

Commercial Revalue

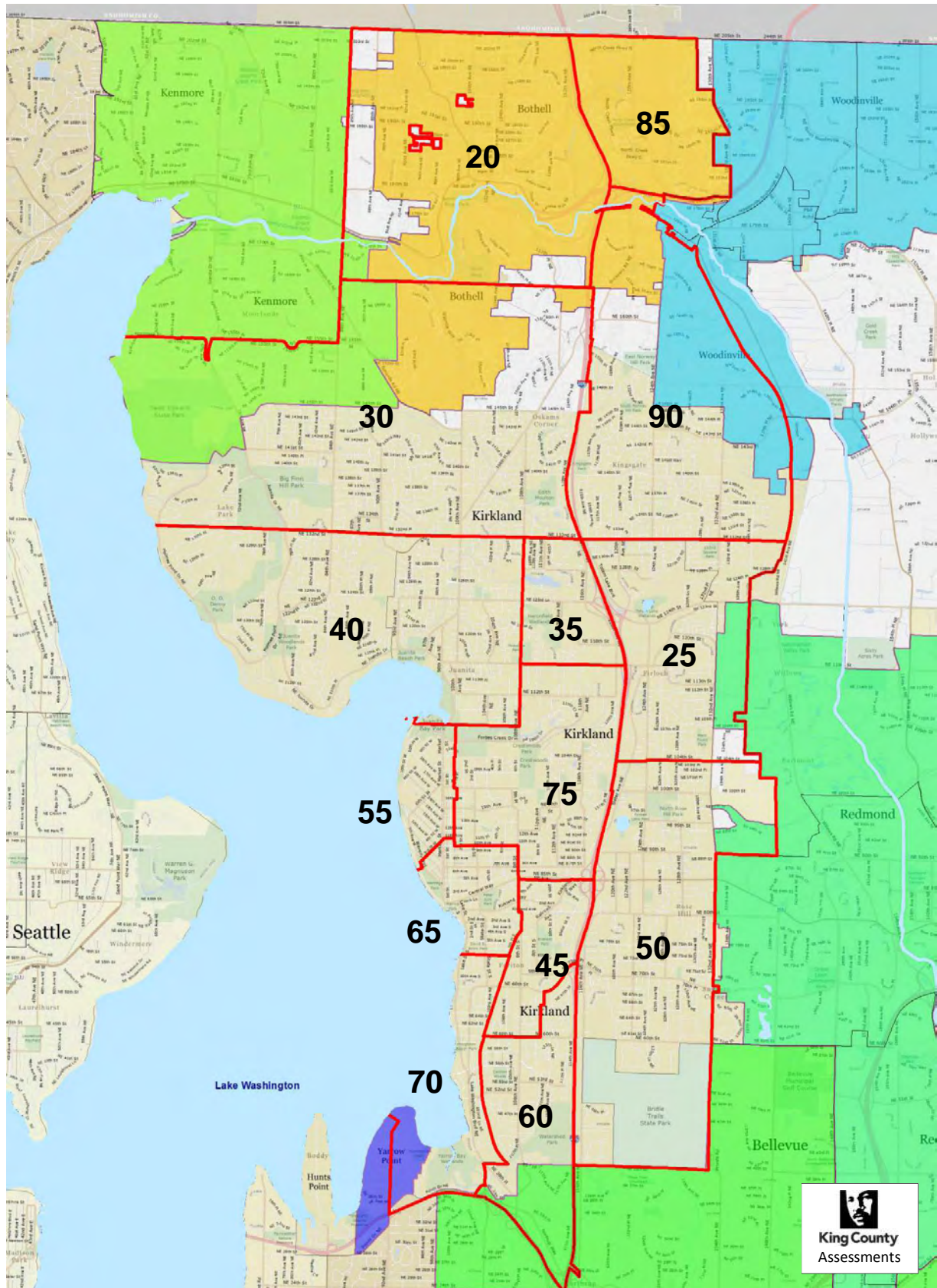
2014 Assessment roll

AREA

85

King County, Department of Assessments
Seattle, Washington

Lloyd Hara, Assessor





King County

Department of Assessments

Accounting Division

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Lloyd Hara
Assessor

Dear Property Owners:

Property assessments for the 2014 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 2014 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

Executive Summary Report

Appraisal Date 1/1/14

Geographic Appraisal Area:

- Area 85: Bothell/Kirkland - NE Lake Washington Corridor
- Previous Physical Inspection: 01/2013

Sales – Improved Summary

- Number of Sales: 44
- Range of Sales Dates: 02/11/2011– 12/27/2013

Sales – Ratio Study Summary

| Sales--Improved Valuation Change Summary | | | | |
|--|---------------------|-----------------|--------|---------|
| | Mean Assessed Value | Mean Sale Price | Ratio | COD* |
| 2013 Value | \$3,129,300 | \$3,598,600 | 87.00% | 12.41% |
| 2014 Value | \$3,242,500 | \$3,598,600 | 90.10% | 11.00% |
| Abs. Change | \$113,200 | | 3.10% | -1.41% |
| % Change | 3.62% | | 3.56% | -11.36% |

*COD is a measure of uniformity, the lower the number the better the uniformity

The 2014 sales ratio of 90.10% was partly influenced by the significant number of owner/user sales that have occurred in the area. With interest rates remaining low, some small businesses that were able to ride out and recover from the recent recession have found that owning instead of leasing their locations has become feasible; oftentimes paying a premium over what an investment buyer would be willing to pay.

