

Client and Intended Use of the Appraisal:

*This mass appraisal report is intended for use only by the King County Assessor and other agencies or departments administering or confirming ad valorem property taxes. Use of this report by others is not intended by the appraiser. The use of this appraisal, analyses and conclusions is limited to the administration of ad valorem property taxes in accordance with Washington State law. As such it is written in concise form to minimize paperwork. The assessor intends that this report conform to the Uniform Standards of Professional Appraisal Practice (USPAP) requirements for a **mass appraisal report** as stated in USPAP SR 6-8. To fully understand this report the reader may need to refer to the Assessor's Property Record Files, Assessors Real Property Data Base, separate studies, Assessor's Procedures, Assessor's field maps, Revalue Plan and the statutes.*

The purpose of this report is to explain and document the methods, data and analysis used in the revaluation of King County. King County is on a six year physical inspection cycle with annual statistical updates. The revaluation plan is approved by Washington State Department of Revenue. The Revaluation Plan is subject to their periodic review.

Definition and date of value estimate:

Market Value

The basis of all assessments is the true and fair value of property. True and fair value means market value (Spokane etc. R. Company v. Spokane County, 75 Wash. 72 (1913); Mason County Overtaxed, Inc. v. Mason County, 62 Wn. 2d (1963); AGO 57-58, No. 2, 1/8/57; AGO 65-66, No. 65, 12/31/65). The true and fair value of a property in money for property tax valuation purposes is its "market value" or amount of money a buyer willing but not obligated to buy would pay for it to a seller willing but not obligated to sell. In arriving at a determination of such value, the assessing officer can consider only those factors which can within reason be said to affect the price in negotiations between a willing purchaser and a willing seller, and he must consider all of such factors. (AGO 65,66, No. 65, 12/31/65)

Highest and Best Use

RCW 84.40.030 *All property shall be valued at one hundred percent of its true and fair value in money and assessed on the same basis unless specifically provided otherwise by law.*

An assessment may not be determined by a method that assumes a land usage or highest and best use not permitted, for that property being appraised, under existing zoning or land use planning ordinances or statutes or other government restrictions.

WAC 458-07-030 (3) True and fair value -- Highest and best use. *Unless specifically provided otherwise by statute, all property shall be valued on the basis of its highest and best use for assessment purposes. Highest and best use is the most profitable, likely use to which a property can be put. It is the use which will yield the highest return on the owner's investment. Any reasonable use to which the property may be put may be taken into consideration and if it is peculiarly adapted to some particular use, that fact may be taken into consideration. Uses that are within the realm of possibility, but not reasonably probable of occurrence, shall not be considered in valuing property at its highest and best use.*

If a property is particularly adapted to some particular use this fact may be taken into consideration in estimating the highest and best use. (Sammish Gun Club v. Skagit County, 118 Wash. 578 (1922)) The present use of the property may constitute its highest and best use. The appraiser shall, however, consider the uses to which similar property similarly located is being put. (Finch v. Grays Harbor County, 121 Wash. 486 (1922)) The fact that the owner of the property chooses to use it for less productive purposes than similar land is being used shall be ignored in the highest and best use estimate. (Sammish Gun Club v. Skagit County, 118 Wash. 578 (1922))

Where land has been classified or zoned as to its use, the county assessor may consider this fact, but he shall not be bound to such zoning in exercising his judgment as to the highest and best use of the property. (AGO 63-64, No. 107, 6/6/64)

Date of Value Estimate

All property now existing, or that is hereafter created or brought into this state, shall be subject to assessment and taxation for state, county, and other taxing district purposes, upon equalized valuations thereof, fixed with reference thereto on the first day of January at twelve o'clock meridian in each year, excepting such as is exempted from taxation by law. [1961 c 15 §84.36.005]

The county assessor is authorized to place any property that is increased in value due to construction or alteration for which a building permit was issued, or should have been issued, under chapter 19.27, 19.27A, or 19.28 RCW or other laws providing for building permits on the assessment rolls for the purposes of tax levy up to August 31st of each year. The assessed valuation of the property shall be considered as of July 31st of that year. [1989 c 246 § 4]

Reference should be made to the property card or computer file as to when each property was valued. Sales consummating before and after the appraisal date may be used and are analyzed as to their indication of value at the date a valuation. If market conditions have changed then the appraisal will state a logical cutoff date after which no market date is used as an indicator of value.

Property rights appraised:

Fee Simple

Wash Constitution Article 7 § 1 Taxation: *All taxes shall be uniform upon the same class of property within the territorial limits of the authority levying the tax and shall be levied and collected for public purposes only. The word "property" as used herein shall mean and include everything, whether tangible or intangible, subject to ownership. All real estate shall constitute one class.*

Trimble v. Seattle, 231 U.S. 683, 689, 58 L. Ed. 435, 34 S. Ct. 218 (1914) *“the entire [fee] estate is to be assessed and taxed as a unit”*

Folsom v. Spokane County, 111 Wn. 2d 256 (1988) *“the ultimate appraisal should endeavor to arrive at the fair market value of the property as if it were an unencumbered fee”*

The definition of fee simple estate as taken from The Third Edition of The Dictionary of Real Estate Appraisal, published by the Appraisal Institute. “Absolute ownership unencumbered by any other interest or estate, subject only to the limitations imposed by the governmental powers of taxation, eminent domain, police power, and escheat.”

Assumptions and Limiting Conditions:

1. *No opinion as to title is rendered. Data on ownership and legal description were obtained from public records. Title is assumed to be marketable and free and clear of all liens and encumbrances, easements and restrictions unless shown on maps or property record files. The property is appraised assuming it to be under responsible ownership and competent management and available for its highest and best use.*
2. *No engineering survey has been made by the appraiser. Except as specifically stated, data relative to size and area were taken from sources considered reliable, and no encroachment of real property improvements is assumed to exist.*
3. *No responsibility for hidden defects or conformity to specific governmental requirements, such as fire, building and safety, earthquake, or occupancy codes, can be assumed without provision of specific professional or governmental inspections.*
4. *Rental areas herein discussed have been calculated in accord with generally accepted industry standards.*
5. *The projections included in this report are utilized to assist in the valuation process and are based on current market conditions and anticipated short term supply demand factors. Therefore, the projections are subject to changes in future conditions that cannot be accurately predicted by the appraiser and could affect the future income or value projections.*
6. *The property is assumed uncontaminated unless the owner comes forward to the Assessor and provides other information.*
7. *The appraiser is not qualified to detect the existence of potentially hazardous material which may or may not be present on or near the property. The existence of such substances may have an effect on the value of the property. No consideration has been given in this analysis to any potential diminution in value should such hazardous materials be found (unless specifically noted). We urge the taxpayer to retain an expert in the field and submit data affecting value to the assessor.*
8. *No opinion is intended to be expressed for legal matters or that would require specialized investigation or knowledge beyond that ordinarily employed by real estate appraisers, although such matters may be discussed in the report.*
9. *Maps, plats and exhibits included herein are for illustration only, as an aid in visualizing matters discussed within the report. They should not be considered as surveys or relied upon for any other purpose.*
10. *The appraisal is the valuation of the fee simple interest. Unless shown on the Assessor's parcel maps, easements adversely affecting property value were not considered.*
11. *An attempt to segregate personal property from the real estate in this appraisal has been made.*
12. *Items which are considered to be "typical finish" and generally included in a real property transfer, but are legally considered leasehold improvements are included in the valuation unless otherwise noted.*
13. *The movable equipment and/or fixtures have not been appraised as part of the real estate. The identifiable permanently fixed equipment has been appraised in accordance with RCW 84.04.090 and WAC 458-12-010.*
14. *I have considered the effect of value of those anticipated public and private improvements of which I have common knowledge. I can make no special effort to contact the various jurisdictions to determine the extent of their public improvements.*
15. *Exterior inspections were made of all properties in the physical inspection areas (outlined in the body of the report) however; due to lack of access and time few received interior inspections.*

Scope of Work Performed:

Research and analyses performed are identified in the body of the revaluation report. The assessor has no access to title reports and other documents. Because of legal limitations we did not research such items as easements, restrictions, encumbrances, leases, reservations, covenants, contracts, declarations and special assessments. Disclosure of interior home features and, actual income and expenses by property owners is not a requirement by law therefore attempts to obtain and analyze this information are not always successful. The mass appraisal performed must be completed in the time limits indicated in the Revaluation Plan and as budgeted. The scope of work performed and disclosure of research and analyses not performed are identified throughout the body of the report.

