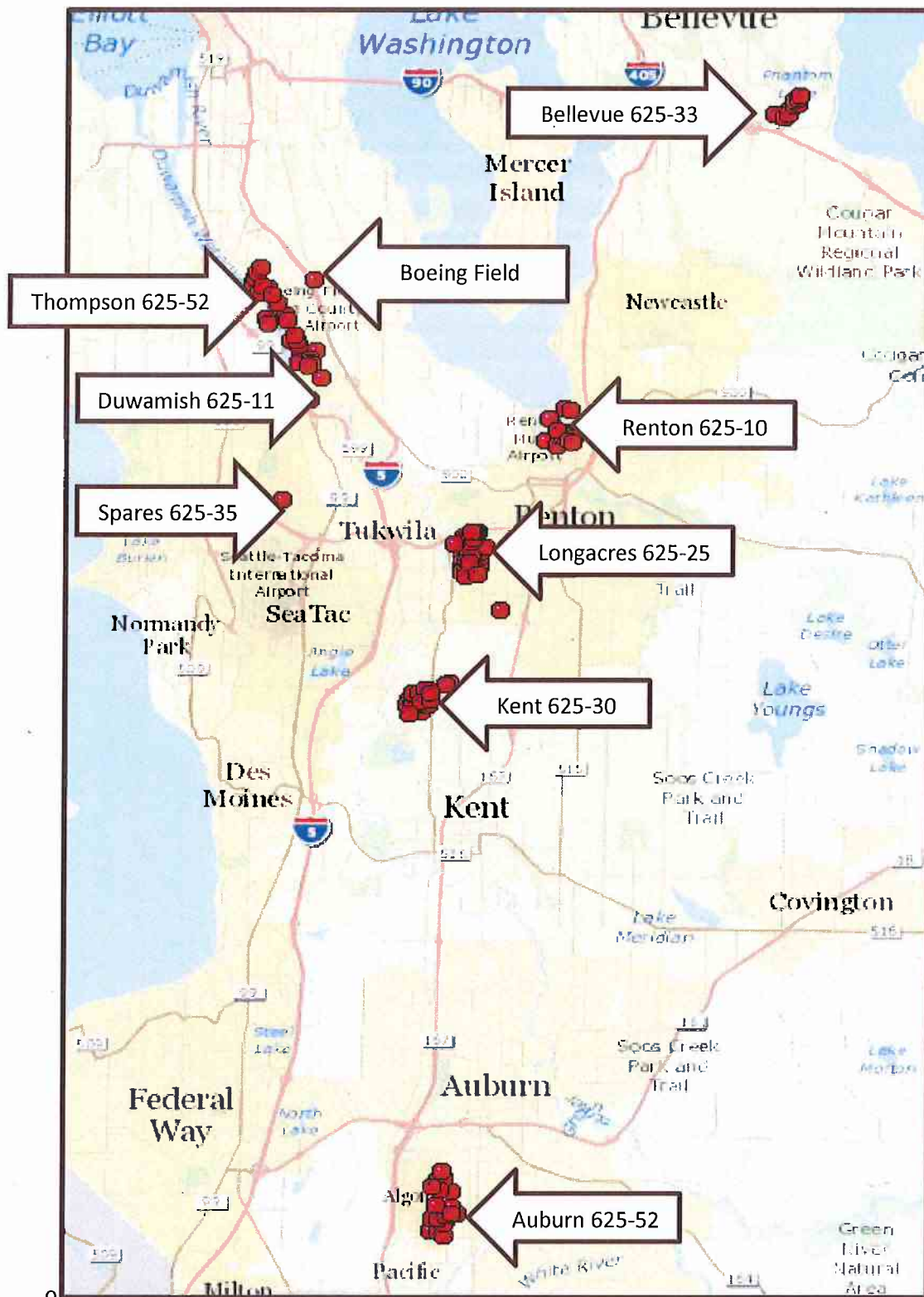


2015 COMMERCIAL REVALUE
KING COUNTY, DEPARTMENT OF ASSESSMENTS
SEATTLE, WASHINGTON
LLOYD HARA, ASSESSOR



BOEING 737

AREA 625
BOEING PROPERTIES



KING COUNTY BOEING PROPERTIES



King County

Department of Assessments

King County Administration Bldg.
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Lloyd Hara
Assessor

As we start preparations for the 2015 property assessments, it is helpful to remember that the mission and work of the Assessor's Office sets the foundation for efficient and effective government and is vital to ensure adequate funding for services in our communities. Maintaining the public's confidence in our property tax system requires that we build on a track record of fairness, equity, and uniformity in property assessments. Though we face ongoing economic challenges, I challenge each of us to seek out strategies for continuous improvement in our business processes.

Please follow these standards as you perform your tasks.

- Use all appropriate mass appraisal techniques as stated in Washington State Laws, Washington State Administrative Codes, Uniform Standards of Professional Appraisal Practice (USPAP), and accepted International Association of Assessing Officers (IAAO) standards and practices.
- Work with your supervisor on the development of the annual valuation plan and develop the scope of work for your portion of appraisal work assigned, including physical inspections and statistical updates of properties;
- Where applicable, validate correctness of physical characteristics and sales of all vacant and improved properties.
- Appraise land as if vacant and available for development to its highest and best use. The improvements are to be valued at their contribution to the total in compliance with applicable laws, codes and DOR guidelines. The Jurisdictional Exception is applied in cases where Federal, State or local laws or regulations preclude compliance with USPAP;
- Develop and validate valuation models as delineated by IAAO standards: Standard on Mass Appraisal of Real Property and Standard on Ratio Studies. Apply models uniformly to sold and unsold properties, so that ratio statistics can be accurately inferred to the entire population.
- Prepare written reports in compliance with USPAP Standard 6 for Mass Appraisals. The intended users of your appraisals and the written reports include the public, Assessor, the Boards of Equalization and Tax Appeals, and potentially other governmental jurisdictions. The intended use of the appraisals and the written reports is the administration of ad valorem property taxation.

Lloyd Hara
King County Assessor



King County

Department of Assessments

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Lloyd Hara
Assessor

Dear Property Owners:

Property assessments for the 2015 assessment year are being completed by my staff throughout the year and change of value notices are being mailed as neighborhoods are completed. We value property at fee simple, reflecting property at its highest and best use and following the requirement of RCW 84.40.030 to appraise property at true and fair value.

We have worked hard to implement your suggestions to place more information in an e-Environment to meet your needs for timely and accurate information. The following report summarizes the results of the 2015 assessment for this area. (See map within report). It is meant to provide you with helpful background information about the process used and basis for property assessments in your area.

Fair and uniform assessments set the foundation for effective government and I am pleased that we are able to make continuous and ongoing improvements to serve you.

Please feel welcome to call my staff if you have questions about the property assessment process and how it relates to your property.

Sincerely,

Lloyd Hara
Assessor

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Executive Summary Report

Appraisal Date 1/1/2015 – 2015 Assessment Year

Specialty Assignment: Boeing

Area Numerical Designation: 625

Population Summary

	Land*	Improvements	Total
2014 Value	\$393,818,500	\$852,938,900	\$1,246,757,400
2015 Value	\$415,220,800	\$832,725,100	\$1,247,945,900
Percent Change	+5.43%	-2.37%	+.10%

* Land value totals for both years exclude contaminated properties

Population: There are 139 tax parcels in the Boeing specialty.

Conclusion and Recommendation:

The values recommended in this report improve uniformity of values. We recommend posting them for the 2015 Assessment Year.

