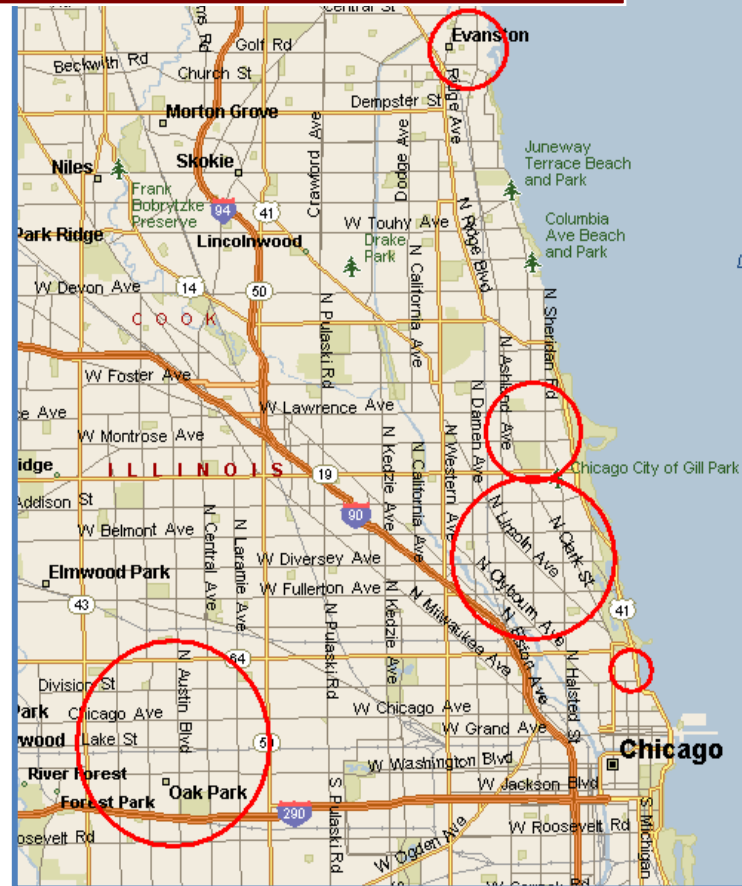


### MARKET ANALYSIS OF EASEMENT IMPACT

Clarion Associates completed two phases of analysis based on the market for single-family properties in the Cook County portion of the Chicago metropolitan area on which historic preservation easements have been donated. The purpose of Phase I was to determine the impact of historic preservation easements on market prices paid for such easement encumbered properties. Phase II identified possible methods of analysis and outlined Clarion's recommendations of those techniques that measure the impact, if any, of preservation easements on the fair market value of residential property in Chicago.



### SCOPE OF SERVICES PROVIDED

- Analyzed the market for easement properties within five submarkets: Oak Park, Illinois, Gold Coast neighborhood of Chicago, Lincoln Park neighborhood of Chicago, Lakeview neighborhood of Chicago, and Evanston, IL;
- Utilized the following analytical methods: Paired Sale Analysis, Sale and Re-Sale Analysis, Days-On-Market (DOM) or Marketing Time Analysis, Sold Price/List Price Ratio Analysis, and Telephone Surveys of Market Participants;
- Investigated the potential techniques and methodologies and made recommendations for determining the impact of preservation easements on residential properties.

*Clarion was retained by the IRS to investigate potential techniques and methodologies and make recommendations regarding the selected, appropriate techniques and methodologies for determining the impact of preservation easements on residential properties.*