CERTIFICATION:

I certify that, to the best of my knowledge and belief:

- *The statements of fact contained in this report are true and correct*
- *The report analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions and are my personal, impartial, and unbiased professional analyses, opinions, and conclusions.*
- *I have no present or prospective interest in the property that is the subject of this report and no personal interest with respect to the parties involved.*
- *I have no bias with respect to the property that is the subject of this report or to the parties involved.*
- *My engagement in this assignment was not contingent upon developing or reporting predetermined results.*
- *My compensation for completing this assignment is not contingent upon the development or reporting of predetermined value or direction in value that favors the cause of the client, the amount of the value opinion, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the intended use of this appraisal.*
- *My analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the Uniform Standards of Professional Appraisal Practice.*
- *The area(s) physically inspected for purposes of this revaluation are outlined in the body of this report.*
- *The individuals listed below were part of the “appraisal team” and provided significant real property appraisal assistance to the person signing this certification.*

Appraiser II

Analysis Process

Effective Date of Appraisal: January 1, 2008

Date of Appraisal Report: April 2, 2008

The following appraiser did the valuation for this geographic area:

Sheri Elford
Commercial Appraiser II
State General Certified
License #1100951

Highest and Best Use Analysis

As if vacant: Market analysis of this area, together with current zoning and current anticipated use patterns, indicate the highest and best of the majority of the appraised parcels as commercial use. Any opinion not consistent with this is specifically noted in our records and considered in the valuation of the specific parcel.

As if improved: Based on neighborhood trends, both demographic and current development patterns, the existing buildings represent the highest and best use of most sites. The existing use will continue until land value, in its highest and best use, exceeds the sum of value of the entire property in its existing use and the cost to remove the improvements. We find that the current improvements do add value to the property, in most cases, and are therefore the highest and best use of the property as improved. In those properties where the property is not at its highest and best use, a token value of \$1,000.00 is assigned to the improvements.

Interim Use: In many instances a property's highest and best use may change in the foreseeable future. A tract of land at the edge of a city might not be ready for immediate development, but current growth trends may suggest that the land should be developed in a few years. Similarly, there may not be enough demand for office space to justify the construction of a multistory office building at the present time, but increased demand may be expected within five years. In such situations, the immediate development of the site or conversion of the improved property to its future highest and best use is usually not financially feasible.

The use to which the site is put until it is ready for its future highest and best use is called an interim use. Thus, interim uses are current highest and best uses that are likely to change in a relatively short time.

Standards and Measurement of Data Accuracy: Each sale was verified with the buyer, seller, real estate agent or tenant when possible. Current data was verified and corrected when necessary via field inspection.

Special Assumptions and Limiting Conditions

All three approaches to value were considered in this appraisal.

The following Departmental guidelines were considered and adhered to:

- Sales from 1-1-2005 to 12-31-2007 (at minimum) were considered in all analyses.
- No market trends (market condition adjustments, time adjustments) were applied to sales prices. Models were developed without market trends. The utilization of three years of market information without time adjustments averaged any net changes over that time period.
- This report intends to meet the requirements of the Uniform Standards of Professional Appraisal Practice, Standard 6.

Identification of the Area

Name or Designation: Area 20

Queen Anne, Magnolia, Interbay, Nickerson, Westlake, Fremont, Industrial Ballard

Boundaries:

Northwest 54th street defines the northern boundary. The western boundary is Puget Sound. The southern boundary is Puget Sound to 15th Avenue West and West Olympic Place, thence southeast to Aloha Street and east to Interstate 5. Basically, this area covers all of Magnolia, the portion of Queen Anne that is north of Aloha Street, Interbay, Westlake, Industrial Ballard, and Fremont.

Maps:

A general map of the area is included in this report. More detailed Assessor's maps are located on the 7th floor of the King County Administration Building.

Area Description:

Area 20 is centrally located just north and west of downtown Seattle and the Denny Regrade. With excellent transportation, stunning city, mountain and water views, the subject area is very desirable from a real estate aspect. The area is primarily a residential area with a few commercial districts to service the communities. The Ballard and Interbay neighborhoods are the main industrial locations in this area. There are many multi-family neighborhoods.

Seattle's long term growth has generated investor interest for existing commercial properties. The economic conditions for this area have seen an increase in values. Since this area is one of the most desirable in Seattle, that is understandable. Capitalization rates have decreased. This area has seen many new condominium buildings going up with mixed use on the first floor. Ballard is still industrial and is seeing a rapid increase in values.

A brief description of the neighborhoods follows.

Magnolia: Area 20-20

Boundaries:

North border is Salmon Bay, west border is Magnolia Blvd along the Puget Sound, south border is West Galer St along the Marina and east border is Thorndyke Ave West and Gilman Ave West

Neighborhood Description:

Magnolia has the feeling of being an island that is accessible by three bridges. The areas development started in 1853. Magnolia maintains a suburban type atmosphere. It has Magnolia Park, which overlooks the Puget Sound, Mount Rainier and the city skyline. Discovery Park encompasses 534 acres and is Seattle's largest park with seven miles of trails. After two and one half years of negotiating, the sale involving 66 duplexes and homes in the naval housing development in Discovery Park has been approved. The homes will be demolished which will restore 24 more acres of natural area to the park. The Officer's row of 100-year-old historic homes on an adjacent parcel is on the open market. Also located in the park, is the West Point Lighthouse that was built in 1818. It is the oldest lighthouse in the Puget Sound area.

Fort Lawton is adjacent to Discovery Park and became an Army garrison post in 1898. This 30 acres area is targeted under the Federal Defense Base Realignment and Closure Act (BRAC) for closure in 2009. The Army has named the City of Seattle as the reuse authority for redevelopment. The city is currently holding public meetings regarding the future use. They want to include open space, heron habitat, market rate housing and housing for formerly homeless individuals and families.

The main commercial district runs along West McGraw Street. It has been referred to as "The Village" since 1923. It has expanded on the south to West Lynn Street, north to West Ray Street, west to 35th Av W and east to 31st Ave W. The Village has grown with retail and many restaurants. A commercial parking lot in the area is being developed into townhouses.

Queen Anne: Area 20-30

Boundaries:

North border is West Dravus St, west border is 14th Ave West, south border is Aloha St and east border is 6th Ave North.

Neighborhood Description:

Queen Anne Hill rises 456 feet between Lake Union and Elliott Bay and is known as the highest named hill in Seattle. It has a commanding view of downtown Seattle. George Kinnear developed much of Queen Anne. Late Victorian Queen Anne style of architecture distinguishes this area. It had three cable car lines to the top of the hill in 1902.