Analytical Process

Specialty

- Specialty Area 625, Boeing

Analysis Process

Effective Date of Appraisal: January 1, 2015

Date of Appraisal Report: July 2, 2015

Highest and Best Use Analysis:

As if vacant: Market analysis of the area, together with current zoning, current and anticipated use patterns, indicate the highest and best use of the land. The highest and best use of a property must be reasonably probable, legally permissible, physically possible, financially feasible and maximally productive.

As if improved: Based on neighborhood trends, both demographic and current development patterns, the existing improvements represent the highest and best use of most sites.

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, Departures and Limiting Conditions

The sales comparison, income and cost approaches to value were considered for this mass appraisal valuation.

- This report is intended to meet the requirements of the Uniform Standards of Professional Appraisal Practice, Standard 6.

Identification of the Area

Name or Designation: Specialty Area: Boeing -625

Boundaries: All of King County

Maps:

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

Area Description:

All Boeing owned properties within the boundaries of King County Washington.

Specialty Description:

Boeing is the world's leading aerospace company and the largest manufacturer of commercial jetliners and military aircraft (combined). The company is organized into two business units: Boeing Commercial Airplanes (BCA) and Boeing Defense, Space & Security (BDS). BCA, headquartered in Renton, is organized into five airplane programs, VIP-derivative airplanes, extensive fabrication and assembly facilities, and a customer support division. The major commercial airplane facilities in King County are located in Seattle, Renton, and Auburn. The Kent Space Center and work groups at the Developmental Center Campus and Thompson Site are part of the BDS business unit, which is headquartered in St. Louis, Missouri.

The Renton site began manufacturing operations in 1941. It has been home to many of commercial aviation's most renowned airplanes. Renton currently produces The-Next-Generation 737 airplanes, which includes the Boeing Business Jet and the company's newest 737 derivative, as well as the P-8A Poseidon, a maritime patrol and reconnaissance aircraft being built for the U.S. Navy. The 737 is the best-selling jet airliner in the history of aviation. The 737 has been continuously manufactured by Boeing since 1967 and orders remain unfulfilled as of year-end 2014.

The Auburn plant, opened in 1966, is the headquarters for Boeing's Fabrication Division. It is the largest airplane parts plant in the world with 265,000 part numbers currently manufactured here. This location is considered BCA's area of excellence for emergent operations, complex precision machining, and specialty production focused on advanced metal structures.

Seattle is home to the Developmental Center, Plant 2/Boeing Field, the Thompson Site, Spares Distribution Center, and South Park. The Seattle locations are primarily in the BCA services unit and provide customer support, maintenance, training, and various other services. In addition to these locations, Boeing owns and/or occupies office properties in Tukwila, Bellevue and the BCA group headquarters at Longacres Industrial Park in Renton.

Boeing's Commercial Aviation Services support has relocated numerous jobs to Long Beach California. The Developmental Center campus is adjacent to Plant II. This location provides services for both the Boeing Commercial Airplanes and Boeing Defense, Space & Security groups through new commercial airplane and military aircraft design and development.

State of the Boeing market¹:

Boeing Names Muilenburg Chief Executive Officer

- McNerney remains board chairman; Muilenburg joins board
- Conner continues as vice chairman
- Succession rigor, timeline to aid smooth transition

CHICAGO, June 23, 2015 The Boeing board of directors has elected Dennis A. Muilenburg the company's 10th chief executive, succeeding W. James (Jim) McNerney, Jr., who held the position for the past 10 years. Muilenburg, who has served as Boeing president and chief operating officer since 2013, becomes president and CEO on July 1. McNerney, who joined Boeing's board of directors in 2001, continues as its chairman. To ensure a smooth transition of his CEO responsibilities to Muilenburg, he will continue working as a company employee until retiring at the end of February 2016, and continue advocating on issues important to Boeing's U.S. and global customers, partners and stakeholders, including ongoing Washington, D.C., engagement. Kenneth M. Duberstein,

¹ Boeing.com

Boeing's independent lead director, continues in that capacity, and Muilenburg has been elected a member of the board.

"Dennis is an extremely capable, experienced and respected leader with an immense passion for our company, our people, and our products and services," said McNerney, who made priorities of succession planning and leadership development at the outset of his tenure. "As CEO, Dennis will bring a rich combination of management skills, customer focus, business and engineering acumen, a can-do spirit and the will to win. With a deep appreciation of our past accomplishments, and the energy and skill to drive those to come, he is well suited to lead our very talented Boeing team into its second century," he added.

Muilenburg, 51, is a 30-year company veteran. Along with Boeing Commercial Airplanes President and CEO Raymond L. Conner, he also has served since 2013 as company vice chairman. Conner, 60, remains in charge of the \$60 billion Commercial Airplanes unit and will serve as sole company vice chairman, where he will continue working closely with Muilenburg on key corporate processes and integrating cross-enterprise strategies and efficiencies.

"The opportunity to lead the people of Boeing in service to our commercial and government customers is a tremendous honor and responsibility," said Muilenburg. "Our company is financially strong and well positioned in our markets. As we continue to drive the benefits of integrating our enterprise skills, capabilities and experience – what we call operating as 'One Boeing' – we will find new and better ways to engage and inspire employees, deliver innovation that drives customer success, and produce results to fuel future growth and prosperity for all our stakeholders."

On behalf of the company's board of directors, Duberstein saluted both Muilenburg and McNerney. "We have high confidence in Dennis, who has distinguished his career by taking on tough challenges and delivering results," said Duberstein. "In a decade as CEO, Jim restored the vitality, focus and reputation of a storied American company, and we thank him for his extraordinary leadership and congratulate him on his success," he said. McNerney, 65, was elected Boeing chairman, president and chief executive officer in 2005. During his tenure, the company recaptured the global lead in commercial airplane deliveries with steady increases in production and a comprehensive update of its product line; maintained a strong position in defense markets despite a downturn in U.S. military spending; restored Boeing's historic leadership in human spaceflight with major new program wins; and expanded its engineering and manufacturing footprint inside and outside the United States.

Also, with a relentless focus on internal productivity to fund investments in innovation and growth, Boeing's financial performance steadily improved under McNerney, with revenue rising 73 percent to a record \$90.8 billion last year from \$52.5 billion in 2004,

the year before he became CEO. Backlog and earnings per share tripled over the period, also to record levels.

In his most recent role, Muilenburg shared with McNerney oversight of day-to-day business operations with a focus on the company's growth and productivity initiatives, key customer relationships and leadership-development programs. Prior to that he served since 2009 as president and CEO of Boeing Defense Space & Security, the company's \$31 billion, 53,000-person business unit headquartered in St. Louis. Previously, he was president of the unit's Global Services & Support business, and before that, he led Boeing's Combat Systems division.

Muilenburg joined Boeing's engineering ranks as an intern in Seattle in 1985. He earned a bachelor's degree in aerospace engineering from Iowa State University and a master's in aeronautics and astronautics from the University of Washington. He held numerous program management and engineering positions of increasing responsibility early in his career, including on the company's High Speed Civil Transport, F-22, Airborne Laser and Condor reconnaissance aircraft.

SOURCE Boeing

Boeing Forecasts World Air Cargo Traffic to Double in Next 20 Years

4.7 percent average annual growth rate projected Cargo market recovery continues to strengthen

SEOUL, South Korea, Oct. 7, 2014 Boeing projects air cargo traffic will grow at an annual rate of 4.7 percent over the next 20 years, with global air freight traffic expected to more than double by 2033. The company released its biennial World Air Cargo Forecast at the International Air Cargo Forum and Exhibition earlier today.

"We see strong signs of a recovery as air freight traffic levels continue to strengthen after several years of stagnation," said Randy Tinseth, vice president of Marketing, Boeing Commercial Airplanes. "The air cargo market is now growing at nearly the long-term rates."

