

ESCROW AGREEMENT

THIS ESCROW AGREEMENT ("Escrow Agreement") is made by and among COMSTOCK EAST CAPITOL, L.L.C., a Virginia limited liability company ("Applicant"), and PREMIER TITLE, INC. (the "Escrowee").

RECITALS

1. Applicant filed a PUD and Map Amendment applications (Case No. 06-34) with the District of Columbia Zoning Commission on June 23, 2006, for that certain property with the current address of 1705-1729 East Capitol Street to allow 133 multifamily units zoned R-5-B (the "Project"). A public hearing on the applications was held before the Zoning Commission on June 18, 2007.
2. The parties wish to establish an escrow agreement to further Applicant's obligations associated with the Project.

AGREEMENT

The parties hereto agree as follows:

1. Prior to the receipt of the first certificate of occupancy for a residential unit, Applicant will deliver the amount of \$11,000.00 ("Deposit") to the Escrowee to place into an escrow account (the "Account"). The parties agree that the Deposit shall be placed in an interest-bearing escrow account of Applicant's election from among those offered by the Escrowee. All interest earned thereon shall be added to, and shall be considered part of, the Deposit.
2. The Deposit shall be used to install up to \$500.00 of landscaping ("Project Costs") on the lot of each of the 22 homes located on the north side of the 1700 block of A Street, SE (1700-1738). Each individual address property owner is hereby referred to as an "A Street Resident."
3. Applicant will send written notice by certified mail to each A Street Resident before beginning the landscaping for the Project. Each A Street Resident may contact the landscaping firm chosen by Applicant to arrange for up to \$500 of landscaping installation on their individual property. The landscaping contractor may schedule the work for the A Street Residents such that landscaping improvements are performed on multiple A Street Resident properties during one visit to the property. At the time of installation of the landscaping, each A Street Resident will execute a written notice that the landscaping has been installed and the conditions of this Escrow Agreement have been fulfilled.

4. Upon completion of installation of landscaping on an A Street Resident property and receipt of a copy of the A Street Resident written notice of completion, Escrowee shall disburse \$500 for each such A Street Resident written notice of completion to Applicant. If the Escrowee receives an objection to the requested disbursement within two (2) business days of delivery of such invoice, then the Escrowee shall continue to hold the applicable funds until it receives a joint direction as to the disbursement of such funds from Applicant and the objecting party.

5. If any A Street Resident does not respond to three written notices sent certified mail requesting that they contact the landscaping contractor, then Applicant may provide a copy of the three certified mailings and a statement that the A Street Resident has not acted on the offer of the landscaping to Escrowee, then Escrowee shall disburse \$500 for each such A Street Resident written notice from the Deposit to Applicant Buyer.

6. Any funds remaining in this Escrow on June 30, 2011 shall be immediately disbursed to Applicant.

7. All notices given by either party to the other shall be in writing and shall be sent either (i) United States Postal service registered or certified mail, postage prepaid, return receipt requested, (ii) by nationally recognized overnight courier service for next business day delivery, addressed to the other party at the following addresses listed below or (iii) via telecopier or facsimile transmission to the facsimile numbers listed below, provided, however, that if such communication is given via telecopier or facsimile transmission, an original counterpart of such communication shall concurrently be sent in the manner specified in clause (ii) above. Addresses and facsimile numbers of the parties are as follows:

As to Applicant:

Christopher Clemente
Comstock Homebuilding Companies, Inc.
11465 Sunset Hills Road,
5th Floor
Reston, Virginia 20190
Fax No.: (703) 760-1520

Jubal Thompson, Esquire
Comstock Homebuilding Companies, Inc.
11465 Sunset Hills Road,
5th Floor
Reston, Virginia 20190
Fax No.: (703) 760-1520

If to Escrowee:

Carla P. Vercoe
Settlement Officer
Premier Title, Inc.
8221 Old Courthouse Road, #300

Vienna, VA 22182
(703) 442-0001 - phone
(703) 995-0881 – fax

or to such other address as the respective parties may hereafter designate in writing in the manner specified above.

