

COMSTOCK HOLDING COMPANIES, INC.

CORPORATE GOVERNANCE GUIDELINES

1. Director Qualifications

Independence and Other Qualifications. A majority of the members of the board of directors of the Company (the “Board”) must meet the criteria for independence required by the Nasdaq Stock Market. The Board is responsible for reviewing, on an annual basis, the requisite skills and characteristics required for new Board members as well as the composition of the Board as a whole. This assessment may include, but may not be limited to, the following:

- Diversity, age, background, skills, and experience.
- Personal qualities and characteristics, accomplishments, and reputation in the business community.
- Knowledge and contacts in the communities in which Comstock Holding Companies, Inc. (the “Company”) conducts business and in the Company’s business industry or other industries relevant to the Company’s business.
- Ability and willingness to devote sufficient time to serve on the Board and committees of the Board.
- Knowledge and expertise in various activities deemed appropriate by the Board, such as marketing, production, distribution, construction, technology, accounting, finance, and law.
- Fit of the individual’s skills, experience, and personality with those of other directors in maintaining an effective, collegial, and responsive Board.

Nominees for directors will be made or recommended as determined by the Board.

Invitation to Serve. The invitation to join the Board should be extended by the Board and by the chairman of the Board (“Chairman”).

Board Size. The Board will assess from time to time the number of members on the Board. The Board will consider an increase in the membership of the Board to accommodate the availability of an outstanding candidate, or to meet the needs of the Company, as determined by the Board.

Change of Positions. The Board will consider whether individual directors who change the responsibilities and/or duties held when elected to the Board, should continue to serve on the Board. The Board does not believe, however, that in every instance a director who retires, or changes the initial position held when such director joined the Board, should necessarily leave the Board. The Board shall be provided the opportunity

to review the continued service of Board membership under such circumstances.

Service on Other Boards. No director should serve on the boards of more than three other public companies unless it is determined, based on the individual circumstances, that such other service will not interfere with service on the Board. Directors of the Board should advise the Chairman of the Board in advance of accepting an invitation to serve on the board of directors of another public company.

Retirement of Directors. The Board shall not establish a mandatory retirement age for directors. However, the Board will review, in connection with the process of selecting nominees for election at annual meetings of stockholders, each director's continuation on the Board upon a director reaching the age of 70.

2. Director Responsibilities

Responsibility and Indemnification. The basic responsibility of the directors is to exercise their business judgment to act in what they reasonably believe to be in the best interests of the Company and its stockholders. In discharging this obligation, directors should be entitled to rely on the honesty and integrity of the Company's senior executives and its outside advisors and auditors. The directors will also be entitled to be covered by reasonable directors' and officers' liability insurance purchased by the Company on their behalf; to the benefits of indemnification to the fullest extent permitted by law and by the Company's certificate of incorporation, by-laws, related organizational documents and any indemnification agreements; and to exculpation as provided by state law and the Company's certificate of incorporation and related organizational documents.

Time Commitment. Directors are expected to attend Board meetings and meetings of Board committees on which they serve, to spend the time needed to discharge their Board duties in a reasonable manner, and to meet as frequently as necessary to properly discharge their responsibilities. Information and data that are important to the Board's understanding of the business to be conducted at a Board or committee meeting should generally be distributed in writing to the directors before the meeting, and directors should review these materials in advance of the meeting.

Separation of Duties. The Board has no policy with respect to the separation of the offices of Chairman and the chief executive officer of the Company ("CEO"). The Board believes that this issue is part of the succession planning process and that it is in the best interests of the Company for the Board to make a determination as to any potential separation of these offices at such time that the Board elects a CEO.

Agendas. The Chairman should establish the agenda for each Board meeting. At the beginning of each fiscal year, the Chairman should establish a schedule of agenda subjects to be discussed during the year to the degree this can be foreseen. Each Board member may suggest the inclusion of items on the agenda. Each Board member also may raise at any Board meeting subjects that are not on the agenda for that meeting. The Board will review the Company's long-term strategic plans, principal issues and potential issues which the Company may encounter in the future during at least one Board meeting each year.

Executive Sessions. The independent directors of the Board will meet in regularly scheduled executive sessions, generally in connection with regularly scheduled Board meetings. The director chosen to preside at each of these meetings, or the method of selecting the director to preside at such meetings, and the name or names of that director or directors or method of selection, will be disclosed in the annual proxy statement.

Potential Related Party Transactions. The independent directors of the Board will meet to review and approve or reject all related party transactions (as specified in Item 404 of Regulation S-K) and review and make recommendations to the Board regarding approval or rejection of any contracts or other transactions with current or former executive officers of the Company, including consulting arrangements, employment agreements, change-in-control agreements, severance agreements, termination agreements, and loans to employees made or guaranteed by the Company.

