, Borrower and each Guarantor shall promptly and duly execute and deliver such further instruments and documents and take such further actions as Lender may reasonably request for purposes of obtaining, creating, perfecting, validating, or preserving Lender's rights under the Loan Documents.

SECTION SIX

DEFAULT AND REMEDIES

6.1 Events of Default. Each of the following shall constitute an "Event of Default" under this Agreement:

(a) Failure to Pay. If: (i) Borrower shall fail to pay any payment required under the Note ("**Payments**") when due thereunder or (ii) Borrower shall fail to pay any amount (other than the Payments) as and when due under any of the Loan Documents;

(b) Failure to Give Notices. If Borrower or any Guarantor fails to give Lender any notice required by Section 5.5 or Section 5.24 of this Agreement within ten (10) business days after it has actual knowledge of the event giving rise to the obligation to give such notice;

(c) Failure to Permit Inspections. If Borrower or any Guarantor refuses to permit Lender to inspect its books and records in accordance with the provision of Section 5.6, or failure to permit Lender to inspect the Property upon reasonable advance notice;

(d) Failure to Observe Covenants. If Borrower or any Guarantor fails to perform or observe any term, covenant, warranty or agreement contained in this Agreement or in the other Loan Documents, excluding however the covenant contained in the first sentence of Section 5.17(a), and such failure shall continue for a period of thirty (30) days after written notice of such failure has been given to Borrower or Guarantor, as applicable, by Lender; provided, however, if such default is not in the payment of any sum due to Lender hereunder, or was not the subject of an Event of Default for which notice was previously provided, and provided Borrower or Guarantor, as applicable, is diligently pursuing the cure of such default, then Borrower or Guarantor, as applicable, shall have an additional sixty (60) days within which to cure such default prior to Lender exercising any right or remedy available hereunder, at law or in equity;

(e) Defaults under Loan Documents. If an Event of Default shall occur under the Note or any other Loan Document and shall not be cured within any applicable grace period;

(f) Breach of Representation. Discovery that any representation or warranty made or deemed made by Borrower or any Guarantor in this Agreement or in any other Loan Document, or any statement or representation made in any certificate, report or opinion delivered pursuant to this Agreement or other Loan Document or in connection with any

borrowing under this Agreement by Borrower or any Guarantor or any officer, agent, employee or director of Borrower or any Guarantor, was materially untrue when made or deemed made;

(g) Voluntary Bankruptcy. If Borrower or any Guarantor makes an assignment for the benefit of creditors, files a petition in bankruptcy, petitions or applies to any tribunal for any receiver or any trustee of Borrower or any Guarantor or any substantial part of the property of Borrower or any Guarantor, or commences any proceeding relating to Borrower or any Guarantor under any reorganization, arrangement, composition, readjustment, liquidation or dissolution law or statute of any jurisdiction, whether in effect now or after this Agreement is executed;

(h) Involuntary Bankruptcy. If, within sixty (60) days after the filing of a bankruptcy petition or the commencement of any proceeding against Borrower or any Guarantor seeking any reorganization, arrangement, composition, readjustment, liquidation, dissolution or similar relief under any present or future statute, law or regulation, the proceeding shall not have been dismissed, or, if within sixty (60) days, after the appointment, without the consent or acquiescence of Borrower or Guarantor, of any trustee, receiver or liquidator of any Borrower or all of any substantial part of the properties of Borrower or any Guarantor, the appointment shall not have been vacated;

(i) Cross-Default. If, as a result of default, any present or future obligations of Borrower or any Guarantor to Lender or any other creditor are declared to be due and payable prior to the expressed maturity of such obligations;

(j) Material Adverse Change. A material adverse change occurs in the financial or business condition of any Borrower or any Guarantor;

(k) Judgment. If a judgment, attachment, garnishment or other process is entered against Borrower and is not vacated or bonded within sixty (60) days after entry (or such shorter period of time as necessary in order to avoid attachment or foreclosure), or if a judgment, attachment, garnishment or other process is entered against any Guarantor that would materially affect such Guarantor's ability to perform its obligations under the Loan Documents, and such judgment, attachment, garnishment or other process is not vacated or bonded within sixty (60) days after entry (or such shorter period of time as necessary in order to avoid attachment or foreclosure);

(l) Dissolution. The dissolution, liquidation or termination of existence of Borrower or any Guarantor; or

(m) Change in Management/Control. A change in the management of or controlling interest in Borrower or any Guarantor without the prior written consent of Lender.

6.2 Remedies. Upon the occurrence of an Event of Default (a) Lender, at its option, by written notice to Borrower, may declare all Indebtedness to Lender to be immediately due and payable, whether such Indebtedness was incurred prior to, contemporaneous with or subsequent to the date of this Agreement and whether represented in writing or otherwise, without presentment, demand, protest or further notice of any kind, and (b) Lender may exercise all rights and remedies available to it under the Loan Documents and applicable law. Borrower agrees to pay all costs and expenses incurred by Lender in enforcing any obligation under this Agreement or the other Loan Documents, including, without limitation, attorneys' fees. No failure

or delay by Lender in exercising any power or right will operate as a waiver of such power or right, nor will any single or partial exercise of any power or right preclude any other future exercise of such power or right, or the exercise of any other power or right.

SECTION SEVEN

INDEMNIFICATION

Borrower and Guarantors jointly and severally indemnify and hold harmless Lender, its affiliates, and each of their officers, directors, employees, agents, advisors and representatives (each, an “**Indemnified Party**”) from and against any and all claims, damages, losses, liabilities and expenses (including, without limitation, reasonable fees and disbursements of counsel) that may be incurred by or asserted or awarded against any Indemnified Party (including, without limitation, in connection with any investigation, litigation or proceeding or the preparation of a defense in connection therewith), arising out of or in connection with or by reason of the Loan contemplated hereby (including, without limitation arising out of or in connection with the litigation styled *Lawyer’s Title Insurance Corporation v. Comstock Potomac Yard, L.C.* filed in Arlington County Circuit Court on March 21, 2011 and the performance bonds posted for the Post Preserve project with Travelers Casualty and Surety Company), except to the extent arising from an Indemnified Party’s gross negligence or willful misconduct. In the case of an investigation, litigation or other proceeding to which the indemnity in this section applies, such indemnity shall be effective whether or not such investigation, litigation or proceeding is brought by Borrower or any Guarantor, any of their directors, security holders or creditors, an Indemnified Party or any other person or an Indemnified Party is otherwise a party thereto. No Indemnified Party will have any liability (whether direct or indirect, in contract, tort or otherwise) to Borrower or any Guarantor, any of their affiliates, security holders or creditors for or in connection with the transactions contemplated hereby, except for direct damages (as opposed to special, indirect, consequential or punitive damages including, without limitation, any loss of profits, business or anticipated savings) determined in a final non-appealable judgment by a court of competent jurisdiction to have resulted from such Indemnified Party’s gross negligence or willful misconduct.

SECTION EIGHT

MISCELLANEOUS

8.1 Defined Terms. Each accounting term used in this Agreement, not otherwise defined, shall have the meaning given to it under GAAP applied on a consistent basis. The term “**person**” shall mean any individual partnership, corporation, trust, joint venture, unincorporated association, governmental subdivision or agency or any other entity of any nature. The term “**subsidiary**” means, with respect to any person, a corporation or other person of which shares of stock or other ownership interest having ordinary voting power to elect a majority of the board of directors or other managers of such corporation or person are at the time owned, or the management of which it otherwise controlled, directly or indirectly, through one or more intermediaries, by such person. The term “**affiliate**” means, with respect to any specified person, any other person that, directly or indirectly, controls or is controlled by, or is under common control with, such specified person. All meanings assigned to defined terms in this Agreement shall be applicable to the singular and plural forms of the terms defined.

8.2 Notices. All notices, requests, demands and other communication with respect hereto shall be in writing and shall be delivered by hand, prepaid by Federal Express (or a comparable overnight delivery service), sent by the United States first-class mail, certified, postage prepaid, return receipt requested, to the parties at their respective addresses set forth as follows:

If to Lender, to:

BCL Eclipse, LLC
c/o SunBridge Manager, LLC
5425 Wisconsin Avenue, Suite 701
Chevy Chase, Maryland 20815
Attention: Timothy B. Peterson

with a copy to:

Arent Fox LLP
1050 Connecticut Avenue NW
Washington, DC 20036
Attention: Jay L. Halpern, Esq.

If to Borrower, to:

Comstock Potomac Yard, L.C.
c/o Comstock Homebuilding Companies, Inc.
11465 Sunset Hills Road, 4th Floor
Reston, VA 20190
Attention: Christopher Clemente, CEO

with a copy to:

Comstock Homebuilding Companies, Inc.
11465 Sunset Hills Road, 4th Floor
Reston, VA 20190
Attention: Jubal Thompson, General Counsel

Any notice, request, demand or other communication delivered or sent in the manner aforesaid shall be deemed given or made (as the case may be) upon the earliest of (a) the date it is actually received, (b) on the business day after the day on which it is delivered by hand, (c) on the business day after the day on which it is properly delivered by Federal Express (or a comparable overnight delivery service), or (d) on the third (3rd) business day after the day on which it is deposited in the United States mail, certified and return receipt requested. Any party may change such party's address by notifying the other parties of the new address in any manner permitted by this Section.

8.3 Successors and Assigns. This Agreement will be binding upon and inure to the benefit of Lender and Borrower and their respective successors, assigns, personal representatives, executors and administrators, provided that Borrower may not assign or transfer its rights under this Agreement.

8.4 Entire Agreement. Except for the other Loan Documents expressly referred to in this Agreement, this Agreement represents the entire agreement between Lender and Borrower on the subject matter hereof, supersedes all prior commitments, and may be modified only by an agreement in writing.

8.5 Survival. All agreements, covenants, representations and warranties made in this Agreement and all other provisions of this Agreement will survive the delivery of this Agreement and the other Loan Documents and the making of the advances under this Agreement and will remain in full force and effect until the obligations of Borrower under this Agreement and the other Loan Documents are fully discharged.

8.6 Governing Law. This Agreement will be governed by and construed in accordance with the laws of the Commonwealth of Virginia, without reference to conflict of laws principles.

8.7 Headings. Section headings are for convenience of reference only and shall not affect the interpretation of this Agreement.

8.8 Participations. Lender shall have the right to sell all or any part of its rights under the Loan Documents, and Borrower authorizes Lender to disclose to any prospective participant in the Loan any and all financial and other information in Lender's possession concerning Borrower or the collateral.

8.9 Third Party Beneficiary. The parties do not intend the benefits of this Agreement or any other Loan Document to inure to any third party.

8.10 Waiver of Jury Trial. TO THE FULLEST EXTENT PERMITTED BY LAW, LENDER AND BORROWER KNOWINGLY, VOLUNTARILY AND INTENTIONALLY WAIVE ANY RIGHTS THEY MAY HAVE TO A TRIAL BY JURY BASED ON, ARISING OUT OF OR UNDER, OR IN CONNECTION WITH THIS AGREEMENT OR ANY OTHER LOAN DOCUMENT.

8.11 Waiver. The rights of Lender under this Agreement and the other Loan Documents shall be in addition to all other rights provided by law. No waiver of any provision of this Agreement, or any other Loan Document, shall be effective unless in writing, and no waiver shall extend beyond the particular purpose involved. No waiver in any one case shall require Lender to give any subsequent waivers.

8.12 Severability. If any provision of this Agreement or any other Loan Document is held to be void, invalid, illegal or unenforceable in any respect, such provision shall be fully severable and this Agreement or the applicable Loan Document shall be construed as if the void, invalid, illegal or unenforceable provision were not included in this Agreement or in such Loan Document.

8.13 No Setoffs. With respect to a monetary default claimed by Lender under the Loan Documents, no setoff, claim, counterclaim, reduction or diminution of any obligation or defense of any kind or nature that Borrower has or may have against Lender (other than the defenses of payment, Lender's gross negligence or willful misconduct) shall be available against Lender in any action, suit or proceeding brought by Lender to enforce this Agreement or any other Loan Document. The foregoing shall not be construed as a waiver by Borrower of any such rights or

claims against Lender, but any recovery upon any such rights or claims shall be had from Lender separately, it being the intent of this Agreement and the other Loan Documents that Borrower shall be obligated to pay, absolutely and unconditionally, all amounts due under this Agreement and the other Loan Documents.

8.14 Counterparts. This Agreement may be executed for the convenience of the parties in several counterparts, which are in all respects similar and each of which is to be deemed to complete in and of itself, and any one of which may be introduced in evidence or used for any other purpose without the production of the other counterparts thereof.

8.15 Consent to Jurisdiction. Borrower and each Guarantor irrevocably submit to jurisdiction of any state or federal court sitting in the Commonwealth of Virginia over any suit, action, or proceeding arising out of or relating to this Loan Agreement, the Note or any other Loan Documents. Borrower and each Guarantor irrevocably waive, to the fullest extent permitted by law, any objection that they may now or hereafter have to the venue of any such suit, action or proceeding brought in any such court and any claim that any such suit, action, or proceeding brought in any such court has been brought in an inconvenient forum. Final judgment in any such court shall be conclusive and binding and may be enforced in any court in which the undersigned is subject to jurisdiction by a suit upon such judgment provided that service of process is effected as provided herein or as otherwise permitted by applicable laws.

[signatures on following page]

IN WITNESS WHEREOF, Borrower and Lender have caused this Agreement to be executed in their respective names by duly authorized representatives as of the day and year first above written. Guarantors join herein to consent and agree to the terms, conditions, provisions and covenants of those sections of this Agreement that address a covenant or obligation of Guarantors.

BORROWER:

COMSTOCK POTOMAC YARD, L.C.,
a Virginia limited liability company

By: Comstock Homebuilding Companies, Inc.,
a Delaware corporation,
its Manager

By: /s/ Christopher Clemente
Christopher Clemente
Chief Executive Officer

LENDER:

BCL ECLIPSE, LLC,
a Delaware limited liability company

By: BridgeCom Loans, LLC,
a Delaware limited liability company,
its Manager

By: SunBridge Manager, LLC,
a Delaware limited liability company,
its Managing Member

By: /s/ Charles A. Ledsinger, Jr.
Charles A. Ledsinger, Jr.
President

[signatures continue on following page]

GUARANTORS:

COMSTOCK HOMEBUILDING COMPANIES, INC., a
Delaware corporation

By: /s/ Christopher Clemente

Christopher Clemente

Chief Executive Officer

COMSTOCK EMERALD FARM, L.C.,
a Virginia limited liability company

By: Comstock Homebuilding Companies, Inc.,
a Delaware corporation,
its Manager

By: /s/ Christopher Clemente

Christopher Clemente

Chief Executive Officer

EXHIBIT A

LEGAL DESCRIPTION OF PROPERTY

Condominium Units Numbered 519, 823, 1012, 1017, 1112, 1118, 1119, in Phase 1, and Condominium Units Numbered 151, 155, 157, 252, 362, 363, 366, 462, 463, 466, 540, 562, 563, 642, 662, 663, 664, 742, 743, 747, 842, 848, 851, 942, 948, 949, 951, 1050, 1149, and 1151, in Phase 2, THE ECLIPSE ON CENTER PARK CONDOMINIUM, as created and shown on plat attached to Amendment to Condominium Instruments recorded in Deed Book 4033 at Page 290, as amended in Deed Book 4109 at Page 110, and any and all amendments thereto, among the Land Records of Arlington County, Virginia.

TOGETHER WITH an undivided percentage interest appurtenant to the Unit in all Common Elements of said Project including Limited Common Element Parking Spaces *as listed below* and Limited Common Element Storage Space *as also listed below*.

Parking Spaces

RP2-008	RP2-204	RP3-055
RP2-009	RP2-205	RP3-065
RP2-016	RP2-210	
RP2-018	RP2-211	
RP2-019	RP2-212	
RP2-020	RP2-222	
RP2-021	RP2-223	
RP2-022	RP2-228	
RP2-027	RP2-229	
RP2-028	RP2-262	
RP2-030	RP2-267	
RP2-031	RP2-268	
RP2-068	RP2-318	
RP2-095	RP2-374	
RP2-096	RP2-387	
RP2-097	RP2-388	
RP2-128	RP2-389	
RP2-160	RP2-390	
RP2-161	RP2-391	
RP2-169	RP2-392	
RP2-170	RP2-393	
RP2-173	RP2-394	
RP2-174	RP2-410	
RP2-178	RP2-411	
RP2-182	RP2-413	
RP2-183	RP2-416	
RP2-188	RP2-417	
RP2-194	RP2-418	
RP2-195	RP2-514	
RP2-199	RP2-515	
RP2-200	RP2-516	
RP2-201	RP3-033	
RP2-202	RP3-034	
RP2-203	RP3-045	

Legal Description
Exhibit "A" Continued

Unit	Storage Rm/Bin No(s)	RPC#
519	E/081	34027204
823	D/54	34027285
1012	E/135	34027299
1017	D/62	34027304
1112	D/05	34027309
1118	D/06	37027315
1119	D/07	34027316
Phase 2		
151	A/083	34027329
155	A/079	34027333
157	A/077	34027335
252	A/081	34027350
362	A/042	34027390
363	A/045	34027391
366	B/22	37027394
462	A/094	34027424
463	B/046	34027425
466	B/32	34027428
540	A/015	34027436
562	A/075	34027458
563	A/048	34027459
642	A/041	34027472
662	A/088	37027492
663	A/090	34027493
664	B/45	34027494
742	A/093	34027502
743	A/095	34027503
747	B/27	34027507
842	A/098	34027510
848	A/100	34027516
851	A/102	34027519
942	A/103	34027520
949	A/107	34027527
951	A/110	34027529
1050	E/064	34027537
1149	E/043	34027544
1150	E/063	34027545

EXHIBIT B

FORM OF SUBORDINATION AGREEMENT

See attached.

Exhibit B

SUBORDINATION AGREEMENT

THIS SUBORDINATION AGREEMENT (as amended, restated, supplemented, extended or renewed from time to time, this "**Agreement**") is made as of the _____ day of _____, 2011 by _____ ("**_____**") and **COMSTOCK HOMEBUILDING COMPANIES, INC.** ("**Comstock**") for the benefit of **BCL ECLIPSE, LLC** ("**Lender**").

Recitals:

A. On _____, Comstock, pursuant to a _____ by and between Comstock and _____, made a promissory note payable to _____ in the original principal amount of \$_____ (the "**Junior Note**"), a copy of which is attached hereto as **Exhibit A** (the loan evidenced by such note, collectively with interest thereon and fees, charges, and other amounts due thereunder; all extensions, renewals, modifications, or refinancings of or with respect to such loan; and any and all future indebtedness of any type from Comstock to _____, whether absolute or contingent, the "**Junior Indebtedness**").

B. On July __, 2011, Lender made a loan to Comstock Potomac Yard, L.C, a wholly-owned subsidiary of Comstock, in the original principal amount of \$13,789,160, and, on _____, 2011, BCL Penderbrook, LLC, an affiliate of Lender, [intends to make / made] a loan to Comstock Penderbrook, L.C., a wholly-owned subsidiary of Comstock, in the [maximum] original principal amount of \$_____ (the "**Senior Loans**").

C. As an inducement to Lender to make the Senior Loans, Comstock agreed, among other things, (i) to guarantee the Senior Loans, and (ii) cause the Junior Indebtedness to be fully subordinated to the Senior Loans, and any renewals, refinancings, modifications or extensions thereof, and any interest thereon, and all costs of collecting the same, including reasonable attorneys' fees (collectively, the "**Senior Indebtedness**"). The documents and instruments from time to time evidencing or securing all or any part of the Senior Indebtedness are referred to in this Agreement as the "**Senior Loan Documents**." Capitalized terms used but not defined herein have the meanings given to them in the Senior Loan Documents.

Agreement:

For and in consideration of the mutual covenants set forth in this Agreement, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, _____, Comstock, and Lender agree as follows:

1. **Subordination.** The Junior Indebtedness is and shall, at all times and in all respects, be (a) unsecured and (b) wholly subordinate and inferior in claim and right and time of payment to the Senior Indebtedness. All claims, rights and remedies of _____ with respect to the Junior Indebtedness are hereby subordinated and made subsequent and inferior to the Senior Indebtedness and any liens, claims, rights and remedies arising out of, or in connection with the Senior Indebtedness.

2. **Other Payments on Account of Junior Indebtedness.** Until Final Satisfaction, (a) Comstock will not make, directly or indirectly, and _____ will not accept any payments with respect to Junior Indebtedness, and _____ will not enforce any collection or similar action or judgment with respect thereto; and (b) any and all payments or

Exhibit B-1

other distributions of all or any part of the assets of Comstock (or the proceeds thereof) to creditors of Comstock that are or become payable with respect to any of the Junior Indebtedness for any reason, whether voluntary, involuntary, by operation of law or otherwise (including by reason of any liquidation, dissolution, or other winding up of Comstock's business; any sale, receivership, insolvency or bankruptcy proceedings by or against Comstock or assignment for the benefit of creditors; or any other circumstance whereby it becomes necessary or desirable to file or present claims against Comstock for the purpose of receiving payment thereof, or on account thereof), shall be paid over to Lender for application to the payment of the Senior Indebtedness, whether due or not due. In any such event, all claims of Lender and all claims of _____ shall, at the option of Lender, forthwith become due and payable without demand or notice. As used in this Agreement, "**Final Satisfaction**" will be deemed to have occurred at such time as the Senior Indebtedness has been indefeasibly paid in full.

3. Payments in Trust. Should any payment or distribution or security or proceeds thereof be received by _____ upon or with respect to the Junior Indebtedness prior to Final Satisfaction, _____ will forthwith deliver the same to Lender in precisely the form as received except for the indorsement or assignment of _____ where necessary, for application on the Senior Indebtedness, whether due or not due, and until so delivered the same shall be held in trust by _____ as property of Lender.