World air cargo traffic began to grow again in second quarter of 2013 with growth reaching 4.4 percent for the first seven months of 2014, compared to the same period a year earlier. If this trend continues, 2014 will be the highest growth year for the air freight industry since 2010.

Much of the weak air cargo growth in the previous years can be attributed to two principal causes – an underperforming world economy and lackluster trade growth, particularly in those traditional commodities served by the air cargo industry.

The new Boeing forecast shows Asia-North America and Europe-Asia will continue to be the dominant world air cargo markets with the most traffic volume. Intra-Asia, domestic China and Asia-North America markets are expected to have the fastest rates of growth over the next 20 years.

Boeing Reports Environmental Progress

- Annual Environment Report showcases innovation to improve environmental performance of products, operations
- Highlights include testing new technologies, developing sustainable aviation biofuel, increasing use of renewable energy

CHICAGO, June 5, 2015 Boeing today released its 2015 Environment Report highlighting the company's increased use of renewable energy, testing of environmentally promising technologies and other progress toward improving the environmental performance of its products, services and operations.

"Boeing is committed to further innovation to improve the environmental performance of our products, our services and our industry," said Chairman and Chief Executive Officer Jim McNerney. "As we prepare for our second century of innovation and leadership, we do so with a clear view of our planet, our responsibility to future generations and the ways in which our teams are changing the world."

The report updates Boeing's major facilities' performance to the environmental targets of zero growth by 2017 in greenhouse gas emissions, water intake, hazardous waste generation and solid waste sent to landfills. It also shows how Boeing employees demonstrate their environmental commitment through education, preservation and conservation activities in the communities where they live and work.

Physical Inspection Identification:

WAC 458-07-015 requires each property to be physically inspected at least once during a 6 year revaluation cycle. At a minimum, an exterior observation of the properties is made to verify the accuracy and completeness of property characteristic data that affect value. Property records are updated in accordance with the findings of the physical inspection. The Boeing Auburn properties were physically inspected for the 2015 assessment year. The inspection comprised 10 parcels with 22 buildings, or approximately 7% of the 139 total parcels located in the specialty (not including government-owned properties).

Physical Inspection

The following properties were physically inspected for the 2015 assessment year:

Major	Minor	Property Name
242104	9069	BOEING AUBURN PLANT (17-04, -06, -09, -13, -16, -29, -31, -79, -84)
242104	9089	BOEING AUBURN PLANT (BLDGS 17-70, 17-71)
242104	9091	BOEING PROPERTY
242104	9092	BOEING PROPERTY
252104	9104	BOEING AUBURN PLANT (BLDG 17-68)
252104	9105	BOEING AUBURN PLANT (BLDGS 17-08, 17-66)
252104	9106	BOEING AUBURN PLANT (BLDGS 17-45, 17-44)
252104	9107	BOEING AUBURN PLANT (BLDGS 17-07, 17-10, 17-12)
252104	9108	BOEING PROPERTY (BLDG 17-15)
252104	9111	BOEING TRANSPORTATION TERMINAL (BLDGS NO.17-64, 17-67)

Auburn is the heart of Boeing's parts fabrication in King County. Over 2.25 million square feet are dedicated fabrication of specialty parts and emergent technology that support the commercial airplane production in Renton and Everett.

It's the need for emergent support that underlines why Boeing keeps parts-production resources in Auburn. Immediate shipside support for final assembly will always be required, as will onsite support for customers around the world 24 hours a day. The site's history is rooted in this reason for being and, over time, Auburn became the industry leader known for quickly delivering unique, quality parts.

But it's also the exotic work that makes the site vital to Boeing's competitive present and future. True to the mission to create commercial aviation's "game changer," Auburn serves an exciting role helping develop new materials, manufacturing techniques, engineering test parts and tooling for the Boeing 787 Dreamliner.

Unique skills, processes, systems and manufacturing capabilities form Auburn's hallmark. Auburn's the place for super-plastic forming, diffusion bonding and technology leadership for hot-forming hard metals. And the site continues to produce a wide range of "lifeline" and critical parts where it offers best value to Boeing².



KEN DEJARLAIS PHOTO

Jim Bergman runs one of the large, five-axis milling machines found in the sprawling Auburn Machining 17-07 building. The unit's complex machining expertise is used to create critical specialty parts such as the bearing housing used in the landing gear of a Boeing 777.

Boeing has a high degree of environmental awareness and takes active steps to reduce its footprint. An example, Auburn fabrication collects all the small metal shavings and recycles on average seven railroad cars of metal each week. They also have elaborate collection systems to eliminate dust from discharging into the local environment.

² Deborah. B. Dustman @Boeing.com

*2015 Physically Inspected Parcels
Boeing Auburn*

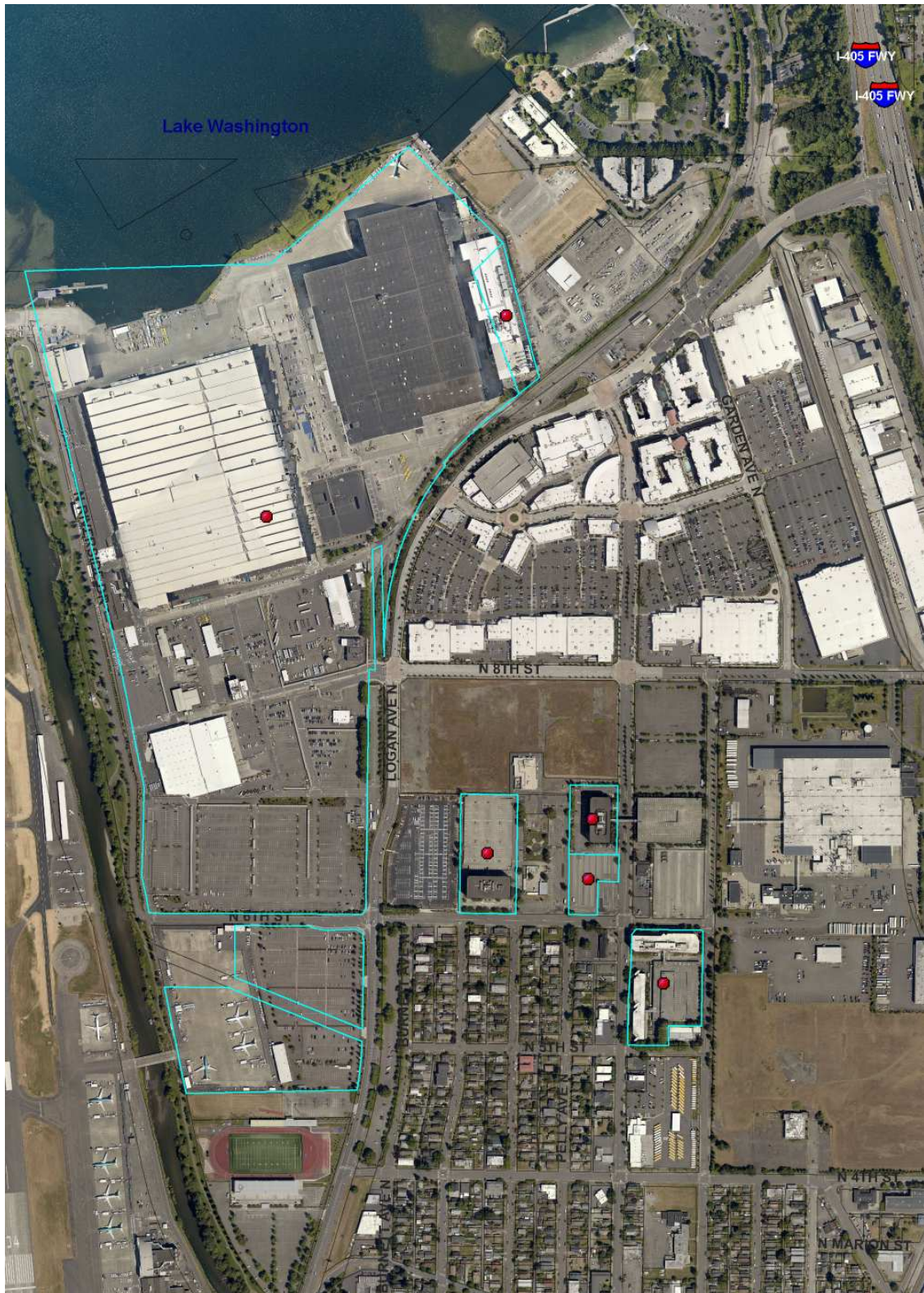


The following are aerial photos of the Boeing properties in King County:

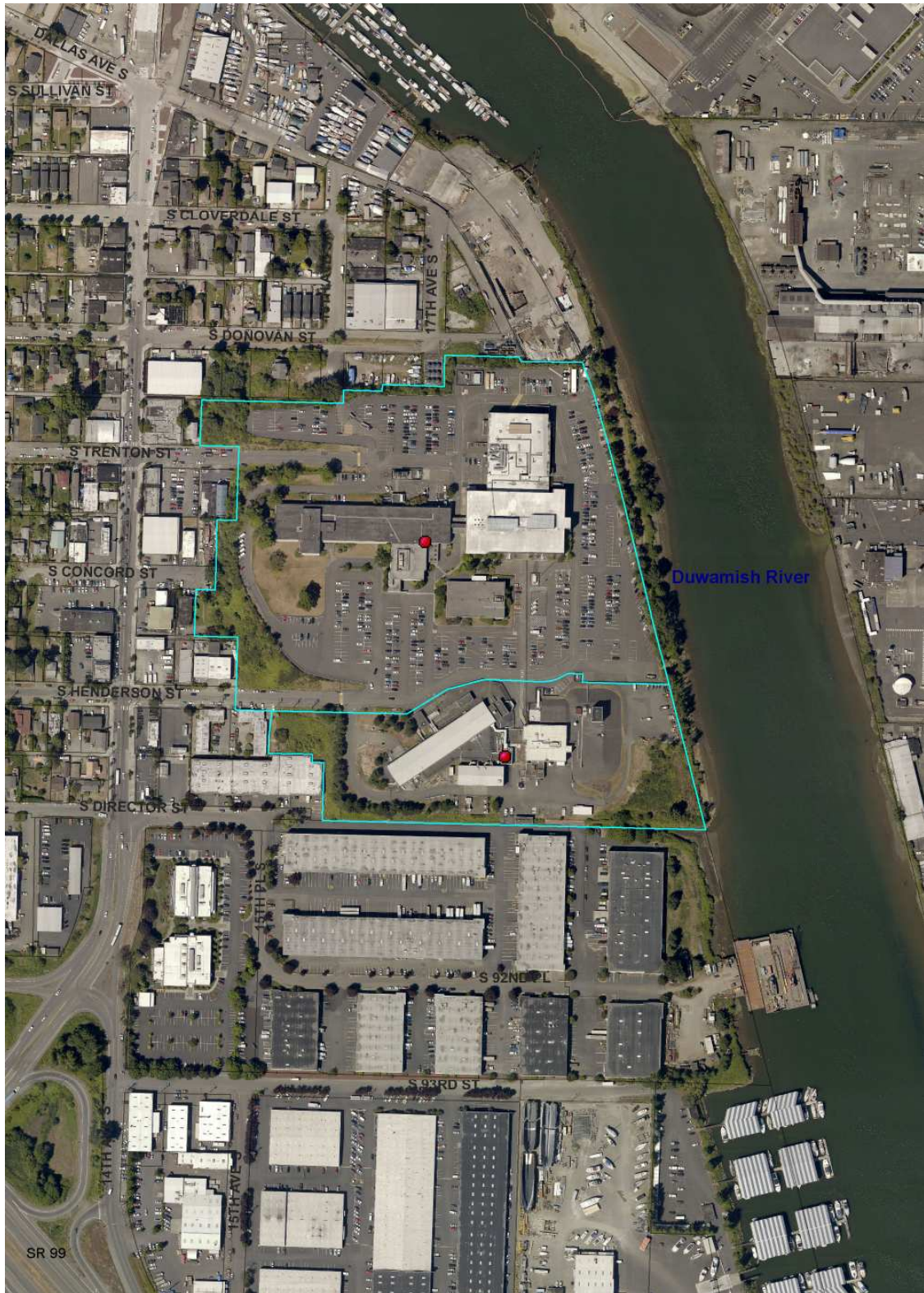
Boeing Plant 2



Boeing Renton



Boeing South Park



Boeing Developmental Center



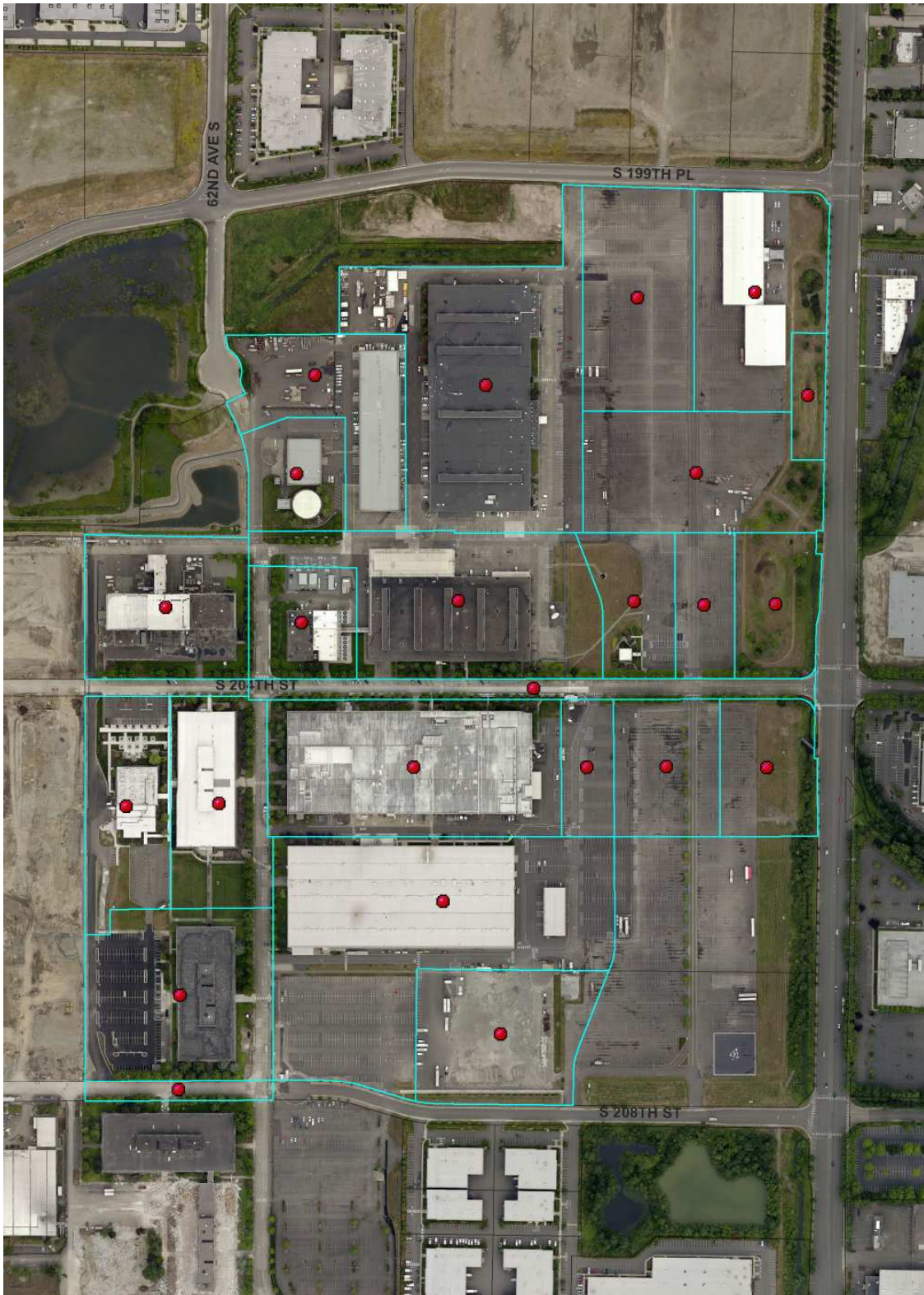
Boeing Bellevue



Boeing Longacres Park



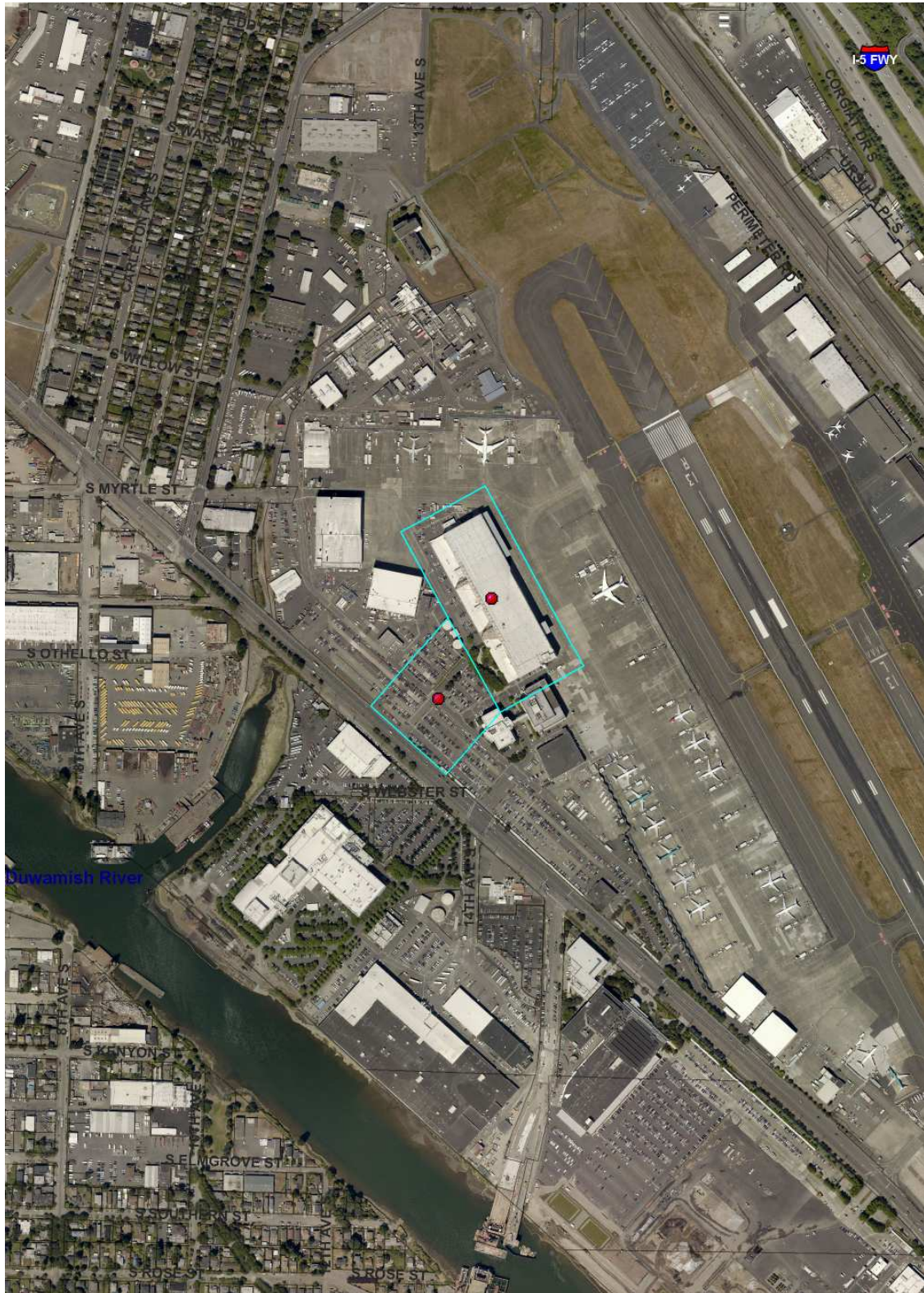
Boeing Kent



Boeing Spares Distribution Center



Boeing at King County Airport



Scope of Data

Land Value Data:

The geographic appraiser for each area in which a Boeing property is located is responsible for the land valuation model used. A list of land sales used to establish the current land values and those considered not reflective of market are included in the geographic appraiser's reports.

Improved Parcel Total Values

Sales comparison approach model description:

The sales comparison approach was not utilized because there are too few quality sales to form an efficient market. In general, these properties are useful for a specific purpose and rarely sell for investment purposes. Sales that have occurred have been for the future development of the land and not the continued use of the respective improvements on site at the time of sale.

Cost approach model description:

The cost approach was the primary valuation methodology for Boeing industrial properties. The Marshall & Swift Commercial Estimator was utilized which calculates the reproduction cost of an improvement and deducts the appropriate depreciation. The Marshall & Swift Valuation Service adjusts costs to the western United States region and the Seattle area. All of Boeing manufacturing, industrial engineering buildings and most warehouses were valued via the cost approach. Many of the Boeing buildings have very specialized functions and therefore, the cost approach is the most reliable method of valuation.

Cost calibration:

The Marshall & Swift cost modeling system, built in to the Real Property Application, is calibrated to the region and the Seattle area. The cost approach was the primary valuation methodology for Boeing industrial properties.

Income capitalization approach model description:

The income approach to value was considered and used for Boeing owned or occupied office buildings. Lease rates, vacancy and collection loss statistics, typical expense amounts, and capitalization rates appropriate to the subject property's geographic area were utilized. The majority of Boeing office properties were valued using the income approach. The economic income models developed by the geographic appraiser and the office specialist were considered. The Boeing office model for Bellevue offices (625-33) is most closely based on the income models developed by the office specialty appraiser. Bellevue lease rates reflect full service tenancy.

Office building values are on the rise again and the following table reflects the parameters that influence this trend:

2014 Year end Metrics for Offices	
Vacancy	↔ (stable)
Rental Rate	↔ (stable)
Capitalization Rate	↘ (slight decrease)
Improved Property Values	↗ (slight increase)
Land Values	↗ (slight increase)

Similar to the office specialty, the Boeing offices valued by the economic income model typically have in excess of 100,000 square feet of net rentable area and are considered to be class A or B investment grade properties. The single tenancy nature of the office buildings was also considered in valuation. The largest concentration of Boeing offices is in Bellevue followed by Renton and Duwamish. Lease rates in the neighborhoods other than Bellevue and Duwamish were based on triple net rents where the tenant pays all expenses as that is typical in those areas.

