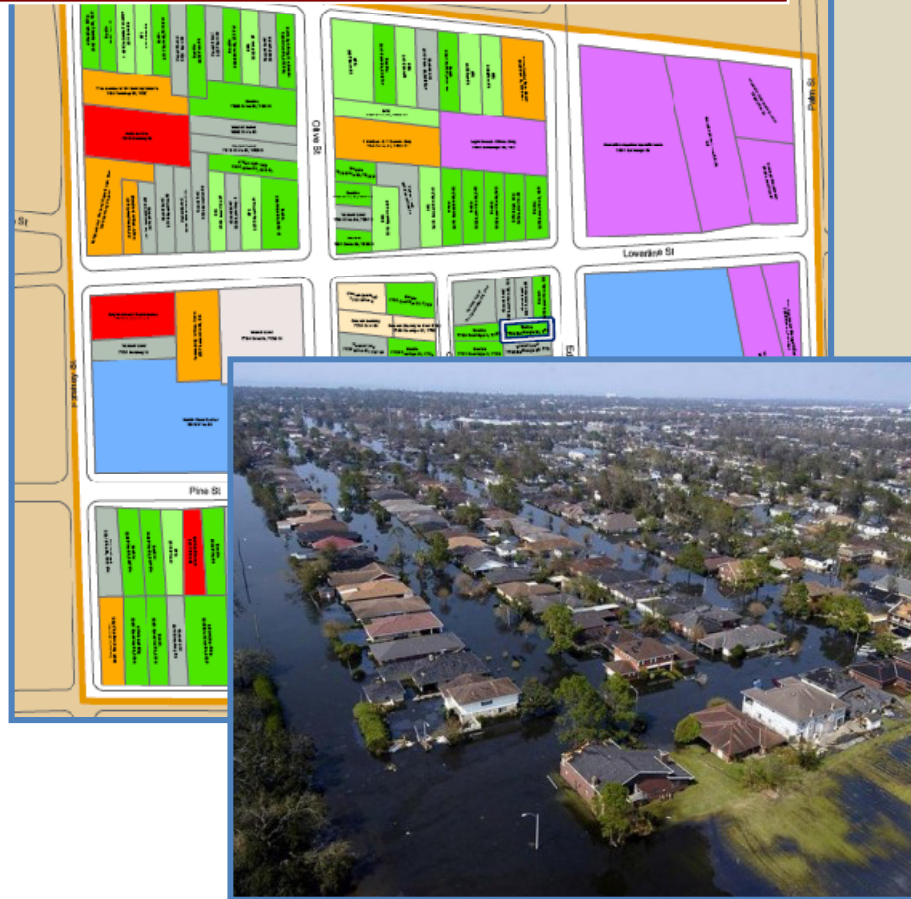


NATURAL DISASTERS AND PROPERTY VALUATION

As real property experts for local levee districts, the State of Louisiana, and the federal government, Clarion Associates provided consulting and valuation services related to real property damages caused by the Hurricane and flooding. Clarion applied a complex GIS model to analyze five study areas or neighborhoods and assess whether or not representative properties could be utilized to measure damages on a class-wide basis rather than by performing property-by-property valuations.



SCOPE OF SERVICES PROVIDED

- Researched real estate market trends and transaction data in New Orleans area before and after the Hurricane, as well as literature pertaining to appraisal of properties potentially damaged by various types of impairments or detrimental conditions;
- Inspected and collected physical characteristics data on the various Orleans and Jefferson parish neighborhoods proposed to be included in five sub-class areas;
- Identified and analyzed real properties in each of the proposed five sub-class areas with respect to various physical, market and economic characteristics of individual properties and their flooding-related real estate damages;
- Concluded that damages must be measured on a neighborhood by neighborhood and property by property basis.

Flooding impacts are highly variable, with some properties, property types, and neighborhoods recovering faster than others. Superficial mass appraisal techniques applied to entire neighborhoods are likely to ignore these variations and misrepresent the actual value impact on real property.