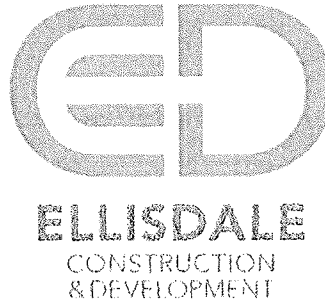




January 15, 2015

Mr. Loren Pope
RED A&W I, LLC

Re: Underground Parking Construction Cost – 1108 16th Street NW, Washington, DC

Dear Mr. Pope,

We have estimated the cost to construct the underground parking garage, as depicted in the attached plan P1.2 by Nelson Architects to be \$1,369,944. This is the incremental cost to construct the underground parking, as shown, and does not include cost that would otherwise be required to construct the building, such as footings/foundations, building systems, etc. As there are only two parking spaces provided, the cost per parking space is extremely high at \$684,972. Typical cost for underground parking range from \$40,000 to \$60,000 per space.

Following is a summary of the cost estimate:

Excavation:	\$220,000
Sheeting Shoring/Underpinning:	\$260,944
Concrete:	\$620,000
Stair/Elevator:	\$64,000
Lighting/Ventilation/Sprinklers:	\$140,000
Other costs:	\$65,000
Total:	\$1,369,944
	\$684,972 per space

Please contact me if you have any questions.

Very truly yours,

Ward Bell
Vice President