Sales used in analysis: All improved sales that were verified as good that did not have characteristic changes between the date of sale and the date of appraisal were included in the analysis. Examples of sales that are not included in the analysis are: sales that are leased back to the seller; sold as a portion of a bulk portfolio sale; net lease sales; sales that had major renovation after sale, or have been segregated or merged since being purchased.

| Total Population - Parcel Summary Data | | | |
|--|-----------------|-----------------|-----------------|
| | Land | Improvements | Total |
| 2013 Value | \$1,124,705,572 | \$1,119,842,803 | \$2,244,548,375 |
| 2014 Value | \$1,143,415,972 | \$1,174,735,161 | \$2,318,151,133 |
| % Change | 1.66% | 4.90% | 3.28% |

- Number of Parcels in the Ratio Study Population: **1,116**, excluding specialties and government-owned properties.

Conclusion and Recommendation:

Total assessed values for the 2014 revalue have increased 3.28%.

The values recommended in this report improve uniformity and equity; therefore it is recommended they should be posted for the 2014 Assessment Year.

Analysis Process

Effective Date of Appraisal: January 1st, 2014

Date of Appraisal Report: May 8th, 2014

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 use 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 nominal 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.

- Sales from 01/01/2011 to 12/31/2013 (at minimum) were considered in all analyses.
- 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 85 (Bothell/Kirkland - NE Lake Washington Corridor)**

Boundaries:

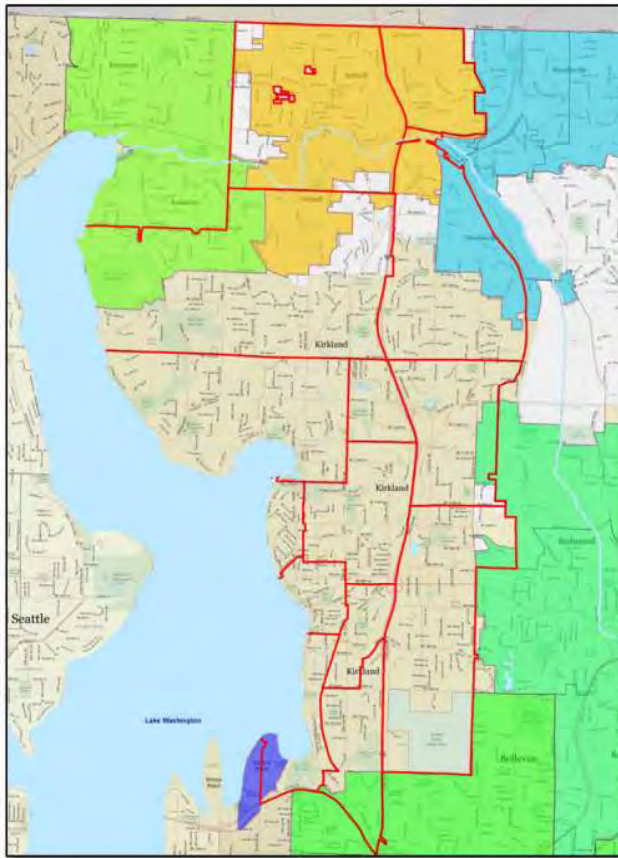
- West – Lake Washington and the western-most Bothell city limits
- North – Snohomish County
- East – Kirkland city limits
- South – Highway 520

Maps:

A general map of the area is included at the beginning of this report, in addition to a smaller version displayed below. More detailed Assessor's maps are located on the 7th floor of the King County Administration Building.

Area Description:

Geographic Area 85 consists of cities and neighborhoods located northeast of Lake Washington, which boundaries are generally defined as the King/Snohomish County line to the north, State Route 520 to the south, the Kirkland city limits to the east, and Lake Washington/western-most Bothell city limits to the west.



Within the Geographic Area 85, there are fourteen distinct neighborhoods that have been established for valuation purposes, totaling 1,116 parcels.

The City of Bothell is located in the northern sector of Area 85, while the City of Kirkland encompasses Area 85's southern end. In addition, the northwest portion of Area 85 also includes a small area that is within the City of Kenmore.

Located between the City of Bothell to the north and the City of Kirkland to the south are three neighborhoods known as North Juanita, Finn Hill, and Kingsgate.