4. Modifications to Senior Indebtedness. No renewal, modification or extension of time of payment of the Senior Indebtedness, and no release or surrender of any security for the Senior Indebtedness, or the obligations of any indorsers, sureties or guarantors thereof, or release from the terms of any other subordination agreement of any claims subordinated, and no delay or omission in exercising any right or power on account of or in connection with the Senior Indebtedness, or under this Agreement, shall, in any manner, impair or affect the rights and duties of Lender, _____ and Comstock under this Agreement. Lender, in its absolute discretion, may (a) waive or release any right or option under this Agreement and (b) apply payments and the proceeds of collateral to the Senior Indebtedness in such order as Lender may elect without the consent of Comstock or _____, and without otherwise in any way affecting the obligations of Comstock and _____ hereunder. _____ waives notice of the creation, existence, renewal, or modification or extension of the time of payment of the Senior Indebtedness and waives any right to require Lender to marshal any assets in favor of _____.

5. Modifications to Junior Indebtedness. Prior to Final Satisfaction, neither Comstock nor _____ shall amend, supplement, extend, restate or otherwise modify the documents evidencing the Junior Indebtedness (the "**Junior Loan Documents**") in any manner that would materially and adversely affect the Senior Indebtedness or any collateral securing the Senior Indebtedness, including increasing the amount of the Junior Indebtedness, increasing the interest rate or any payment obligations under the Junior Indebtedness, accelerating the time or times on which payments are to be made to _____, providing any collateral or other security for the repayment of the Junior Indebtedness, or otherwise expanding the rights of _____ under the Junior Loan Documents or with respect to the Junior Indebtedness, without the prior written approval of Lender, which approval may be withheld in Lender's sole and absolute discretion. Provided such amendment, supplement, extension, restatement or other modification receives Lender's prior written approval, _____ shall give Lender copies of any such documents within five business days after such documents have been executed by _____.

6. Books and Records; Requirement for Legend on All Notes. _____ and Comstock agree to make and maintain in their books of account notations satisfactory to Lender of the rights and priorities of Lender hereunder. _____ shall place a written legend on the face of the original of all notes or other evidences of indebtedness with respect to any of the Junior Indebtedness to the effect that the indebtedness evidenced thereby is subject to the provisions of this Agreement, and, at Lender's request, shall deliver to Lender copies or originals of all notes or other evidences of indebtedness bearing such written statement. Lender may inspect the books of account and any records of _____ relating to the Junior Indebtedness at any time during regular business hours.

7. Representations and Warranties. _____ represents and warrants that the outstanding principal amount under the Junior Note as of the date of this Agreement is \$ _____ plus accrued interest of \$ _____ through _____ and that the Junior Note has not been amended or modified in any respect.

8. Further Assurances. Comstock and _____ agree, from time to time and upon request, to make, execute, acknowledge, and deliver to Lender such, endorsements, proofs of claim, pleadings, verifications, affidavits, consents, agreements, releases or other instruments or documents as may be requested by Lender in order to enable Lender (a) to enforce any and all claims upon, or with respect to, the Junior Indebtedness; (b) to collect and receive any and all payments or distributions which may be payable or deliverable at any time upon or with respect to the Junior Indebtedness; or (c) as is otherwise necessary or appropriate to effect the subordination of the Junior Indebtedness to the Senior Indebtedness and to otherwise carry out the intent and purpose of this Agreement.

9. Notices. All notices required under this Agreement shall be in writing and shall be given by mailing such notice by certified mail or by sending such notice by Federal Express or other nationally recognized courier, addressed to Lender at: 5425 Wisconsin Avenue, Suite 701, Chevy Chase, Maryland 20815, Attention: Timothy B. Peterson; to Comstock at: 11465 Sunset Hills Road, 4th Floor, Reston, Virginia 20190, Attention: Jubal Thompson, Esq.; and to _____ at: _____; or to such other address as any party may from time to time specify in writing to the other. Notices so mailed or sent shall be deemed given on the date shown on the return receipt or courier's records as the date of delivery.

10. No Rights of Subrogation. _____ agrees that no payment or distribution to Lender with respect to the Junior Indebtedness shall entitle _____ to exercise any rights of subrogation, contribution, reimbursement or indemnity in respect thereof until after Final Satisfaction.

11. No Waiver by Lender. No failure or delay on the part of Lender in the exercise of any power, right, remedy or privilege under this Agreement shall impair such power, right, remedy or privilege or shall operate as a waiver thereof; nor shall any single or partial exercise of any such power, right, remedy or privilege preclude any other or further exercise of any other power, right, remedy or privilege. The waiver of any such right, power, remedy or privilege with respect to particular facts and circumstances shall not be deemed to be a waiver with respect to other facts and circumstances. No waiver shall be deemed to be made by Lender of any of its rights hereunder unless the same shall be in writing signed on behalf of Lender, and each such waiver, if any, shall be a waiver only with respect to the specific matter or matters to which the waiver relates and shall in no way impair the rights of Lender or the obligations of Comstock or _____ to Lender in any other respect at any other time.

12. Effectiveness of this Agreement; Continuing Subordination. This Agreement shall remain in full force and effect until Final Satisfaction of the Senior Indebtedness. This Agreement shall continue to be effective or be reinstated, as the case may be, if at any time any payment on the Senior Indebtedness is rescinded or must otherwise be returned by Lender upon the insolvency, bankruptcy or reorganization of Comstock or any of its affiliates or otherwise, all as though such payment had not been made. [This is a continuing agreement of subordination and Lender or any affiliate of Lender may extend a loan up to a maximum principal amount of Seven Million Dollars (\$7,000,000) to Comstock Penderbrook, L.C. without notice to or approval of _____, and such loan shall be deemed to constitute part of the Senior Indebtedness.]

13. Successors and Assigns; Assignments Prohibited. This Agreement is binding upon Comstock and _____ and their respective successors and assigns and shall inure to the benefit of Lender, its successors and assigns. Notice of acceptance of this Agreement is hereby waived. Notwithstanding the foregoing, _____ shall not hereafter assign, directly or indirectly, including by way of a change of control of _____, any of _____'s right, title, or interest in any of the Junior Indebtedness without the prior written consent of Lender, in the sole and absolute discretion of Lender.

14. Governing Law. This Agreement shall be construed according to the laws of the Commonwealth of Virginia, without giving effect to its principles of conflicts of law.

15. Breach of this Agreement; Equitable Remedies. If either Comstock or _____ breaches any of the provisions of this Agreement and such breach is not cured within five days following written notice from Lender to Comstock and _____, Lender may, at its option and in addition to any and all other remedies available to Lender pursuant to this Agreement or otherwise at law or in equity, elect to treat such breach as an "Event of Default" under the Senior Loan Documents. Comstock and _____ also acknowledge and agree that the breach by Comstock or _____ of any of the provisions of this Agreement is likely to cause irreparable damage to Lender. Therefore, the relief to which Lender shall be entitled in the event of any such breach or threatened breach shall include a mandatory injunction for specific performance, injunctive or other judicial relief to prevent a violation of any of the provisions of this Agreement, damages and any other remedies or relief to which Lender may be entitled pursuant to this Agreement or otherwise at law or in equity.

16. Construction; Headings. This Agreement has been entered into by parties who are experienced in sophisticated and complex matters similar to the transactions contemplated by this Agreement and shall be interpreted and construed in a fair and impartial manner without regard to such factors as the party that prepared the instrument, the relative bargaining powers of the parties or the domicile of any party, but shall be construed and interpreted according to the ordinary meaning of the words used so as to fairly accomplish the purposes and intentions of all parties to this Agreement. Section headings used in this Agreement are for convenience of reference only and shall not constitute a part of this Agreement for any purpose or affect the construction of this Agreement.

17. Execution in Counterparts. This Agreement may be executed in two or more counterparts and by different parties in separate counterparts. Signature pages may be detached from multiple separate counterparts and attached to a single counterpart. Delivery of an executed signature page of this Agreement by facsimile or electronic mail transmission shall be as effective as personal delivery of an executed signature page of this Agreement.

18. Power and Authority. Comstock and _____ each represents and warrants to Lender that it has full power, authority and authorization to execute this Agreement.

19. Severability. Any provision of this Agreement being held illegal, invalid or unenforceable in any jurisdiction shall not affect any part of such provision not held illegal, invalid or unenforceable, any other provision of this Agreement, or any part of such provision in any other jurisdiction.

20. Jurisdiction and Service of Process. Any legal action or proceeding with respect to this Agreement shall be brought exclusively in the federal or state courts of the Commonwealth of Virginia, and Comstock and _____, by signing this Agreement, accept unconditionally the jurisdiction of such courts. Lender, Comstock and _____ hereby irrevocably waive any objection, including any objection to the laying of venue or based on the grounds of forum non conveniens, that any of them may now or hereafter have to the bringing of any such action or proceeding in such jurisdictions. Comstock and _____ agree that a final judgment in any such action or proceeding shall be conclusive and may be enforced in other jurisdictions by suit on the judgment or in any other manner provided by law. Nothing contained in this Section 20 shall affect the right of Lender to serve process in any other manner permitted by applicable law.

21. Jury Trial Waiver. LENDER, COMSTOCK, AND _____, TO THE EXTENT PERMITTED BY LAW, WAIVE ALL RIGHT TO TRIAL BY JURY IN ANY ACTION, SUIT, OR PROCEEDING ARISING OUT OF, IN CONNECTION WITH OR RELATING TO, THIS AGREEMENT AND ANY OTHER TRANSACTION CONTEMPLATED HEREBY AND THEREBY. THIS WAIVER APPLIES TO ANY ACTION, SUIT OR PROCEEDING WHETHER SOUNDING IN TORT, CONTRACT OR OTHERWISE.

22. Entire Agreement. This Agreement embodies the entire agreement of the parties and supersedes all prior agreements and understandings, oral or written, relating to the subject matter hereof. Comstock and _____ each acknowledges and affirms that it did not rely on any statement, oral or written, not contained in this Agreement in making its decision to enter into this Agreement.

[signatures on following page]

Exhibit B-5

In witness whereof, this Agreement has been duly executed as of the date first written above.

COMSTOCK:

COMSTOCK HOMEBUILDING COMPANIES, INC., a
Delaware corporation

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

a _____

By: _____
Name:
Title:

LENDER:

BCL ECLIPSE, LLC,
a Delaware limited liability company

By: BridgeCom Loans, LLC,
a Delaware limited liability company,
its Manager

By: SunBridge Manager, LLC,
a Delaware limited liability company,
its Managing Member

By: _____
Charles A. Ledsinger, Jr.
President

SCHEDULE 4.14(a)

EXISTING DEBT

	<u>Lender</u>	<u>Balance as of 05/31/11</u>	<u>Recourse</u>
*	Guggenheim	5,071,781	Secured
	Bank of America	3,751,621	Unsecured
**	Cardinal Bank	4,467,922	Secured
	Cornerstone (Haven Trust)	400,000	Unsecured
	Branch Banking & Trust	263,362	Secured
	Wachovia	205,488	Unsecured
	Seller - Emerald Farm	100,000	Secured
	Fifth Third	25,000	Unsecured
		<u>\$14,285,174</u>	
*	Due to affiliates - Stonehenge Funding	\$ 5,006,447	Unsecured
	Total	<u>\$19,291,621</u>	

* Subject to forbearance arrangements

** Guaranty obligation of Comstock

Schedule 4.14(a)

SCHEDULE 4.14(b)

ACCRUED RENT AND EMPLOYEE COMPENSATION

There is no accrued rent.

Employee compensation is due to Christopher Clemente in the amount of \$525,156 and to Gregory Benson in the amount of \$316,741, which may be received in the form of cash or equity or a combination thereof.

Schedule 4.14(b)

GUARANTY, PLEDGE AND SECURITY AGREEMENT

This GUARANTY, PLEDGE AND SECURITY AGREEMENT (this “**Guaranty**”) is made as of the 12th day of July, 2011, by **COMSTOCK HOMEBUILDING COMPANIES, INC. (“Comstock”)** and **COMSTOCK EMERALD FARM, L.C.** (together, “**Guarantors**”), both having an address of 11465 Sunset Hills Road, 4th Floor, Reston, VA 20190, to and for the benefit of **BCL ECLIPSE, LLC (“Lender”)**. As set forth in the joinder attached to this Guaranty, COMSTOCK PENDERBROOK, L.C. also shall execute this Guaranty as a joinder party to this Guaranty.

Recitals:

A. Comstock Potomac Yard, L.C., a Virginia limited liability company (“**Borrower**”), is justly indebted unto Lender to secure repayment of a Deed of Trust Note of even date herewith made by Borrower payable to the order of Lender in the principal amount of Thirteen Million Seven Hundred Eighty-Nine Thousand One Hundred Sixty Dollars (\$13,789,160) (as amended, modified, supplemented, renewed or replaced from time to time, the “**Note**” and the loan evidenced by the Note, the “**Loan**”). The Note is issued pursuant to the terms of a Loan Agreement dated of even date herewith made by and between Borrower and Lender (as amended, modified, supplemented or replaced from time to time, the “**Loan Agreement**”) and is to be secured by a Deed of Trust, Security Agreement and Fixture Filing, of even date herewith from Borrower to Vincent A. Tramonte, II, as trustee, for the benefit of Lender (as amended, modified, supplemented or replaced from time to time, the “**Deed of Trust**”), encumbering the real property located in Arlington County, Virginia more particularly described in the Deed of Trust (the “**Property**”), and other documents evidencing or securing the Loan, all of even date herewith (the Note, Loan Agreement, Deed of Trust and such other documents are, collectively, the “**Loan Documents**”).

B. Comstock owns (i) 100% of the membership interests of Borrower and (ii) 100% of the membership interests in the other Guarantor.

C. Lender is unwilling to make the Loan unless (i) Guarantors jointly and severally guarantee the payment of principal and interest and any other amounts due under the Loan Documents, (ii) Comstock pledges its equity interest in Borrower, and (iii) each Guarantor grants Lender a security interest in all of its unencumbered assets, all as additional security for the Loan.

D. Guarantors desire to execute and deliver this Guaranty to Lender in order to induce Lender to make the Loan.

E. Guarantors will be benefited by Lender’s disbursement of the proceeds of the Loan to Borrower.

Agreement:

Therefore, in consideration of the premises and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, each Guarantor agrees as follows:

Section 1. Guaranty.

1.1 Guaranty. Guarantors, jointly and severally, unconditionally and absolutely, guarantee the full and timely payment of all amounts due under the terms of the Note and the other Loan Documents on the terms set forth herein. This Guaranty shall constitute a continuing guaranty covering the payment of all principal and interest and any late charges and other sums now due or hereafter incurred under the Note and the other Loan Documents, and shall be binding upon Guarantors, and their respective successors and assigns until the full amount due under the Note and the other Loan Documents is paid, all subject to the terms set forth herein.

1.2 Subordination of Debt to Guarantors. Each Guarantor hereby subordinates any and all indebtedness of Borrower now or hereafter owed to such Guarantor, or any party constituting Guarantor, to the indebtedness of Borrower to Lender, and agrees with Lender that no Guarantor nor any party constituting any Guarantor shall (i) demand or accept any payment from Borrower at any time that there exists a default beyond applicable grace and cure periods, if any, under any of the Loan Documents; (ii) claim any offset or other reduction of such Guarantor's obligations hereunder because of any such indebtedness; (iii) except for sale of Units that are properly released in accordance with the terms and conditions of the Loan Documents, take any action to obtain any of the security described in and encumbered by the Loan Documents; or (iv) have any right of subrogation whatsoever with respect to the Note or other Loan Documents or to any monies due and unpaid thereon or any collateral securing the same, unless and until Lender shall have received payment in full of all sums at any time secured by the Deed of Trust securing the Note and the other Loan Documents.

1.3 Consents. Each Guarantor hereby consents and agrees that Lender may at any time, and from time to time, without notice to or further consent from such Guarantor, either with or without consideration, surrender any property or other security of any kind or nature whatsoever held by it or by any other person on its behalf or for its account, securing any indebtedness or liability hereby guaranteed; substitute for any collateral so held by it, other collateral of like kind, or of any kind; modify the terms of the Note or any other Loan Documents; extend or renew the Note for any period; grant releases, compromises and indulgences with respect to the Note or any other Loan Documents to any persons now or hereafter liable thereunder or hereunder; release any Guarantor or endorser of the Note; or take or fail to take any action of any type whatsoever with respect to Borrower, the Loan or the collateral encumbered by the Loan Documents. No such action which Lender shall take or fail to take in connection with the Note or other Loan Documents shall release Guarantors' obligations hereunder, affect this Guaranty in any way, or afford any Guarantor any recourse against Lender. The provisions of this Guaranty shall extend and be applicable to all renewals, amendments, extensions, consolidations and modifications of or substitutions for the Note or other Loan Documents and any changes in the business of Borrower.

1.4 Waivers. To the maximum extent permitted by applicable law, each Guarantor hereby waives and agrees not to assert or take advantage of: (a) any defense that may arise by reason of the incapacity, lack of authority, death, bankruptcy, insolvency or disability of the maker of the Note or any other person obligated under the Loan Documents, or the failure of Lender to file or enforce a claim against the estate (either in administration, bankruptcy, or any other proceeding) of the maker of the Note or any other person obligated under the Loan Documents; (b) any defense based upon an election of remedies by Lender which destroys or otherwise impairs any subrogation rights of any Guarantor or the right of any Guarantor to proceed against the maker of the Note for reimbursement; (c) any defense based upon the failure of Borrower or any other person or entity obligated under the Loan Documents to take

any action or refrain from action; (d) any duty on the part of Lender to disclose to any Guarantor any facts it may now or hereafter know; (e) acceptance or notice of acceptance of this Guaranty; (f) notice of presentment and demand for payment of any of the indebtedness or performance of any of the obligations hereby guaranteed; (g) protest and notice of dishonor or of default to any Guarantor or to any other party with respect to the indebtedness or performance of obligations hereby guaranteed; (h) the invalidity or unenforceability of the Note or any other Loan Documents; (i) any defense (other than payment) that Guarantor may or might have relating to its undertakings, liabilities and obligations hereunder; or (j) any defense which may arise under the Equal Credit Opportunity Act, 11 U.S.C. §1691, *et seq.* To the maximum extent permitted by law, all laws exempting real or personal property from execution are hereby waived, and no benefit of exemption will be claimed under or by virtue of any exemption law in force or which hereafter may be passed. Without in any way limiting the foregoing, to the maximum extent permitted by applicable law, each Guarantor hereby waives any defense based upon any act or omission of Lender (except acts and omissions in bad faith, gross negligence or willful misconduct) which may be deemed to change the scope of Guarantors' risk.

1.5 No Conflict. The execution, delivery, observance and performance of this Guaranty by Guarantors does not and will not conflict with or result in a breach of the terms or provisions of any existing rule, regulation or order of any court or governmental body or of any indenture, agreement or instrument to which any Guarantor is a party, or by which it is bound, or to which it is subject, or constitute a default thereunder.

1.6 Right of Setoff. This Guaranty is delivered in addition to all liens upon, and rights of setoff against the money, securities or other property of any Guarantor now or hereinafter in the possession of Lender, for safekeeping or otherwise, and every such lien or right of setoff may be exercised without demand upon or notice to any Guarantor; no lien or right of setoff shall be deemed to have been waived by any act or conduct on the part of Lender, or by any neglect to exercise such right of setoff or to enforce such lien, or by any delay in so doing, and every right of setoff or lien is specifically waived or released by an instrument in writing executed by Lender.

1.7 Nature of Guaranty. This is a guaranty of payment and performance, not merely of collection. The liability of Guarantors under this Guaranty shall be joint and several and direct and immediate and not conditional or contingent upon the pursuit of any remedies against the maker of the Note or any other person, or against securities or liens available to Lender, its successors, endorsees or assigns. Each Guarantor waives any right to require that an action be brought against the maker of the Note or any other person or to require that resort be had to any security or to any credit on the books of Lender in favor of the maker of the Note or any other person prior to payment in full of the sums due pursuant to the Note and other Loan Documents.

Section 2. Pledge; Grant of Security Interest.

2.1 Pledge and Grant. Except as limited by Section 2.2 hereof, each Guarantor hereby pledges and grants to Lender, as collateral security for the prompt and complete payment and performance when due of all of Guarantors' obligations under this Guaranty (the "**Obligations**"), a first-priority security interest in all of such Guarantor's right, title, and interest in and to the following (the "**Collateral**"), whether now owned or hereafter acquired (capitalized terms used but not defined in this Section 2.1 shall have the meaning assigned to them in the Uniform Commercial Code as in effect in the State of Delaware (the "**UCC**")):

- (a) all Accounts;

(b) all Equipment (including motor vehicles used primarily for commercial purposes), Goods, Inventory and Fixtures;

(c) all Documents, Instruments and Chattel Paper;

(d) all Letter-of-Credit Rights (whether or not the letter of credit is evidenced by a writing);

(e) all membership, partnership or other equity interests of any entity other than a corporation, whether certificated or uncertificated (collectively, **“Pledged Interests”**), together with all rights, privileges, authority and powers of Guarantor relating to such interests or under any organizational document of each issuer of such interests, and the certificates, instruments and agreements representing such membership, partnership or other interests and any and all interest of Guarantor in the entries on the books of any financial intermediary pertaining to such interests;

(f) all issued and outstanding shares of capital stock of any corporation, whether certificated or uncertificated (collectively, the **“Pledged Shares”** and, together with the Pledged Interests, the **“Securities Collateral”**), together with all rights, privileges, authority and powers of Guarantor relating to such shares or under any organizational document of each issuer of such shares, and the certificates, instruments and agreements representing such shares of capital stock and any and all interest of Guarantor in the entries on the books of any financial intermediary pertaining to such shares;

(g) all Investment Property;

(h) all General Intangibles;

(i) all Deposit Accounts;

(j) all Supporting Obligations;

(k) all books and records pertaining to the Collateral;

(l) all Proceeds and products of each of the foregoing and all accessions to, substitutions and replacements for, and rents, profits and products of, each of the foregoing, and any and all Proceeds of any insurance, indemnity, warranty or guaranty payable to Guarantor from time to time with respect to any of the foregoing.

