

Machinery/Equipment

Business Valuation

Real Estate

Cost Segregation

Intangible Assets

Financial Reporting

Cambridge Partners is pleased to announce the completion of a cost segregation analysis of the 41-story "Clark Adams" building located at 105 W. Adams in Chicago.

Cambridge Partners is a management consulting firm providing valuation and appraisal services to the U.S. and international business communities. Among others, our services include: valuations of intangible assets, business enterprises, real estate, fixed assets and construction cost segregation analysis.

The results of our work are relied upon by: attorneys, private equity groups, banks and financial institutions, public and privately held companies worldwide, accountants, real estate investment trusts (REITs) and other professionals whose clients may require appraisal services.

Contact:

James Lemperis
National Director, Valuation Services
Cambridge Partners & Associates, Inc.
500 N. Plum Grove Rd. Palatine, IL 60067
847-776-1976
jlemp@cambridge-partners.com
www.CambridgePartners.com

Valuation Services:

- * Fairness & Solvency Opinions
- * Valuations for FASB compliance (ASC 805, 350)
- * Business & Stock Valuations
- * Intangible Asset Appraisals
- * Options Valuations (ASC 718, IRC 409A)
- * Transfer Pricing in compliance with IRC § 482
- * Cost Segregation Studies
- * Valuations for Litigation Support and Fresh Start
- * Valuations of FLPs and LLCs for Estate & Gift
- * M&A Advisors for business sale transactions



Cambridge Partners & Associates, Inc.
performed a

COST SEGREGATION ANALYSIS
of the "Clark Adams" building
located at 105 W. Adams in Chicago

About the building:
Designed in 1927 by the world famous
Burnham Brothers, this tower encompasses
456,441 square feet and stands 41 stories.

A Cost Segregation Study is the process of identifying real property costs, typically in new construction, renovations or acquisitions. The objective is to accelerate depreciation for tax purposes, thereby allowing the owner to reduce taxable income for the next several years and dramatically improve cash flow.

The enactment of the Revenue Reconciliation Act of 1993 ('93 Act) extends the tax life on real property from 31.5 years to 39 years. Because of this change, the tax benefit derived from undertaking an analysis which segregates the long lived real property (39 years) from the shorter lived property (5, 7 and 15 years) becomes even more important. In order to maximize the present value benefit derived through depreciation cash flow, we analyzed the aforementioned facility and reclassified certain building components and site improvements from a 39-year class life to 5, 7 and 15 years.

The results of this cost segregation allowed the owners to realize substantial additional depreciation for each of the next seven years. Multiplied by a 40% effective tax rate translates into reduced income taxes for each of the next seven years.

Please contact Cambridge Partners to discuss if a cost segregation study will be beneficial to you.