Located furthest south in Area 85 is a small cluster of commercial properties that are within the City of Bellevue. These parcels are located just north of SR-520 and west of I-405.

City of Bothell: Area 85-20

Boundaries: The City of Bothell is located at the north end of Lake Washington at the crossroads of State Highways 522 and 527, and Interstate 405.

- North – Snohomish County
- South – NE 155th Street
- East – Interstate 405
- West – City of Kenmore



Neighborhood Description: Bothell was incorporated in 1909 and still retains its historic charm with a small hometown feel - complete with family neighborhoods and parks, churches, educational facilities, and growing businesses. Residents may commute from Bothell to either Seattle or Everett, both of which are approximately 20 minutes away.

About half of Bothell is located in King County, with the remaining located within Snohomish County. The area offers unique regional shopping, such as Bothell's Country Village. Further, the University of Washington at Bothell, and Cascadia Community College, share a 124-acre campus located just northwest of the intersection of I-405 and SR-522.

Bothell's Technology Corridor is a series of four modern business parks home to numerous producers of the fast growing high technology industries that makes Bothell more than a suburb. These developments are located in Area 85-85, discussed later in this report.



Currently, the City of Bothell is undergoing a major transformation. Over the last several years, the City of Bothell has acquired 25 acres throughout downtown as part of an ambitious revitalization plan. The downtown revitalization, which is slated to include sub-projects for the extension and expansion of Main Street, and the creation of a park at Bothell Landing, is in conjunction with two major transportation projects that will enhance State Routes 522 and 527 by shifting the placement of two major intersections. This highway realignment will reconnect the downtown to the riverfront and result in new development parcels. Numerous public and private development projects are slated to take shape within the downtown Bothell area over the next several years, dramatically changing the City of Bothell.

Construction work continues on the Bothell Crossroads SR 522 Realignment project. This project comprises three phases, which call for demolition of buildings in the path of realignment (completed), the clearing and compacting of roadway fill (completed) and construction of the realignment and associated roadway improvements. The highway realignment itself is virtually complete, as is the new connection of Main Street to 101st Avenue (whereas is previously connected directly to SR 522). Efforts are now focused on finalizing paving, traffic signals, medians, and other improvements.





Several private redevelopment projects are planned or underway. Gateway Plaza, a phased project with 442 apartments and 45,000 square feet of commercial space, broke ground in 2013 and is progressing with earnest. The 104 Apartments, a 115-unit mixed use project near Main Street, was completed in 2013 and is nearly at full capacity.

Site work has begun on the Anderson School building complex, a 76-year old former school that is to be transformed into a 70-room hotel with accompanying spa, pub, restaurant, and cinema, to be owned and operated by McMenamins. Another 203-unit apartment was permitted in late 2013 for construction on one of the new development parcels, located adjacent to the McMenamins site, created by the City of Bothell.

East Totem Lake (East of I-405): Area 85-25

Boundaries: Area 85-25 is all vacant and improved commercial properties located proximate to Totem Lake Blvd., NE 124th Street, and NE 116th Street.

- North – NE 32nd Street
- South – NE 104th Street
- East – 182nd Avenue NE
- West – Interstate 405



Neighborhood Description: The predominant land uses within this neighborhood include a mixture of retail, industrial, multi-family, and low-rise medical office buildings. The northern sector of this neighborhood is dominated by medical office buildings choosing to be close to Evergreen Hospital, whereas, the central and southern portions of this neighborhood include retail oriented businesses, such as, Totem Lake Mall, line retail, restaurants, and car dealerships. The primary land uses in the eastside of this neighborhood include light-industrial service buildings, multi-family/condominium development, and Lake Washington Institute of Technology.

New construction within the East Totem Lake market area includes the recently completed 61-unit Francis Village affordable housing project on NE 124th St, and completion of Slater 116, a 108-unit mixed use apartment building that is nearing completion on NE 116th St near Interstate-405.



Toyota of Kirkland is preparing to expand eastward along NE 124th Street to the former Graham Steel site. The move is an upgrade to a new 4.1-acre location. Demolition of the previous Graham Steel improvements at that site was finished in 2013.



Finn Hill/North Juanita: Area 85-30

Boundaries: Area 85-30 is all vacant and improved commercial properties located proximate to 100th Avenue NE and Juanita Drive. 100th Avenue NE is the primary north/south neighborhood thoroughfare that connects the City of Kirkland to the City of Bothell, while Juanita Drive is the primary north/south neighborhood thoroughfare connecting the City of Kirkland to the City of Kenmore. On June 1st, 2011 the City of Kirkland completed annexation of the areas known as Finn Hill, North Juanita, and Kingsgate. As a result, much of area 85-30 that was previously within unincorporated King County is now within the City of Kirkland's jurisdiction.