2.2 Permitted Lien Subordination and Encumbered Collateral. Notwithstanding the foregoing, Lender acknowledges that it will have a second-priority security interest in all of Guarantors' right, title, and interest to any assets listed in Section 2.1 (i) in which Guarantors' existing lenders, as set forth on Schedule 4.14(a) of the Loan Agreement, have a first-priority security interest as of the date of this Agreement, except to the extent a security interest is prohibited by the existing lenders' loan documents and in such case, Lender shall not have a security interest in any assets subject to such prohibition, including but not limited to the Securities Collateral, or (ii) in which Guarantors' future commercial lenders require a first-priority security interest in connection with first mortgage financing for newly acquired assets; provided that no such lender shall have a first-priority security interest in any of the Securities Collateral unless Guarantor causes distributions or dividends with respect to such Securities Collateral to be deposited in a deposit account in which Lender has a security interest pursuant to Section

2.1(i) except to the extent a security interest is prohibited by the lenders' loan documents and in such case, Lender shall not have a security interest in any assets subject to such prohibition, including but not limited to the Securities Collateral, and (iii) which are set forth on **Exhibit A**.

2.3 Perfection.

(a) At any time and from time to time, upon the written request of Lender, and at the sole and reasonable expense of such Guarantor, each Guarantor shall promptly and duly give, execute, and deliver such further instruments and documents, and take such further actions, as Lender may reasonably request for the purposes of obtaining, creating, perfecting, validating, or preserving the full benefits of this Agreement and the rights and powers granted under this Agreement.

(b) Each Guarantor hereby authorizes Lender to file a UCC-1 Financing Statement with respect to the Collateral to perfect Lender's security interest in the Collateral (the "**Financing Statement**").

(c) Lender's sole duty with respect to the custody, safekeeping, and physical preservation of the Collateral in its possession, under Section 9-207 of the UCC or otherwise, shall be to use reasonable care. Each Guarantor hereby agrees that Lender shall be deemed to have used reasonable care with respect to Collateral in its possession if it deals with such Collateral in the same manner as Lender deals with similar property for its own account. Neither Lender nor any of its directors, officers, employees, or agents shall be liable for failure to demand, collect, or realize upon any of the Collateral or for any delay in doing so or shall be under any obligation to sell or otherwise dispose of any Collateral upon the request of any Guarantor or otherwise.

(d) Upon satisfaction in full of the Obligations, Lender shall either file, or authorize the Guarantors to file, a UCC termination statement or similar document and shall return to Guarantors all membership certificates (if any) and other certificates or instruments evidencing any Collateral in the possession of Lender.

Section 3. Representations, Warranties, and Covenants.

Except as limited by Section 2.2, each Guarantor represents, warrants, and covenants that:

3.1 Title. Except for the security interest granted to Lender pursuant to this Guaranty, Guarantors own the rights in each item of Collateral pledged by it hereunder free and clear of any and all liens or claims of others. No Guarantor has filed, or authorized any third party to file, a financing statement or other public notice with respect to all or any part of the Collateral on file or of record in any public office, except such as have been filed in favor of Lender pursuant to this Guaranty or as are permitted by the Loan Documents. No Guarantor will give control or possession of all or any part of the Collateral to any person other than Lender except as expressly permitted by the Loan Documents.

3.2 Validity of Security Interest. The security interest in and lien on the Collateral granted to Lender hereunder constitutes (a) a legal and valid security interest in all the Collateral securing the payment and performance of Borrower's obligations under the Loan Documents, and (b) a valid, enforceable, perfected first priority security interest in all the Collateral. The security interest and lien granted to Lender pursuant to this Guaranty in and on

the Collateral will at all times constitute a valid, enforceable, perfected, continuing first priority security interest therein.

3.3 Defense of Claims; Transferability of Collateral. To the extent material to Guarantors', whether individually or in the aggregate, financial condition, each Guarantor shall, at its own cost and expense, defend title to the Collateral and the security interests therein granted to Lender and the priority thereof required hereunder against all claims and demands of all persons at any time claiming any interest therein adverse to Lender. Except as required by applicable law, no Guarantor shall enter into any agreement or take any other action that would restrict the transferability of any of the Collateral, or otherwise impair or conflict with the Obligations or the rights of Lender hereunder.

3.4 Other Financing Statements. No Guarantor has filed, or authorized any third party to file, any valid or effective financing statement (or similar statement or instrument of registration under the law of any jurisdiction) covering or purporting to cover any interest of any kind in the Collateral. So long as any of Borrower's obligations under the Loan Documents remain unpaid and unperformed, no Guarantor shall execute, authorize or permit to be filed in any public office any financing statement (or similar statement or instrument of registration under the law of any jurisdiction) relating to any Collateral.

3.5 Chief Executive Office; Change of Name; Jurisdiction of Organization, etc. Each Guarantor shall, (i) unless it shall have given Lender not less than 30 days' prior written notice, not change its name, identity, legal structure (whether by merger, consolidation, change in corporate form or otherwise), type of organization or jurisdiction of organization, place of business or, if more than one, chief executive office, or mailing address or organizational identification number; and (ii) take all actions necessary or advisable to maintain the continuous validity, perfection and the same or better priority of Lender's security interest in the Collateral granted or intended to be granted hereunder, which in the case of any merger or other change in organizational structure shall include delivering a written notice upon completion of such merger or other change in organizational structure confirming the grant of the security interest under this Guaranty. Lender may rely on opinions of counsel as to whether any or all UCC financing statements of any Guarantor need to be amended as a result of any of the changes described in this Section 3.5. Lender shall not be liable or responsible to any party for any failure to maintain a valid, enforceable, perfected security interest with the priority required hereunder in any Guarantor's property constituting Collateral. Lender shall have no duty to inquire about such changes, the parties acknowledging and agreeing that it would not be feasible or practical for Lender to search for information on such changes if such information is not provided by Guarantors.

3.6 Location of Inventory and Equipment. As of the date hereof, all Equipment and Inventory of Guarantors is located at the address of guarantor set forth in Section 7.3 hereof. Guarantor shall not move any Equipment or Inventory to any other location until (i) it shall have given Lender not less than 30 days' prior written notice of its intention so to do, clearly describing such new location within the continental United States and providing such other information in connection therewith as Lender may reasonably request and (ii) with respect to such new location, each Guarantor shall have taken all action reasonably satisfactory to Lender to maintain the perfection and priority of the security interest of Lender in the Collateral intended to be granted hereby, including obtaining waivers of landlord's or warehousemen's and/or bailee's liens with respect to such new location, if applicable, and if reasonably requested by Lender.

3.7 Corporate Names; Prior Transactions. Except as set forth on Schedule 3.7, no Guarantor has, during the past five years, been known by or used any other corporate or fictitious name or been a party to any merger or consolidation or acquired all or substantially all of the assets of any person, or acquired any of its property or assets out of the ordinary course of business.

3.8 Due Authorization and Issuance. All of the Pledged Shares have been, and to the extent any Pledged Shares are hereafter issued such Pledged Shares will be, upon such issuance, duly authorized, validly issued and fully paid and non-assessable. All of the Pledged Interests have been, and to the extent any Pledged Interests are hereafter issued such Pledged Interests will be, fully paid for, and there is no amount or other obligation owing by any Guarantor to any issuer of the Pledged Interests in exchange for or in connection with the issuance of the Pledged Interests or any Guarantor's status as a partner or a member of any issuer of the Pledged Interests.

3.9 Consents, etc. No consent of any party (including equityholders or creditors of any Guarantor) and no consent, authorization, approval, license or other action by, and no notice to or filing with, any governmental authority or regulatory body or other person is required for the exercise by Lender of (i) the voting or other rights provided for in this Guaranty or (ii) the remedies in respect of the Collateral pursuant to this Guaranty. In the event that Lender desires to exercise any remedies, voting or consensual rights or attorney-in-fact powers set forth in this Guaranty and determines it necessary to obtain any approvals or consents of any governmental authority or regulatory body or any other person therefor, then, upon the reasonable request of Lender, each Guarantor agrees to assist and aid Lender to obtain as soon as practicable any necessary approvals or consents for the exercise of any such remedies, rights and powers.

3.10 Insurance. In the event that the proceeds of any insurance claim are paid after Lender has exercised its right to foreclose after an Event of Default, such proceeds shall be paid to Lender to satisfy any deficiency remaining after such foreclosure. Lender shall retain its interest in the insurance policies and coverages required to be maintained pursuant to the Loan Documents during any redemption period.

3.11 Payment of Taxes; Compliance with Legal Requirements; Contesting Liens; Charges. Each Guarantor may at its own expense contest the validity, amount or applicability of any taxes, assessments or other charges in good faith so long as (i) such contest would not expose Lender to any possible criminal liability or any civil liability for failure to comply with such obligations unless such Guarantor shall have furnished a bond or other security therefor satisfactory to Lender, and (ii) if at any time payment or performance of any obligation contested by such Guarantor pursuant to this Section 3.11 shall become necessary to prevent the imposition of remedies because of non-payment, such Guarantor shall pay or perform the same in sufficient time to prevent the imposition of remedies in respect of such default or prospective default.

3.12 Access to Collateral, Books and Records; Other Information. Each Guarantor shall permit representatives of Lender upon reasonable notice to visit and inspect any of its properties, including to conduct any environmental assessments, sampling, testing or monitoring of the Property, or assets and examine and make abstracts from any of its books and records (including insurance policies) at any reasonable time and upon reasonable notice. Each Guarantor shall, at any and all times, within a reasonable time after written request by Lender, furnish or cause to be furnished to Lender, in such manner and in such detail as may be reasonably requested by Lender, additional information with respect to the Collateral.

3.13 Voting Rights; Distributions; etc.

(a) So long as no Event of Default shall have occurred and be continuing:

(i) Each Guarantor shall be entitled to exercise any and all voting and other consensual rights pertaining to the Securities Collateral or any part thereof for any purpose not inconsistent with the terms or purposes hereof or the other Loan Documents; provided, however, that such Guarantor shall not in any event exercise such rights in any manner that, at the time of exercise, such Guarantor should reasonably recognize will be disadvantageous to Lender in any material respect.

(ii) Each Guarantor shall be entitled to receive and retain, and to utilize free and clear of the lien hereof, any and all distributions, but only if and to the extent made in accordance with the provisions of the Loan Documents; provided, however, that any and all distributions consisting of rights or interests in the form of Securities Collateral shall promptly (and in any event within three Business Days after receipt thereof) be delivered to Lender to hold as Collateral and shall, if received by such Guarantor, be received in trust for the benefit of Lender, be segregated from the other property or funds of such Guarantor and be forthwith delivered to Lender as Collateral in the same form as so received (with any necessary or reasonably requested indorsement).

(b) Upon the occurrence and during the continuance of any Event of Default:

(i) All rights of any Guarantor to exercise the voting and other consensual rights it would otherwise be entitled to exercise pursuant to Section 3.13(a)(i) shall cease, and all such rights shall thereupon become vested in Lender, which shall thereupon have the sole right to exercise such voting and other consensual rights until the applicable Event of Default is no longer continuing, in which case Lender's rights under this Section 3.13(b)(i) shall cease to be effective, subject to reversion in the event of a subsequent Event of Default that is continuing.

(ii) All rights of any Guarantor to receive distributions that it would otherwise be authorized to receive and retain pursuant to Section 3.13(a)(ii) without further action shall cease and all such rights shall thereupon become vested in Lender, which shall thereupon have the sole right to receive and hold as Collateral such distributions until the applicable Event of Default is no longer continuing, in which case Lender's rights under this Section 3.13(b)(ii) shall cease to be effective, subject to reversion in the event of a subsequent Event of Default that is continuing.

(iii) Each Guarantor shall, at its sole cost and expense, from time to time execute and deliver to Lender appropriate instruments as Lender may reasonably request in order to permit Lender to exercise the voting and other rights which it may be entitled to exercise pursuant to Section 3.13(b)(i) and to receive all distributions which it may be entitled to receive under Section 3.13(b)(ii).

(iv) All distributions received by any Guarantor contrary to the provisions of Section 3.13(b)(ii) shall be received in trust for the benefit of Lender, shall be segregated from the other funds of such Guarantor and shall immediately be paid over to Lender as Collateral in the same form as so received (with any necessary or reasonably requested endorsement).

3.14 Organizational Documents. As of the date hereof, each Guarantor has delivered to Lender true, correct, and complete copies of its organizational documents, which are in full force and effect, have not as of the date hereof been amended or modified except as disclosed in writing to Lender, and there is no existing default by any party thereunder or any event which, with the giving of notice or passage of time or both, would constitute a default under any organizational document. No Guarantor will terminate or agree to terminate any of its organizational documents or make any amendment or modification to any of its organization documents without the prior written consent of Lender.

3.15 Default. As of the date hereof, no Guarantor is in default in the payment of any portion of any mandatory capital contribution, if any, required to be made under any agreement to which any Guarantor is a party relating to the Securities Collateral, and no Guarantor is in violation of any other provisions of any such agreement to which any Guarantor is a party, or otherwise in default or violation thereunder. As of the date hereof, no Securities Collateral is subject to any defense, offset or counterclaim, nor have any of the foregoing been asserted or alleged against any Guarantor by any person with respect thereto, and as of the date hereof, there are no certificates, instruments, documents or other writings (other than organizational documents and certificates, if any, delivered to Lender) which evidence any Securities Collateral of any Guarantor.

3.16 Accounts. As of the time when each of its Accounts arises, each Guarantor shall be deemed to have represented and warranted that such Account and all records, papers and documents relating thereto are genuine and correct and in all material respects what they purport to be.

3.17 Maintenance of Records. Each Guarantor shall keep and maintain at its own cost and expense complete records of each Account, in a manner consistent with prudent business practice, including records of all payments received, all credits granted thereon, all merchandise returned and all other documentation relating thereto. Each Guarantor shall, at such Guarantor's sole cost and expense, upon Lender's demand made at any time after the occurrence and during the continuance of any Event of Default, deliver all tangible evidence of Accounts, including all documents evidencing Accounts and any books and records relating thereto to Lender or to its representatives (copies of which evidence and books and records may be retained by such Guarantor). Upon the occurrence and during the continuance of any Event of Default, Lender may transfer a full and complete copy of each Guarantor's books, records, credit information, reports, memoranda and all other writings relating to the Accounts to and for the use by any person that has acquired or is contemplating acquisition of an interest in the Accounts or Lender's security interest therein without the consent of such Guarantor.

3.18 Legend. At the request of Lender and in form and manner reasonably satisfactory to Lender, at any time after the occurrence and during the continuance of any Event of Default, each Guarantor shall legend the Accounts and the other books, records and documents of such Guarantor evidencing or pertaining to the Accounts with an appropriate reference to the fact that the Accounts have been assigned to Lender and that Lender has a security interest therein.

3.19 Modification of Terms, etc. No Guarantor shall rescind or cancel any obligations evidenced by any Account or modify any term thereof or make any adjustment with respect thereto except in the ordinary course of business, or extend or renew any such obligations except in the ordinary course of business or compromise or settle any dispute, claim, suit or legal proceeding relating thereto or sell any Account or interest therein except in the ordinary

course of business, without the prior written consent of Lender. Each Guarantor shall use commercially reasonable efforts to timely fulfill all obligations on its part to be fulfilled under or in connection with the Accounts.

3.20 Collection. Each Guarantor shall cause to be collected from the account debtor of each of the Accounts, as and when due in the ordinary course of business and consistent with prudent business practice (including Accounts that are delinquent, such Accounts to be collected in accordance with generally accepted commercial collection procedures), any and all amounts owing under or on account of such Account, and apply forthwith upon receipt thereof all such amounts as are so collected to the outstanding balance of such Account, except that each Guarantor may, with respect to an Account, (i) abandon the Account if such Guarantor determines that the benefit of the collection effort will not be worth the cost or (ii) allow in the ordinary course of business (a) a refund or credit due as a result of returned or damaged or defective merchandise and (b) such extensions of time to pay amounts due in respect of Accounts and such other modifications of payment terms or settlements in respect of Accounts as shall be commercially reasonable in the circumstances, all in accordance with such Guarantor's ordinary course of business consistent with its collection practices as in effect from time to time. Any costs and expenses (including reasonable attorneys' fees) of collection incurred by Lender shall be paid by Guarantors.

3.21 Minimum Liquidity. Guarantors shall, collectively, maintain (i) a tangible net worth of (x) \$2.5 million from the closing date of the Loan until the date that is the first anniversary of the closing date of the Loan, and (y) \$5.0 million from and after the first anniversary of the closing date of the Loan and (ii) liquid assets of at least \$2 million. Guarantor shall provide to Lender a certification of its current liquid assets no later than the first business day of each calendar month during the Term and Guarantor shall provide to Lender a certification of its current tangible net worth no later than the first business day of each calendar quarter during the Term.

3.22 Financial Statements. Comstock shall deliver to Lender: (i) each year within ninety (90) days after the close of its fiscal year, financial statements, prepared in accordance with generally accepted accounting principles consistently applied, certified as true and correct by an officer of Comstock, (ii) each year within thirty (30) days after the filing of same, a copy of Comstock's federal income tax return or a copy of its notification to extend the time within which to file its federal income tax return and all schedules thereto, provided that in the event of such extension, Comstock provides Lender with a copy of the federal income tax return and all schedules thereto within thirty (30) days after the filing of same with the Internal Revenue Service, and (iii) promptly upon Lender's request, such other financial information regarding Comstock as Lender may reasonably request from time to time.

3.23 Financial Condition. Each Guarantor hereby warrants and represents that as of the date hereof, there has been no material change in its financial condition from that reflected in the financial statements previously submitted to Lender, and since the date of the most recent statement the business, property and assets of such Guarantor have not been adversely affected in any way that would materially affect the ability of such Guarantor to perform its obligations hereunder.

3.24 Management and Control. Until such time as the Loan is fully repaid, without the prior written consent of Lender, there shall be no change in Control of any Guarantor by operation of law or otherwise. "Control" means the ownership, directly or indirectly, in the aggregate of more than fifty percent (50%) of the beneficial ownership interests in any

Guarantor or the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of any Guarantor, whether through the ability to exercise voting power, by contract or otherwise.

Section 4. Rights of Lender.

4.1 Right to Receive Collateral Proceeds. If an Event of Default occurs and is continuing, Lender shall have the right to receive any and all income, distributions, proceeds, or other property received or paid in respect of the Collateral, and apply such money to the Obligations. If an Event of Default occurs and is continuing, Lender shall have the right to exercise, as if it were the absolute owner of the Securities Collateral (although it would not be the absolute owner until such time, if any, as it acquired the Securities Collateral in a disposition complying with the UCC), (i) all voting and all equity and other rights pertaining to the Securities Collateral; and (ii) any and all rights of conversion, exchange, and subscription and any other rights, privileges, or options pertaining to the Securities Collateral including the right to exchange at its discretion any and all of the Securities Collateral upon the merger, consolidation, reorganization, recapitalization, or other fundamental change in the organizational structure of the issuer of such Securities Collateral.

4.2 Rights Not Contingent. The rights of Lender under this Guaranty shall not be conditioned or contingent upon the pursuit by Lender of any other right or remedy against Borrower or any Guarantor or against any other person that may be or become liable in respect of all or any part of the Obligations or the Loan, or against any other security for the Obligations or the Loan, any guarantee thereof or right of offset with respect thereto. Lender shall not be liable for any failure to demand, collect, or realize upon all or any part of the Collateral or for any delay in doing so, and shall not be under any obligation to sell or otherwise dispose of any Collateral upon the request of any Guarantor or any other person or to take any other action with regard to the Collateral.

4.3 No Duty to Exercise. The powers conferred on Lender are solely to protect Lender's interest in the Collateral and shall not impose any duty upon Lender to exercise any such powers. Lender shall be accountable only for amounts that it actually receives as a result of the exercise of such powers, and neither it nor any of its officers, directors or employees shall be responsible to any Guarantor for any act or failure to act hereunder, except for their respective gross negligence or willful misconduct.

4.4 Reimbursement of Expenses. If any Guarantor fails to perform or comply with any of its agreements contained in this Guaranty and Lender, as provided for by the terms of this Guaranty, shall itself perform or comply, or otherwise cause performance or compliance, with such agreement, the reasonable expenses of Lender incurred in connection with such performance or compliance, together with interest thereon at the Default Rate (as defined in the Note) if such expenses are not paid on demand, shall be payable by Guarantors to Lender on demand and shall constitute Obligations secured by the Collateral.

4.5 Acknowledgment. Each Guarantor acknowledges that, upon Lender's realization of the Collateral, Lender or any other party succeeding to such Guarantor's interest in the Securities Collateral would have the ability, directly or indirectly, to manage the affairs of the issuer of such Securities Collateral and to control the actions of such issuer.

Section 5. Remedies of Lender.

5.1 Generally. If an Event of Default occurs and is continuing, Lender may exercise, in addition to all other rights and remedies granted in this Guaranty and in any other Loan Document:

(a) All rights and remedies of a secured party under the UCC and such additional rights and remedies to which a secured party is entitled at law or in equity, including the right, to the maximum extent permitted by law, to exercise all voting, consensual and other powers of ownership pertaining to the Collateral as if Lender were the sole and absolute owner thereof (and each Guarantor agrees to take all such action as may be reasonably appropriate to give effect to such right).

(b) Lender may make any reasonable compromise or settlement deemed desirable with respect to any of the Collateral and may extend the time of payment, arrange for payment in installments, or otherwise modify the terms of any of the Collateral.

(c) Lender, in its discretion, may, in its name or in the name of any Guarantor or otherwise, demand, sue for, collect, direct payment of, or receive any money or property at any time payable or receivable on account of or in exchange for any of the Collateral, but shall be under no obligation to do so.