The following table represents the office space income parameters for used for each office neighborhood:

Economic Income Parameters				
Boeing Neighborhood	Rent	V&CL	Expenses	CAP Rate
Renton 625-10	\$11.50-\$12.50	12%	10%	7.50%
Duwamish 625-11	\$18.00	10%	35%	6.75%
Longacres 625-25	\$15.00-\$20.00	10%	10%	7.75%
Kent 625-30	\$10.00-\$12.50	10%	10%	7.75%
Bellevue 625-33	\$13.50-\$28.00	15%	36%	7.00%
Spares 625-50	\$7.75-\$10.00	10%	10%	7.00%

Income approach calibration:

Income models developed by the geographic and office specialty appraisers were analyzed, reconciled, and applied when appropriate to office properties. Neighborhood 625-52 is the designation for the Boeing industrial properties. The income model was not used for these properties.

Reconciliation:

All parcels were individually reviewed by the specialty appraiser for correctness before the final value was selected. Extraordinary obsolescence was considered on a case-by-case basis.

Model Validation**Total Value Conclusions, Recommendations and Validation:**

Appraiser judgment prevails in all decisions regarding individual parcel valuation. Each parcel in the physical inspection neighborhood was field reviewed and a value selected based on general and specific data pertaining to the parcel, the neighborhood, and the market. The appraiser determines which available value estimate may be appropriate and may adjust for particular characteristics and conditions as they occur in the valuation area.

Application of the recommended values for 2015 improves uniformity among the Boeing properties. A majority of the improved Boeing properties are valued based on reconstruction cost new less depreciation plus the land value assigned by the geographic appraiser. The total 2015 Boeing assessment increased from the 2014 assessment by +.10%. Recommend application of the new values.

USPAP Compliance

Client and Intended Use of the Appraisal:

This mass appraisal report is intended for use by the public, King County Assessor and other agencies or departments administering or confirming ad valorem property taxes. Use of this report by others for other purposes 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)

Retrospective market values are reported herein because the date of the report is subsequent to the effective date of valuation. The analysis reflects market conditions that existed on the effective date of appraisal.

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

RCW 84.36.005

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.

RCW 36.21.080

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.

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 of 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 Dictionary of Real Estate Appraisal, 3rd Addition, 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 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 areas physically inspected for purposes of this revaluation are outlined in the body of this report.*
- *Services performed by me within the prior three years include physical inspection, revaluation, and data collection.*
- *The reported analyses, opinions and conclusions were developed, and this report prepared, in conformity with the requirements of the Code of Professional Ethics and the Standards of Professional Practice of the Appraisal Institute.*
- *The specialty area Commercial Appraiser II, and Ruth Peterson, Commercial Senior Appraiser, inspected the Boeing Auburn properties.*

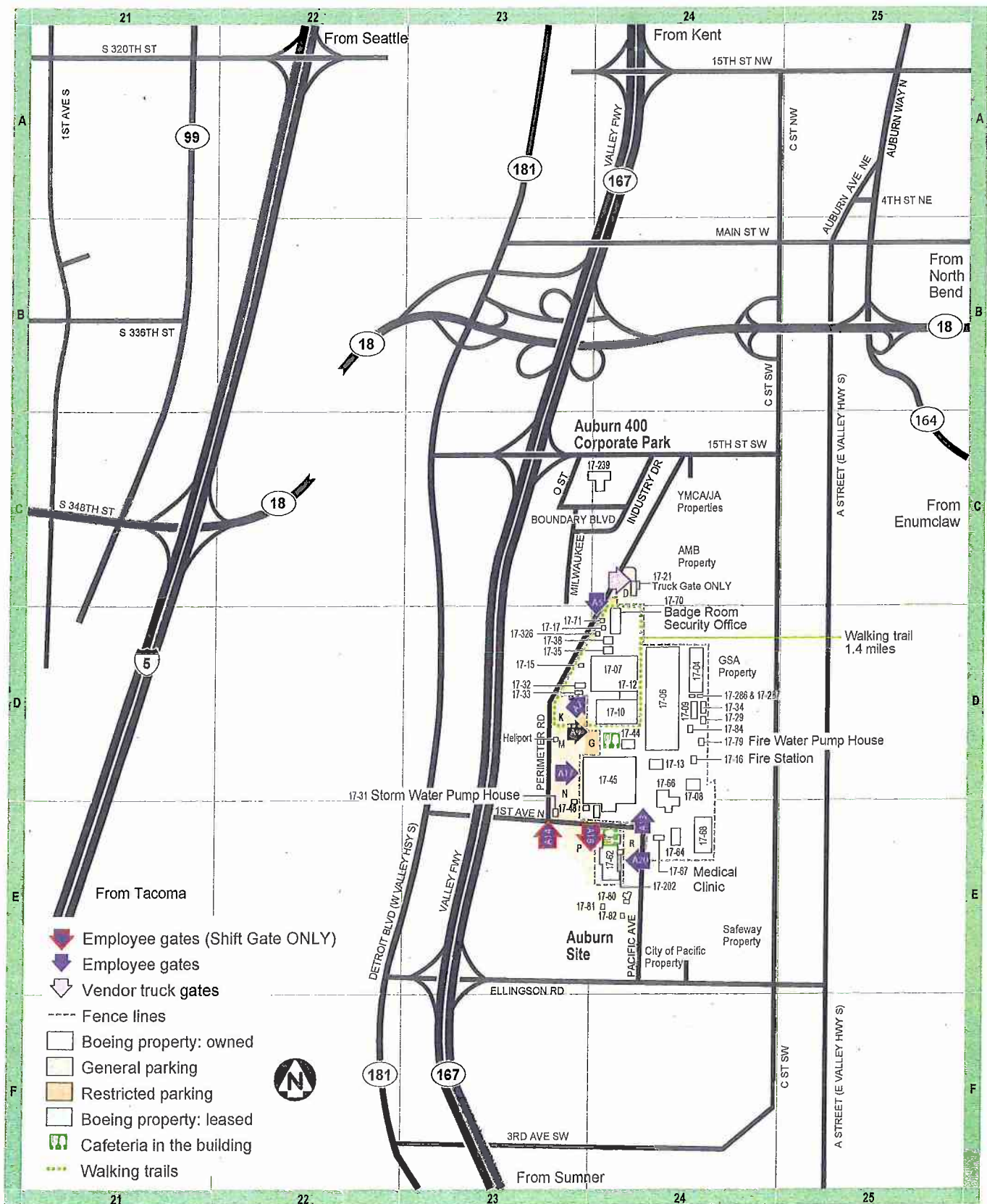
*Aerial Map of
Boeing Auburn -2015 Physically Inspected Parcels*