- North – NE 155th Street
- South – NE 132nd Street
- East – Interstate 405
- West – Lake Washington



Neighborhood Description: The predominant land uses within this neighborhood include a mixture of retail, multi-family, and low-rise office buildings. Within this neighborhood are St. Edwards State Park and Bastyr University. Bastyr University is recognized as one of the leading naturopathic universities in the country.

In 2012 the university completed construction of a new student housing village consisting of 11 individual LEED-built cottages, each housing 12 students. Each cottage is three-stories tall and incorporates a common living area, kitchen, study/laundry, and private bedrooms and baths.

In 2013 site work and other pre-construction activities commenced at Fairfax Hospital. The psychiatric care facility is adding a new two-story, 68-bed building.

West Totem Lake (West of I-405): Area 85-35

Boundaries: Area 85-35 is all vacant and improved commercial properties located proximate to NE 124th Street and NE 120th Avenue NE. Within Area 85-35, NE 124th Street is the primary east/west commercial thoroughfare, whereas NE 120th Avenue NE is the primary north/south commercial thoroughfare.

- North – NE 132nd Street
- South – NE 116th Street
- East – Interstate 405
- West – 108th Avenue NE



Neighborhood Description: The predominant commercial land uses within this neighborhood include a mixture of retail, industrial, multi-family, and low/mid-rise medical/office buildings. West Totem Lake is best known for its retail service core which includes line-retail, restaurants, and the Fred Meyer Shopping Complex. The area is also home to the Kirkland 405 Corporate center, a multi-building suburban office park home to numerous companies.

The city of Kirkland recently acquired the former Costco Furniture Warehouse off of NE 118th St and is in the process of converting the property into the new Kirkland Public Safety Building. Construction began in late summer 2013 and will eventually be home to the city's police, corrections, and court services.



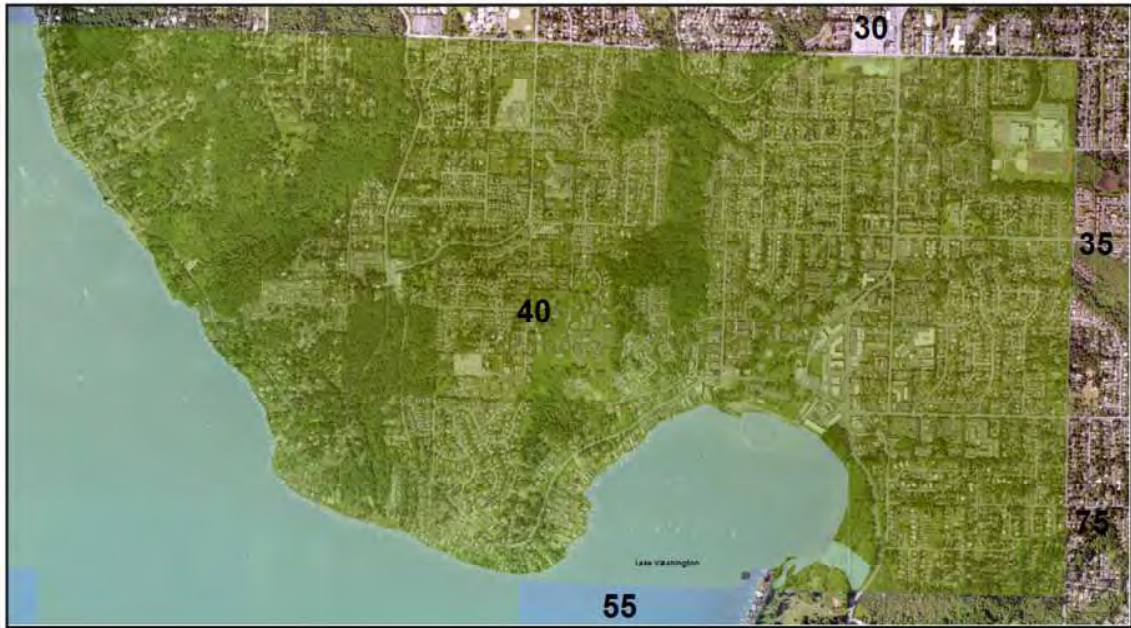
The Totem Lake Fred Meyer has continued to expand its presence near I-405. After a store remodel and addition in 2011, the Portland-based superstore negotiated a land lease with the owners of the neighboring Totem Hill Plaza line retail center. The lower (eastern) section of that site formerly featured a stand-alone restaurant building, which has been razed and is being replaced by a Fred Meyer Fuel Center.



Juanita: Area 85-40

Boundaries: Area 85-40 is all vacant and improved commercial properties located proximate to 98th Avenue NE and 100th Avenue NE. 98th Avenue NE and 100th Avenue NE are the primary north/south neighborhood commercial thoroughfares.

