

COMSTOCK

December 6, 2024

*Via Electronic Mail at town.manager@herndon-va.gov, and
Nationally Recognized Overnight Courier Service*

The Town of Herndon, Virginia
777 Lynn Street
Herndon, Virginia 20170
Attention: Town Manager

Re: Notice Not To Proceed - Herndon Downtown Redevelopment Project (the
“Project”).

Dear Town of Herndon:

Reference is made to that certain Comprehensive Agreement dated November 1, 2017 (“Original Agreement”), between the Town of Herndon, Virginia (“Herndon”) and Comstock Herndon Venture, LC (“Comstock”) with regard to the Project, together with all amendments and modifications thereto, including that certain Amendment to Comprehensive Agreement dated December 3, 2020 (“First Amendment”), that certain letter amendment dated December 21, 2021 (“Second Amendment”), that certain notice of exercise of right to delay the Outside Satisfaction Agreement by Comstock dated April 29, 2022 (“Delay Notice”), that certain letter amendment dated April 25, 2024 (the “Third Amendment”), that certain letter amendment dated August 14, 2024 (the “Fourth Amendment”), and that certain Fifth Amendment to Comprehensive Agreement dated September 10, 2024 (“Fifth Amendment”). The Original Agreement, the First Amendment, the Second Amendment, the Delay Notice, the Third Amendment, the Fourth Amendment and the Fifth Amendment are collectively referred to as the “Comprehensive Agreement”. Capitalized terms used but not expressly defined herein shall have the meanings given to them in the Comprehensive Agreement.

As of the date hereof, the Outside Satisfaction Date set forth in the Comprehensive Agreement is December 10, 2024. After significant discussions with Herndon and after good-faith diligent efforts, Comstock has concluded that, without limitation and among other issues with regard to the Project, the Project Costs and commercially reasonable financing are materially greater than anticipated and result in the Project being economically unfeasible, the legal structure for the Project has become overly complicated, and the Conditions Subsequent cannot be satisfied by the Outside Satisfaction Date. In accordance with Section 8 of the First Amendment to the Comprehensive Agreement, Comstock hereby elects to not proceed with the Commencement of Construction. This letter shall be deemed a Notice Not to Proceed pursuant to the Comprehensive Agreement, which shall be deemed to expire and be of no further force and effect on the date hereof. Comstock will have no further obligation to proceed to

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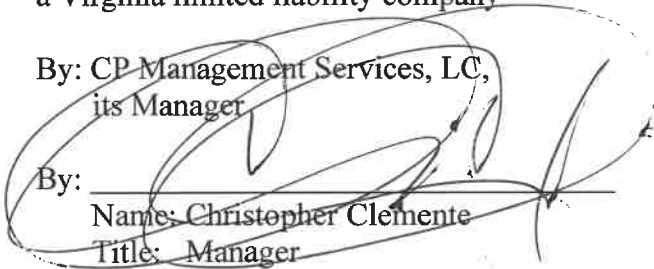
Commencement of Construction or perform any further obligations under the Comprehensive Agreement without being in default thereof.

The decision to deliver this Notice Not to Proceed was very difficult for Comstock after years of planning and efforts, but unfortunately the current market has not yet rebounded sufficiently to move forward.

Very truly yours,

COMSTOCK HERNDON VENTURE, LC,
a Virginia limited liability company

By: CP Management Services, LC,
its Manager

By: 
Name: Christopher Clemente
Title: Manager

cc: The Town of Herndon, Virginia
777 Lynn Street
Herndon, Virginia 20170
Attention: Town Attorney
*Via electronic mail at lesa.yeatts@herndon-va.gov and
nationally recognized overnight courier*

Seyfarth Shaw LLP
975 F Street, N.W.
Washington, DC 20004
Attention: Charles E. Wall, Esq.
*Via electronic mail at cwall@seyfarth.com and
nationally recognized overnight courier*

Reed Smith LLP
7900 Tysons One Place
Suite 500
McLean, Virginia 22102-5979
Attention: Grayson P. Hanes, Esq.

Reed Smith LLP
7900 Westpark Drive Suite T700
McLean, VA 22102
Attention: Grayson P. Hanes, Esq.

*Via electronic mail at ghanes@reedsmith.com and
nationally recognized overnight courier*