(d) Lender, without demand of performance or other demand, presentment, protest, advertisement, or notice of any kind (except any notice required by law referred to below or otherwise required hereby) to or upon any Guarantor, Borrower, or any other person (all and each of which demands, presentments, protests, advertisements, notices, and other defenses are hereby waived to the extent permitted under applicable law), may in such circumstances forthwith collect, receive, appropriate, and realize upon the Collateral, or any part thereof, and may forthwith sell, assign, give option or options to purchase, or otherwise dispose of and deliver the Collateral or any part thereof (or contract to do any of the foregoing) in one or more units, at public or private sale or sales, in the over-the-counter market; at any exchange, broker's board, or office of Lender; or elsewhere upon such terms and conditions as it may deem advisable and at such prices as it may deem best in its sole discretion, for cash or on credit or for future delivery without assumption of any credit risk, provided all such sales or other actions are conducted in accordance with the UCC. Lender shall have the right, without notice or publication, to adjourn any public or private sale or cause the same to be adjourned from time to time by announcement at the time and place fixed for such sale, and any such sale may be made at any time or place to which the same may be adjourned without further notice. Lender shall have the right upon any such public sale or sales and, to the extent permitted by law, upon any such private sale or sales to purchase the whole or any part of the Collateral so sold, free of any right or equity of redemption of Borrower, which right or equity of redemption is hereby waived or released. Lender shall apply any Proceeds from time to time held by it and the net proceeds of any such collection, recovery, receipt, appropriation, realization, or sale, after deducting all reasonable costs and expenses of every kind incurred therein or incidental to the care or safekeeping of any of the Collateral or in any way relating to the Collateral or the rights of Lender hereunder, including reasonable attorneys' fees and disbursements, to the payment in whole or in part of the Obligations, in such order as specified in Section 9-615 of the UCC, and only after such application and after the payment by Lender of any other amount required by any provision of law, including Sections 9-610 and 9-615 of the UCC, shall Lender be required to account for the surplus, if any, to Guarantors. To the extent permitted by applicable law, each Guarantor waives all claims, damages, and demands it may acquire against Lender arising out

of the exercise by Lender of any of its rights hereunder, except for any claims, damages, and demands it may have against Lender arising from the willful misconduct, bad faith, or gross negligence of Lender (or its affiliates or their respective agents or employees) or actions in violation of the UCC. If any notice of a proposed sale or other disposition of Collateral shall be required by law, such notice shall be deemed reasonable and proper if given at least 10 Business Days before such sale or other disposition.

(e) The rights, powers, privileges, and remedies of Lender under this Guaranty are cumulative, shall be in addition to all rights, powers, privileges, and remedies available to Lender at law or in equity, and may be exercised successively or concurrently without impairing the rights of Lender hereunder.

5.2 Admission of New Member to Borrower. If an Event of Default occurs and is continuing, whether or not the Pledged Interests in Borrower have been disposed of by Lender in the exercise of its remedies under this Guaranty, whether in a foreclosure sale or a retention of the Pledged Interests in Borrower in full or partial satisfaction of the Obligations in accordance with Section 9-620 of the UCC, each Guarantor and Borrower consent to the admission of Lender or its designee or nominee, or any other transferee of the Pledged Interests in Borrower, as a member of Borrower. Notwithstanding the previous sentence, the admission of Lender or its designee or nominee as a member of Borrower shall not itself constitute a disposition of the Pledged Interests in Borrower in compliance with the UCC or otherwise relieve Lender of its duties under the UCC.

5.3 Private Sales.

(a) Each Guarantor recognizes that Lender may be unable to effect a public sale of any or all of the Securities Collateral by reason of certain prohibitions contained in the Securities Act of 1933 (as amended) and applicable state securities laws or otherwise, and may be compelled to resort to one or more private sales to a restricted group of purchasers that will be obliged to agree, among other things, to acquire the Securities Collateral for their own account for investment and not with a view to the distribution or resale thereof. Each Guarantor acknowledges and agrees that any such private sale may result in prices and other terms less favorable than if such sale were a public sale and, notwithstanding such circumstances, agrees that any such private sale shall not be deemed to have been made in a commercially unreasonable manner solely by virtue of being a private sale. Lender shall be under no obligation to delay a sale of any of the Securities Collateral for the period of time necessary to permit Borrower or any Guarantor to register the Securities Collateral for public sale under the Securities Act of 1933 (as amended) or under applicable state securities laws, even if the Borrower or such Guarantor would agree to do so.

(b) Each Guarantor shall use commercially reasonable efforts to do or cause to be done all such other acts as may be reasonably necessary to make any sale or sales of all or any portion of the Securities Collateral pursuant to this Section 5.3 valid and binding and in compliance with any and all other requirements of applicable law. Each Guarantor further agrees that a breach of any of the covenants contained in this Section 5.3 will cause irreparable injury to Lender, that Lender has no adequate remedy at law with respect to such breach and, as a consequence, that each and every covenant contained in this Section 5.3 shall be specifically enforceable against each Guarantor, and each Guarantor hereby waives and agrees not to assert any defenses against an action for specific performance of such covenants except for a defense that no Event of Default has occurred and is continuing under the Guaranty, or

any defense relating to Lender's willful misconduct, bad faith, or gross negligence or based upon actions by Lender in violation of the UCC.

(c) Lender shall not incur any liability as a result of the sale of any Collateral at any private sale conducted in a commercially reasonable manner. Each Guarantor hereby waives any claims against Lender arising by reason of the fact that the price for which any of the Collateral may have been sold at such a private sale was less than the price that might have been obtained at a public sale or was less than the aggregate amount of the Obligations, even if Lender accepts the first offer received and does not offer any Collateral to more than one offeree, provided that Lender has acted in a commercially reasonable manner in conducting such private sale.

(d) Each Guarantor agrees that Lender shall not have any general duty or obligation to make any effort to obtain or pay any particular price for any of the Collateral sold by Lender pursuant to this Guaranty. Lender, may, in its sole discretion, among other things, accept the first offer received or decide to approach or not to approach any potential purchasers.

Section 6. Attorney-In-Fact.

6.1 Appointment. Without limiting any rights or powers granted by this Guaranty to Lender, Lender is hereby appointed, which appointment as attorney-in-fact is irrevocable and coupled with an interest, the attorney-in-fact of each Guarantor for the purpose of carrying out the provisions of this Guaranty and any other Loan Document and, following and during the continuance of an Event of Default, taking any action in connection therewith and executing any instruments that Lender may deem reasonably necessary or advisable to accomplish the purposes hereof including:

(a) To ask, demand, collect, sue for, recover, compromise, receive, and give acquittance and receipts for moneys due and to become due under or in respect of any of the Collateral.

(b) To receive, indorse, and collect any drafts or other instruments, documents, and chattel paper in connection with subsection (a).

(c) To file any claims or take any action or institute any proceedings that Lender may deem necessary or desirable for the collection of any of the Collateral or otherwise to enforce the rights of Lender with respect to any of the Collateral.

(d) To execute, in connection with any sale effected under this Guaranty, any indorsement, assignments, or other instruments of conveyance or transfer with respect to the Collateral. If so requested by Lender, the applicable Guarantor shall ratify and confirm any such sale or transfer by executing and delivering to Lender at such Guarantor's expense all proper deeds, bills of sale, instruments of assignment, conveyance of transfer, and releases as may be designated in any such request.

Section 7. Miscellaneous.

7.1 Acceleration of Obligations. At the option of Lender, with or without demand or notice, all or any part of the indebtedness due under the Loan Documents, and all or any part of Guarantors' obligations hereunder, shall become due and payable immediately, irrespective of

any agreed maturity, upon the occurrence of one or more of the following events, subject to all applicable notice, grace and/or cure periods contained in the Loan Documents: (a) failure of Borrower or any Guarantor to perform any obligation under or the occurrence of any default under any of the Loan Documents, which failure or default continues beyond any applicable notice and/or cure periods, if any; (b) default in the payment of any principal or interest of the indebtedness evidenced by the Note when due; (c) dissolution of any Guarantor, (d) a material adverse change in the financial condition of Borrower or any Guarantor from their respective financial condition as of the date of the Loan Documents; (e) the default by any Guarantor of any of the terms and conditions set forth herein; (f) the appointment, pursuant to an order of a court of competent jurisdiction, of a trustee, receiver or liquidator of the Security Property or Collateral or any part thereof, or of Borrower or any Guarantor, or any termination or voluntary suspension of the transaction of business of Borrower or any Guarantor, or any attachment, execution or other judicial seizure of all or any substantial portion of Borrower's or any Guarantor's assets which attachment, execution or seizure is not discharged within sixty (60) days; (g) Borrower or any Guarantor shall file a voluntary case under any applicable bankruptcy, insolvency, debtor relief, or other similar law now or hereafter in effect, or shall consent to the appointment of, or taking possession by a receiver, liquidator, assignee, trustee, custodian, sequestrator (or similar official) of Borrower or any Guarantor, or for any part of the Security Property or Collateral, or any substantial part of Borrower's or any Guarantor's property, or shall make any general assignment for the benefit of Borrower's or any Guarantor's creditors, or shall fail generally to pay Borrower's or any Guarantor's debts as they become due, or shall take any action in furtherance of any of the foregoing; or (h) a court having jurisdiction shall enter a decree or order for relief in respect of Borrower or any Guarantor, in any involuntary case brought under any bankruptcy, insolvency, debtor relief, or similar law now or hereafter in effect, or Borrower or any Guarantor shall consent to, or shall fail to oppose any such proceeding, or any such court shall enter a decree or order appointing a receiver, liquidator, assignee, custodian, trustee, sequestrator (or similar official) of Borrower or any Guarantor, or for any part of the Security Property or Collateral or any substantial part of Borrower's or any Guarantor's property, or ordering the winding up or liquidation of the affairs of Borrower or any Guarantor, and such decree or order shall not be dismissed within sixty (60) days after the entry thereof.

7.2 Assignment. Lender may, without any notice whatsoever, sell, assign or transfer all of the indebtedness, obligations and liabilities of Borrower or any part thereof. In that event, each and every successive assignee, transferee or holder of all or any part of such indebtedness, obligation and liability shall have the right to enforce this Guaranty by suit or otherwise for its own benefit as fully as if such assignee, transferee or holder were herein by name specifically given such rights, powers, and benefits; provided, however, that Lender shall continue to have an unimpaired right to enforce this Guaranty for its benefit, as to so much of such indebtedness, obligations and liabilities that it has not sold, assigned or transferred.

7.3 Notices. All notices, requests, demands and other communication with respect hereto shall be in writing and shall be delivered by hand, prepaid by Federal Express (or a comparable overnight delivery service), sent by the United States first-class mail, certified, postage prepaid, return receipt requested, to the parties at their respective addresses set forth as follows:

If to Lender, to:

BCL Eclipse, LLC
c/o SunBridge Manager, LLC
5425 Wisconsin Avenue, Suite 701

Chevy Chase, MD 20815
Attention: Timothy B. Peterson

with a copy to:

Arent Fox LLP
1050 Connecticut Avenue NW
Washington, DC 20036
Attention: Jay L. Halpern, Esq.

If to Guarantors, to:

Comstock Homebuilding Companies, Inc.
Comstock Emerald Farm, L.C.
c/o Comstock Homebuilding Companies, Inc.
11465 Sunset Hills Road, 4th Floor
Reston, VA 20190
Attention: Christopher Clemente, CEO

with a copy to:

Comstock Homebuilding Companies, Inc.
11465 Sunset Hills Road, 4th Floor
Reston, VA 20190
Attention: Jubal Thompson, General Counsel

Any notice, request, demand or other communication delivered or sent in the manner aforesaid shall be deemed given or made (as the case may be) upon the earliest of (a) the date it is actually received, (b) on the business day after the day on which it is delivered by hand, (c) on the business day after the day on which it is properly delivered by Federal Express (or a comparable overnight delivery service), or (d) on the third (3rd) business day after the day on which it is deposited in the United States certified mail, return receipt requested. Any party may change such party's address by notifying the other parties of the new address in any manner permitted by this Section.

7.4 Amendment; Reinstatement. This Guaranty may not be changed, or any of its provisions waived, except by written agreement signed by the holder of the Note. This Guaranty shall be irrevocable and shall remain in full force and effect until all obligations guaranteed hereby have been performed, at which time this Guaranty shall become null and void. The liability of Guarantors hereunder shall be reinstated and revived and the rights of Lender shall continue if and to the extent that for any reason any payment by or on behalf of Borrower or any Guarantor is rescinded or must be otherwise restored by Lender, whether as a result of any proceedings in bankruptcy or reorganization or otherwise, provided, however, that if Lender chooses to contest any such matter at the request of any Guarantor, each Guarantor agrees to indemnify and hold Lender harmless with respect to all costs (including, without limitation, reasonable attorneys' fees) of such litigation.

7.5 Costs of Enforcement. In the event this Guaranty is placed in the hands of an attorney for enforcement, whether suit be brought or not, Guarantors will reimburse the party seeking enforcement of all costs and expenses incurred, including, without limitation, reasonable attorneys' fees.

7.6 Bind and Inure. This Guaranty shall inure to the benefit of and may be enforced by Lender and each subsequent holder from time to time of the Note, and shall be binding upon and enforceable against Guarantors and their respective successors and assigns.

7.7 Interpretation. All references made (a) in the neuter, masculine or feminine gender shall be deemed to have been made in all such genders, and (b) in the singular or plural number shall be deemed to have been made, respectively, in the plural or singular number as well.

7.8 Severability. The invalidity or unenforceability of any one or more provisions of this Guaranty shall not affect the validity or enforceability of the remaining provisions of this Guaranty.

7.9 Governing Law. This Guaranty shall be governed, construed and interpreted as to validity, enforcement and all other respects, in accordance with the laws of the Commonwealth of Virginia.

7.10 Entire Agreement. This writing is intended by the parties as a final expression of this Guaranty and is also intended as a complete and exclusive statement of the terms of this agreement. No course of dealing or trade usage, and no parol evidence of any nature, shall be used to supplement or modify any terms or conditions set forth herein. There are no conditions to the full effectiveness of this Guaranty.

7.11 Waiver. Each Guarantor hereby waives all errors and omissions in connection with Lender's administration of the Loan, except behavior which amounts to bad faith, willful misconduct or gross negligence.

7.12 Trial by Jury. Lender and each Guarantor irrevocably waives, to the maximum extent not prohibited by law, any right such Guarantor may now or hereafter have to a trial by jury with respect to any litigation directly or indirectly arising out of or in connection with this Guaranty or any of the Loan Documents to which such Guarantor is a party.

7.13 Jurisdiction; Venue. Each Guarantor irrevocably submits to jurisdiction of any state or federal court sitting in the Commonwealth of Virginia over any suit, action, or proceeding arising out of or relating to this Guaranty or any other Loan Documents. Each Guarantor irrevocably waives, to the fullest extent permitted by law, any objection that such Guarantor may now or hereafter have to the venue of any such suit, action or proceeding brought in any such court and any claim that any such suit, action, or proceeding brought in any such court has been brought in an inconvenient forum. Final judgment in any such court shall be conclusive and binding and may be enforced in any court in which each Guarantor is subject to jurisdiction by a suit upon such judgment provided that service of process is effected as provided herein or as otherwise permitted by applicable laws.

7.14 Sealed Instrument. This Guaranty is intended to be an instrument signed under seal.

[signatures on following page]

IN WITNESS WHEREOF, Guarantors have executed this Guaranty as of the day and year first above written.

WITNESS:

/s/ Jubal R. Thompson
Print Name: Jubal R. Thompson

Print Title: General Counsel

WITNESS:

/s/ Jubal R. Thompson
Print Name: Jubal R. Thompson

GUARANTORS:

COMSTOCK HOMEBUILDING COMPANIES, INC.,
a Delaware corporation

By: /s/ Christopher Clemente
Christopher Clemente

Chief Executive Officer

[SEAL]

COMSTOCK EMERALD FARM, L.C.,
a Virginia limited liability company

By: Comstock Homebuilding Companies, Inc., a Delaware corporation, its
Manager

By: /s/ Christopher Clemente
Christopher Clemente

Chief Executive Officer

[SEAL]

EXHIBIT A

ENCUMBERED COLLATERAL

1. Restricted cash as reflected on Comstock's quarterly financial statements, as adjusted from time to time
2. Unrestricted cash held in deposit accounts controlled by financial institutions that have extended credit to Comstock, or have extended credit to a Comstock affiliate with respect to which Comstock is a guarantor, in connection with ongoing or prospective projects
3. Leased Inventory, Equipment and Fixtures.

JOINDER

The undersigned hereby joins in the Guaranty, Pledge and Security Agreement dated July 12th, 2011 made by Comstock Homebuilding Companies, Inc. and Comstock Emerald Farm, L.C. to and for the benefit of BCL Eclipse, LLC (the “**Guaranty**”) effective as of the date that is the earliest of (i) the closing date of the loan in the maximum principal amount of \$7 million from SunBridge Manager, LLC or its affiliate to the undersigned, (ii) the date the undersigned’s obligations under the Loan Agreement dated February 22, 2007 (as amended) to Guggenheim Corporate Funding, LLC are satisfied in full, and (iii) October 1, 2011 (the “**Effective Date**”). From and after the Effective Date, all references to Guarantor or Guarantors in the Guaranty shall include the undersigned.

In witness whereof, the undersigned has executed this Joinder as of July 12, 2011.

WITNESS:

COMSTOCK PENDERBROOK, L.C.,
a Virginia limited liability company

By: Comstock Homebuilding Companies, Inc., a Delaware corporation, its
Manager

/s/ Kelly L. Wyche
Print Name: Kelly L. Wyche

By: /s/ Christopher Clemente
Christopher Clemente

Chief Executive Officer

[SEAL]

CLASS A COMMON STOCK WARRANT
COMSTOCK HOMEBUILDING COMPANIES, INC.

July 12, 2011

1. **General.** This certifies that, for value received, BRIDGECOM DEVELOPMENT I, LLC, a Delaware limited liability company ("**BDI**"), or its assigns (together with BDI, the "**Holder**"), is entitled to subscribe for and purchase from COMSTOCK HOMEBUILDING COMPANIES, INC., a Delaware corporation (the "**Corporation**"), at any time or from time to time during the Exercise Period (defined below), on the terms and subject to the provisions hereinafter set forth, up to 1,000,000 shares (subject to adjustment as provided herein) of fully paid and non-assessable Class A Common Stock, par value \$0.01 per share (the "**Common Stock**"), of the Corporation, at a price per share (the "**Warrant Price**") of \$1.03 (subject to adjustment as provided herein).

This Warrant is being issued pursuant to the Loan Agreement dated as of the date hereof (the "**Loan Agreement**") by and between Comstock Potomac Yard, L.C., as borrower, and BCL Eclipse, LLC, an affiliate of BDI, as lender. All terms used but not defined herein shall have the meanings set forth in the Loan Agreement. The shares of capital stock of the Corporation issuable upon exercise or exchange of this Warrant are sometimes hereinafter referred to as the "**Warrant Shares.**"

As used herein, "**Exercise Period**" means the period commencing on the date hereof and ending on the ten year anniversary of the date hereof; provided that, with respect to 250,000 Warrant Shares subject to this Warrant, the Exercise Period shall instead be the period commencing on the date hereof and ending on the nine (9) month anniversary of the date hereof (the "**Early Expiration Date**"), if, and only if, on and as of the Early Expiration Date (a) BDI and the Corporation are participating as joint venture partners in at least one Corporate Opportunity (as defined in the Loan Agreement); provided that the Cascades project and the New Hampshire Avenue project are excluded from the definition of Corporate Opportunity, and (b) the Corporation has achieved (i) the minimum sales requirement at the Eclipse Project set forth in Section 5.17 of the Loan Agreement and (ii) if the loan contemplated by the Commitment Letter dated as of the date hereof (the "**Commitment**") from Comstock Penderbrook, L.C. to SunBridge Manager, LLC, an affiliate of BDI, has been closed for at least six (6) months as of the Early Expiration Date, the minimum sales requirement set forth in the section of the loan agreement to be entered into pursuant to the Commitment which, together with the Loan Agreement, are collectively referred to as the "**Loan Documents**") which corresponds to Section 5.17 of the Loan Agreement. Anything contained in the immediately preceding sentence to the contrary notwithstanding, if a Default or Event of Default shall exist and be continuing under either of the Loan Documents on the Early Expiration Date, or the closing price of the Common Stock on such date, as quoted on NASDAQ Capital Market (or any other national securities exchange or other market on which the Common Stock is then traded), is less than the Warrant Price, the Exercise Period applicable to said 250,000 Warrant Shares shall continue to run to and including the ten year anniversary of the date hereof.

2. Exercise of Warrant. The rights represented by this Warrant may be exercised by the holder hereof, in whole or in part, at any time or from time to time during the Exercise Period, by the surrender of this Warrant (properly indorsed) at the office of the Corporation at 11465 Sunset Hills Road, Suite 510, Reston, VA 20190, or at such other agency or office of the Corporation in the United States of America as it may designate by notice in writing to the holder hereof at the address of such holder appearing on the books of the Corporation, and by payment (either in cash, by check, by cancellation of indebtedness and/or in shares of Common Stock of the Corporation valued at Fair Market Value (as hereinafter defined) in connection with a Net Issue Election (as hereinafter defined), on the date of such exercise) to the Corporation of the Warrant Price for each Warrant Share being purchased. In the event of the exercise of the rights represented by this Warrant, a certificate or certificates for the Warrant Shares so purchased, registered in the name of the holder, which certificates shall be unlegended and free of any resale restrictions to the extent permitted by applicable law (and covered by an opinion of counsel for the Corporation addressed and delivered to the transfer agent for the Corporation's common stock) and except as expressly provided herein, and if this Warrant shall not have been exercised for all of the Warrant Shares, a new Warrant, registered in the name of the holder hereof, in substantially the same form as this Warrant, shall be delivered to the holder hereof within a reasonable time after the rights represented by this Warrant shall have been so exercised. For the avoidance of doubt, the preceding sentence shall not impose any obligation on the Corporation to register the Warrant Shares, it being understood that all such obligations are set forth in the Registration Rights Agreement dated as of the date hereof between the Corporation and BDI. The person in whose name any certificate for Warrant Shares is issued upon exercise of this Warrant shall for all purposes be deemed to have become the holder of record of such shares on the date on which the Warrant was surrendered and payment of the Warrant Price irrespective of the date of delivery of such certificate, except that, if the date of such surrender and payment is a date when the stock transfer books of the Corporation are closed, such person shall be deemed to have become the holder of such shares at the close of business on the next succeeding date on which the stock transfer books are open. The Corporation shall pay any and all documentary, stamp or similar issue or transfer taxes payable in respect of the issue or delivery of any Warrant Shares.