The commercial community sprang up along the old streetcar line of Queen Anne Ave N. Several homes have been converted to commercial businesses. Older storefronts have been remodeled with upscale boutiques and restaurants along Queen Anne Ave N, the main thoroughfare. Newer apartments with first floor retail are replacing some older shops along Queen Anne Ave N. This neighborhood will be changing even more in the next few years when several future projects are built. The high television towers on Queen Anne Hill, originally built in 1948, are considered landmarks. New residents, with substantial incomes, continue to move to the neighborhood. L-1, L-2 and L-3 zoned land is being developed into attached townhouses. The Parks Department is planning to update Queen Anne Boulevard in the near future for more pedestrian access. There are plans to restrict parking to two hours along several blocks starting at Galer St and Queen Anne Ave N.

Nickerson: Area 20-40

Boundaries:

North border is the Ship Canal, west border is 14th Ave West, south border is West Dravus St and east border is Fremont Ave North.

Neighborhood Description:

The main commercial district runs along Nickerson Street. The Nickerson Street corridor is along the north base of Queen Anne Hill and is home to Seattle Pacific University. Seattle Pacific University was established in 1891 and covers 43 acres. The University has purchased several residential homes and demolished them to make room for Residence Halls. The Lake Washington Ship Canal is the northern border. The area consists of residential, light industrial and small offices. Several parcels have views over the ship canal.

Interbay: Area 20-50

Boundaries:

North border is West Commodore Way, west border is Thorndyke Ave West and Gilman Ave West, south border is W Galer St, and east border is 15th Ave West

Neighborhood Description:

Interbay is an industrial/retail/office area between Magnolia and Queen Anne. 15th Ave West is the main commercial street. Light manufacturing complexes, a railroad yard, fenced off storage yards, marine industries, clustered retail stores, and a Family Golf facility are among the many varied uses located here. There is little residential development at this time and most of the residential improvements are vacant. The city of Seattle filled the marsh areas of Interbay to make a playfield and a 9 hole golf course. Burlington Northern Santa Fe railway still serves as the western terminus of the transcontinental route. This area is considered by the city to be part of the Ballard-Interbay-North Manufacturing and Industrial Center, known as BINMIC. A National Guard Armory is also located here. Interbay was considered an area of blight but many feel positive changes are occurring. Neighborhood leaders say they are awaiting a zoning change from the city that would allow investors to rebuild the neighborhood to standards that are worthy of the Leadership in Energy and Environmental Design Neighborhood Development (LEED ND) designation. The city is also planning to develop a bike path in Interbay.

The Port of Seattle has property located at Terminal 91 and Fisherman's Wharf. They are currently working on economic development and achieving top financial returns from all Port properties.

Westlake/Dexter: Area 20-60

Boundaries:

North and east border is Lake Union, west border is 6th Ave N and south border is W Galer St.

Neighborhood Description:

This neighborhood includes Dexter Ave N and a portion of Westlake Ave. It encompasses a mix of mostly multi-family residences, some retail and major office space. There is some anticipation of upscale commercial buildings coming to this area from recent purchases along South Lake Union. Construction along Westlake includes a 14 million dollar improvement project for drainage, streets, sidewalks, and parking. It will include a 1.6-mile multi-use pathway that links Fremont with South Lake Union. Several new condominium projects have started construction. South Lake Union view properties can be found in this area.

Industrial Ballard/Fremont: Area 20-80

Boundaries:

North border is NW 54th St, west border is Shilsole Ave West; south border is the Ship Canal and east is Woodland Park Ave N.

Neighborhood Description:

The industrial Ballard area is zoned IBU and IGU. Trader Joes is being constructed along 15th Ave NW and NW 46th St, which is zoned IG2 U/65. Ballard is known for its Scandinavian influence. There are several brick historical buildings. In 1988, Thomas Burke and Daniel Gilman assembled a large track of land. The Burke-Gilman Trail is named after these developers. Ballard Ave NW is now protected as a local and national historic district, which was dedicated on April 11, 1976 by King Carl XVI Gustav of Sweden.

Fremont is also included in area 20-80. It is a mix of restaurants, galleries, studios, retail shops, and older mixed-use properties. It is an area in transition and land values have significantly risen in this area because of the transition. Redevelopment of some of the landmark properties has occurred. Single family homes on L2 and L3 zoned land are being demolished and replaced with condominiums and common walled townhouses to maximize the allowable housing densities. This neighborhood is renowned for the Fremont Bridge which accommodates boats in the ship canal. The statue of Lenin is at Fremont's center, a car munching Troll sits beneath the Fremont Bridge and Fremont is famous for the Solstice Parade. The commercial core is located one block from the Fremont Bridge at 35th St and Fremont Place N.

Physical Inspection Identification:

The physically inspected neighborhoods were the Westlake/Dexter area (20-60) and a portion of the Ballard/Fremont area (20-80).

Preliminary Ratio Analysis

A Ratio Study was completed just prior to the application of the 2008 recommended values. This study benchmarks the current assessment level using 2007 posted values. The study was also repeated after application of the 2008 recommended values. The results are included in the validation section of this report, showing an improvement in the Coefficient of Variation (COV) from 11.84 % to 9.62 %.

Scope of Data

Land Value Data:

Vacant market sales from 01/01/2005 through 12/31/2007 were given primary consideration for valuing land.

Improved Parcel Total Value Data:

Recommended assessed values are based on market conditions as of January 1, 2008. Improved sales from 01/01/2005 to 12/31/2007 were given the most consideration for establishing total values. Sales information is obtained from excise tax affidavits and reviewed initially by the Accounting Division, Sales Identification Section. Information is analyzed and investigated by the appraiser in the process of revaluation. All sales were verified if possible by calling or writing either the purchaser or seller, inquiring in the field or calling the real estate agent. Characteristic data is verified for all sales if possible. Due to time constraints, interior inspections were limited. Sales are listed in the "Sales Used" and "Sales Not Used" sections of this report. Additional information resides on the Assessor's website.

Land Value**Land Sales, Analysis, Conclusions**

The market has shown an increase in value. Overall, scarcity of land is becoming more evident. Sales were used to show market ranges based on zoning, location, traffic and utility of sites.

The majority of the parcels in area 20 are located in older established neighborhoods. Most neighborhoods are primarily residential with neighborhood shopping districts that include restaurants, grocery stores, and small retail. Area 20 has excellent access to downtown Seattle, I-5, and Seattle Pacific University. During and after the model development, field inspection was completed to review models as necessary. A list of vacant sales used to develop the land model and those considered not reflective of market value are included in the following sections.

There were comprehensive changes to land use rules on Jan 20, 2007 that affect Seattle business districts. They include allowing residential uses at street level along non-arterial streets in commercial zones, prohibiting parking between sidewalks and storefronts, and lowering parking requirements in urban centers.

On Dec 17, 2007 the City Council adopted legislation that limits office and certain retail uses in General Industrial (IG1 and IG2) zones. Within the IG1 zone, a maximum size of 10,000 square feet will be allowed for stand-alone offices or retail stores. Within the IG2 zone, office and other commercial uses will be limited to 25,000 square feet. These limits do not apply to office and retail uses that are accessory to an industrial use.

Magnolia: Area 20-20

Magnolia's largest construction project is centered along Government Way where a new mixed use building replaced a gas station and a single family improvement. It has retail on the first floor and residential condominiums on the upper floors. It was completed this year. New townhouses are being built on a vacant parking lot next to the Village on McGraw St. It is zoned NC2 40 and the owner felt the townhouses were the highest and best use for the parcel. Another proposed 10-unit townhouse project across the street is being petitioned for an up zone to allow development. There is resistance by the neighbors at this time.