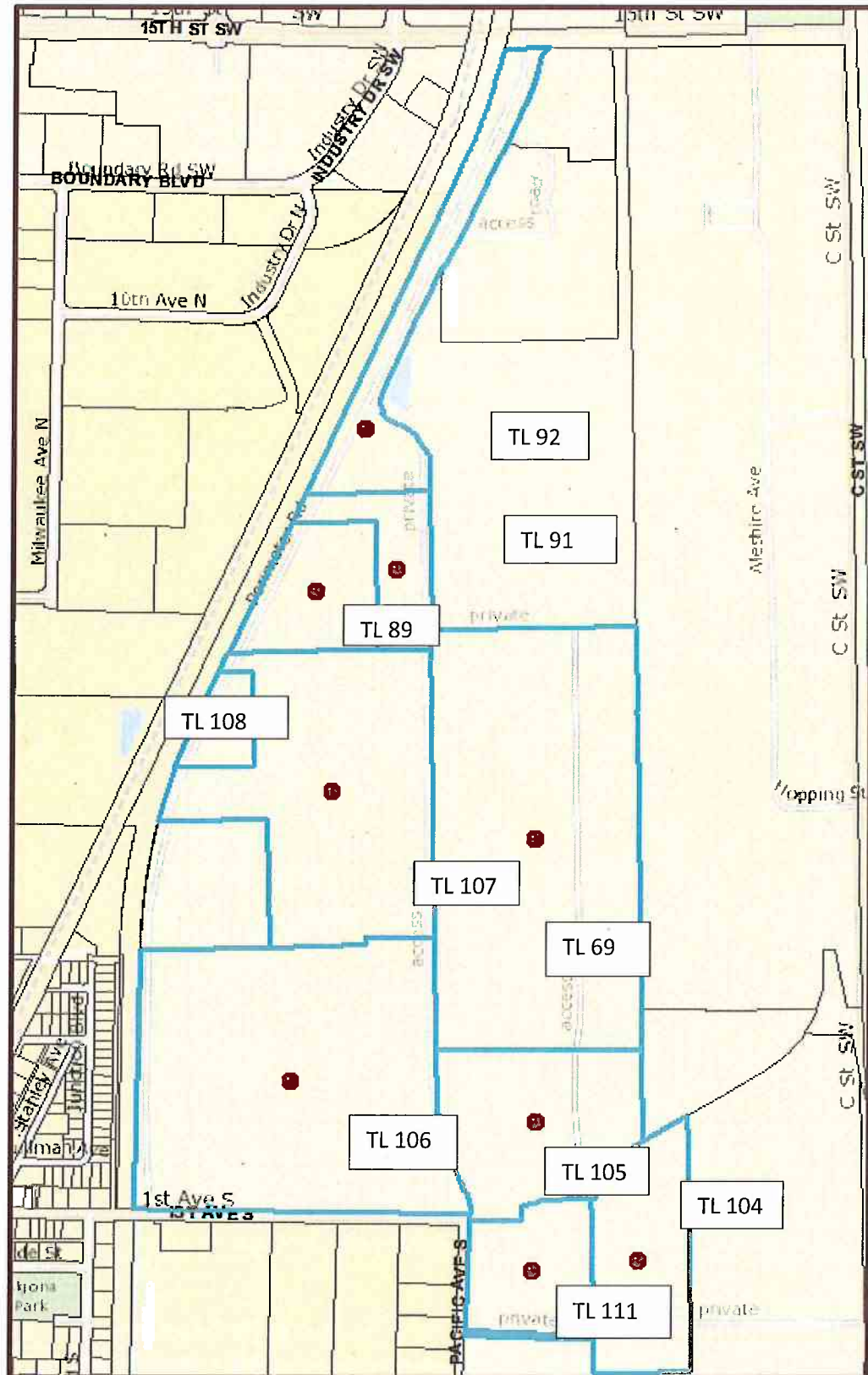
Washington – Auburn

2400 Perimeter Road SW, Auburn, WA 98001 (site address)

700 15th Street SW, Auburn, WA 98001 (truck gate)



2015 PHYSICALLY INSPECTED BOEING PROPERTIES



ALL
AUBURN
PARCELS
HAVE
MAJOR
#242104

2015 PHYSICALLY INSPECTED BOEING PARCELS

Major	Minor	Address	Property Name
242104	9069	No Situs Address	BOEING AUBURN PLANT (17-04, -06, -09, -13, -16, -29, -31, -79, -84)
242104	9089	2400 PERIMTER RD SW	BOEING AUBURN PLANT (BLDGS 17-70, 17-71)
242104	9091	No Situs Address	BOEING PROPERTY
242104	9092	No Situs Address	BOEING PROPERTY
252104	9104	No Situs Address	BOEING AUBURN PLANT (BLDG 17-68)
252104	9105	No Situs Address	BOEING AUBURN PLANT (BLDGS 17-08, 17-66)
252104	9106	No Situs Address	BOEING AUBURN PLANT (BLDGS 17-45, 17-44)
252104	9107	No Situs Address	BOEING AUBURN PLANT (BLDGS 17-07, 17-10, 17-12)
252104	9108	No Situs Address	BOEING PROPERTY (BLDG 17-15)
252104	9111	No Situs Address	BOEING TRANSPORTATION TERMINAL (BLDGS NO.17-64, 17-67)

List of Boeing Properties

Major	Minor	Property Name	Situs Address	Juris
000160	0014	BOEING VACANT LAND	8625 EAST MARGINAL WAY S	TU
000160	0020	BOEING PLANT 2	7755 EAST MARGINAL WAY S	TU
000340	0018	BOEING DEVELOPMENTAL CENTER	9905 EAST MARGINAL WAY S	TU
000340	0019	ROW/OXBOW BRIDGE	No Situs Address	TU
000340	0021	BOEING MILITARY FLIGHT CENTER	10008 EAST MARGINAL WAY S	TU
000340	0026	BOEING PARKING	10051 EAST MARGINAL WAY S	TU
000340	0028	BOEING PARKING	No Situs Address	TU
000340	0048	BOEING PARKING	10101 EAST MARGINAL WAY S	TU
000740	0033	BOEING THOMPSON SITE	8811 EAST MARGINAL WAY S	TU
002200	0005	BOEING PLANT 2	1135 S WEBSTER ST	SE
002200	0195	BOEING PLANT 2	1201 S WEBSTER ST	SE
012204	9022	WESTERN PROCESSING-SAO	7215 S 196TH ST	KE
022204	9064	BOEING KENT SPACE CENTER	No Situs Address	KE
022204	9069	BOEING-Kent Space Center	No Situs Address	KE
022204	9074	BOEING	No Situs Address	KE
042304	9016	BOEING VACANT LAND	10151 EAST MARGINAL WAY S	TU
042304	9047	BOEING VACANT LAND	10601 EAST MARGINAL WAY S	TU
042304	9183	BOEING VACANT LAND	10201 EAST MARGINAL WAY S	TU
072305	9001	BOEING RENTON	737 LOGAN AVE N	RN
072305	9046	BOEING VACANT LAND	801 N RIVERSIDE DR	RN
072305	9100	BOEING BN R. R. R/W	600 LOGAN AVE N	RN
082305	9187	BOEING RENTON PARKING	910 LAKE WASHINGTON BLVD N	RN
082305	9209	BOEING RENTON PARKING	800 PARK AVE N	RN
088660	0060	BOEING	No Situs Address	RN
088661	0020	BOEING PARKING LOT	660 LOGAN AVE N	RN
088661	0030	BOEING RENTON 10-20	800 N 6TH ST	RN
088661	0040	BOEING	830 N 6TH ST	RN
088661	0050	Boeing Emerging Ops	820 N 6TH ST	RN
088661	0060	BOEING RENTON 10-18	635 PARK AVE N	RN
088661	0080	BOEING	No Situs Address	RN
088661	0090	BOEING	No Situs Address	RN
088670	0010	VACANT LAND	No Situs Address	RN
088670	0020	VACANT LAND	No Situs Address	RN
088670	0030	VACANT LAND	No Situs Address	RN
088670	0040	VACANT LAND	No Situs Address	RN
088670	0050	VACANT LAND	2101 LONGACRES DR SW	RN
088670	0060	VACANT LAND	No Situs Address	RN
088670	0070	VACANT LAND	No Situs Address	RN
088670	0080	VACANT LAND	No Situs Address	RN
088670	0090	VACANT LAND	No Situs Address	RN
088670	0100	VACANT LAND	No Situs Address	RN
088670	0110	VACANT LAND	No Situs Address	RN
088670	0120	VACANT LAND	No Situs Address	RN