3. Exchange of Warrant.

(a) In lieu of exercising this Warrant for cash or cancellation of indebtedness, in whole or in part, the holder hereof may at any time or from time to time elect to receive, without the payment by the holder of any additional consideration, that number of Warrant Shares determined as hereinafter provided in this Section 3 by the surrender of this Warrant or any portion hereof to the Corporation, accompanied by an executed Notice of Exchange in substantially the form thereof attached hereto (the "**Net Issue Election**"). Thereupon, the Corporation shall issue to the holder hereof such number of fully paid and nonassessable Warrant Shares as is computed using the following formula:

$$X = \frac{Y(A-B)}{A}$$

where X = the number of Warrant Shares to be issued to the holder pursuant to this Section 3;

Y = the number of Warrant Shares covered by this Warrant in respect of which the Net Issue Election is made pursuant to this Section 3;

A = the Fair Market Value of one Warrant Share on the Determination Date; and

B = the Warrant Price in effect under this Warrant on the Determination Date.

For purposes hereof, the “**Determination Date**” means the most recently completed trading date at the time the Net Issue Election is made pursuant to this Section 3. A trading day will be deemed to be “completed” at the time the applicable market closes. For purposes of the above calculation, “**Fair Market Value**” of one Warrant Share as of the Determination Date shall mean:

(i)(A) the closing price quoted on the NASDAQ Capital Market on the Determination Date or (B) if the Common Stock is then traded on another national securities exchange, the closing price quoted on such other national securities exchange on the Determination Date;

(ii) if the Common Stock is then traded on the OTC Market, the average of the closing prices quoted on the OTC Market for the five (5) trading days immediately preceding the Determination Date; and

(iii) in all other circumstances, the fair market value per share of Common Stock as determined by a nationally recognized independent investment banking firm jointly selected by the Corporation and the holder of this Warrant or, if such selection cannot be made within 30 days after delivery of the Notice of Exchange referred to above, by a nationally recognized independent investment banking firm selected by the American Arbitration Association then obtaining.

The closing of any Net Issue Election shall take place at the offices of the Corporation on a date (the “**Exchange Date**”) which shall be as soon as reasonably practicable after the delivery of such Notice of Exchange. At such closing, the Corporation shall issue and deliver to the holder or its designee a certificate or certificates for the Warrant Shares to be issued upon such Net Issue Election, registered in the name of the holder or such designee, and if such Net Issue Election was not for all Warrant Shares subject to this Warrant, a new Warrant, registered in the name of the holder, in substantially the same form as this Warrant for the number of shares still subject to this Warrant following such Net Issue Election.

4. Adjustment of Warrant Price.

(a) The Warrant Price shall be subject to adjustment from time to time as follows:

(i) If, at any time during the Exercise Period, the number of shares of Common Stock outstanding is increased by a stock dividend payable in shares of Common Stock or by a subdivision or split-up of shares of Common Stock, then, following the record date fixed for the determination of holders of Common Stock entitled to receive such stock dividend, subdivision or split-up, the Warrant Price shall be appropriately decreased and the number of shares of Common Stock issuable upon exercise of this Warrant shall be appropriately increased, in each case in proportion to such increase in outstanding shares.

(ii) If, at any time during the Exercise Period, the number of shares of Common Stock outstanding is decreased by a combination of the outstanding shares of Common Stock, then, following the record date for such combination, the Warrant Price shall be appropriately increased and the number of shares of Common Stock issuable upon exercise of this Warrant shall be appropriately decreased, in each case, in proportion to such decrease in outstanding shares.

(iii) In the event of any capital reorganization of the Corporation, any reclassification of the stock of the Corporation (other than a change in par value or from par value to no par value or from no par value to par value or as a result of a stock dividend or subdivision, split-up or combination of shares), or any consolidation or merger of the Corporation (other than a consolidation or merger in which the Corporation is the continuing corporation and which does not result in any change in the Common Stock), each Warrant Share shall after such reorganization, reclassification, consolidation or merger be exercisable or exchangeable into the kind and number of shares of stock or other securities or property of the Corporation or of the corporation resulting from such consolidation or surviving such merger to which the holder of the number of shares of Common Stock deliverable (immediately prior to the time of such reorganization, reclassification, consolidation or merger) upon exercise or exchange of such Warrant Share would have been entitled upon such reorganization, reclassification, consolidation or merger. The provisions of this clause shall similarly apply to successive reorganizations, reclassifications, consolidations or mergers. In any such reorganization or other action or transaction described above, appropriate provision shall be made with respect to the rights and interests of the holder of this Warrant to the end that the provisions hereof (including, without limitation, provisions for adjustments of the Warrant Price and of the number of shares purchasable and receivable upon the exercise of this Warrant) shall thereafter be applicable, as nearly as may be, in relation to any shares of stock, securities or assets thereafter deliverable upon the exercise hereof. The Corporation will not effect any such reorganization, reclassification, consolidation or merger unless, prior to the consummation thereof, the successor corporation or entity (if other than the Corporation) resulting from such transaction or the corporation or entity purchasing such assets shall assume by written instrument, executed and mailed or delivered to the registered holder hereof at the last address of such holder appearing on the books of the Corporation, the obligation to deliver to such holder such shares of stock, securities or assets as, in accordance with the foregoing provisions, such holder may be entitled to purchase.

(iv) All calculations under this Section 4 shall be made to the nearest one tenth (1/10) of a share.

(b) Whenever the Warrant Price shall be adjusted as provided in this Section 4 the Corporation shall forthwith file, at the office of the Corporation or any transfer agent designated by the Corporation for the Common Stock, a statement, signed by its chief financial officer, showing in detail the facts requiring such adjustment and the adjusted Warrant Price. The Corporation shall also cause a copy of such statement to be sent by first-class certified mail, return receipt requested, postage prepaid, to each holder of a Warrant at his or its address appearing on the Corporation's records. Where appropriate, such copy may be given in advance and may be included as part of a notice required to be mailed under the provisions set forth immediately below.

(c) In the event the Corporation shall propose to take any action of the types described in Sections 4(a)(i), (ii) and 4(a)(iii), the Corporation shall give notice to each holder of a Warrant in the manner set forth herein, which notice shall specify the record date, if any, with respect to any such action and the date on which such action is to take place. Such notice shall also set forth such facts with respect thereto as shall be reasonably necessary to indicate the effect of such action (to the extent such effect may be known at the date of such notice) on the Warrant Price then in effect and the number, kind or class of shares or other securities or property which shall be delivered or purchasable upon the occurrence of such action or deliverable upon exercise of this Warrant. In the case of any action which would require the fixing of a record date, such notice shall be given at least 20 days prior to the date so fixed, and in case of all other action, such notice shall be given at least 30 days prior to the taking of such proposed action. Failure to give such notice, or any defect therein, shall not affect the legality or validity of any such action.

5. **[Reserved]**.

6. **Covenants as to Common Stock.** The Corporation covenants and agrees that all shares of Common Stock which may be issued upon the exercise of the rights represented by this Warrant will, upon issuance, be validly issued, fully paid and non-assessable and free from all taxes, liens, charges and preemptive rights with respect to the issuance thereof. The Corporation further covenants and agrees that the Corporation will from time to time take all such action as may be requisite to assure that the stated or par value per share of the Common Stock is at all times equal to or less than the then effective Warrant Price per share of Common Stock issuable upon exercise of this Warrant. The Corporation further covenants and agrees that the Corporation will at all times have authorized and reserved, free from preemptive rights, a sufficient number of shares of its Common Stock to provide for the exercise of the rights represented by this Warrant. The Corporation further covenants and agrees that if any shares of Common Stock to be reserved to provide for the exercise of this Warrant require registration with or approval of any governmental authority under any federal or state law before such shares may be validly issued or delivered upon exercise (other than as a result of the transfer of this Warrant, in whole or in part, subsequent to its initial issuance), then the Corporation will in good faith and expeditiously as possible endeavor to secure such registration or approval, as the case may be.

7. **Registration Rights of the Holder.** The Corporation hereby grants to the holder of this Warrant those rights set forth in the registration rights agreement attached as **Exhibit A** hereto (subject to the transfer provisions set forth therein), the provisions of which are incorporated herein by reference and made a part hereof as if set forth herein in their entirety.

8. **Transfer of Warrant; Amendment.** Subject to compliance with applicable federal and state securities laws, this Warrant and all rights hereunder are transferable, in whole, or in part, at the agency or office of the Corporation referred to in Section 2, by the holder hereof in person or by duly authorized attorney, upon surrender of this Warrant properly endorsed. Each taker and holder of this Warrant, by taking or holding the same, consents and agrees that this Warrant, when endorsed, in blank, shall be deemed negotiable, and, when so endorsed the holder hereof may be treated by the Corporation and all other persons dealing with this Warrant as the absolute owner hereof for any purposes and as the person entitled to exercise the rights represented by this Warrant, or to the transfer hereof on the books of the Corporation, any

notice to the contrary notwithstanding; but until each transfer on such books, the Corporation may treat the registered holder hereof as the owner hereof for all purposes.

9. **[Reserved]**

10. **Lost, Stolen, Mutilated or Destroyed Warrant.** If this Warrant is lost, stolen, mutilated or destroyed, the Corporation may, on such terms as to indemnity or otherwise as it may in its discretion impose (which shall, in the case of a mutilated Warrant, include the surrender thereof), issue a new Warrant of like denomination and tenor as the Warrant so lost, stolen, mutilated or destroyed. Any such new Warrant shall constitute an original contractual obligation of the Corporation, whether or not the allegedly lost, stolen, mutilated or destroyed Warrant shall be at any time enforceable by anyone.

11. **Modification and Waiver.** This Warrant and any provision hereof may be changed, waived, discharged or terminated only by an instrument in writing signed by the party against which enforcement of the same is sought.

12. **Notices.** All notices, requests, demands and other communication with respect hereto shall be in writing and shall be delivered by hand, prepaid by Federal Express (or a comparable overnight delivery service), sent by the United States first-class mail, certified, postage prepaid, return receipt requested, to the parties at their respective addresses set forth as follows:

If to BDI, to:

BridgeCom Development I, LLC
c/o SunBridge Manager, LLC
5425 Wisconsin Avenue, Suite 701
Chevy Chase, Maryland 20815
Attention: Timothy B. Peterson

with a copy to:

Arent Fox LLP
1050 Connecticut Avenue NW
Washington, DC 20036
Attention: Jay L. Halpern, Esq.

If to the Corporation, to:

Comstock Homebuilding Companies, Inc.
11465 Sunset Hills Road, 4th Floor
Reston, VA 20190
Attention: Christopher Clemente

with a copy to:

Comstock Homebuilding Companies, Inc.
11465 Sunset Hills Road, 4th Floor

Reston, VA 20190
Attention: Jubal Thompson, Esq.

Any notice, request, demand or other communication delivered or sent in the manner aforesaid shall be deemed given or made (as the case may be) upon the earliest of (a) the date it is actually received, (b) on the business day after the day on which it is delivered by hand, (c) on the business day after the day on which it is properly delivered by Federal Express (or a comparable overnight delivery service), or (d) on the third (3rd) business day after the day on which it is deposited in the United States mail. Any party may change such party's address by notifying the other parties of the new address in any manner permitted by this Section.

13. **Binding Effect on Successors; Survival.** This Warrant shall be binding upon the parties hereto and their respective successors and assigns, including any corporation succeeding the Corporation by merger, consolidation or acquisition of all or substantially all of the Corporation's assets. All of the obligations of the Corporation relating to the Common Stock issuable upon the exercise of this Warrant shall survive the exercise and termination of this Warrant. All of the covenants and agreements of the Corporation shall inure to the benefit of the successors and assigns of BDI.

14. **Headings.** The headings of the sections and paragraphs of this Warrant are inserted for convenience only and do not constitute a part of, nor shall they be used in construing, this Warrant.

15. **Governing Law.** This Warrant shall be construed and enforced in accordance with, and the rights of the parties shall be governed by, the laws of the State of Delaware without regard to conflicts of law rules of such state.

16. **Fractional Shares.** No fractional shares shall be issued upon exercise of this Warrant. The Corporation shall, in lieu of issuing any fractional share, pay the holder entitled to such fraction a sum in cash equal to such fraction multiplied by the then Fair Market Value of one Warrant Share.

[signature page follows]

IN WITNESS WHEREOF, the undersigned have caused this Warrant to be executed by their duly authorized officers on the date first above written.

COMSTOCK HOMEBUILDING COMPANIES, INC.

By: /s/ Joseph M. Squeri
Name: Joseph M. Squeri
Title: Chief Financial Officer

BRIDGECOM DEVELOPMENT I, LLC,
a Delaware limited liability company

By: BridgeCom Loans, LLC, a Delaware limited liability
company, its Managing Member

By: SunBridge Manager, LLC, a Delaware limited
liability company, its Managing Member

By: /s/ Charles A. Ledsinger, Jr.
Charles A. Ledsinger, Jr. President

Form of Subscription

[To be signed upon exercise of Warrant]

The undersigned, the holder of the Warrant, hereby irrevocably elects to exercise the purchase rights represented by such Warrant for, and to purchase thereunder, _____ shares of Common Stock of COMSTOCK HOMEBUILDING COMPANIES, INC. and herewith makes payment of \$_____ therefor, and requests that the certificates for such shares be issued in the name of and delivered to, _____, whose address is _____.

Dated: _____

(Signature)

(Address)

Notice of Exchange

(To be executed by the Holder in
order to exchange the Warrant.)

The undersigned hereby irrevocably elects to exchange this Warrant into _____ shares (the foregoing number constituting the number of Warrant Shares to be issued pursuant to Section 3 of this Warrant) of _____ of COMSTOCK HOMEBUILDING COMPANIES, INC., minus any shares to be deducted from the foregoing number in accordance with the terms of this Warrant, according to the conditions thereof. The undersigned desires to consummate such exchange on _____.

Dated:

Name of Holder:

By: _____

Form of Assignment

[To be signed only upon transfer of Warrant]

For value received, the undersigned hereby sells, assigns and transfers unto the right represented by the Warrant to purchase _____ shares of _____ of COMSTOCK HOMEBUILDING COMPANIES, INC., to which the Warrant relates, and appoints _____ to transfer such right on the books of COMSTOCK HOMEBUILDING COMPANIES, INC., with full power of substitution in the premises.

Dated: _____

(Signature)

Signed in the presence of:

REGISTRATION RIGHTS AGREEMENT

This Registration Rights Agreement (this "Agreement") is made and entered into as of July 12, 2011, by and between Comstock Homebuilding Companies, Inc., a Delaware corporation (the "Issuer"), and BridgeCom Development I, LLC, a Delaware limited liability company ("BDI").

1. Definitions.

"*Commission*" means the Securities and Exchange Commission.

"*Common Stock*" means shares of the Issuer's common stock, par value \$0.01 per share.

"*Exchange Act*" means the Securities Exchange Act of 1934, as amended, and any successor statute.

"*Indemnified Party*" shall have the meaning set forth in Section 5(c).

"*Indemnifying Party*" shall have the meaning set forth in Section 5(c).

"*Investor*" means BDI or any transferee or assignee of any Registrable Securities to whom BDI assigns its rights under this Agreement and who agrees to become bound by the provisions of this Agreement in accordance with Section 9 and who is an assignee of registration rights pursuant to Section 10.

"*Proceeding*" means an action, claim, suit, investigation or proceeding (including, without limitation, an investigation or partial proceeding, such as a deposition), whether commenced or threatened.

"*Prospectus*" means the prospectus included in the Registration Statement (including, without limitation, a prospectus that includes any information previously omitted from a prospectus filed as part of an effective registration statement in reliance upon Rule 430A promulgated under the Securities Act), as amended or supplemented by any prospectus supplement, with respect to the terms of the offering of any portion of the Registrable Securities covered by the Registration Statement, and all other amendments and supplements to the Prospectus, including post-effective amendments, and all material incorporated by reference or deemed to be incorporated by reference in such Prospectus.

"*Registrable Securities*" means the Warrant Shares and any capital stock of the Issuer issued or issuable with respect to the Warrant Shares including, without limitation, as a result of any stock split, stock dividend, recapitalization, exchange or similar event or otherwise, provided that Registrable Securities shall not include any securities that may be sold during the next 90 days pursuant to Rule 144 or that could have been sold during such period if the Warrant Shares had been acquired pursuant to a "Net Issue Election" in accordance with Section 3 of the Warrant. Registrable Securities shall cease to be Registrable Securities when a registration

statement with respect to the sale of such Registrable Securities shall have become effective under the Securities Act and such Registrable Securities shall have been disposed of pursuant to such registration statement.

“*Registration Expenses*” means, with respect to any registration demanded pursuant to Section 2 hereof, all expenses relating to the Issuer’s compliance with Section 2, as applicable, with respect to such registration, including, without limitation, all registration and filing fees, printing expenses, fees and disbursements of counsel and independent public accountants for the Issuer, fees and expenses (including reasonable counsel fees) incurred in connection with complying with state securities or “blue sky” laws, FINRA fees, transfer taxes, fees of transfer agents and registrars and, to the extent not exceeding \$15,000 in the aggregate, the reasonable fees of, and disbursements incurred by, Investor Counsel.

“*Registration Statement*” means each Demand Registration Statement or Resale Registration Statement (in each case as defined below) required to be filed hereunder, including the Prospectus, amendments and supplements to such registration statement or Prospectus, including pre- and post-effective amendments, all exhibits thereto, and all material incorporated by reference or deemed to be incorporated by reference in such registration statement.

“*Rule 144*” means Rule 144 promulgated by the Commission pursuant to the Securities Act, as such Rule may be amended from time to time, or any similar rule or regulation hereafter adopted by the Commission having substantially the same effect as such Rule.

“*Securities Act*” means the Securities Act of 1933, as amended, and any successor statute.

“*Underwriter*” means a securities dealer who purchases any Registrable Securities as principal in an underwritten offering and not as part of such dealer’s market-making activities.

“*Warrant*” means that certain Common Stock Warrant dated of even date herewith issued by the Issuer to BDI.

2. Registration.

(a) Demand Registration.

i. At any time and from time to time, BDI may make a written demand for one underwritten registration of all or part of its Registrable Securities under the Securities Act (any such registration, a “Demand Registration” and the registration statement relating thereto, a “Demand Registration Statement”). Any demand for a Demand Registration shall specify the number of shares of Registrable Securities proposed to be sold and the intended method(s) of distribution thereof. The Issuer will notify all other Investors who are holders of Registrable Securities of the demand, and each such other Investor who wishes to include all or a portion of such Investor’s Registrable Securities in the Demand Registration (each such holder including shares of Registrable Securities in such registration, a “Demanding Holder”) shall so notify the Issuer within fifteen (15) days after the receipt by such holder of the notice from the Issuer. Upon any such request, the Issuer will use its reasonable best efforts to effect, as promptly as practicable, the registration under the Securities Act of the Registrable Securities

which the Issuer has been so requested to register, subject to Sections 2(a) (iii), 3(a)(iv), 3(a)(v) and 6(c). All Demanding Holders proposing to distribute their securities through such underwriting shall complete and execute all questionnaires, powers of attorney, indemnities, underwriting agreements (with the Underwriter or Underwriters selected for such underwriting by the Issuer (in the case of an offering in which the Issuer does not intend to offer any of its capital stock for sale, with the consent of BDI, such consent not to be unreasonably withheld)) and other documents reasonably required under the terms of the applicable underwriting arrangements and shall take such other actions as are reasonably required in order to expedite or facilitate the disposition of the Registrable Securities included in such underwriting.

ii. A registration will count as a Demand Registration if (A) the Registration Statement is filed with the Commission with respect to such Demand Registration and has been declared effective, (B) the Registration Statement is withdrawn after filing at the request of a majority-in-interest of the Demanding Holders or (C) the Registration Statement is withdrawn prior to filing at the request of majority-in-interest of the Demanding Holders and the Demanding Holders fail to reimburse the Issuer for the Registration Expenses incurred by the Issuer in connection therewith within 30 days of receipt of a reasonably detailed invoice therefor; provided, however, that if, after such Registration Statement has been declared effective, the offering of Registrable Securities pursuant to a Demand Registration is interfered with by any stop order or injunction of the Commission or any other governmental agency or court, the Registration Statement with respect to such Demand Registration will be deemed not to have been declared effective, unless and until, (i) such stop order or injunction is removed, rescinded or otherwise terminated, and (ii) a majority-in-interest of the Demanding Holders thereafter elect to continue the offering; provided, further, that the Issuer shall not be obligated to file a second Registration Statement until a Registration Statement that has been filed is counted as a Demand Registration or is terminated.

iii. If in the sole discretion of the managing Underwriter or Underwriters the registration of all, or part of, the Registrable Securities which BDI and any other Investors requested to be included would adversely affect such public offering, then the Issuer shall be required to include in the underwriting only that number of Registrable Securities, if any, which the managing Underwriter or Underwriters believe may be sold without causing such adverse effect. If the number of Registrable Securities to be included in the underwriting in accordance with the foregoing is less than the total number of shares which BDI and such other Investors have requested to be included, then BDI and such other Investors shall participate in the underwriting pro rata based upon their total ownership of Registrable Securities. Any such limitation shall be imposed in such manner so as to avoid any diminution in the number of shares the Issuer may register for sale by giving first priority for the shares to be registered for issuance and sale by the Issuer and the Underwriter, and by giving second priority for the shares to be registered for sale by BDI and the other Investors.

iv. If BDI disapproves of the terms of any underwriting or is not entitled to include all of its Registrable Securities in such underwritten offering, BDI may elect to withdraw from such offering by giving written notice to the Issuer and the Underwriter or Underwriters of its request to withdraw prior to the filing of the Registration Statement. If BDI withdraws from a proposed offering relating to a Demand Registration because it is not entitled to include all of its Registrable Securities in such underwritten offering due to the inclusion of

securities to be sold for the account of the Issuer, then such registration shall not count as a Demand Registration. No other withdrawal by an Investor from a proposed offering relating to a Demand Registration shall cause such registration not to count as a Demand Registration except for a Registration Statement that is withdrawn prior to filing at the request of majority-in-interest of the Demanding Holders and as to which the Demanding Holders reimburse the Issuer for the Registration Expenses incurred by the Issuer in connection therewith within 30 days of receipt of a reasonably detailed invoice therefore.