Queen Anne: Area 20-30

Land values along the Queen Anne Ave N have risen dramatically. Several land sales occurred from late 2006 through 2007. Apartments, retail, and gas stations have been earmarked to be torn down for new mixed-use buildings. The latest is a four story building with 12,500 square feet of retail, 39 residential units, and 80 parking stalls. It is located at 2103 Queen Anne Ave N. At 1817 Queen Anne Ave N, an 1800 square foot retail, 17,400 square foot office and one residential unit is proposed. It will replace a 6-unit apartment. 1925 Queen Anne Ave N has a mixed use building that was completed this year that houses a drug store, deli and 36 apartment units.

New townhouses are going up on the L-1, L-2 and L-3 zoned parcels. View parcels along Highland Drive and 2nd Ave N. are being developed with a five story apartment building that will have 25 units.

Nickerson: Area 20-40

Several large office buildings have been proposed along E Ewing St

Interbay: Area 20-50

The Port of Seattle is located in this area and has been the center of interest since it has been seven years since there was an anchor tenant for its 57-acre industrial property. The recent limits on industrial land passed by the City Council were a disappointment to many at the Port. Several large tenants have decided to go elsewhere. Land sales in this neighborhood indicate that property values are rising. According to Wilma Warshak of Colliers International, this is due to growing population base to the north. Farther west along Commodore Way, several office buildings with water views are being built.

The Dravus/15th Ave W area that divides Queen Anne and Magnolia is one of the pilot LEED-ND programs for green building. They want to create a new Local Improvement

District which would have local businesses paying for improvements such as new crosswalks, sidewalks, and landscaping. They are applying for an up zone to allow more development and height limits to 120 feet with a mix of new residential buildings, retail shops, and light industrial.

A new manufacturing and distribution plant is being built at 3443 Thorndyke Ave W. A 60,200 square foot shopping center with a Whole Foods store is under construction on 15th Ave W. Another 19,577 square foot retail mixed use is planned.

Westlake/Dexter: Area 20-60

This neighborhood is very dense and a few new townhouses have been built. An apartment building on 8th Ave N was completed this year. They have 54 units.

Industrial Ballard/Fremont: Area 20-80

This is a neighborhood in transition and land values have significantly risen because of the change. Several commercial buildings are being started or proposed at this time. Trader Joes is being constructed along 15th Ave NW and NW 46th St, which is zoned IG2 U/65. A new mixed-use building with retail is proposed for 4225 Fremont Ave N. Another mixed-use building is planned for 202 N 36th St in the Fremont neighborhood.

Several older single-family homes have been demolished to make room for attached townhouses. Almost every street has at least one cluster of attached townhouses. This has been the trend in the neighborhood for the last 7 years.

Vacant Land Model

Land values were estimated on a price per square foot of land area based on the sales comparison approach. Location, view, zoning, and development potential were the primary variables considered in the valuation process. Consideration was given for especially favorable and unfavorable locations and for unique site factors such as steep slopes and drainage problems. An increase in land values is recommended to improve uniformity and assessment levels.

The following table summarizes the land valuation model applied to the properties in area 20. All dollar amounts are stated as a price per square foot of land area.

ZONING	20-20 MAGNOLIA	20-30 QUEEN ANNE	20-40 NICKERSON 20-50	20-60 WESTLAKE/ DEXTER	20-80 INDUSTRIA L BALLARD/ FREMONT
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			INTERBAY		
<i>Multi-family</i>					
L-1, L-2	\$80-\$100	\$85-\$120	\$80-\$85	\$110	\$100-\$115
L-3	\$105	\$95-\$150	\$95	\$115	\$120
MR		\$170			
<i>Industrial</i>					
IG1,IG2 IB, IGU	\$60-\$70		\$60-\$70		\$60-\$70
<i>Commercial</i>					
C1-40, C1-30,C1-65	\$80	\$105	\$80	\$100-\$110	\$105
NC2-30, NC2-40, NC2-65	\$85	\$150-\$185	\$85	\$125	\$110
NC3-40, NC3-65			\$85	\$125	\$115-\$120

The total assessed land value for the 2007 assessment year for Area 20 was \$1,835,949,792. The total recommended assessed value for the 2008 assessment year is \$2,227,214,700 which results in a + 21.31% change for the 2008 assessment year.

A list of vacant sales used and those considered not reflective of market are included in the following sections.

Area	Nbhd.	Major	Minor	Land Area	E #	Sale Price	Sale Date	SP / Ld. Area	Property Name	Zone	Par. Ct.	Ver. Code	Remarks
020	030	005200	0070	6,780	2313494	\$250,000	09/26/07	\$36.87	vacant land	L-3 RC	1	15	No market exposure
020	030	173280	0200	8,895	2233286	\$1,295,000	08/24/06	\$145.59	center	NC2-30	1	29	Segregation
020	030	173280	0200	8,895	2114971	\$950,000	04/07/05	\$106.80	teardown	L-3	1	30	segregation
020	030	387990	0756	8,800	2281164	\$1,650,000	04/26/07	\$187.50	apt	L-3	1	36	Plottage
020	040	197220	4889	3,999	2170957	\$390,000	11/21/05	\$97.52	vacant land	MIO-37-	2	16	Government agency
020	040	197220	6145	6,900	2219741	\$875,000	06/29/06	\$126.81	warehouse	C2-40	1	15	No market exposure
020	050	277060	3010	12,000	2229794	\$330,000	08/15/06	\$27.50	vacant	C2-40	1	22	Partial interest (1/3, 1/2, etc.)
020	050	277060	3010	12,000	2218908	\$330,000	06/29/06	\$27.50	vacant	C2-40	1	22	Partial interest (1/3, 1/2, etc.)
020	050	277060	3199	53,325	2305206	\$5,300,000	08/17/07	\$99.39	car wash	C1-40	1	22	Partial interest (1/3, 1/2, etc.)
020	050	277110	0860	4,674	2139154	\$415,000	07/13/05	\$88.79	garage	IG2 U/6	1	36	Plottage
020	050	277110	1440	1,300	2177034	\$12,000	12/19/05	\$9.23	vacant land	IG2 U/4	1	16	Government agency
020	050	766620	1475	31,185	2307957	\$184,437	08/30/07	\$5.91	vacant land	IG2 U/4	1	18	Quit claim deed
020	050	766620	1485	7,800	2307952	\$264,330	08/30/07	\$33.89	vacant land	IG2 U/4	1	18	Quit claim deed
020	050	766620	1560	149,634	2119619	\$5,500,000	04/29/05	\$36.76	vacant	IG2 U/4	6	16	Government agency
020	060	192930	0550	33,213	2189812	\$426,000	02/27/06	\$12.83	vacant land	L-3	4	15	No market exposure
020	060	352890	1015	7,500	2253839	\$1,100,000	12/05/06	\$146.67	apt	L-3	1	36	Plottage
020	060	880790	0350	2,000	2153913	\$510,000	09/09/05	\$255.00	vacant land	C1-65	1	15	No market exposure-1031 exchange
020	080	197220	2775	4,320	2190897	\$721,000	03/06/06	\$166.90	vacant land	NC3-40	1	15	No market exposure
020	080	197220	2775	4,320	2133611	\$250,000	06/22/05	\$57.87	vacant land	NC3-40	1	33	Lease or lease-hold
020	080	197220	3425	8,243	2268128	\$1,565,500	02/21/07	\$189.92	apt	IB U/65	1	15	No market exposure
020	080	197220	3435	10,531	2268123	\$2,000,000	02/26/07	\$189.92	apt	IB U/65	1	15	No market exposure
020	080	276770	2105	29,604	2207356	\$1,550,000	05/11/06	\$52.36	vacant land	IG2 U/6	1	29	Segregation
020	080	276770	3075	5,336	2186190	\$89,400	02/09/06	\$16.75	parking	IB U/65	2	13	Bankruptcy - receiver or trustee
020	080	276830	3190	10,000	2184202	\$900,000	01/27/06	\$90.00	warehouse	IG2 U/6	1	36	Plottage

