

RE: Seven Springs

Subject: RE: Seven Springs
From: "Leonard, Bob" <bob.leonard@bingham.com>
Date: 12/28/2012 1:11 PM
To: "Bob Heffernan" <rheffernan@heffernanassociates.net>

Hi Bob,

Hope you had a wonderful holiday and are able to get through to the new year in one piece. I know you are busy but wanted to follow up quickly on the request below.

Thanks,

Bob

From: Leonard, Bob
Sent: Tuesday, December 18, 2012 3:13 PM
To: 'Bob Heffernan'
Subject: RE: Seven Springs

From: Bob Heffernan [<mailto:rheffernan@heffernanassociates.net>]
Sent: Tuesday, December 18, 2012 12:10 PM
To: Leonard, Bob
Subject: Re: Seven Springs

Bob:

I found the Briarcliff report and reviewed it. You can't look at the per acre value you need to look at what I valued the finished lots for which was \$1,000,000 per building lot after approvals and the construction of the infrastructure. We then proceeded with the discounted cash flow analysis. In today's market those lots would be worth \$800,000. The reason the per acre doesn't work is that the yield (# of acres per lot) is less in Briarcliff (one lot for every 1.5 acres) as opposed to Seven Springs where it's substantially lower (one lot per every 8 acres). Developers pay for lots not acres, the excess land adds little additional value. My Briarcliff value worked out to \$510,000 per raw lot in 2008 for Seven Springs my value would have been \$775,000 per raw lot.

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On 12/18/2012 11:02 AM, Leonard, Bob wrote:

Bob,

Are you available for a call today around 2? I understand Eric contacted you, and wanted to get some details on your assumptions that led to your initial estimate.

PX-3296

Index No. 452564/2022 (AFE)

RE: Seven Springs

Thanks.

bob

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