

**COMSTOCK HOLDING COMPANIES, INC.**  
**COMPENSATION COMMITTEE CHARTER**  
**(Amended and Restated as of September 27, 2013)**

**Purpose**

The purpose of the Compensation Committee (the “Committee”) shall be as follows:

1. To determine, or recommend to the Board of Directors (the “Board”) for determination, the compensation of the Chief Executive Officer (the “CEO”) of Comstock Homebuilding Companies, Inc. (the “Company”).
2. To determine, or recommend to the Board for determination, the compensation of all other executive officers of the Company.
3. To discharge the responsibilities of the Board relating to the Company’s compensation programs and compensation of the Company’s executives.

The Board shall determine whether the Committee shall make determinations as a Committee or shall make recommendations to the Board.

**Composition**

The Committee shall consist of two or more members of the Board, each of whom is determined by the Board to be “independent” under the listing standards of the NASDAQ Stock Market (“Nasdaq”). In addition, at least two members of the Committee also shall qualify as “outside” directors within the meaning of Internal Revenue Code Section 162(m) and as “non-employee” directors within the meaning of Rule 16b-3 under the Securities Exchange Act of 1934, as amended.

To the extent the Committee consists of at least three members, one director who is not independent under Nasdaq’s rules, may be appointed to the Committee, subject to the following:

- the director is not a current officer or employee, or a family member of an officer or employee, of the Company;
- the Board, under exceptional and limited circumstances, determines that such individual’s membership on the Committee is required by the best interests of the Company and its stockholders;
- in addition to any disclosures required by the Securities and Exchange Commission (the “SEC”), the Company discloses either on its website or in the proxy statement for the next annual meeting of stockholders subsequent to such determination (or in its Form 10-K if the Company does not file a proxy statement), the nature of the relationship and the reason for that determination; and
- such person does not serve under this exception on the Committee for more than two years.

## **Appointment and Removal**

The members of the Committee shall be appointed by the Board. A member shall serve until such member's successor is duly elected and qualified or until such member's earlier resignation or removal. The members of the Committee may be removed, with or without cause, by a majority vote of the Board.

## **Chairman**

Unless a Chairman is elected by the full Board, the members of the Committee shall designate a Chairman by majority vote of the full Committee membership. The Chairman will chair all regular sessions of the Committee and set the agendas for Committee meetings.

## **Delegation to Subcommittees**

In fulfilling its responsibilities, the Committee shall be entitled to delegate any or all of its responsibilities to a subcommittee of the Committee.

## **Meetings**

The Committee shall meet as frequently as circumstances dictate. The Chairman of the Committee or a majority of the members of the Committee may call meetings of the Committee. Any one or more of the members of the Committee may participate in a meeting of the Committee by means of conference call or similar communication device by means of which all persons participating in the meeting can hear each other.

All non-management directors who are not members of the Committee may attend meetings of the Committee, but may not vote. In addition, the Committee may invite to its meetings any director, member of management of the Company, and such other persons as it deems appropriate in order to carry out its responsibilities. The Committee may also exclude from its meetings any persons it deems appropriate.

As part of its review and establishment of the performance criteria and compensation of designated key executives, the Committee should meet separately at least on an annual basis with the CEO and any other corporate officers as it deems appropriate. However, the Committee should also meet from time to time without such officers present, and in all cases, such officers shall not be present at meetings at which their performance and compensation are being discussed and determined.

## **Duties and Responsibilities**

The Committee shall carry out the duties and responsibilities set forth below. These functions should serve as a guide with the understanding that the Committee may determine to carry out additional functions and adopt additional policies and procedures as may be appropriate in light of changing business, legislative, regulatory, legal, or other conditions. The Committee shall also carry out any other responsibilities and duties delegated to it by the Board from time to time related to the purposes of the Committee outlined in this Charter.