Improved Parcel Total Values:

Sales Comparison Approach model description

Improved sales for Area 20 were verified by the geographic appraiser and entered into the Frozen Sales File. The sales used range in date from 01/01/2005 to 12/31/2007. Verification consisted of contact with Buyer, Seller or Broker if possible or information from the COMPS InfoSystem, Inc., real estate sales verification service. At the time of sale, information on vacancy and market absorption rates, current and anticipated rents, and the competitive position of the property were also gathered. Sales were then compared to similar properties for valuation. The market comparison approach was primarily used to value commercial condominium units and single-family improvements used for commercial purposes.

Sales comparison calibration

Calibration of the coefficients utilized in the models applied via the sales comparison approach was established by an analysis of sales within each neighborhood. Neighborhoods were treated independent of one another as dictated by the market. Individual prices were applied based on various characteristics deemed appropriate by each market. Specific variables and prices for each neighborhood are discussed in more detail above.

Cost Approach model description

Cost estimates are automatically calculated via the Marshall & Swift Valuation modeling system. Depreciation was based on studies done by Marshall & Swift Valuation Service. The cost was adjusted to the western region and the Seattle area. Cost estimates were relied upon for valuing special use properties where comparable sales data and/or sufficient income and expense information is not available. These properties are typically exempt properties such as churches, schools, public utility buildings, and park improvements. Non-exempt buildings that are valued by the cost method might be daycares, and on-going new construction.

Cost calibration

The Marshall & Swift Valuation modeling system which is built in the Real Property Application is calibrated to the region and the Seattle area.

Income Capitalization Approach model description

The income approach is considered the most reliable approach to valuation in area 20 where relevant income and expense data is available to ascertain market rates. During the sales verification process, an attempt is made to obtain income and expense data from the parties involved in the transactions through interviews or via mail. The information requested includes current and anticipated future rents, operating expense breakdown and assigned responsibility for the expenses, and estimated capitalization rates associated with a sale. In addition, owners, tenants, and agents of non-sale properties are surveyed to collect similar data. Disclosure of this information is not required by law and therefore is often difficult to obtain. The return rate of mail surveys varies and the data can be incomplete. Telephone interviews are dependent upon obtaining a valid number for a knowledgeable party and the opportunity to contact them. Interviews with tenants in the field usually yield rental and expense information only. As a supplement, lease information is gathered from Costar and other websites. In order to calibrate a credible income model, it is necessary to consider data from recognized published sources to assist in developing capitalization rates. These publications tend to report data that is considered relevant to institutional-grade CBD and suburban real estate. The following table recaps the rates as reported by these publications.

Source	Date	Location	Office	Industrial	Retail	Multifamily	Remarks
Colliers Private Capital News	Summer 2007	Puget Sound	6.70%	6.52%	6.37%	5.5%	Transaction size \$1-15M except multifamily
CBE Outlook 2007 in Review	1Q 2008	Puget Sound	6.00%-6.30%		6.50%		Transactions greater than \$5 million
Boulder Net Lease Funds LLC	2Q 2007	State	7.09%	7.71%	7.69%		
Real Capital Analytics	January 2008	National	5.46%	6.46%	6.31%		Weighted Average
Korpacz: PWC	4Q 2007	Pacific NW	7.81%				Institutional Grade
Korpacz: PWC	4Q 2007	National	6.64%-7.24%	6.48%-7.60%	6.68%-7.24%	5.75%	
Puget Sound Business Journal	December 2007	Seattle	5.5%	6.3%	6.0%	5.6%	From Real Capital Analytics, Inc.
Source	Date	Location	Office	Industrial	Retail	Multifamily	Remarks

IRR Viewpoint for 2008	January 2008	Seattle	6.00%-6.25%	6.25%-7.25%	6.00%-6.25%	4.00%	Institutional Grade Properties
Emerging Trends in Real Estate 2008	October 2007	National	5.60%-6.52%	6.25%-6.71%	5.56%-6.36%	5.26%-5.70%	Rates as of July 2007
Dupree & Scott	February 2008	Tri-County				4.51%-4.95%	From RHA Update
Grubb & Ellis Forecast 2008	1Q 2008	Seattle	5.60%-5.90%	6.50%	6.60%	5.50%	Transactions greater than \$5 million-from Real Capital Analytics

In area 20, many of the properties are considered to be non-institutional grade. They may present a higher risk to investors and therefore should be valued at a higher capitalization rate. The following table shows ranges of capitalization rates for institutional and non-institutional grade properties per a survey conducted in January 2008 by PricewaterhouseCoopers LLP.

Institutional		Non-institutional
Market	OAR Range	OAR Range
National Regional Mall	5.00%-9.50%	5.00%-12.00%
National Strip Shopping Ctr	5.80%-9.00%	7.00%-11.00%
National CBD Office	4.50%-9.00%	5.50%-10.00%
National Suburban Office	5.00%-10.50%	5.50%-11.75%
National Flex and R&D	5.50%-9.00%	8.00%-10.00%
National Warehouse	5.00%-8.00%	6.00%-9.50%
National Apartment	3.50%-8.00%	4.50%-11.00%

The preceding tables demonstrate ranges of capitalization rates and trends that are compiled with information that is collected on a national or broad regional scale. This information is reconciled with data specific to the real estate market in area 20 to develop the income model. The range of capitalization rates in the income model for area 20 reflects the variety of properties in this area.

Rental rates, vacancy levels and operating expenses are derived by reconciling all of the information collected through the sales verification process, completed surveys, interviews with tenants, owners, and brokers and the appraiser's independent market research. Quality, effective year, condition, and location are variables considered in the application of the income model to the parcels in the population best suited to be valued via the income approach. Property types in area 20 that are valued by the income approach include, but are not limited to, offices, retail stores, and mixed-use buildings.

Income approach calibration

The models were calibrated after setting base rents by using adjustments on size, quality of construction, and the effective age. When the value of the property by the income approach was less than the land value, a minimal \$1,000 value was allocated to the improvements.

The following tables are the results of an analysis of this information. The tables stratify the major property types for each area and the income parameters that used to set value. Net rental rates were applied to all property types except office buildings over 13,000 square feet and apartment units.

PROPERTY TYPE	OVERALL RENT RANGE	TYPICAL RENT RANGE	EXPENSE	OAR RANGE
Retail, Discount Store, Mixed Use Retail, Supermarket	\$10.00 to \$22.00	\$10.00 to \$20.00	10%	7.00% to 8.25%
Offices Medical Offices Under 13000sq.ft.	\$10.00 to \$24.00	\$12.00 to \$20.00	10%	7.00% to 8.25%
Offices Medical Offices Over 13000sq.ft	\$14.00 to \$26.00	\$14.00 to \$24.00	30%	7.00% to 8.25%
Industrial Warehouse	\$5.00 to \$10.00	\$5.50 to \$7.50	10%	7.00% to 8.25%
Garage/Auto Repair	\$8.00 to \$18.00	\$8.00 to \$17.00	10%	7.00% to 8.25%
Basement Finished Storage Building	\$5.00 to \$8.00	\$5.00 to \$7.50	10%	7.00% to 8.25%
PROPERTY TYPE	OVERALL RENT RANGE	TYPICAL RENT RANGE	EXPENSE	OAR RANGE
Restaurant	\$12.00 to \$24.00	\$12.00 to \$20.00	10%	7.00% to 8.25%

Apartment, Multiple Residence	\$13.00 to \$20.00	\$13.00 to \$18.00	35%	5.0%
Warehouse Office Mezzanines Office	\$9.60 to \$14.00	\$9.60 to \$14.00	10%	7.50% to 8.75%

Reconciliation and/or validation study of calibrated value models including ratio study of hold out samples.