(b) Resale Registrations.

i. At any time and from time to time, BDI may make two (2) separate requests in writing that the Issuer register the resale of any or all of its Registrable Securities on Form S-3 or any similar short-form registration which may be available at such time ("Form S-3") (any such registration, a "Resale Registration" and the registration statement relating thereto, a "Resale Registration Statement"); provided, however, that the Issuer shall not be obligated to effect such request through an underwritten offering. Upon receipt of such written request, the Issuer will promptly give written notice of the proposed registration to all other Investors who are holders of Registrable Securities, and use its reasonable best efforts to, as soon as practicable thereafter, effect the registration of all or such portion of BDI's Registrable Securities as are specified in such request, together with all or such portion of the Registrable Securities of any other Investor joining in such request as are specified in a written request given within fifteen (15) days after receipt of such written notice from the Issuer (each such holder including shares of Registrable Securities in such registration also, for purposes of this Agreement, a "Demanding Holder"); provided, however, that the Issuer shall not be obligated to effect any such registration pursuant to this Section 2(b) if Form S-3 or any similar short-form registration statement is not available for such offering. Registrations effected pursuant to this Section 2(b) shall not be counted as a Demand Registration effected pursuant to Section 2(a).

ii. A registration will count as a Resale Registration if (A) the Registration Statement is filed with the Commission with respect to such Resale Registration and has been declared effective, (B) the Registration Statement is withdrawn after filing at the request of a majority-in-interest of the Demanding Holders or (C) the Registration Statement is withdrawn prior to filing at the request of majority-in-interest of the Demanding Holders and the Demanding Holders fail to reimburse the Issuer for the Registration Expenses incurred by the Issuer in connection therewith within 30 days of receipt of a reasonably detailed invoice therefor; provided, however, that if, after such Registration Statement has been declared effective, the offering of Registrable Securities pursuant to a Resale Registration is interfered with by any stop order or injunction of the Commission or any other governmental agency or court, the Registration Statement with respect to such Resale Registration will be deemed not to have been declared effective, unless and until, (i) such stop order or injunction is removed, rescinded or otherwise terminated, and (ii) a majority-in-interest of the Demanding Holders thereafter elect to continue the offering; provided, further, that the Issuer shall not be obligated to file a second Registration Statement until a Registration Statement that has been filed is counted as a Resale Registration or is terminated.

(c) Piggy-Back Registrations.

i. At any time and from time to time after the date of this Agreement, whenever the Issuer proposes to file a Registration Statement (other than a Registration Statement on Form S-4 or Form S-8 or any successor forms or a Registration Statement that does not contemplate a distribution of the securities being registered on a firmly underwritten basis), the Issuer will prior to such filing, (i) give written notice of such proposed filing to BDI and the other Investors who are holders of Registrable Securities, as soon as practicable but in no event less than twenty (20) days before the anticipated filing date, which notice shall describe the intended method(s) of distribution, and the name of the proposed managing Underwriter or Underwriters, if any, of the offering and the type and estimated number of shares available to be included by way of piggyback registration, and (ii) offer to the holders of Registrable Securities in such notice the opportunity to register the sale of such number of shares of Registrable Securities as such holders may request in writing within ten (10) days following receipt of such notice (a "Piggy-Back Registration"). Subject to Section 2(c) (ii), the Company shall permit such Registrable Securities to be included in such registration on the same terms and conditions as any similar securities of the Company and to permit the sale or other disposition of such Registrable Securities in accordance with the intended method(s) of distribution thereof. All holders of Registrable Securities proposing to distribute their securities through a Piggy-Back Registration that involves an Underwriter or Underwriters shall complete and execute all questionnaires, powers of attorney, indemnities, underwriting agreements (with the Underwriter or Underwriters selected for such underwriting by the Issuer) and other documents reasonably required under the terms of the applicable underwriting arrangements and shall take such other actions as are reasonably required in order to expedite or facilitate the disposition of the Registrable Securities included in such underwriting.

ii. If in the sole discretion of the managing Underwriter or Underwriters, if any, of a Piggy-Back Registration, the offering of all, or part of, the Registrable Securities which BDI and any other Investors requested to be included would adversely affect such offering, then the Issuer shall be required to include in the underwriting only that number of Registrable Securities, if any, which the managing Underwriter or Underwriters believe may be sold without causing such adverse effect. If the number of Registrable Securities to be included in the underwriting in accordance with the foregoing is less than the total number of shares which BDI and such other Investors have requested to be included, then BDI and such other Investors shall participate in the underwriting pro rata based upon their total ownership of Registrable Securities. Any such limitation shall be imposed in such manner so as to avoid any diminution in the number of shares the Issuer may register for sale by giving first priority for the shares to be registered for issuance and sale by the Issuer and the Underwriter, and by giving second priority for the shares to be registered for sale by BDI and the other Investors.

iii. Any holder of Registrable Securities may elect to withdraw such holder's request for inclusion of Registrable Securities in any Piggy-Back Registration by giving written notice to the Issuer of such request to withdraw prior to the filing of the Registration Statement. The Issuer may elect to withdraw a registration statement at any time prior to the effectiveness of the Registration Statement.

3. Registration Procedures.

(a) Filings; Information. Whenever the Issuer is required to effect the registration of any Registrable Securities pursuant to Section 2, the Issuer shall use its reasonable best efforts to effect the registration and sale of such Registrable Securities in accordance with the intended method(s) of distribution thereof as expeditiously as practicable, and in connection with any such request:

i. Filing Registration Statement. In the case of a Registration Statement filed pursuant to Section 2(a) or (b), the Issuer shall, as expeditiously as possible prepare and file with the Commission a Registration Statement on Form S-3 or any similar short-form registration statement which may be available at such time, or, solely in connection with a Demand Registration, if such form may not be used by the Issuer, on any form for which the Issuer then qualifies and which shall be available for the sale of all Registrable Securities to be registered thereunder in accordance with the intended method(s) of distribution thereof. The Issuer shall use its reasonable best efforts to cause any Demand Registration to become and remain effective for the period of not less than 120 days (or, if earlier, until such time as an amendment containing new audited financial statements would be required to be filed to keep the Registration Statement effective) and to cause any such Resale Registration to become and remain continuously effective for three years after filing, in each case so long as any Registrable Securities are covered thereby, provided that each of the foregoing periods shall be extended by the number of days the applicable registration is suspended by reason of a Corporate Development pursuant to Section 6(c). Notwithstanding the foregoing, in the event a demand for a Demand Registration or a Resale Registration is made prior to June 24, 2012, the filing of the Demand Registration Statement or Resale Registration Statement, as applicable, may be deferred until June 24, 2012.

ii. Copies. The Issuer shall, prior to filing each Registration Statement or prospectus, or any amendment or supplement thereto, furnish without charge to BDI and a single legal counsel (appointed by a majority-in-interest of the Demanding Holders, in the case of a Demand Registration or Resale Registration, and otherwise by BDI or its designee) representing the Investors including Registrable Securities in the applicable registration (“Investor Counsel”), copies of such Registration Statement as proposed to be filed, each amendment and supplement to such Registration Statement (in each case including all exhibits thereto and documents incorporated by reference therein to the extent not previously filed), the prospectus included in such Registration Statement (including each preliminary prospectus), and such other documents as BDI or Investor Counsel may request in order to facilitate the disposition of the Registrable Securities owned by such holders.

iii. Amendments and Supplements. Subject to the provisions of Section 3(a)(i) hereof, the Issuer shall prepare and file with the Commission such amendments, including post-effective amendments, and supplements to each Registration Statement and the prospectus used in connection therewith as may be necessary to keep such Registration Statement effective and in compliance with the provisions of the Securities Act until all Registrable Securities have been disposed of in accordance with the intended method(s) of distribution set forth in such Registration Statement (which period shall be automatically extended to include any period during which any such disposition is interfered with by any stop

order or injunction of the Commission or any governmental agency or court) or such securities have been withdrawn.

iv. **Notification.** After the filing of each Registration Statement, the Issuer shall promptly, and in no event more than two (2) business days after such filing, notify BDI and Investor Counsel, if any, of such filing, and shall further notify such holders promptly and confirm such advice in writing as soon as is reasonably practicable after the occurrence of any of the following: (w) when such Registration Statement becomes effective; (x) when any post-effective amendment to such Registration Statement becomes effective; (y) the issuance or threatened issuance by the Commission of any stop order; and (z) (i) any request by the Commission for any amendment or supplement to such Registration Statement or any prospectus relating thereto or for additional information or of the occurrence of an event requiring the preparation of a supplement or amendment to such prospectus or (ii) any other Discontinuation Event and shall promptly supplement or amend such prospectus so that, as thereafter delivered to the purchasers of the securities covered by such Registration Statement, such prospectus will not contain an untrue statement of a material fact or omit to state any material fact required to be stated therein or necessary to make the statements therein not misleading, and promptly make available to the holders of Registrable Securities included in such Registration Statement any such supplement or amendment; except that before filing with the Commission a Registration Statement or prospectus or any amendment or supplement thereto, including documents incorporated by reference, the Company shall furnish to BDI and Investor Counsel, if any, copies of all such documents proposed to be filed sufficiently in advance of filing to provide BDI and Investor Counsel, if any, with a reasonable opportunity (which, if in connection with any registration in which shares are being sold by the Issuer for its account, shall in any event not be required to exceed 48 hours) to review such documents and comment thereon.

v. Notwithstanding Sections 2(a) and (b):

(A) the Issuer shall not be obligated to file a registration statement relating to a registration request pursuant to Section 2(a) or 2(b) at any time during the six-month period immediately following the effective date of another registration statement filed by the Issuer (other than a registration statement on Form S-4 or Form S-8 or any successor or similar form or a registration that does not provide for an underwritten offering);

(B) the Issuer shall not be obligated to file pursuant to Section 2 more than (x) one registration statement initiated by the Demanding Holders pursuant to Section 2(a) or (y) during any consecutive twelve-month period, more than one registration statement on Form S-3 (or any successor or similar short-form registration statement) initiated by the Demanding Holders pursuant to Section 2(b); and

(C) the Issuer shall not be obligated to file a Demand Registration Statement proposed to cover less than 500,000 shares

of Common Stock or a Resale Registration Statement proposed to cover less than 300,000 shares of Common Stock.

vi. State Securities Laws Compliance. The Issuer shall use its reasonable best efforts to (x) register or qualify the Registrable Securities covered by each Registration Statement under such securities or “blue sky” laws of such jurisdictions in the United States as the holders of Registrable Securities included in such Registration Statement (in light of their intended plan of distribution) may request, (y) register or qualify the Registrable Securities covered by each piggyback registration statement under such securities or “blue sky” laws of such jurisdictions in the United States with respect to which the other securities included in such registration statement are so registered or qualified and (z) take such action necessary to cause such Registrable Securities covered by each Registration Statement or registration statement to be registered with or approved by such other Governmental Authorities as may be necessary by virtue of the business and operations of the Issuer and do any and all other acts and things that may be necessary or advisable to enable the holders of Registrable Securities included in such Registration Statement or registration statement to consummate the disposition of such Registrable Securities in such jurisdictions; provided, however, that the Issuer shall not be required to qualify generally to do business in any jurisdiction where it would not otherwise be required to qualify but for this Section 3(a)(vi) or subject itself to taxation in any such jurisdiction.

vii. Agreements for Disposition. The Issuer shall enter into customary agreements (including, if applicable, an underwriting agreement in customary form) and take such other actions as are reasonably required in order to expedite or facilitate the disposition of such Registrable Securities. The representations, warranties and covenants of the Issuer in any underwriting agreement which are made to or for the benefit of any Underwriters, to the extent applicable, shall also be made to and for the benefit of the holders of Registrable Securities included in such Registration Statement. No holder of Registrable Securities included in such Registration Statement shall be required to make any representations or warranties in the underwriting agreement except, with respect to written information relating to such holder that such holder has furnished in writing expressly for inclusion in such Registration Statement, and if applicable, with respect to such holder’s organization, good standing, authority, title to Registrable Securities, lack of conflict of such sale with such holder’s material agreements and organizational documents or, if such holder is an individual, such holder’s full legal capacity to enter into such underwriting agreement and title to Registrable Securities and any other customary matters reasonably required by such Underwriters.

viii. Records. With respect to any Demand Registration, the Issuer shall make available for inspection by BDI, subject to a customary confidentiality agreement, to any Investor Counsel and to each Underwriter participating in the disposition pursuant to such Registration Statement and any attorney retained by each such Underwriter, all financial and other records, pertinent corporate documents and properties of the Issuer, as shall be reasonably necessary to enable them to exercise their due diligence responsibility, and shall use its reasonable best efforts to cause the Issuer’s (x) officers, directors and employees to supply all information requested by any of them in connection with such Registration Statement and (y) the senior management of the Issuer to participate in any “road show” presentations to investors, in each case in connection with such registration statement.

ix. Opinions and Comfort Letters. The Issuer shall furnish to BDI and Investor Counsel, if any a signed counterpart of (x) any opinion of counsel to the Issuer delivered to any Underwriter including reliance language (or together with a separate reliance letter) for the benefit of holders of Registrable Securities and (y) any comfort letter from the Issuer's independent public accountants delivered to any Underwriter.

x. Listing. The Issuer shall use its best efforts to cause all Registrable Securities included in any registration to be listed on such exchanges or otherwise designated for trading in the same manner as similar securities issued by the Issuer are then listed or designated.

(b) Obligation to Suspend Distribution. Upon receipt of any notice from the Issuer of the happening of any event of the kind described in Section 3(a)(iv), or, in the case of a Resale Registration on Form S-3 pursuant to Section 2(b) hereof, upon any suspension by the Issuer, pursuant to a written insider trading compliance program adopted by the Issuer's Board of Directors, of the ability of all "insiders" covered by such program to effect transactions in the Issuer's securities because of the existence of material non-public information, each holder of Registrable Securities included in any Registration Statement shall immediately discontinue disposition of such Registrable Securities pursuant to any Registration Statement covering such Registrable Securities until such holder receives the supplemented or amended prospectus contemplated by Section 3(a)(iv) or the restriction on the ability of "insiders" to effect transactions in the Issuer's securities is removed, as applicable, and, if so directed by the Issuer, each such holder will deliver to the Issuer all copies, other than permanent file copies then in such holder's possession, of the most recent prospectus covering such Registrable Securities at the time of receipt of such notice.

4. Registration Expenses. All Registration Expenses are the responsibility of the Issuer. All selling commissions applicable to the sale of Registrable Securities, and any fees and disbursements of any counsel to the Investors beyond those included in the Registration Expenses, shall be the responsibility of the Investor.

5. Indemnification.

(a) The Issuer will indemnify and hold harmless, to the fullest extent permitted by law, the Investor and the Investor's officers, directors and agents, affiliates, advisors, brokers and employees, each person who controls any Seller (within the meaning of Section 15 of the Securities Act or Section 20 of the Securities Exchange Act of 1934 (the "Exchange Act")) and the officers, directors, agents, affiliates, advisors, brokers and employees of any such controlling person, from and against all damages, as incurred, arising out of or based upon any untrue or alleged untrue statement of a material fact contained in a Registration Statement or piggyback registration statement pursuant to which any of the Registrable Securities are registered for resale, any prospectus or form of prospectus or in any amendment or supplement thereto or in any preliminary prospectus, or arising out of or based upon any omission or alleged omission to state therein a material fact required to be stated therein or necessary to make the statements therein not misleading, except to the extent the same are based upon information with respect to the Investor furnished in writing to the Issuer expressly for use therein; provided, however, that the Issuer will not be liable to the Investor or any such other person to the extent that any such damages arise out of or are based upon an untrue statement or

alleged untrue statement or omission or alleged omission made in any preliminary prospectus if either (A)(i) the Issuer failed to send or deliver a copy of the prospectus with or prior to the delivery of written confirmation of the sale by the Investor of a Registrable Security to the person to whom the Investor sells such Registrable Security, if such person asserts the claim from which such damages arise and (ii) the prospectus would have corrected such untrue statement or alleged untrue statement or such omission or alleged omission or (B) such untrue statement or alleged untrue statement or such omission or alleged omission is corrected in an amendment or supplement to the prospectus previously furnished by or on behalf of the Issuer with copies of the prospectus as so amended or supplemented delivered by the Issuer, and Investor thereafter fails to deliver such prospectus as so amended or supplemented prior to or concurrently with the sale of a Registrable Security to the person asserting the claim from which such damages arise; provided, further, however, that the indemnity agreement contained in this Section 5(a) will not apply to amounts paid in settlement of any such damages if such settlement is effected without the consent of the Issuer (which consent will not be unreasonably withheld).

(b) The Investor and its affiliates (which the Investor represents by its execution hereof that it has the ability to bind to the provisions of this Agreement) will indemnify and hold harmless, to the fullest extent permitted by law, the Issuer and its affiliates, the officers, directors and agents, affiliates, advisors, brokers and employees of each of them, each underwriter of securities covered by a Registration Statement or piggyback registration statement, each person who controls any such person or entity (within the meaning of Section 15 of the Securities Act or Section 20 of the Exchange Act), and the officers, directors, agents, affiliates, advisors, brokers and employees of any such underwriter or controlling person, from and against all damages, as incurred, arising out of or based upon any untrue or alleged untrue statement of a material fact contained in any Registration Statement or piggyback registration statement, prospectus or form of prospectus or in any amendment or supplement thereto or in any preliminary prospectus, or arising out of or based upon any omission or alleged omission to state therein a material fact required to be stated therein or necessary to make the statements therein not misleading, but only to the extent the same are contained in information with respect to such holder furnished in writing to the Issuer by the Investor or any such other person or entity expressly for use therein; provided, however, that the indemnity agreement contained in this Section 5(b) will not apply to amounts paid in settlement of any such damages if such settlement is effected without the consent of Sellers (which consent will not be unreasonably withheld). Notwithstanding the provisions of this Section, the Investor shall not be required to indemnify any person or entity in excess of the amount of the aggregate net proceeds received by the Investor in respect of Registrable Securities in connection with any such registration under the Securities Act.

(c) A party entitled to indemnification hereunder (the "Indemnified Party") shall give notice to the party required to provide indemnification (the "Indemnifying Party") as soon as practicable after such Indemnified Party has knowledge of any claim as to which indemnity may be sought, and the Indemnified Party shall permit the Indemnifying Party (at the expense of such Indemnifying Party) to assume the defense of any third party claim or any litigation with a third party resulting therefrom; provided, however, that the failure by any Indemnified Party to give notice as provided herein shall not relieve the Indemnifying Party of its indemnification obligation under this Agreement except and only to the extent that such Indemnifying Party is materially prejudiced by such failure to give notice. If the Indemnifying

Party does not accept the defense of any matter as above provided within 30 days after receipt of the notice from the Indemnified Party described above, the Indemnified Party shall have the right to and shall reasonably and in good faith defend against any such matter at the sole cost of the Indemnifying Party. Furthermore, if the Indemnified Party has been advised in writing by counsel that it may have available to it one or more defenses or counterclaims that are inconsistent with one or more of those that may be available to the Indemnifying Party in respect of such claim or any litigation relating thereto, then the Indemnified Party shall be entitled, at the Indemnifying Party's cost and expense, to separate counsel of its own choosing. In no event shall the Indemnifying Party be responsible for the costs of more than one counsel for the Indemnified Party in any proceeding or series of related proceedings (in addition to a single local counsel in each jurisdiction). Except with the prior consent of the Indemnified Party, no Indemnifying Party, in the defense of any such claim or litigation, shall consent to entry of any judgment or enter into any settlement that does not include as an unconditional term thereof the giving by each claimant or plaintiff to such Indemnified Party of a general release from all liability with respect to such claim or litigation. The Indemnifying Party and the Indemnified Party shall reasonably cooperate in the defense of any claim or litigation subject to this Section 5 and the records of each shall be reasonably available to the other with respect to such defense.

6. Miscellaneous.

(a) Compliance. Each Investor by its acquisition of such Registrable Securities covenants and agrees that it (i) will comply with the prospectus delivery requirements of the Securities Act as applicable to it in connection with sales of Registrable Securities pursuant to a Registration Statement or piggyback registration statement and (ii) promptly furnish to the Issuer all information required to be disclosed in the Registration Statement or piggyback registration statement and related prospectus concerning the Investor (including information in order to make the information previously furnished to the Issuer by the Investor not misleading) and any other information regarding the Investor and the distribution of such Registrable Securities as the Issuer may from time to time reasonably request.

(b) Rule 144. The Issuer covenants that it shall file any reports otherwise required to be filed by it under the Securities Act and the Exchange Act and shall take such further action as the holders of Registrable Securities may reasonably request, all to the extent required from time to time to enable such holders to sell Registrable Securities without registration under the Securities Act within the limitation of the exemptions provided by Rule 144 under the Securities Act, as such rules may be amended from time to time, or any similar rule or regulation hereafter adopted by the Commission.

