

March 22, 2018

Christian P. Kaila & Associates

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Fredericksburg, Va. 22407

To Whom It May Concern,

This letter is written per request of Mr. Hunter for consulting services to review current market data for the potential development of waterfront townhomes at Lake Anna in Spotsylvania County. I reviewed data of existing townhomes and new construction townhomes in the Spotsylvania market area. Also, I have reviewed the limited market data of the waterfront townhomes located on Lake Anna in Louisa County. (Lake Anna Plaza).

I have provided a spread sheet with the market data of townhome sales from existing to new construction and provided average dollar per square foot based on sale prices reviewed. The square foot used in the spreadsheet is based on above grade living area and all data provided have a basement or three level townhomes. All data has been reviewed and compared in the same fashion to give credible results. The dollar per square foot includes the build out of three level townhomes or two level townhomes with a basement. You will see the average price per square foot of the existing townhomes with no water influence is \$139. With the existing townhomes you will notice a variance in sale price due to the condition of the property at the time of sale with regards to updates and upgrades. The average price per square foot of the new construction townhomes is \$170 based on options and upgrade packages at the time of build. I then reviewed the sale data for waterfront townhomes in Louisa County, as this is the best data available to illustrate the influence on the dollar per square for waterfront townhomes. The waterfront townhomes have an average of \$261 per square which is an increase of \$122 per square foot over the existing town home sales and a \$91 dollar increase per square foot over the new construction townhomes.

Per the data reviewed combined with the spreadsheet data the appraiser notes there is a positive influence on the value of the townhomes that are waterfront. I have estimated the positive influence on the dollar per square foot to be a range of \$90-\$115 per square foot based on the new construction average dollar per square foot. The appraiser notes based on the data the new construction waterfront town homes dollar per square foot should range from \$260-\$285.

The appraiser has inserted some photos of the new comparable townhomes reviewed and the waterfront townhomes reviewed to help illustrate the data. With the new construction sales the price

per square foot will vary to some degree from builder to builder based on upgrades offered at the time of build.

In closing the appraiser notes the Lake Anna market area has proven to have a positive influence on the real estate sales with water orientation, with the highest percentage of increase being waterfront properties. Furthermore, the Lake Anna market area has produced some of the highest property values for residential sales in Spotsylvania County as a whole.

Christopher M. Tate



Appraisal Group of Fredericksburg/Christian P. Kaila & Associates

EXIT Elite Realty

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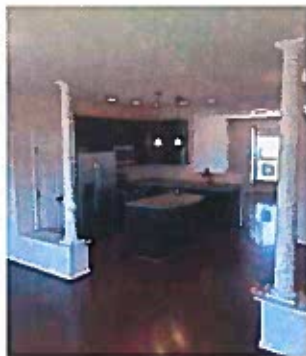
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Existing Non-WF	Sale Date	Sale Price	Size(SF)	Price/SF	Louisiana Lake Anna WF	Sale Date	Sale Price	Size(SF)	Price/SF	Non-Waterfront: New Construction	Sale Date	Sale Price	Size(SF)	Price/SF
7028 Wytheville Circle	12/6/2017	\$215,000	1,680	\$128	286 Lake Front Drive	5/12/2013	\$400,000	1,560	\$256	1500 Hudgens Farm Circle	7/17/2017	\$309,999	1,760	\$176
4013 Fountain Bridge Court	12/30/2017	\$217,500	1,504	\$145	300 Lake Front Drive	7/1/2016	\$417,000	1,560	\$267	1617 Hudgens Farm Circle	7/1/2016	\$301,340	1,760	\$171
7113 Finch Lane	10/10/2017	\$166,000	1,398	\$119	266 Lake Front Drive	8/2/2016	\$400,000	1,560	\$256	1502 Hudgens Farm Circle	6/23/2017	\$300,999	1,760	\$171
4603 Turnberry Drive	3/5/2018	\$228,000	1,692	\$135	264 Lake Front Drive	10/5/2015	\$410,000	1,560	\$263	1621 Hudgens Farm Circle	2/23/2018	\$318,000	1,760	\$181
7307 Wytheville Circle	12/29/2017	\$229,900	1,680	\$137						4933 Wensel Road	4/17/2017	\$274,245	1,680	\$163
7209 Wytheville Circle	1/4/2018	\$214,000	1,680	\$129						4711 Wensel Road	11/3/2017	\$275,715	1,680	\$164
7221 Wytheville Circle	1/18/2018	\$235,000	1,680	\$140						2228 Mallard Landing	8/17/2017	\$277,731	1,540	\$180
11110 Gander Court	12/11/2017	\$237,000	1,680	\$141						4807 Wensel Road	10/10/2017	\$279,205	1,680	\$166
4544 Alliance Way	1/23/2018	\$248,000	1,440	\$172						4729 Wensel Road	12/14/2017	\$282,000	1,680	\$168
Averages		\$223,378	1,604	\$139			\$406,750	1,560	\$261	4645 Wensel Road	8/10/2017	\$281,500	1,680	\$168
										1416 Teagan Road	3/10/2017	\$321,969	1,952	\$165
										Averages		\$292,973	1,721	\$170

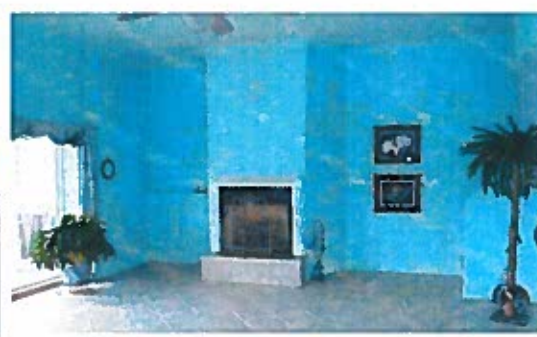
Townhomes at Lakeside

Lender			
Property Address	Wensel Road		
City	County	State	Zip Code
Lender			



Waterfront Townhomes at Lake Anna Plaza

Lender			
Property Address	Hudgins Farm Circle		
City	County	State	Zip Code
Lender			



Summerfield Townhomes

Lender			
Property Address	Hudgins Farm Circle		
City		County	State Zip Code
Lender			