In discharging its oversight role, the Committee is empowered to study or investigate any matter of interest or concern that the Committee deems appropriate and shall have the sole authority, without seeking Board approval, to retain outside counsel or other advisors for this purpose, including the authority to approve the fees payable to such counsel or advisors and any other terms of retention.

*Setting Compensation for Executive Officers and Directors*

1. Establish and review the overall compensation philosophy of the Company.
2. Review and approve the Company's corporate goals and objectives relevant to the compensation for the CEO and other executive officers, including annual performance objectives.
3. Evaluate the performance of the CEO and other executive officers in light of those goals and objectives and, based on such evaluation and subject to the provisions of executive officer employment agreements, determine, or recommend to the full Board for determination, the compensation of the CEO and all other executive officers, including, but not limited to, annual salary, bonus, equity awards and other benefits. The CEO may not be present during voting or deliberation on his or her own compensation.
4. In approving or recommending the long-term incentive component of compensation for the CEO and other executive officers, the Committee should consider the Company's performance and relative stockholder return, the value of similar incentive awards to CEOs and other executive officers at comparable companies, and the awards given to the CEO and other executive officers in past years. The Committee is not precluded from approving awards (with the ratification of the Board) as may be required to comply with applicable tax laws, such as Rule 162(m).
5. In connection with executive compensation programs, the Committee should do the following:
  - (a) Review and recommend to the full Board, or approve, new executive compensation programs;
  - (b) Review on a periodic basis the operations of the Company's executive compensation programs to determine whether they are properly coordinated and achieving their intended purposes;
  - (c) Establish and periodically review policies for the administration of executive compensation programs; and
  - (d) Take steps to modify any executive compensation program that yields payments and benefits that are not reasonably related to executive and corporate performance.

6. Establish and periodically review policies in the area of senior management perquisites.
7. Consider policies and procedures pertaining to expense accounts of senior executives.
8. Review and recommend to the full Board compensation of directors as well as directors' and officers' indemnification and insurance matters.

*Monitoring Incentive- and Equity-Based Compensation Plans*

9. Review and make recommendations to the full Board with respect to, or approve, the Company's incentive-compensation plans and equity-based plans, and review the activities of the individuals responsible for administering those plans.
10. Review and make recommendations to the full Board, or approve, all equity compensation plans of the Company that are not otherwise subject to the approval of the Company's stockholders.
11. Review and make recommendations to the full Board, or approve, all awards of shares or share options pursuant to the Company's equity-based plans.
12. Monitor compliance by executives with the rules and guidelines of the Company's equity-based plans.
13. Review and monitor employee pension, profit sharing, and benefit plans.
14. Review on an annual basis the potential risk to the Company from its compensation programs and policies, including any incentive plans, and whether such programs and policies incentivize unnecessary and excessive risk taking.
15. Have the sole authority to select, retain, and/or replace, as needed, a compensation or other outside consultant to be used to assist in the evaluation of director, CEO, or senior executive compensation. In the event such a consultant is retained, the Committee shall have the sole authority to approve such consultant's fees and other retention terms.

*Reports*

16. If and when applicable, review and discuss the Compensation Discussion and Analysis (the "CD&A") required to be included in the Company's proxy statement and annual report on Form 10-K by the rules and regulations of the SEC with management, and, based on such review and discussion, determine whether or not to recommend to the Board that the CD&A be so included.
17. If and when applicable, prepare the annual Compensation Committee report on executive compensation for inclusion in the Company's proxy statement in accordance with applicable rules and regulations of the SEC.

18. Report regularly to the Board with respect to matters that are relevant to the Committee's discharge of its responsibilities and with respect to such recommendations as the Committee may deem appropriate. The report to the Board may take the form of an oral report by the Chairman or any other member of the Committee designated by the Committee to make such report.
19. Maintain minutes or other records of meetings and activities of the Committee.
20. Not less than annually, review and reassess the adequacy of this Charter and, if determined necessary or appropriate, make recommendations for amendment of this Charter to the Board.