- North – NE 132nd Street
- South – Forbes Creek Dr.
- East – 108th Avenue NE
- West – Lake Washington



Neighborhood Description: The predominant commercial land uses within this neighborhood include a mixture of retail buildings, apartments, condominiums, and professional low rise office buildings. Juanita Village is a modern take on the traditional mixed-use residential/commercial urban neighborhood center that also serves as the heart of the community.



square feet of commercial space located on a 2.33 acre lot within Juanita Village.

Two significant multi-family developments are located in this area: Weidner Apartment Homes recently completed construction on the Ondine at Juanita Bay, a 102-unit apartment building on 98th Ave NE, across from Juanita Village. In addition, Waterscape Juanita Village was completed in 2013. This is a 196-unit mixed-use apartment building with 18,000

Waterscape



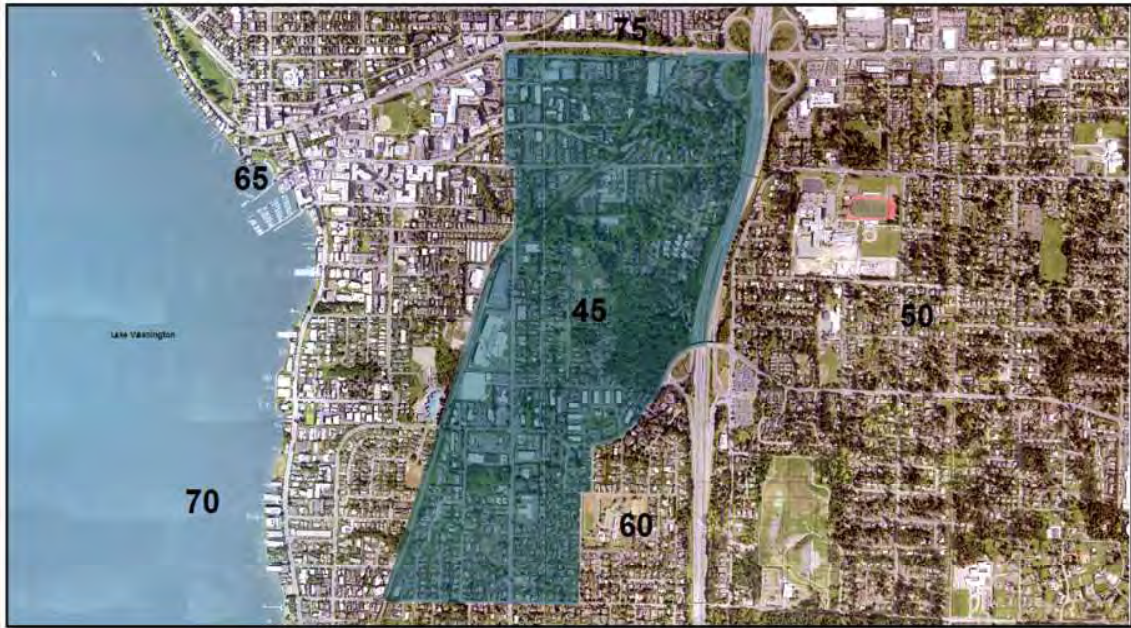
Online



Houghton/South Kirkland: Area 85-45

Boundaries: Area 85-45 is all vacant and improved commercial properties located proximate to 108th Avenue NE/6th Street S. and NE 68th Street. 108th Avenue/6th Street S. is the primary north/south neighborhood commercial thoroughfare, while NE 68th Street is the primary east/west neighborhood thoroughfare.

- North – NE 85th Street
- South – NE 60th Street
- East – Interstate 405
- West – Burlington Northern Railroad (Cross Kirkland Corridor)



Neighborhood Description: The predominant commercial land uses within this neighborhood include a mixture of retail buildings and low to mid-rise office buildings. This area is also home to Google's 195,000 square foot Kirkland campus.



Google's plans to double the size of their Kirkland campus with the addition of two new office buildings, containing 160,000 square feet of office area, began to materialize in 2013 when the company which built the current campus for Google purchased the long-vacant Pace Chemical Co. site, immediately west of the current campus.

In order to achieve the feel and convenience of a single campus, plans include connecting the two sites via surface-level and aerial;

walkways between the existing and proposed improvements. To this end, Google's construction team acquired an easement for the crossing/use of that portion of the BNSF railroad corridor which passes between the two sites. This corridor, now owned by the City of Kirkland, no longer carries train traffic. In 2013 the City contracted for the

removal of all rails, iron and ties from Kirkland portion of the rail bed. This is in preparation for development of the Cross Kirkland Corridor (CKC), discussed later in this report.

In exchange for the easement, the campus owners/developers have agreed pay for and develop a trail and other public amenities along that portion of the CKC which passes between the two sites. Proposed improvements include pathways, open picnic areas and recreational courts.



