



November 16, 2015

Mr. Jay Kelly
Associate
The JBG Companies
4445 Willard Avenue, Suite 400
Chevy Chase, Maryland 20815

RE: Capitol Point South Redevelopment

Dear Mr. Kelly

This correspondence is written to summarize our review of the cost and schedule impact of potentially constructing up to seven levels of subterranean parking at the Capitol Point South project. This request was made to review the ability for the project to meet the 419 parking spaces required by zoning.

In accordance with the current plans dated November 17th 2015 (copy attached), the project requires four levels of garage parking (P1, P2, P3, and P4) to realize two hundred and forty-five (245) parking spaces. In order to meet the zoning requirement of four-hundred and nineteen (419) parking spaces, seven levels of parking would be required. Having reviewed the plans and geotechnical report it is our opinion that the additional levels of parking would greatly increase the total cost of the garage.

The cost and schedule for constructing each successive parking level below the P4 level increases significantly and incrementally due to cost factors that increase with each additional level of depth. The costs are in addition to the direct increase in quantity and volume of soil which must be removed by excavating deeper. Please note that the cost increase associated with excavating each additional level is not linear and each additional level costs significantly more than the previous level.

Some of these cost factors include the following:

- Additional dewatering requirements required because the excavation is below the water table
- Excavation operations cost premiums for deeper excavations. The deeper the project depth goes results in less efficient methods of dirt removal. Excavation methods that will need to be utilize include crane and bucket removal for the lowest levels
- Increased costs associated with the installation or additional bracing requirements for sheeting and shoring systems to support the deeper excavation
- The deeper sheeting and shoring systems will also increase the costs of other operations including excavation and concrete placement. These cost increases are due to lower

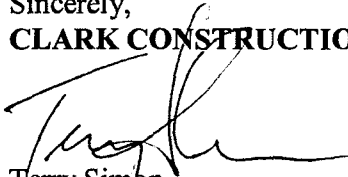
production rates and detail work associated with working around the possible need for additional rakers and internal bracing.

- Increased cost associated with the installation of waterproofing for the deeper exterior walls
- Increased cost of lowering the footers and foundation piles of the Phase I portion of the project (33N Street) so as not to disturb its foundation during excavation work.
- Increased cost for concrete placement due to less efficient operations with deeper concrete placement

We sincerely appreciate the opportunity to assist you with this project. Please contact me should you have any additional questions.

Sincerely,

CLARK CONSTRUCTION GROUP, LLC



Terry Simon
Project Executive

cc: Matt Ginivan, The JBG Companies
Lee DeLong, Clark Construction Group, LLC
Kyle Nicholson, Clark Construction Group, LLC