List of Boeing Properties

Major	Minor	Property Name	Situs Address	Juris
088670	0130	VACANT LAND	No Situs Address	RN
088670	0140	VACANT LAND	No Situs Address	RN
088670	0150	VACANT LAND	No Situs Address	RN
088670	0160	VACANT LAND	No Situs Address	RN
088670	0170	VACANT LAND	No Situs Address	RN
088670	0180	VACANT LAND	No Situs Address	RN
088670	0190	VACANT LAND	No Situs Address	RN
088670	0200	VACANT LAND	No Situs Address	RN
088670	0210	PARKING AREA FOR OFFICE ON MINOR 0220	No Situs Address	RN
088670	0220	HQ COML AIRPLANE GROUP (BLDG 25-20)	1901 OAKESDALE AVE SW	RN
088670	0230	FAMILY CARE CENTER BUILDING (BUILDING 25	1900 OAKESDALE AVE SW	RN
088670	0350	TRACT H	No Situs Address	RN
088670	0360	VACANT LAND (100%WETLAND)	No Situs Address	RN
088670	0370	VACANT LAND	No Situs Address	RN
088670	0380	VACANT LAND	No Situs Address	RN
088670	0400	TRACT E (100%WETLAND)	No Situs Address	RN
092304	9155	BOEING DUWAMISH BLDG 11-14	2925 S 112TH ST	TU
112405	9004	BOEING COMPUTER SERVICES 33-01	2800 160TH AVE SE	BE
112405	9124	BOEING BUILDING 33-12	No Situs Address	BE
112405	9126	OFFICE BUILDING 33-11	No Situs Address	BE
112405	9130	OFFICE BUILDING 33-14	3150 160TH AVE SE	BE
112405	9131	OFFICE BUILDING 33-15	3070 160TH AVE SE	BE
112405	9132	COMPUTER BUILDING 33-03	No Situs Address	BE
112405	9133	WAREHOUSE BUILDING 33-04	No Situs Address	BE
112405	9134	OFFICE BUILDING 33-07	No Situs Address	BE
112405	9135	OFFICE BUILDING 33-08	No Situs Address	BE
112405	9136	OFFICE BUILDING 33-05	2525 160TH AVE SE	BE
125381	0041	BOEING R.R. R/W	4000 LIND AVE SW	RN
162304	9238	BOEING SPARES DISTRIBUTION CENTER	2201 S 142ND ST	ST
218500	0005	BOEING PLANT 2 PARKING	1135 S WEBSTER ST	TU
242104	9069	BOEING AUBURN PLANT 9 BUILDINGS	No Situs Address	AU
242104	9089	BOEING AUBURN PLANT (BLDG 17-70)	2400 PERIMETER RD SW	AU
242104	9091	BOEING PROPERTY	No Situs Address	AU
242104	9092	BOEING PROPERTY	No Situs Address	AU
242304	9022	BOEING LONGACRES PARK 25-01	1301 SW 16TH ST	RN
242304	9048	BOEING LONGACRES PARK	1300 SW 16TH ST	RN
242304	9050	BOEING LONGACRES PARK VACANT	1316 SW 16TH ST	RN
242304	9052	BOEING LONGACRES PARK VACANT	1404 SW 16TH ST	RN
242304	9055	BOEING LONGACRES PARK VACANT	1412 SW 16TH ST	RN
242304	9071	BOEING LONGACRES PARK VACANT	1432 SW 16TH ST	RN
242304	9088	BOEING WAREHOUSE	15470 NELSON PL	TU
252104	9020	BOEING PROPERTY	No Situs Address	AL
252104	9021	BOEING AUBURN PROPERTY	710 1ST AVE	AL

List of Boeing Properties

Major	Minor	Property Name	Situs Address	Juris
252104	9025	BOEING PROPERTY/OS/CA LAND	No Situs Address	AL
252104	9026	BOEING PROPERTY/OS/CA LAND	No Situs Address	AL
252104	9043	AUBURN BOEING PROPERTY	No Situs Address	AL
252104	9072	BOEING PROPERTY	No Situs Address	AL
252104	9073	BOEING PROPERTY/OS-CA LAND	No Situs Address	AL
252104	9074	BOEING PROPERTY	No Situs Address	AL
252104	9075	BOEING PROPERTY	No Situs Address	AL
252104	9083	BOEING AUBURN PARKING	700 1ST AVE	AL
252104	9084	BOEING PROPERTY	No Situs Address	AL
252104	9104	BOEING AUBURN PLANT (BLDG 17-68)	500 41ST ST SE	AU
252104	9105	BOEING AUBURN PLANT (BLDGS 17-08, 17-66)	No Situs Address	AU
252104	9106	BOEING AUBURN PLANT(BLDG 17-45 & 17-44)	No Situs Address	AU
252104	9107	BOEING AUBURN PLANT (BLDGS 17-07, 17-10,	No Situs Address	AU
252104	9108	BOEING PROPERTY WASTE TREATMENT	No Situs Address	AU
252104	9111	BOEING TRANSPORTATION TERMINAL (BLDG NO.	No Situs Address	AU
282404	9009	BOEING PLANT 2	7755 EAST MARGINAL WAY S	SE
282404	9042	BOEING TRANSMITTER SITE	7515 MILITARY RD S	SE
292404	9056	BOEING PLANT 2 PARKING	1135 S WEBSTER ST	SE
292404	9066	BOEING FIELD	EAST MARGINAL WAY S	SE
292404	9098	BOEING PLANT 2 PARKING	1135 S WEBSTER ST	SE
292404	9106	BOEING FIELD	7400 EAST MARGINAL WAY S	SE
332404	9002	BOEING PLANT 2	No Situs Address	TU
382900	0005	BOEING VACANT LAND (Contaminated)	7113 S 196TH ST	KE
562420	0990	BOEING DEVELOPMENTAL CENTER	9725 EAST MARGINAL WAY S	TU
562420	1032	BOEING DEVELOPMENTAL CENTER	9725 EAST MARGINAL WAY S	TU
562420	1036	BOEING DEVELOPMENTAL CENTER	9725 EAST MARGINAL WAY S	TU
562420	1038	BOEING DEVELOPMENTAL CENTER	9725 EAST MARGINAL WAY S	TU
660007	0090	BOEING	20403 68TH AVE S	KE
660007	0120	BOEING	20403 68TH AVE S	KE
660007	0130	BOEING	20403 68TH AVE S	KE
660007	0140	BOEING LAB 18-61	20403 68TH AVE S	KE
660007	0150	BOEING	20403 68TH AVE S	KE
660007	0160	BOEING VACANT	20403 68TH AVE S	KE
660007	0170	BOEING VACANT	20403 68TH AVE S	KE
660007	0180	BOEING VACANT	20403 68TH AVE S	KE
660007	0190	BOEING	20403 68TH AVE S	KE
660007	0200	BOEING	20403 68TH AVE S	KE
660007	0210	BOEING	20403 68TH AVE S	KE
660007	0220	BOEING	20403 68TH AVE S	KE
660007	0230	BOEING	20403 68TH AVE S	KE
660007	0240	BOEING	20403 68TH AVE S	KE
660007	0250	BOEING VACANT	20403 68TH AVE S	KE
660007	0260	BOEING	20403 68TH AVE S	KE

List of Boeing Properties

Major	Minor	Property Name	Situs Address	Juris
660007	0270	BOEING VACANT	20403 68TH AVE S	KE
660007	0300	Boeing Tract C - Right of Way	No Situs Address	KE
660007	0310	Boeing Tract D Retention Pond	No Situs Address	KE
660007	0320	Boeing Tract E Drainage	No Situs Address	KE
660007	0330	Boeing	No Situs Address	KE
722300	0115	BOEING VACANT LAND	600 PARK AVE N	RN
722400	0880	BOEING PARKING	538 PELLY AVE N	RN
756460	0055	BOEING RENTON OFFICE & GARAGE 10-13, 10-	535 GARDEN AVE N	RN
788360	8601	BOEING SOUTH PARK	1420 S TRENTON ST	SE
788360	8603	BOEING SOUTH PARK	1420 S TRENTON ST	SE