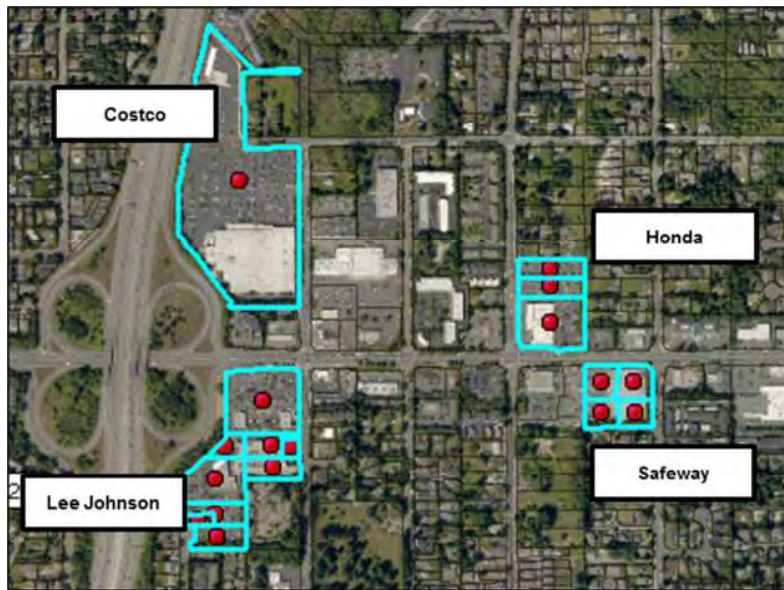
East Kirkland (East of I-405): Area 85-50

Boundaries: Area 85-50 is all vacant and improved commercial properties located proximate to NE 85th Street. NE 85th Street is the primary east/west commercial thoroughfare connecting downtown Kirkland to Redmond.

- North – NE 100th Street
- South – NE 40th Street
- East – 132nd Place NE
- West – Interstate 405



Neighborhood Description: The predominant land uses within this neighborhood include a



mixture of retail, low-rise office buildings, and some multi-family units. The retail oriented businesses include neighborhood shopping centers, line retail, restaurants, and car dealerships, mostly occurring along NE 85th Street, east of I-405. The four major businesses within this neighborhood include Costco, Lee Johnson Chevrolet/Mazda/KIA, Honda of Kirkland, and Safeway. Recent construction activity includes the

completion, in 2013, of a new Taco Time at the corner of NE 85th St & 120th Ave NE, at the site of a former gas station.

NW Kirkland (Market Street): Area 85-55

Boundaries: Area 85-55 is all vacant and improved commercial properties located proximate to Market Street. Market Street is the primary north/south neighborhood thoroughfare connecting downtown Kirkland to the neighborhood of Juanita.

- North – Forbes Creek
- South – 10th Avenue
- East – 1st Street
- West – Lake Washington

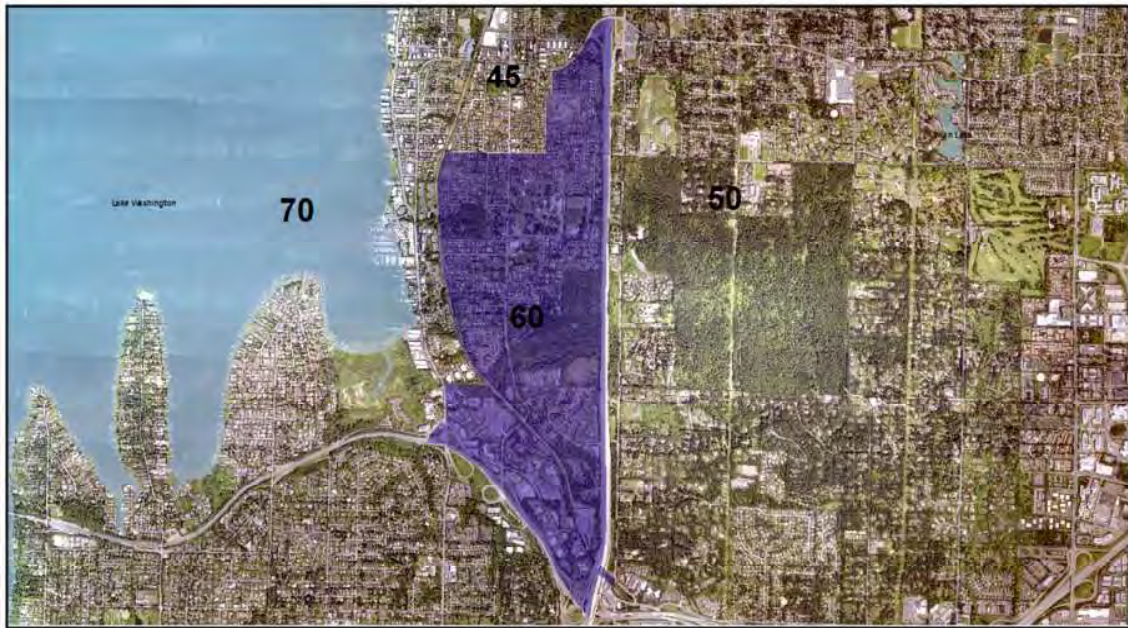


Neighborhood Description: The predominant land uses within this neighborhood include small neighborhood retail businesses and low-rise office buildings. No new construction activity has occurred in this neighborhood over the past year. Recent land sales and seemingly above-market sales of single-family residential improvements, previously converted for commercial use, indicate that this area could be slowly entering a re-vitalization stage, with possible re-development activity of a residential (e.g., townhome) nature on the horizon. No new construction permits have been opened yet.