All parcels were individually reviewed for correctness of the model application before final value selection. All of the factors used to establish value by the model were subject to adjustment. The market sales approach is considered the most reliable indicator of value when comparable sales were available, however the income approach was applied to most parcels in order to better equalize comparable properties. Whenever possible, market rents, expenses, and cap rates were ascertained from sales, and along with data from surveys and publications these parameters were applied to the income model. An administrative review of the selected values was made by Bonnie Christensen, Senior Appraiser for quality purposes.

Model Validation

Total Value Conclusions, Recommendations and Validation:

Appraiser judgment prevails in all decisions regarding individual parcel valuation. A value is selected based on general and specific data pertaining to the parcel, the neighborhood, and the market. The Appraiser determines which available value estimate is appropriate and may adjust for particular characteristics and conditions as they occur in the valuation area.

Application of the total value model described above results in improved equity between individual properties as shown by the improvement in the C.O.V. from 11.84% to 9.62%. In addition, the resulting assessment level as measured by the weighted mean ratio is 1.039, which falls within IAAO performance guidelines. These figures are presented in the 2007 and 2008 Ratio Analysis charts included in this report.

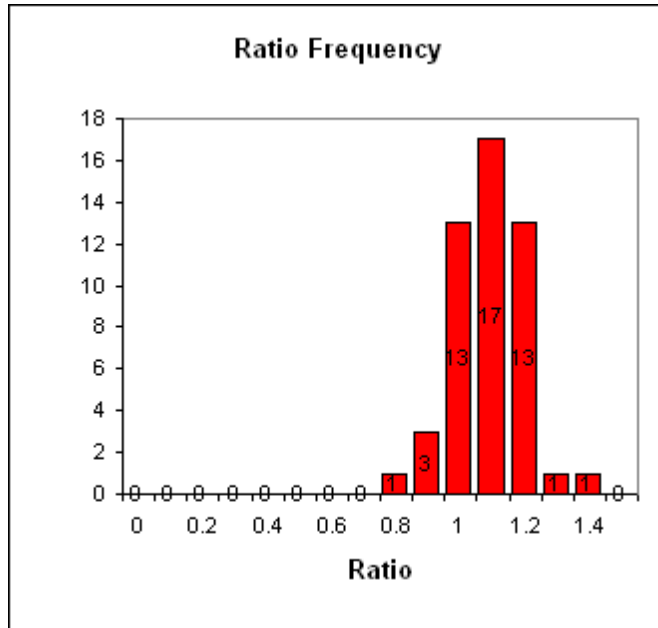
The total value for the 2007 assessment year for Area 20 was \$2,418,622,489. The total recommended assessed value for the 2008 assessment year is \$2,864,189,000. Application

of these recommended values for the 2008 assessment year results in a total change from the 2007 assessments of + 18.42%.

**Area 020 - Magnolia, Queen Anne, Interbay, Nickerson, Ballard, Westlake
2008 Assessment Year**

North Crew	1/1/2008	4/15/2008	1/1/05 - 01/01/08
Area 20	Appr ID: SELF	Prop Type: Improvement	Trend used?: Y / N N

SAMPLE STATISTICS	
<i>Sample size (n)</i>	49
<i>Mean Assessed Value</i>	1,591,100
<i>Mean Sales Price</i>	1,530,700
<i>Standard Deviation AV</i>	1,711,530
<i>Standard Deviation SP</i>	1,571,190
ASSESSMENT LEVEL	
<i>Arithmetic mean ratio</i>	1.046
<i>Median Ratio</i>	1.048
<i>Weighted Mean Ratio</i>	1.039
UNIFORMITY	
<i>Lowest ratio</i>	0.7854
<i>Highest ratio:</i>	1.3240
<i>Coefficient of Dispersion</i>	7.32%
<i>Standard Deviation</i>	0.1006
<i>Coefficient of Variation</i>	9.62%
<i>Price-related Differential</i>	1.01
RELIABILITY	
<i>95% Confidence: Median</i>	
<i>Lower limit</i>	1.004
<i>Upper limit</i>	1.081
<i>95% Confidence: Mean</i>	
<i>Lower limit</i>	1.018
<i>Upper limit</i>	1.074
SAMPLE SIZE EVALUATION	
<i>N (population size)</i>	983
<i>B (acceptable error - in decimal)</i>	0.05
<i>S (estimated from this sample)</i>	0.1006
<i>Recommended minimum:</i>	16
<i>Actual sample size:</i>	49
<i>Conclusion:</i>	OK
NORMALITY	
<i>Binomial Test</i>	
<i># ratios below mean:</i>	24
<i># ratios above mean:</i>	25
<i>z:</i>	0
<i>Conclusion:</i>	Normal*
*i.e., no evidence of non-normality	



These figures reflect assessment levels and uniformity after application of the 2008 recommended values.