(c) Discontinued Disposition. Each Investor agrees by its acquisition of Registrable Securities that, upon receipt of a notice from the Issuer of the occurrence of a Discontinuation Event (as defined below), it will forthwith discontinue disposition of such Registrable Securities under the applicable Registration Statement until the Investor's receipt of the copies of the supplemented Prospectus and/or amended Registration Statement or until it is advised in writing (the "Advice") by the Issuer that the use of the applicable Prospectus may be resumed, and, in either case, has received copies of any additional or supplemental filings that are incorporated or deemed to be incorporated by reference in such Prospectus or Registration Statement. The Issuer may provide appropriate stop orders to enforce the provisions of this

Section. For purposes of this Section 6(c), a “Discontinuation Event” shall mean (i) when the Commission notifies the Issuer whether there will be a “review” of such Registration Statement and whenever the Commission comments in writing on such Registration Statement (the Issuer shall provide true and complete copies thereof and all written responses thereto to each of the Investors); (ii) any request by the Commission or any other Federal or state governmental authority for amendments or supplements to such Registration Statement or Prospectus or for additional information; (iii) the issuance by the Commission of any stop order suspending the effectiveness of such Registration Statement covering any or all of the Registrable Securities or the initiation of any Proceedings for that purpose; (iv) the receipt by the Issuer of any notification with respect to the suspension of the qualification or exemption from qualification of any of the Registrable Securities for sale in any jurisdiction, or the initiation or threatening of any Proceeding for such purpose; (v) the occurrence of any event or passage of time that makes the financial statements included in such Registration Statement ineligible for inclusion therein or any statement made in such Registration Statement or Prospectus or any document incorporated or deemed to be incorporated therein by reference untrue in any material respect or that requires any revisions to such Registration Statement, Prospectus or other documents so that, in the case of such Registration Statement or Prospectus, as the case may be, it will not contain any untrue statement of a material fact or omit to state any material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances under which they were made, not misleading, or the Issuer’s good faith determination that any such action is otherwise required; and/or (vi) the occurrence or existence of any pending financing or other corporate development that, in the good faith judgment of the Board of Directors of the Issuer (or a duly authorized committee thereof), as confirmed in a certificate executed on behalf of the Issuer by the Chief Executive Officer or Chief Financial, makes it appropriate to suspend the availability of the Registration Statement and the related Prospectus (a “Corporate Development”). The Issuer shall similarly be entitled to defer the filing of a registration statement or withdraw a registration statement on the basis of a Corporate Development. The postponement or withdrawal of a Registration Statement on the basis of a Corporate Development shall not exceed 120 days and no more than one postponement or withdrawal on the basis of a Corporate Development may be effected in any consecutive 12-month period. If the Issuer shall so postpone the filing or effect the withdrawal of the registration statement, BDI shall have the right to withdraw the request for registration by giving written notice to the Issuer within 30 days after receipt of the notice of postponement or withdrawal.

7. Holdback. Each Investor holding Registrable Securities agrees not to effect any public sale or distribution of any Registrable Securities or any securities convertible into or exchangeable or exercisable for Registrable Securities, if and to the extent requested by the managing Underwriter with respect to any registration statement filed by the Issuer (except to the extent such Investor is entitled to include Registrable Securities therein pursuant to the terms hereof), for a period beginning on the effective date of such registration statement (or such earlier date as may be required by applicable law) and ending on the day requested by such managing underwriter without the written consent of such managing underwriter; *provided that* (i) such period shall not extend beyond the 120th day after such effective date, (ii) each director and executive officer and, to the extent within the reasonable control of the Issuer, each 5% stockholder of the Issuer shall be bound by the same restriction and (iii) each such Investor has received written notice of such registration at least five trading days prior to the anticipated beginning of the period referred to above.

8. Amendments and Waivers. Provisions of this Agreement may be amended only with the written consent of the Issuer and BDI. No waiver shall be effective unless it is in writing and signed by an authorized representative of the waiving party.

9. Notices. All notices and other communications required or permitted hereunder shall be provided and become effective as set forth in Section 12 of the Warrant.

10. Assignment. All or any portion of the rights under this Agreement shall be automatically assignable by an Investor holding such rights to any transferee, assignee or participant (as the case may be) of all or any portion of the Warrant or any Registrable Securities if: (i) the Investor agrees in writing with such transferee, assignee or participant (as the case may be) to assign all or any portion of such rights, and a copy of such agreement is furnished to the Issuer within a reasonable time after such transferee, assignee or participant (as the case may be); (ii) the Issuer is, within a reasonable time after such transfer, assignment or participation (as the case may be), furnished with written notice of (a) the name and address of such transferee, assignee or participant (as the case may be), and (b) the securities with respect to which such registration rights are being assigned; (iii) the transferee, assignee or participant (as the case may be) agrees in writing with the Issuer to be bound by all of the provisions contained herein; and (iv) the transferee acquires beneficial ownership of at least 200,000 shares of Common Stock.

11. Execution in Counterparts. This Agreement may be executed in any number of counterparts, each of which when so executed shall be deemed to be an original and, all of which taken together shall constitute one and the same Agreement. In the event that any signature is delivered by facsimile transmission, such signature shall create a valid binding obligation of the party executing (or on whose behalf such signature is executed) the same with the same force and effect as if such facsimile signature were the original thereof.

12. Governing Law. All questions concerning the construction, validity, enforcement and interpretation of this Agreement shall be governed by the internal laws of the State of Delaware, without giving effect to any choice of law or conflict of law provision or rule (whether of the State of Delaware or any other jurisdictions) that would cause the application of the laws of any jurisdictions other than the State of Delaware. Each party hereby irrevocably submits to the exclusive jurisdiction of the state and federal courts sitting in the State of Delaware, for the adjudication of any dispute hereunder or in connection herewith or with any transaction contemplated hereby or discussed herein, and hereby irrevocably waives, and agrees not to assert in any suit, action or proceeding, any claim that it is not personally subject to the jurisdiction of any such court, that such suit, action or proceeding is brought in an inconvenient forum or that the venue of such suit, action or proceeding is improper. Each party hereby irrevocably waives personal service of process and consents to process being served in any such suit, action or proceeding by mailing a copy thereof to such party at the address for such notices to it under this Agreement and agrees that such service shall constitute good and sufficient service of process and notice thereof. Nothing contained herein shall be deemed to limit in any way any right to serve process in any manner permitted by law. If any provision of this Agreement shall be invalid or unenforceable in any jurisdiction, such invalidity or unenforceability shall not affect the validity or enforceability of the remainder of this Agreement in that jurisdiction or the validity or enforceability of any provision of this Agreement in any other jurisdiction. EACH PARTY HEREBY IRREVOCABLY WAIVES ANY RIGHT IT MAY HAVE TO, AND

AGREES NOT TO REQUEST, A JURY TRIAL FOR THE ADJUDICATION OF ANY DISPUTE HEREUNDER OR IN CONNECTION HEREWITH OR ARISING OUT OF THIS AGREEMENT OR ANY TRANSACTION CONTEMPLATED HEREBY.

13. Remedies. The remedies provided herein are cumulative and not exclusive of any remedies provided by law.

14. Severability. If any term, provision, covenant or restriction of this Agreement is held by a court of competent jurisdiction to be invalid, illegal, void or unenforceable, the remainder of the terms, provisions, covenants and restrictions set forth herein shall remain in full force and effect and shall in no way be affected, impaired or invalidated, and the parties hereto shall use their reasonable efforts to find and employ an alternative means to achieve the same or substantially the same result as that contemplated by such term, provision, covenant or restriction. It is hereby stipulated and declared to be the intention of the parties that they would have executed the remaining terms, provisions, covenants and restrictions without including any of such that may be hereafter declared invalid, illegal, void or unenforceable.

15. Expiration. The registration rights contained in Section 2 of this Agreement shall expire on the sixth anniversary of the date hereof and the Company may withdraw any registration statement then in effect pursuant hereto.

IN WITNESS WHEREOF, the parties hereto have executed this Registration Rights Agreement as of the date first set forth above.

COMSTOCK HOMEBUILDING COMPANIES, INC.

By: /s/ Joseph M. Squeri
Name: Joseph M. Squeri
Title: Chief Financial Officer

BRIDGECOM DEVELOPMENT I, LLC,
a Delaware limited liability company

By: BridgeCom Loans, LLC,
a Delaware limited liability company,
its Managing Member

By: SunBridge Manager, LLC,
a Delaware limited liability company,
its Managing Member

By: /s/ Charles A. Ledsinger, Jr.
Charles A. Ledsinger, Jr.
President

RIGHT OF FIRST REFUSAL AND FIRST OFFER AGREEMENT

THIS RIGHT OF FIRST REFUSAL AND FIRST OFFER AGREEMENT (this "Agreement") dated as of the 12 day of July, 2011, is entered into by Comstock Homebuilding Companies, Inc., a Delaware corporation ("Comstock"), and BridgeCom Development I, LLC, a Delaware limited liability company ("BCD").

RECITALS

WHEREAS, this Agreement is entered into in connection with the Potomac Yard Loan Agreement and the Penderbrook Commitment Letter (each defined below), which are being entered into by certain Affiliates of BCD, as lenders (collectively, the "Lenders"), and certain Subsidiaries of Comstock, as borrowers or guarantors;

WHEREAS, this Agreement also is entered into in connection with the Warrant and Registration Rights Agreement (each defined below), which are being entered into by BCD and Comstock; and

WHEREAS, Comstock's execution and delivery of this Agreement is a material inducement and condition precedent to the Lenders' agreement to enter into and perform their respective obligations under the Potomac Yard Loan Agreement and the Penderbrook Commitment Letter.

NOW, THEREFORE, for and in consideration of the premises and mutual covenants and agreements herein contained, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto hereby agree as follows:

1. Certain Defined Terms. As used herein, the following terms have the following meanings set forth in this Section 1:

"Affiliate," with respect to any Person, means any Person that directly, or indirectly through one or more intermediaries owns more than fifteen percent (15%) of, controls (including without limitation all executive officers and directors of such Person), is controlled by, or is under common control with, such Person or the spouse or children of such Person.

"Comstock Party" means and includes Comstock and any Subsidiary thereof. For the avoidance of doubt, "Comstock Party" does not include any Executive or any privately held company of any Executive.

"Comstock Services Opportunities" means contractual arrangements in which Comstock or an Affiliate thereof is providing services to third parties as a general contractor, construction manager, project manager, property manager, sales agent, or similar arrangement where neither Comstock nor any Affiliate thereof has an ownership, profits, or other participating interest.

"Expiration Date" means the earlier of (i) the date that each of Comstock (or its Subsidiaries) and BCD (or its Affiliates) has invested the sum of Twenty-Five Million

Dollars (\$25,000,000) in Projects for which Project LLCs (as defined below) have been formed and Project LLC Agreements (as defined below) have been entered into pursuant to this Agreement, or (ii) the latest to occur of (a) July 12, 2014, (b) ninety (90) days following the date of repayment in full of all obligations owed to BCL Eclipse, LLC or any of its Affiliates pursuant to the Potomac Yard Loan Agreement, and (c) ninety (90) days following the date of repayment in full of all obligations owed to BCL Penderbrook, LLC or any of its Affiliates pursuant to the Penderbrook Loan Agreement.

“Improvements” means the improvements to be constructed in connection with any Project.

“Person” means any individual, general partnership, limited partnership, corporation, joint venture, trust, limited liability company, business trust, cooperative, or association, and the heirs, executors, administrators, legal representatives, successors, and assigns of such Person where the context so admits.

“Penderbrook Commitment Letter” means that certain Commitment Letter dated of even date herewith delivered by Comstock Penderbrook, L.C. to SunBridge Manager, LLC.

“Penderbrook Loan Agreement” means any definitive loan agreement entered into with respect to the loan described in the Penderbrook Commitment Letter, as such loan agreement may be modified, amended, restated and/or extended from time-to-time.

“Potomac Yard Loan Agreement” means that certain Loan Agreement, of even date herewith, by and among BCL Eclipse, LLC, as lender, Comstock Potomac Yard, L.C., as borrower, and certain Affiliates of Comstock Potomac Yard, L.C., as guarantors, as such agreement may be modified, amended, restated and/or extended from time-to-time.

“Preliminary Project Budget” means a preliminary project budget for the development, construction, marketing and sale or leasing of the Improvements for a Project, including an estimate of all identified costs including appropriate contingency reserves expected to be incurred in connection with the acquisition, planning, development, construction, leasing and/or sale and operation of the Project until all portions and phases thereof are fully developed and leased.

“Project” means an investment in a Project Opportunity that is undertaken by BCD and Comstock (or any of their respective Affiliates) through a Project LLC.

“Project Opportunity” means any and all material corporate opportunities identified for investment by any Comstock Party, and for the avoidance of doubt includes without limitation (a) any for-sale residential or for-rent multi-family project in Washington DC metropolitan statistical area and (b) any other corporate or business opportunity or venture with a projected aggregate investment (excluding senior secured loans from commercial banks at market terms but including equity, mezzanine debt, or payments to directors or offers as compensation for personal guarantees or any combination thereof) equal to or greater than \$1,000,000. Notwithstanding the foregoing, each of the following shall not constitute a Project Opportunity: the project owned by Comstock Cascades II, L.C. (except for the right of BCL Eclipse, LLC, or its Affiliate, to re-

purchase all of the Class B Units in Comstock Cascades II, L.C. and admit BCL Eclipse, LLC, or its Affiliate, as a member thereof, as further provided in the Potomac Yard Loan Agreement, Emerald Farm, The Eclipse/Potomac Yard, Penderbrook; the project owned by New Hampshire Avenue Ventures, L.C. (except as provided in the Potomac Yard Loan Agreement); the project owned by W Street Ventures, L.C. (except as provided in the Potomac Yard Loan Agreement); and Comstock Services Opportunities.

“Registration Rights Agreement” means that certain Registration Rights Agreement, of even date herewith, by and among BCD and Comstock, as such agreement may be modified, amended, restated and/or extended from time-to-time.

“Subsidiary” means and includes, with respect to any Person, any corporation, partnership, limited liability company, association or other business entity of which (a) if a corporation, (i) a majority of the total voting power of shares of stock entitled (regardless of whether, at the time, stock of any other class or classes of such corporation shall have or might have voting power by reason of the happening of any contingency) to vote in the election of directors, managers or trustees thereof is at the time owned by such Person or (ii) such Person controls the corporation (including without limitation by contract or by provisions in such corporation’s charter or bylaws), in either case, directly or indirectly through one or more other Subsidiaries of such Person, or (b) if a partnership, limited liability company, association or other business entity, (i) a majority of the partnership interests, membership interests or other similar ownership interests thereof is at the time owned by such Person or (ii) such Person controls (including without limitation by contract or by provisions in such entity’s organizational documents), in either case, directly or indirectly through one or more other Subsidiaries of such Person, such partnership, limited liability company, association or other business entity.

“Warrant” means that certain Warrant, of even date herewith, by and among BCD and Comstock, as such Warrant may be modified, amended, restated and/or extended from time-to-time.

2. Right of First Refusal and First Offer on Project Opportunities. Commencing on the date hereof and continuing until the Expiration Date, Comstock shall not, and shall cause each other Comstock Party not to, (i) invest or participate in any Project Opportunity, (ii) agree to invest or participate in any Project Opportunity (other than non-binding Letters of Intent (as defined in Section 3(a)) or option contracts with customary feasibility study and termination provisions) or (iii) enter into any binding contract or other definitive agreement regarding investment or participation in any Project Opportunity except for usual and customary agreements required to evaluate the feasibility of a Project Opportunity ((i) through (iii) above are each a “Transaction”), without first having complied with all of the provisions of this Section 2.

(a) Notice of Project Opportunity.

(i) *Project Opportunity Notice.* Within three (3) business days following receipt by any Comstock Party of a fully executed Letter of Intent with respect to a

Project Opportunity, Comstock shall deliver written notice to BCD of such Project Opportunity, which shall include the location and a description of the Project Opportunity (each, a “Project Opportunity Notice”).

(ii) *Acceptance Notice; Rejection Notice.* Within five (5) business days following BCD’s receipt of a Project Opportunity Notice, BCD shall deliver written notice to Comstock that acknowledges receipt of such Project Opportunity Notice and either (x) agrees to accept delivery of further information regarding such Project Opportunity (an “Acceptance Notice”) or (y) declines to accept delivery of further information regarding such Project Opportunity (a “Rejection Notice”); provided that if BCD fails to timely deliver either an Acceptance Notice or a Rejection Notice in response to a Project Opportunity Notice, it will be deemed to have timely delivered a Rejection Notice in response to such Project Opportunity Notice. From and after Comstock’s receipt or deemed receipt of a Rejection Notice, the Project Opportunity to which such Rejection Notice relates shall not be subject to this Agreement (including without limitation Section 5(a)).

(iii) *Delivery of Information.* Within five (5) business days following Comstock’s receipt of an Acceptance Notice, Comstock shall deliver to BCD a copy of the executed Letter of Intent with respect to such Project Opportunity and the following information: (i) estimated acquisition and development costs; (ii) structure of anticipated financing; (iii) estimated project construction costs and time frame for completion and return profile; (iv) availability of governmental approvals; (v) anticipated competition in the market; (vi) any unusual construction or development conditions; and (vii) any other information material to the Project Opportunity (collectively, the “Project Opportunity Information”).

(b) *Investment Offer.* Within thirty (30) days after delivery of the Project Opportunity Information by Comstock to BCD, Comstock shall, prior to Comstock or any other Comstock Party engaging in a Transaction with respect to such Project Opportunity, deliver a written offer to BCD (each such offer, an “Investment Offer”) to invest in such Project Opportunity, with each of Comstock (or such other Comstock Party) and BCD (or its Affiliate) committing fifty percent (50%) of any equity required to be invested in the Project that is the subject of the Project Opportunity; provided, however, that if Comstock desires to commit less than fifty percent (50%) of the equity required to be invested in such Project Opportunity, then BCD shall have the exclusive right, in its sole discretion, to (i) permit Comstock to commit such lesser amount and (ii) make up for such shortfall by investing in excess of fifty percent (50%) of the required equity for such Project Opportunity (the “Equity Shortfall Contribution”). BCD’s (and any of its Affiliates’) Equity Shortfall Contribution in any Project will be superior to Comstock’s (and any other Comstock Parties’) equity investment in such Project in respect to rights to receive distributions. All other rights, including without limitation, allocations of profits and losses and rights to participate in the management and governance of the Project LLC (defined below) formed for such Project shall be negotiated in good faith, all of which are collectively referred to herein as the “Investment Terms”). In addition, any third party investment made in a Project, and the terms and conditions thereof, shall be subject to BCD’s prior written approval.

(c) *Preliminary Approval.* BCD shall have a period of fifteen (15) days after receiving an Investment Offer pursuant to Section 2(b) to indicate preliminarily, by delivery of

written notice to Comstock (a "Preliminary Approval Notice"), and in its sole discretion, whether BCD is interested in participating in the Project Opportunity. If BCD does not deliver its Preliminary Approval Notice within such time period, then for a period of ninety (90) days after the expiration of such time period, any Comstock Party shall be permitted to invest in the Project Opportunity or offer the Project Opportunity to other parties on the same terms and conditions (including without limitation the same Investment Terms, as defined in Section 2(b)) as were proposed to BCD without participation in such Project Opportunity by BCD. If an investment in the Project Opportunity is not consummated by a Comstock Party on such same terms and conditions and within such ninety (90) day period, no Comstock Party may thereafter invest in the Project Opportunity or offer the Project Opportunity to other parties without again complying with the provisions of this Section 2.

(d) Due Diligence. If BCD delivers its Preliminary Approval Notice to Comstock within the required fifteen (15)-day period, then Comstock shall provide BCD with a complete due diligence package with respect to the Project Opportunity, which shall contain, at a minimum, the following information (the "Due Diligence Information"):

- (i) the plans and specifications for the development of the Project, as soon as available;
- (ii) the Preliminary Project Budget, which shall include a cash flow projection;
- (iii) a market analysis of the market rents or sale prices, as the case may be, for comparable units in the area of the Project, the trend in rental rates or sale prices, new units being constructed and the general condition and trends in the market place for the area where the Project is located;
- (iv) the anticipated terms of the financing to be provided to the Project LLC, which in any event shall be absolutely and unconditionally non-recourse to BCD;
- (v) a site and design development plan for the Project Opportunity, as soon as available;
- (vi) an estimated Project completion schedule, which shall include a schedule that shows the anticipated timing and sequence of all matters relating to the Project, and which shall include (to the extent applicable) the estimated completion dates for the various phases of the development of the Project;
- (vii) a status report of all building permits and other entitlements required to develop the Project and construct the Improvements, and the time frame within which all such permits and entitlements are expected to be obtained;
- (viii) a marketing plan for the leasing and/or sale of units in the Project; and
- (ix) any other information reasonably requested by BCD.

(e) Final Approval. BCD shall notify Comstock in writing, within thirty (30) days following receipt of the Due Diligence Information (the “Final Approval Deadline”), whether it desires to invest in the Project Opportunity (“Final Approval Notice”). If BCD shall not send its Final Approval Notice within such time period, then for a period of seventy-five (75) days after the Final Approval Deadline, any Comstock Party shall be permitted to invest in the Project Opportunity or offer the Project Opportunity to other parties. If an investment in such Project Opportunity is not consummated by a Comstock Party within such seventy-five (75) day period, no Comstock Party may thereafter invest in the Project Opportunity or offer the Project Opportunity to other parties without again complying with the provisions of this Section 2.

(f) Formation of Special Purpose Limited Liability Companies. Promptly following delivery by BCD to Comstock of a Final Approval Notice, BCD and Comstock shall cooperate with each other in good faith in forming a Project-specific limited liability company (a “Project LLC”). For each Project LLC that is formed, BCD (or any Affiliate of BCD reasonably acceptable to Comstock) and Comstock (or any other Comstock Party reasonably acceptable to BCD) will enter into a limited liability company agreement (each a “Project LLC Agreement”) taking into consideration the timing requirements imposed by customary feasibility periods of a pending contract subject to a Final Approval Notice.