SE Kirkland: Area 85-60

Boundaries: Area 85-60 is all vacant and improved commercial properties located proximate to 108th Avenue NE and Northup Way. Within Area 85-60, 108th Avenue NE is the primary north/south neighborhood thoroughfare, while Northup Way is the primary east/west commercial thoroughfare. The commercial properties located along Northup Way are located within the City of Bellevue. These parcels are located just north of SR-520 and west of I-405.

- North – NE 68th Street
- South – SR 520
- East – Interstate 405
- West – Lake Washington Blvd.



Neighborhood Description: The predominant land uses within this neighborhood include mid-rise office buildings and small light industrial warehouse buildings. The majority of commercial development is located proximate to Northup Way. In addition, Northwest University is located in the northern part of this area.

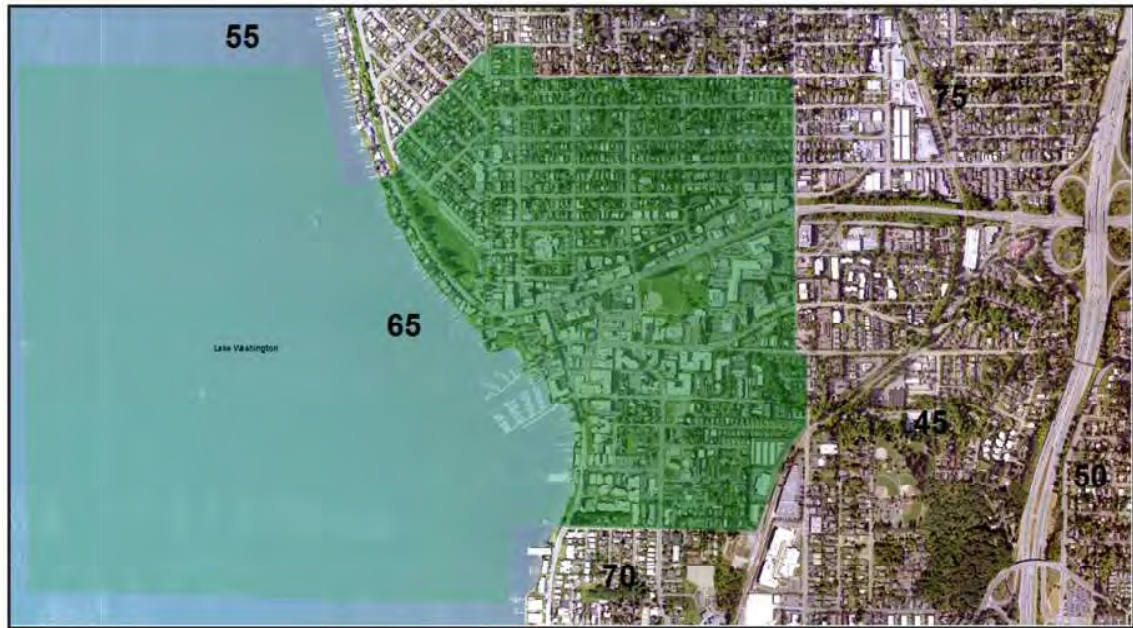
Construction in this area has been scarce in recent years; however, in 2013 the Kirkland Children's School, a pre-school and Kindergarten serving the Eastside, opened several permits for construction of new classroom buildings. The South Kirkland Park and Ride, at the south end of this neighborhood, is undergoing transformation. This previously three-parcel, 6.91A site underwent a revision in 2012 and 2013, which consisted of construction of a 535-stall multi-story parking garage and revision to ingress/egress and bus routing. The concentration of parking into one of the parcels made way for the sale of the third parcel, in 2013, to a joint-development team which will create two components: a 58-unit affordable housing building with four floors; and a 185-unit mixed use development on a two story parking podium. The more efficient park and ride is now 2 parcels and 5.1 acres.



Kirkland CBD: Area 85-65

Boundaries: Area 85-65 is all vacant and improved commercial properties located proximate to Central Way and Lake Street S.