Improvement Sales for Area 020 with Sales Used

04/15/2008

Area	Nbhd	Major	Minor	Total NRA	E #	Sale Price	Sale Date	SP / NRA	Property Name	Zone	Par. Ct.	Ver. Code	Remarks
020	020	222503	9060	7,300	2271134	\$1,325,000	03/12/07	\$181.51	retail/health club	NC2-40	1	Y	
020	020	277060	2145	4,250	2262778	\$1,230,000	01/19/07	\$289.41	RESTAURANT	NC2-40	1	Y	
020	020	277110	4305	2,792	2178462	\$500,000	12/28/05	\$179.08	H&H REALTY AND OTHER OFFICES	L-3	1	Y	
020	020	682110	1240	3,022	2160688	\$600,000	10/03/05	\$198.54	restaurant	NC1-30	1	Y	
020	030	173280	0210	5,654	2189117	\$1,350,000	02/28/06	\$238.77	RETAIL	NC2-30	1	Y	
020	030	179450	0070	3,090	2261011	\$935,000	01/09/07	\$302.59	retail converted imp	NC2-40	1	Y	
020	030	239710	1416	7,040	2131290	\$1,200,000	06/13/05	\$170.45	RETAIL & APT	NC1-30	1	Y	
020	030	532920	0005	6,650	2186298	\$2,849,100	02/06/06	\$428.44	Trinity Building	NC1-30	1	Y	
020	040	197220	6060	13,720	2242503	\$2,800,000	10/10/06	\$204.08	INFLATABLE BOAT WORKS	C2-40	1	Y	
020	040	197220	6240	7,914	2184651	\$1,100,000	01/30/06	\$138.99	METAL CRAFT FABRICATORS	C2-40	1	Y	
020	040	197220	6820	17,744	2158020	\$1,900,000	09/26/05	\$107.08	DIERS BINDERY	C2-40	1	Y	
020	040	197220	6855	6,169	2112802	\$1,325,000	03/31/05	\$214.78	CANAL PARK OFFICE	C2-40	1	Y	
020	050	277060	2600	11,781	2259136	\$2,100,000	01/03/07	\$178.25	DICKINSON EQUIPMENT CO	IG2 U/4	1	Y	
020	050	277060	2740	9,580	2210844	\$1,700,000	05/31/06	\$177.45	office	C2-40	1	Y	
020	050	277060	7260	9,000	2118959	\$1,500,000	04/22/05	\$166.67	COMMERCE CENTER 4240	IG2 U/6	1	Y	
020	050	277060	7405	4,682	2189191	\$750,000	02/27/06	\$160.19	STORDAHL OFFICE AND WHSE	IG2 U/6	1	Y	
020	050	277060	7445	5,884	2136656	\$655,636	06/30/05	\$111.43	COSENTINO	IG2 U/6	1	Y	
020	050	277060	7500	6,517	2252400	\$800,000	11/15/06	\$122.76	warehouse/office	IG2 U/6	1	Y	
020	050	277110	0225	14,929	2173897	\$1,630,000	12/06/05	\$109.18	SEABOARD BUILDING	IG2 U/6	1	Y	
020	050	277110	0445	17,538	2179421	\$2,462,500	12/10/05	\$140.41	SALMON BAY FISHERIES BLDG	IG2 U/6	1	Y	
020	050	277110	0480	10,355	2218651	\$2,215,500	06/20/06	\$213.95	SALMON BAY OFFICE BLDG	IG2 U/6	1	Y	
020	050	277160	2600	113,430	2238737	\$10,025,000	09/11/06	\$88.38	GM NAMEPLATE	C1-40	3	Y	
020	050	277160	5365	56,088	2312027	\$6,500,000	09/24/07	\$115.89	2 WAREHOUSES	IG1 U/4	1	Y	
020	050	423790	0495	8,550	2162580	\$700,000	10/05/05	\$81.87	COMMODORE CO	IB U/45	1	Y	
020	060	192504	9020	15,544	2095015	\$2,500,000	01/04/05	\$160.83	APPLE PRESS	C1-65	1	Y	
020	060	192930	0620	2,927	2261009	\$750,000	01/11/07	\$256.24	OFFICE & APT	L-3	1	Y	
020	080	165800	0020	3,241	2288779	\$920,000	05/30/07	\$283.86	COBRIZO CONDOMINIUM	C1-40	1	Y	
020	080	193130	0585	15,707	2204937	\$2,130,000	05/05/06	\$135.61	4000 AURORA BUILDING	C1-40	1	Y	
020	080	193130	0865	5,100	2211865	\$774,600	06/02/06	\$151.88	C.S.M. SALES & SERVICE	C1-40	1	Y	
020	080	193130	1065	2,440	2206175	\$1,350,000	05/04/06	\$553.28	mix use	C1-40	2	Y	
020	080	193130	1070	3,014	2196299	\$520,000	03/22/06	\$172.53	SEATTLE REGISTER SYSTEMS	C1-40	1	Y	
020	080	197220	3125	6,978	2326715	\$1,085,153	12/27/07	\$155.51	retail	NC3-65	1	Y	
020	080	197220	3655	4,755	2135712	\$1,261,225	06/28/05	\$265.24	Fremont Courtyard Building	IB U/45	2	Y	
020	080	197220	3665	4,800	2181092	\$975,000	01/11/06	\$203.13	Touchstone Bakery	IB U/45	1	Y	
020	080	197220	3685	9,540	2226079	\$1,700,000	07/26/06	\$178.20	The Edge of Glass/Habitude	IB U/45	1	Y	

Improvement Sales for Area 020 with Sales Used

04/15/2008

Area	Nbhd	Major	Minor	Total NRA	E #	Sale Price	Sale Date	SP / NRA	Property Name	Zone	Par. Ct.	Ver. Code	Remarks
020	080	198220	1965	3,834	2163942	\$900,000	10/19/05	\$234.74	MR J'S DELI MART	IB U/45	1	Y	
020	080	251600	0010	6,955	2203467	\$1,035,000	04/28/06	\$148.81	NORTHWEST BOLT & NUT	IG2 U/6	1	Y	
020	080	276770	3305	5,162	2145998	\$665,000	08/10/05	\$128.83	B & W FIXTURES	IB U/65	1	Y	
020	080	276830	1555	3,050	2269286	\$725,000	02/28/07	\$237.70	WHSE/OFFICE	IB U/45	1	Y	
020	080	276830	1710	3,000	2135831	\$550,000	06/27/05	\$183.33	INDUSTRIAL BLDG	IB U/45	1	Y	
020	080	276830	2155	8,336	2172959	\$1,350,000	11/29/05	\$161.95	WAREHOUSE	IB U/45	2	Y	
020	080	276830	2505	9,660	2107552	\$700,000	02/28/05	\$72.46	NEUVANT	IG2 U/6	1	Y	
020	080	276830	2560	6,017	2140251	\$950,000	07/18/05	\$157.89	LEO'S AUTO CLINIC/espresso stand	IG2 U/6	1	Y	
020	080	276830	2780	7,060	2161371	\$700,000	10/11/05	\$99.15	CUSTOM EMBROIDERY & PONCHING	IG2 U/6	1	Y	
020	080	441310	0005	9,058	2228218	\$1,690,100	08/08/06	\$186.59	mix use	IB U/45	1	Y	
020	080	569350	0475	3,900	2187857	\$885,000	02/13/06	\$226.92	BUCKAROO TAV	L-3 RC	1	Y	
020	080	569350	0635	1,610	2248262	\$550,000	11/02/06	\$341.61	FREMONT CLASSIC PIZZERIA	NC2-40	1	Y	
020	080	867340	0270	14,400	2211355	\$1,183,210	05/31/06	\$82.17	FEN PRO	IG2 U/65	1	Y	
020	080	952110	0635	3,878	2276215	\$1,000,000	04/04/07	\$257.86	Chelsea Station	L-1	1	Y	