3. Other Agreements.

(a) Investment Committee Meetings. Comstock represents and warrants to BCD that Comstock and/or one or more other Comstock Parties maintain, and at all times prior to the Expiration Date will continue to maintain, one or more investment committees that review all corporate opportunities (including without limitation Project Opportunities) identified for investment or other participation by any Comstock Party (including without limitation all letters of intent, term sheets, commitment letters, confidentiality agreements, non-disclosure agreements and the like that are delivered to or received by any Comstock Party (each, a “Letter of Intent”)) on a monthly or more frequent basis. Until the Expiration Date, Comstock shall provide written notice to BCD at least five (5) business days in advance of the time, place and proposed agenda for, any meeting of any investment committee of a Comstock Party, and BCD shall have the right to designate a representative to attend either in person or telephonically and monitor each such meeting as an observer thereof. In addition, Comstock shall provide BCD with a written report no less frequently than monthly describing all Project Opportunities considered at any such meeting of an investment committee of any Comstock Party since the last such report was delivered to BCD.

(b) Draft Letters of Intent. In addition to its obligations under Section 3(a) above, Comstock shall provide BCD the opportunity to review, and to be included on communications related to, any draft Letter of Intent regarding any potential Project Opportunity; provided, however, that Comstock and BCD shall, before any such Letter of Intent or communications are provided by Comstock to BCD, enter into a written agreement containing commercially reasonable protections and assurances regarding non-circumvention. For the avoidance of doubt, if no such written agreement is entered into pursuant to this Section 3(b), then Comstock must comply with its obligations under this Agreement with respect to the potential Project Opportunity that is the subject of such Letter of Intent.

(c) Non-Competes. Comstock shall maintain in full force and effect and shall enforce its rights under the (i) Employment and Confidentiality and Non-Competition Agreement dated December 17, 2004 by and between Comstock and Gregory V. Benson; (ii) Employment and Confidentiality and Non-Competition Agreement dated December 17, 2004 by and between Comstock and Christopher Clemente; and (iii) Employment and Confidentiality and Non-Competition Agreement dated August 17, 2010 by and between Comstock and Joseph Squeri (each foregoing individual, an “Executive” and each foregoing agreement, a “Non-Compete”). Until the Expiration Date, Comstock shall not modify any Non-Compete in a manner that would adversely affect BCD’s rights under this Agreement.

(d) Corporate Opportunities.

(i) *Duty of Board with respect to Corporate Opportunities*. Comstock represents and warrants that it is a publicly traded company organized in accordance with Delaware law and that it maintains, and at all times during the term of this Agreement will maintain, an independent Board of Directors (the “Board”) responsible for maintaining the proper corporate governance of Comstock, including but not limited to reviewing and determining whether a transaction contemplated by an Executive, if undertaken by such Executive, would violate applicable law, including without limitation the corporate opportunity doctrine under Delaware law (each, a “Corporate Opportunity”).

(ii) *Notice to BCD of Corporate Opportunities*. Immediately upon the Board receiving notice from an Executive of a Corporate Opportunity, Comstock shall provide written notice to BCD of such Corporate Opportunity, which shall include the name of such Executive and the location and a description of the Corporate Opportunity.

(iii) *Comstock Pursuit of Corporate Opportunities*. If the Board considers a Corporate Opportunity presented by an Executive and determines it is in the best interests of Comstock to undertake such Corporate Opportunity, and such Corporate Opportunity is also a Project Opportunity under this Agreement, then Comstock shall comply with Section 2 of this Agreement with respect to such Corporate Opportunity; provided that the following Corporate Opportunities shall be deemed not to be Project Opportunities under this Agreement:

(1) Any transaction of an Executive related to the real property owned or leased by such Executive as of the effective date of this Agreement or as may thereafter be owned or leased by such Executive as more particularly described on Schedule A attached hereto (collectively, the “Exempt Projects”), or

(2) Any transaction of an Executive other than a for-sale residential or for-rent multi-family project in the Washington DC metropolitan statistical area.

(iv) *Comstock Rejection of Corporate Opportunities*. If the Board considers a Corporate Opportunity presented by an Executive and determines it is not in the best interests of Comstock to undertake such Corporate Opportunity, such Executive shall thereafter be entitled to undertake such Corporate Opportunity and such Corporate Opportunity shall be deemed not to be a Project Opportunity subject to the terms and conditions of this Agreement.

(v) *No Additional Rights*. Nothing herein shall be deemed to grant BCD (i) rights as a third party beneficiary to any contractual arrangement or transaction entered into by an Executive that may be a Project Opportunity, or (ii) rights and remedies, at law or in equity, against an Executive.

4. Confidentiality.

(a) Confidential Information. As used in this Agreement, the term “Confidential Information” means the following information provided or disclosed by one party to this Agreement (the “Disclosing Party”) to the other party to this Agreement (the “Receiving Party”): (1) this Agreement; (2) project investment presentation plans delivered pursuant to Section 2(a); (3) Investment Offers; (4) the Due Diligence Information; (5) information received in connection with BCD’s right to observe Comstock Party investment committee meetings and receive reports describing Project Opportunities considered at any Comstock Party investment committee meeting pursuant to Section 3(a); (6) letters of intent, term sheets, commitment letters, confidentiality agreements, non-disclosure agreements and the like related to any Project Opportunity; (7) Preliminary Project Budgets and Final Development Budgets; (8) financial and operational information; (9) accounting, finance, or tax information; and (10) all other non-public information relating to the Disclosing Party’s business or operations; provided that Confidential Information shall not include information that is (i) publicly available or later becomes available other than through a breach of this Agreement, (ii) known to the Receiving Party or its employees, agents, or representatives prior to such disclosure or is independently developed by the Receiving Party or its employees, agents, or representatives subsequent to such disclosure, (iii) subsequently lawfully obtained by the Receiving Party or its employees, agents, or representatives from a third party without obligations of confidentiality, or (iv) disclosed pursuant to applicable law (including reporting requirements applicable to public companies).

(b) Non-Disclosure. The Receiving Party may use the Confidential Information of the Disclosing Party solely for the purpose of performing its obligations hereunder, and not for any other purpose. The Receiving Party will hold the Disclosing Party’s Confidential Information in strict confidence and will exercise the same degree of care and protection with respect to the Disclosing Party’s Confidential Information that it exercises with respect to its own Confidential Information, but in no event less than a reasonable standard of care. The Receiving Party may not, directly or indirectly, disclose, copy, distribute, republish, or allow any third party to have access to any Confidential Information of the Disclosing Party. Notwithstanding the foregoing, (i) the Receiving Party may disclose such Confidential Information to its employees, agents, and representatives whose duties require such disclosure; provided that such employees, agents, or representatives are informed of this Agreement in writing and agree to be bound by the terms hereof, and the Receiving Party uses its best efforts to cause such employees, agents and representatives to observe the terms of this Agreement, and (ii) subject to Section 4(d), the Receiving Party may disclose Confidential Information to the extent required by applicable laws or regulations or as ordered by a court or other regulatory body having competent jurisdiction.

(c) Return of Confidential Information. Upon the Termination Date, the Receiving Party will promptly return or destroy (at Disclosing Party’s direction) the Disclosing Party’s Confidential Information and provide certification to the Disclosing Party of the

disposition of all such Confidential Information; provided, however, that the Receiving Party may retain (i) any analyses, compilations, studies, or other documents prepared by the Receiving Party or its employees, agents, or representatives based on, containing, or reflecting any Confidential Information, which documents shall continue to be held by the Receiving Party in confidence in accordance with the terms of this Agreement; (ii) any copies of Confidential Information the Receiving Party is required by law or any regulatory authority to retain; and (iii) any archival copies of Confidential Information made for backup purposes, which copies shall be destroyed in the ordinary course of business in accordance with the Receiving Party's document retention policy. The obligation of confidentiality owed by the Receiving Party to the Disclosing Party will continue until the earlier of (x) the expiration or termination of the Disclosing Party's confidentiality obligations to a third party, if any; and (y) the first anniversary of the Termination Date.

(d) Notification of Obligation. If the Receiving Party becomes aware of any unauthorized use or disclosure of the Confidential Information of the Disclosing Party, the Receiving Party must promptly and fully notify the Disclosing Party of all facts known to it concerning such unauthorized use or disclosure. In addition, if the Receiving Party or any of its employees, agents, or representatives is required (by interrogatories, requests for information or documents in legal proceedings, subpoena, or other similar process) to disclose any of the Disclosing Party's Confidential Information, the Receiving Party must provide the Disclosing Party prompt written notice of any such request or requirement so that the Disclosing Party may seek a protective order or other appropriate remedy or waive compliance with the provisions of this Agreement. Notwithstanding the foregoing, the Receiving Party must exercise its best efforts to preserve the confidentiality of the Disclosing Party's Confidential Information, including by cooperating with the Disclosing Party to obtain an appropriate protective order or other reliable assurance that confidential treatment will be accorded the Disclosing Party's Confidential Information by the applicable tribunal.

(e) Remedies for Disclosure. Each party acknowledges that Confidential Information is unique and valuable, and its unauthorized disclosure will result in irreparable injury to the Disclosing Party for which monetary damages alone would not be an adequate remedy. Therefore, the Receiving Party agrees that, in the event of a breach or a threatened breach of confidentiality, the Disclosing Party will be entitled to specific performance and injunctive or equitable relief as a remedy for any such breach or anticipated breach without the necessity of posting a bond. Any such relief will be in addition to, and not in lieu of, any appropriate relief in the way of monetary damages.

5. Non-Circumvention

(a) Generally. During the term of the Agreement and for one year thereafter, BCD shall not pursue any Project Opportunity (i) for which Comstock provided BCD Project Opportunity Information pursuant to Section 2(a)(iii) and an Investment Offer pursuant to Section 2(b) and (ii) which relates to an investment opportunity that BCD was not independently, or together with a third party, pursuing prior to the date Comstock provided such Investment Offer to BCD.

(b) **Prior Pursuit.** BCD shall deliver to Comstock, within five (5) business days following receipt of any Investment Offer with respect to any Project Opportunity that BCD is independently, or together with a third party, pursuing, written notice of such prior pursuit (each, a "**Prior Pursuit Notice**"). BCD shall have no further obligations to Comstock pursuant to this Agreement with respect to any Project Opportunity with respect to which a Prior Pursuit Notice was given.

(c) **Exceptions.** The restrictions set forth in Sections 4 and 5 shall not apply to any Project Opportunity, and BCD shall be free to pursue any investment opportunity, (i) with respect to which the applicable rights of Comstock to pursue such Project Opportunity have been expired or terminated for at least thirty (30) days or (ii) which Comstock has not pursued within six (6) months following the date that such Project Opportunity was first presented to Comstock.

6. Publicity. Comstock and BCD shall consult with each other on all press releases and other public statements relating to their entering into this Agreement or any Project LLC Agreement, and neither party shall issue any press release or other public statement relating to this Agreement or any Project LLC Agreement without the prior written approval of the other party, except for any press release or other public statement required under applicable law (including reporting requirements applicable to public companies), in which case the issuing party, if practicable under the circumstances, shall provide the other party with a reasonable opportunity to review and comment upon any such statement prior to its issuance.

7. Term and Termination. This Agreement shall be effective on the date first written above and terminate upon the earlier of the Expiration Date or thirty days following Comstock's receipt of a written notice from BCD electing to terminate this Agreement, which notice may be sent with or without cause and at any time from and after the first anniversary of this Agreement.

8. Remedies. Comstock and BCD agree that it would be extremely difficult to accurately ascertain the amount of actual damages caused by (i) Comstock entering into a Project Opportunity Transaction without first complying with Section 2 of this Agreement or (ii) BCD pursuing a Project Opportunity in violation of Section 5(a) of this Agreement. Therefore, Comstock and BCD agree that in the event of a material breach of Section 2 or Section 5(a) of this Agreement, the defaulting party shall pay to the non-defaulting party, as liquidated damages, One Million Dollars (\$1,000,000) for each such breach. Comstock and BCD further agree that this liquidated damages provision represents reasonable compensation for the loss that would be incurred due to such breach. Nothing in this section is intended to limit any party's right to obtain injunctive and other relief as may be appropriate. Comstock and BCD agree that, in any action to enforce this Agreement, the prevailing party shall be entitled to recover its costs of suit including reasonable attorneys' fees, in addition to any other relief to which the prevailing party may be entitled.

9. Miscellaneous Provisions.

9.1 Governing Law and Jurisdiction. This Agreement shall be governed by and construed under the laws of the State of Delaware (without reference to the choice of law provisions thereof). The parties irrevocably agree that the federal and state courts located within

the Commonwealth of Virginia shall have exclusive jurisdiction to hear, adjudicate and/or settle any dispute which may arise out of or in connection with this Agreement.

9.2 Notices. Any and all notices, consents, offers, elections, and other communications required or permitted under this Agreement shall be deemed adequately given only if in writing and the same shall be delivered either in hand or by mail or Federal Express or similar expedited commercial carrier, addressed to the recipient of the notice, postage prepaid and registered or certified with return receipt requested (if by mail), or with all freight charges prepaid (if by Federal Express or similar carrier), at the appropriate address listed below.

If to BCD:

BridgeCom Development I, LLC
c/o SunBridge Manager, LLC
5425 Wisconsin Avenue, Suite 701
Chevy Chase, MD 20815
Attn: Timothy B. Peterson

Copy to:

Arent Fox LLP
1050 Connecticut Ave., NW
Washington, DC 20036
Attn: Jay L. Halpern, Esq.

If to Comstock:

Comstock Homebuilding Companies, Inc.
11465 Sunset Hills Road, 4th Floor
Reston, VA 20190
Attn: Christopher Clemente, CEO

Copy to:

Comstock Homebuilding Companies, Inc.
11465 Sunset Hills Road, 4th Floor
Reston, VA 20190
Attn: Jubal Thompson, General Counsel

The addresses and parties set forth above may be changed from time to time by any party by notice to the other in accordance with this Section 9.2. For purposes of this Agreement, notices shall be effective upon receipt or refusal thereof.

9.3 Severability. If fulfillment of any provision of this Agreement, or performance of any transaction related hereto, at the time such fulfillment or performance shall be due, shall involve transcending the limit of validity prescribed by law, then the obligation to be fulfilled or performed shall be reduced to the limit of such validity; and if any clause or provision contained in this Agreement operates or would prospectively operate to invalidate this

Agreement in whole or in part, then such clause or provision only shall be held ineffective, as though not herein contained, and the remainder of this Agreement shall remain operative and in full force and effect.

9.4 Binding Provisions. The recitals and definitions set forth in this Agreement are incorporated herein and hereby made a part of this Agreement and the covenants and agreements contained herein shall be binding upon, and inure to the benefit of, the heirs, legal representatives, successors and assigns of the respective parties hereto.

9.5 Amendment and Modification. This Agreement may be amended, modified, or supplemented only by written agreement of both of the parties hereto.

9.6 Waiver. The waiver by any party hereto of a breach of any provisions contained herein shall be in writing, signed by the waiving party, and shall in no way be construed as a waiver of any succeeding breach of such provision or the waiver of the provision itself. The rights and remedies of the parties to this Agreement, in general or under any specific section, subsection or clause hereof shall be cumulative and in addition to any and all other remedies which they may have elsewhere under this Agreement or at law or equity, whether or not such section, subsection or clause expressly so states.

9.7 Headings. The headings are used herein for convenience of reference only, and shall not be deemed to vary the content of the agreement.

9.8 Counterparts. To facilitate execution, this Agreement may be executed in as many counterparts as may be required; and it shall not be necessary that the signature of each party, or that the signatures of all persons required to bind any party, appear on each counterpart; but it shall be sufficient that the signature of each party or that the signatures of the persons required to bind any party, appear on one or more such counterparts. All counterparts shall collectively constitute a single agreement. Counterpart signature pages exchanged by facsimile transmission may be used as if they were original signature pages.

9.9 Assignment. This Agreement may not be assigned or otherwise transferred, including as a result of a change of control or an operation of law, by either party to any third party without the prior written consent of the other party.

[Remainder of Page Intentionally Left Blank]

IN WITNESS WHEREOF, the parties hereto have duly executed this Right of First Refusal and First Offer Agreement as of the date first written above.

COMSTOCK HOMEBUILDING COMPANIES, INC.

By: /s/ Christopher Clemente

Name: Christopher Clemente

Title: Chief Executive Officer

BRIDGECOM DEVELOPMENT I, LLC,

a Delaware limited liability company

By: BridgeCom Loans, LLC,

a Delaware limited liability company,

its Managing Member

By: SunBridge Manager, LLC,

a Delaware limited liability company,

its Managing Member

By: /s/ Charles A. Ledsinger, Jr.

Charles A. Ledsinger, Jr.

President

Schedule A

Exempt Projects

1. Comstock Partners, L.C and its affiliated companies' development of Reston Station, as more fully described in Fairfax County rezoning approval: RZ# 2009-HM-019 and any real property that is contiguous to such Exempt Project, provided however, roadways, easements and other rights of way touching such Exempt Project shall be disregarded for determining whether a parcel is contiguous to such Exempt Project.
2. Comstock Partners, L.C. and its affiliated companies' development of Loudon Station, as more fully described in Loudoun County rezoning approval: ZMAP 2002-0005 and any real property that is contiguous to such Exempt Project, provided however, roadways, easements and other rights of way touching such Exempt Project shall be disregarded for determining whether a parcel is contiguous to such Exempt Project.
3. Real property owned by any Executive, or any privately held company of any Executive.

**COMSTOCK HOMEBUILDING COMPANIES ANNOUNCES STRATEGIC
ALLIANCE WITH SUNBRIDGE CAPITAL MANAGEMENT**

AGREE TO JOINTLY PURSUE INVESTMENT OPPORTUNITIES IN THE WASHINGTON, DC MARKET

SUNBRIDGE CAPITAL TO PROVIDE UP TO \$45 MILLION OF NEW DEBT AND EQUITY FINANCING

Reston, Virginia (July 13, 2011) – Comstock Homebuilding Companies, Inc. (NASDAQ: CHCI) (“Comstock” or the “Company”), a multi-faceted real estate development and services company focused on the Washington, DC market, announced that it has formed a strategic alliance with SunBridge Capital Management, LLC (“SunBridge”), a private investment management firm supported by the Bainum family, a prominent Washington, DC family with investment interests that include Choice Hotels International (NYSE: CHH). The purpose of the strategic alliance is to facilitate Comstock’s and SunBridge’s ongoing pursuit of certain homebuilding and multi-family rental projects in the Washington, DC market. The strategic alliance calls for project funding of up to \$25 million from each party to capitalize agreed-upon potential investments. Further demonstrating its commitment to its relationship with Comstock, SunBridge will also provide up to \$20 million of senior secured financing thereby strengthening Comstock’s ability to pursue new real estate investment and development opportunities.

“We are delighted to team with SunBridge. This is a significant alliance for Comstock as we continue to uncover and execute against opportunities within the best real estate market in the nation. This new relationship provides additional capital and allows us to pursue our strategic objective of disciplined growth supported by a conservative capital structure as we focus on enhancing shareholder value,” said Christopher Clemente, Chairman and Chief Executive Officer.

“We have been impressed with Comstock’s extensive local knowledge and expertise in the Washington, DC market. This alliance is consistent with our strategy of investing in industries and organizations with demonstrated leadership and experience where our skill sets are complementary,” said Chuck Ledsinger, Chairman and Managing Director of SunBridge.

In support of the relationship and as described above, SunBridge funded a senior secured loan for approximately \$13.7 million that closed on July 13, 2011, (the “Initial Loan”) and has agreed to a commitment to provide an additional secured loan to refinance the Company’s Penderbrook project. The proceeds of the Initial Loan were used to refinance existing indebtedness on the Company’s Eclipse project and for general corporate purposes. The Company also agreed to issue SunBridge a warrant to purchase up to one million shares of the Company’s Class A common stock.

Zelman Partners LLC and Focus Capital Group, Inc. served as joint-lead placement agents on the senior secured financing and as financial advisors for the strategic agreement.

About Comstock Homebuilding Companies, Inc.

Comstock is a multi-faceted real estate development and services company. Our substantial experience in building a diverse range of products including multi-family, single-family homes, townhouses, mid-rise condominiums, high-rise condominiums and mixed-use (residential and commercial) developments has positioned Comstock as a prominent real estate developer and homebuilder in the Washington, DC market.

Comstock Homebuilding Companies, Inc. trades on NASDAQ under the symbol CHCI. For more information on the Company or its projects, please visit www.comstockhomebuilding.com.

About SunBridge Capital Management, LLC

SunBridge Capital Management, LLC is a private investment management firm formed with capital and strategic support from the Bainum family and Realty Investment Company, Inc., focused on active public and private equity investments in targeted industries. For more information please visit www.sunbridgecap.com.

About Zelman

Zelman is the leading research, advisory and capital markets firm dedicated exclusively to the housing industry, providing a broad range of corporate advisory services and capital raising solutions to homebuilders, land developers, REITs, building products companies and other residential real estate and related firms. Zelman serves a broad client base including public and private corporations, financial institutions, and local, state and federal government organizations through offices in New York, Boston, and Cleveland. For more information please visit www.zelmanassociates.com.

About Focus Capital

Focus Capital provides M&A, corporate finance advisory and capital raising services with offices in New York and Minneapolis. Focus Capital is composed of seasoned veterans from major investment banks and industry, having trusted relationships based on decades of execution experience with a track record of delivering results and creating value. For more information, please visit www.focuscgi.com

Cautionary Statement Regarding Forward-Looking Statements

This release contains “forward-looking” statements that are made pursuant to the Safe Harbor provisions of the Private Securities Litigation Reform Act of 1995. Forward-looking statements involve known and unknown risks and uncertainties that may cause actual future results to differ materially from those projected or contemplated in the forward-looking statements including incurring substantial indebtedness with respect to projects, the diversion of management’s attention and other negative consequences. Additional information concerning these and other important risks and uncertainties can be found under the heading “Risk Factors” in the Company’s most recent Form 10-K, as filed with the Securities and Exchange Commission and other filings with the Securities and Exchange Commission. Comstock specifically disclaims any obligation to update or revise any forward-looking statements, whether as a result of new information, future developments or otherwise, except as required by law

Contact:

Joe Squeri
Chief Financial Officer
703.230.1229