Attendance at Annual Meeting of Stockholders. The Company believes that it is important, and encourages all members of the Board, to attend annual meeting of the stockholders. To facilitate this, and to the extent reasonably practicable, the Company endeavors to schedule a regular meeting of the Board on the same date as the annual meeting of stockholders.

Spokespersons. The Board believes that the management speaks for the Company. Individual Board members, from time to time, may meet or otherwise communicate with various constituencies that are involved with the Company. It is expected, however, prior to engaging in any such meetings, Board members shall provide advance notice to the appropriate management of the Company; and, absent unusual circumstances, or as contemplated by any committee charters, only at the request of the management of the Company.

3. Board Committees

Establishment of Committees. The Board at all times will have an audit committee (“Audit Committee”) and a compensation committee (“Compensation Committee”). All of the members of such committees will be considered “independent directors” under the criteria established by the Nasdaq Stock Market, subject to the limited exceptions provided for therein. Members of the Audit Committee also must meet the standards set forth in Rule 10A-3(b)(1) under the Securities Exchange Act of 1934. Committee members will be appointed by the Board taking into consideration the preferences of the respective directors. It is the desire of the Board that consideration should be given to rotating committee members periodically, but the Board shall not mandate such rotation as a policy of the Board.

Committee Charters. Each committee will have its own formal written charter. The charter for each committee will set forth the purposes, goals, and responsibilities of the committee, as well as qualifications for committee membership, procedures for committee member appointment and removal, committee structure and operations, and

committee reporting to the Board. Each committee charter will also provide that the committee will annually evaluate its performance.

Committee Meetings. The chairman of each committee, in consultation with the committee members, will determine the frequency and length of the committee meetings consistent with any requirements set forth in the committee's charter. The chairman of each committee, in consultation with the members of the committee and management, will develop the committee's agenda. At the beginning of each fiscal year, each committee will establish a schedule of agenda subjects to be discussed during the year, to the degree such can be foreseen. The schedule for each committee will be furnished to all directors.

Committee Advisors. The Board and each committee have the power to hire and compensate independent legal, financial, and other advisors as they may deem necessary, without consulting with or obtaining the approval of any officer of the Company in advance.

Delegation. The Board, from time to time, may establish or maintain additional committees or subcommittees as necessary or as deemed appropriate.

4. Director Access to Officers and Employees

Directors have full and free access to, and contact with, officers and employees of the Company. Any meetings or contacts that a director wishes to initiate may be arranged through the CEO, the secretary of the Company or by the director. The directors will use their judgment to ensure that any such contact is not disruptive to the business operations of the Company and will, to the extent not inappropriate, copy the CEO on any written communications between a director and an officer or employee of the Company.

The Board, as appropriate in its judgment, may invite senior officers of the Company to attend Board meetings. If the CEO desires to have Company personnel attend meetings on a regular or periodic basis, such suggestion should be brought to the Board for approval.

5. Director Compensation

The form and amount of director compensation will be determined by the Compensation Committee in accordance with the policies and principles set forth in its charter; and the Compensation Committee will conduct an annual review of director compensation. The Compensation Committee shall consider directors' independence may be jeopardized if director compensation and perquisites exceed customary levels; if the Company makes substantial charitable contributions to organizations to which a director is affiliated; or if the Company enters into consulting contracts with (or provides other indirect forms of compensation to) a director or an organization to which the director is affiliated.

6. Director Orientation and Continuing Education

Each new director shall participate in an orientation program, which shall be conducted promptly following the meeting at which a new director is elected. This orientation may include presentations by senior management of the Company to familiarize each new director with the Company's strategic plans; its significant financial, accounting, and risk management issues; its compliance programs; the code of conduct and code of ethics of the Company; its principal officers; its principal outside legal counsel; and its independent auditor. In addition, the orientation program shall include visits to the Company's headquarters and, to the extent practical, any other significant Company facilities. All other directors are also invited to attend such orientation program.

7. Compensation and Management Succession

The Compensation Committee also will determine, or recommend to the Board for determination, the compensation of the CEO and other executive officers of the Company.

The Board shall discuss succession planning on at least an annual basis. As appropriate, the Board will participate in the process of nominating and evaluating potential successors to the CEO. The CEO should at all times make available his or her recommendations and evaluations of potential successors, along with a review of any development plans recommended for such individuals.

8. Annual Performance Evaluation

The Board will conduct an annual self-evaluation to determine whether it and its committees are functioning effectively. It is expected that all directors will provide comments to the Board in this regard. This assessment will be discussed by the Board following the end of each fiscal year. The assessment will focus on the Board's contribution to the Company, and on areas in which the Board or management suggest the Board may improve.