8. Escrowee is not a party to, or bound by any agreement which may be deposited under, evidenced by, or which arises out of the foregoing instructions. Escrowee acts hereunder as a depository only and is not responsible or liable in any manner whatever for the sufficiency, correctness, genuineness or validity of any instrument deposited with it hereunder, or with respect to the form or execution of same; or the identity, authority, or rights of any person executing or depositing the same. Funds in escrow shall not be assignable in whole or in part by any party and shall not be pledged, mortgaged, or hypothecated. The parties hereto further agree that Escrowee assumes no liability for and is expressly released from any claims or claims whatsoever in connection with the receiving, retaining and delivering of the above papers and funds except to account for payment and/or delivery made thereon. Deposit by Escrowee of the instruments and funds (less its charges and expenses incurred herein) comprising this Escrow in Court, shall relieve Escrowee of all further responsibility and liability, and Escrowee is hereby expressly authorized to disregard in its sole discretion any and all notices or warnings given by any of the parties hereto, or by any other person or corporation, but the Escrowee is hereby expressly authorized to regard and to comply with and obey any and all Orders, Judgments or Decrees entered or issued by any Court with or without jurisdiction, and in case Escrowee obeys or complies with any such Order, Judgment or Decree of any Court it shall not be liable to any of the parties hereto or to any other person, firm or corporation by reason of such compliance, notwithstanding any such Order, Judgment or Decree be entered without jurisdiction or be subsequently reversed, modified, annulled, set aside or vacated. In case of any suit or proceeding regarding this Escrow Agreement to which Escrowee is or may be at any time a party, it shall have a lien on the contents hereof for any and all cost, attorneys' fees, whether such attorneys shall be regularly retained or specifically employed, and other expenses which it may have incurred or become liable for on account thereof, and it shall be entitled to reimburse itself therefor out of said deposit, and the undersigned jointly and severally agree to indemnify and hold harmless Escrowee from all loss, costs or damages incurred, including but not limited to attorneys' fees, by reason of this Escrow Agreement or the subject matter hereof or any cause of action which may be filed in connection therewith and to pay Escrowee, upon demand all such costs, fees and expenses so incurred. Escrowee shall not be liable for any error of judgment or for any act done or step taken or omitted by it in good faith, or for any mistake of fact or law, or for anything which it may do or refrain from doing in connection herewith, except its own willful misconduct, and Escrowee shall have no duties to anyone except those arising from signing this Escrow Agreement. Escrowee may consult with legal counsel in the event of any dispute or questions as to the construction of the foregoing instructions, or Escrowee's duties hereunder, and Escrowee shall incur no liability and shall be fully protected in acting in accordance with the opinion and instructions of such counsel.

Escrowee assumes no liability and the parties hereto consent and agree that Escrowee shall have no liability for any defalcation, insolvency, receivership or conservatorship of the Depository Institution. Nor shall Escrowee have any liability due to any of the parties other than Escrowee filing for Bankruptcy or the consequences or effect of such a Bankruptcy on the funds and/or documents deposited hereunder.

9. This Escrow Agreement may be executed in any number of counterparts, each of which shall be deemed to be an original and all of which shall constitute one and the same agreement.

10. This Escrow Agreement may be assigned by either party. Upon assignment by Applicant, the Deposit shall become the property of Assignee of Applicant and the Assignee shall have all rights and obligations under this Escrow Agreement.

11. This Escrow Agreement shall be construed under the laws of the Commonwealth of Virginia, regardless of conflict laws. Any action taken arising out of or pursuant to this Escrow Agreement shall be filed in the appropriate court in the Commonwealth of Virginia.

IN WITNESS WHEREOF, the undersigned have executed this Escrow Agreement as of the ____ day of June, 2007.

Applicant: COMSTOCK EAST CAPITOL, L.L.C., a
Virginia limited liability company

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

By: _____
Christopher Clemente
Chief Executive Officer

Escrowee: PREMIER TITLE, INC. hereby
acknowledges the foregoing terms and conditions and
agrees to act in strict accordance thereto.

By: _____
Carla P. Vercos
Settlement Officer