Area	Nbhd	Major	Minor	Total NRA	E #	Sale Price	Sale Date	SP / NRA	Property Name	Zone	Par. Ct.	Ver. Code	Remarks
020	020	026900	1275	49,900	2186531	\$16,000	01/20/06	\$0.32	SCHOOL	SF 5000	1	24	Easement or right-of-way
020	020	137080	4550	5,460	2322812	\$1,600,000	11/30/07	\$293.04	MAGNOLIA MEDICAL CENTER	NC2-40	1	15	No market exposure
020	020	277060	2440	2,016	2175665	\$350,000	12/15/05	\$173.61	office	NC2-40	1	15	No market exposure
020	020	277110	4030	3,200	2126840	\$585,000	05/20/05	\$182.81	CORNER STORE-GROCERY	L-3	1	51	Related party, friend, or neighbor
020	030	080900	3055	5,160	2265659	\$1,500,000	02/14/07	\$290.70	QUEEN ANNE DENTAL GROUP	NC1-30	1	15	No market exposure
020	030	178450	0010	1,013	2214814	\$200,000	06/15/06	\$197.43	COUNTERBALANCE CONDOMINIUM	NC2-40	3	15	No market exposure
020	030	178450	0010	1,013	2306401	\$580,000	08/23/07	\$572.56	COUNTERBALANCE CONDOMINIUM	NC2-40	3	15	No market exposure
020	030	179450	0145	2,520	2292022	\$1,510,000	06/12/07	\$599.21	RETAIL	NC2-40	1	15	No market exposure
020	030	179450	0780	2,068	2254461	\$2,000	12/04/06	\$0.97	PASTA & CO	NC2-40	1	18	Quit claim deed
020	030	242503	9014	13,278	2308229	\$1,560,000	08/28/07	\$117.49	CHURCH OF CHRIST SCIENTIST	SF 5000	1	17	Non-profit organization
020	030	423290	1005	6,597	2250591	\$2,800,000	11/16/06	\$424.44	Queen Anne's Station	NC2-40	1	13	Bankruptcy - receiver or trustee
020	030	423290	3340	2,685	2318421	\$1,025,000	10/26/07	\$381.75	OFFICES-CONVERTED HOUSE	NC2-30	1	15	No market exposure
020	030	927020	0005	68,564	2202072	\$17,500	04/13/06	\$0.26	FRANTZ H COE ELEMENTARY SCHOOL	SF 5000	1	24	Easement or right-of-way
020	030	943140	0020	879	2276369	\$420,000	03/30/07	\$477.82	WILLOWS ON TENTH, THE CONDOMINIUM	NC1-40	1	15	No market exposure
020	050	277060	2705	4,015	2159048	\$1,300,000	09/28/05	\$323.79	PANDA RESTAURANT	C2-40	1	19	Seller's or purchaser's assignment
020	050	277060	2765	1,470	2231178	\$750,000	08/18/06	\$510.20	SOUND TRACK TAVERN	C2-40	1	36	Plottage
020	050	277060	2940	7,600	2189035	\$500,000	02/27/06	\$65.79	BENLA CO HOT WATER TANKS	C2-40	1	51	Related party, friend, or neighbor
020	050	277060	2940	7,600	2189030	\$250,000	02/27/06	\$32.89	BENLA CO HOT WATER TANKS	C2-40	1	51	Related party, friend, or neighbor
020	050	277060	3030	10,038	2334771	\$177,790	12/27/07	\$17.71	INTERBAY COVENANT CHURCH	C2-40	1	31	Exempt from excise tax
020	050	277060	3977	7,630	2122069	\$1,235,000	05/11/05	\$161.86	ALLIED SAFE & VAULT	NC3-40	2	15	No market exposure
020	050	277060	6110	3,580	2301965	\$800,000	07/26/07	\$223.46	WAREHOUSE & OFFICE	IG2 U/6	1	15	No market exposure
020	050	277060	6400	10,000	2327558	\$1,500,000	12/28/07	\$150.00	whse	IG2 U/6	1	15	No market exposure
020	050	277060	7110	7,564	2323163	\$1,145,000	11/29/07	\$151.37	AIRCRAFT STANDARDS INC	IG2 U/6	1	22	1031 trade
020	050	277110	0215	3,192	2135989	\$845,000	06/27/05	\$264.72	OFFICES	IG2 U/6	1	26	Change of use
020	050	277110	0800	3,240	2118613	\$735,000	04/28/05	\$226.85	SHOP BLDG	IG2 U/6	1	15	No market exposure
020	050	277110	0905	9,260	2310304	\$2,750,000	09/06/07	\$296.98	OFFICE/WAREHOUSE	IG2 U/6	1	15	No market exposure
020	050	277110	1030	4,925	2308403	\$1,600,000	08/30/07	\$324.87	whse	IG2 U/6	1	15	No market exposure
020	050	277110	2250	57,604	2266379	\$4,043,266	02/20/07	\$70.19	OFFICE & WAREHOUSE	IG2 U/4	1	22	Partial interest (1/3, 1/2, etc.)
020	050	277110	2340	5,850	2302601	\$644,500	11/09/05	\$110.17	WAREHOUSE	IG2 U/4	1	11	Corporate affiliates
020	050	277160	0925	21,921	2217011	\$3,000,000	06/20/06	\$136.86	Office	C1-40	1	33	Lease or lease-hold
020	050	766620	1705	1,323	2151105	\$703,300	08/26/05	\$531.59	BUDGET BATTERIES	IG2 U/4	1	44	Tenant
020	060	880790	0335	1,683	2309994	\$400,000	07/31/07	\$237.67	cafe	C1-65	1	11	Corporate affiliates
020	060	880790	0355	3,028	2154628	\$647,500	09/15/05	\$213.84	office/storage	C1-65	1	36	Plottage
020	080	012400	0125	4,774	2302301	\$1,700,000	07/30/07	\$356.10	BALLARD ANIMAL HOSPITAL	IB U/45	1	15	No market exposure
020	080	165800	0010	1,134	2169157	\$260,000	11/14/05	\$229.28	COUNSELING CENTER	C1-40	1	44	Tenant
020	080	193130	0185	8,352	2304470	\$750,000	08/01/07	\$89.80	CHURCH	SF 5000	1	15	No market exposure
020	080	197220	2880	8,458	2241843	\$1,865,000	10/03/06	\$220.50	Retail/Office	NC3-40	1	22	Partial interest (1/3, 1/2, etc.)
020	080	197220	3950	1,282	2198644	\$600,000	04/10/06	\$468.02	Retail/Office	IG2 U/6	1	15	No market exposure
020	080	197220	3995	3,235	2263120	\$1,500,000	01/30/07	\$463.68	Henson's Masonry	IG2 U/6	1	15	No market exposure
020	080	197220	4085	32,806	2283248	\$8,279,000	05/07/07	\$252.36	NORTH CANAL OFFICE PARK	IG2 U/6	1	48	Condo with garage, moorage, or stora
020	080	198220	1965	3,834	2308769	\$800,000	08/31/07	\$208.66	MR J'S DELI MART	IB U/45	1	15	No market exposure

Area	Nbhd	Major	Minor	Total NRA	E #	Sale Price	Sale Date	SP / NRA	Property Name	Zone	Par. Ct.	Ver. Code	Remarks
020	080	276770	2070	3,400	2110825	\$276,752	03/25/05	\$81.40	HILL AUTO PARTS	IG2 U/6	1	51	Related party, friend, or neighbor
020	080	276770	2215	4,164	2272911	\$468,000	03/21/07	\$112.39	THERMO-SONIC GLASS	IG2 U/6	1	51	Related party, friend, or neighbor
020	080	276770	2460	2,138	2201192	\$435,000	04/18/06	\$203.46	MARINE WORKS INC	IG2 U/6	1	15	No market exposure
020	080	276830	0465	5,307	2194924	\$1,575,000	03/23/06	\$296.78	Light Manufacturing	IG2 U/6	1	13	Bankruptcy - receiver or trustee
020	080	276830	0840	4,088	2252161	\$757,500	11/27/06	\$185.30	CABINET SHOP & HOUSE	IG2 U/6	1	36	Plottage
020	080	276830	1085	2,014	2257509	\$535,000	12/22/06	\$265.64	RESIDENCE AND WAREHOUSE	IB U/45	1	44	Tenant
020	080	276830	2690	68,101	2182806	\$23,150,000	01/20/06	\$339.94	The Ballard Lofts	IG2 U/6	1	15	No market exposure
020	080	569400	0190	6,932	2296376	\$1,800,000	07/03/07	\$259.67	AMERICAN MUSIC	NC2-40	1	1	Personal property included
020	080	569400	0810	3,982	2322414	\$1,550,000	11/23/07	\$389.25	RETAIL	NC2-40	1	51	Related party, friend, or neighbor
020	080	569400	1050	9,716	2144819	\$405,000	07/26/05	\$41.68	ST PAUL ENGLISH LUTHERAN CH	NC2-40	1	31	Exempt from excise tax
020	080	661000	0206	6,004	2096170	\$550,000	01/03/05	\$91.61	MR BILL'S FOOD STORE	SF 5000	1	15	No market exposure