- North – 10th Avenue
- South – 7th Avenue S.
- East – 6th Street S.
- West – Lake Washington



Neighborhood Description: The City of Kirkland is located on the eastern shore of Lake Washington, just north of Bellevue and west of Redmond. Kirkland is at once charming and modern. In a half-square mile, it boasts one of the most dynamic downtowns in the state. New office and condominium projects continue to be built at a moderate pace, with older retail buildings being renovated into art galleries, restaurants, and boutiques along Lake Street, Park Lane, and Central Way. They truly reflect the vitality and strength of the immediate area and the region. A healthy mix of small business, corporate headquarters, light industrial and manufacturing, and a growing base of high-tech and home-based businesses characterize Kirkland's local economy. A competitive business climate, with no local Business and



Occupation (B&O) Tax, and high quality of life make Kirkland a desirable location for both local and world-class enterprises.

The most significant development project proposed for the downtown Kirkland area is the Kirkland Parkplace project on 11.7 acres adjacent to Peter Kirk park. Touchstone

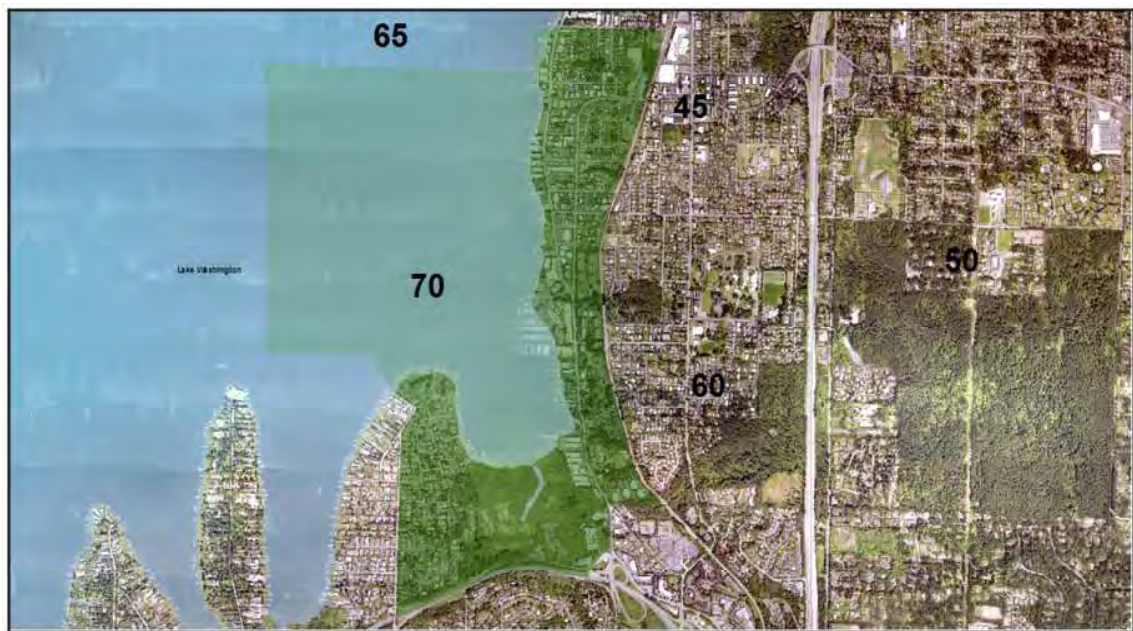
Corporation, who is in a partnership with Prudential Real Estate Investors of New Jersey, had

recently announced that they intend to move forward as soon as possible with the development that has been in the works since 2007. The site is currently improved with a thirty-year-old retail and office complex. The proposed redevelopment would include 1.2 million square feet of office/technology space, 300,000 square feet of retail, a hotel, 3,500 underground parking stalls, and 3.5 acres of public space, making it a very significant project that would have a noticeable impact on the look and feel of downtown Kirkland. Touchstone, however, as of November 2013, has sold its interest in the project after the partners could not come to an agreement on how to develop the project. As of March 2014, Prudential is now teamed with Talon Private Capital on the project. The new partnership is in re-vamped discussion with the City of Kirkland, and the plans themselves are potentially being scaled back.

SE Kirkland (Lake Washington Corridor): Area 85-70

Boundaries: Area 85-70 is all vacant and improved commercial properties located proximate to Lake Washington Blvd.

- North – 7th Avenue
- South – State Route 520
- East – Burlington Northern Railroad (Cross Kirkland Corridor)
- West – Lake Washington



Neighborhood Description: The predominant commercial land uses within this neighborhood include a mixture of neighborhood retail buildings, mid-rise professional office buildings, apartments, and condominiums. Major “Class A” office developments within this area include Carillon Point, Lake Washington Park and The Plaza at Yarrow Bay.



There has been little new construction activity in this area in the last few years, but some new projects are starting to come on line. As presented in the previous discussion of Area 85-45, Google Kirkland is expanding into a second campus. The proposed campus occurs at the northeast boundary of Area 85-70 (while the existing campus is in Area 85-45).



Potala Village Kirkland is a proposed mixed-use project consisting of 143 luxury apartment units, with secured parking, guest parking, and 6,000 square feet of retail space plus retail parking.

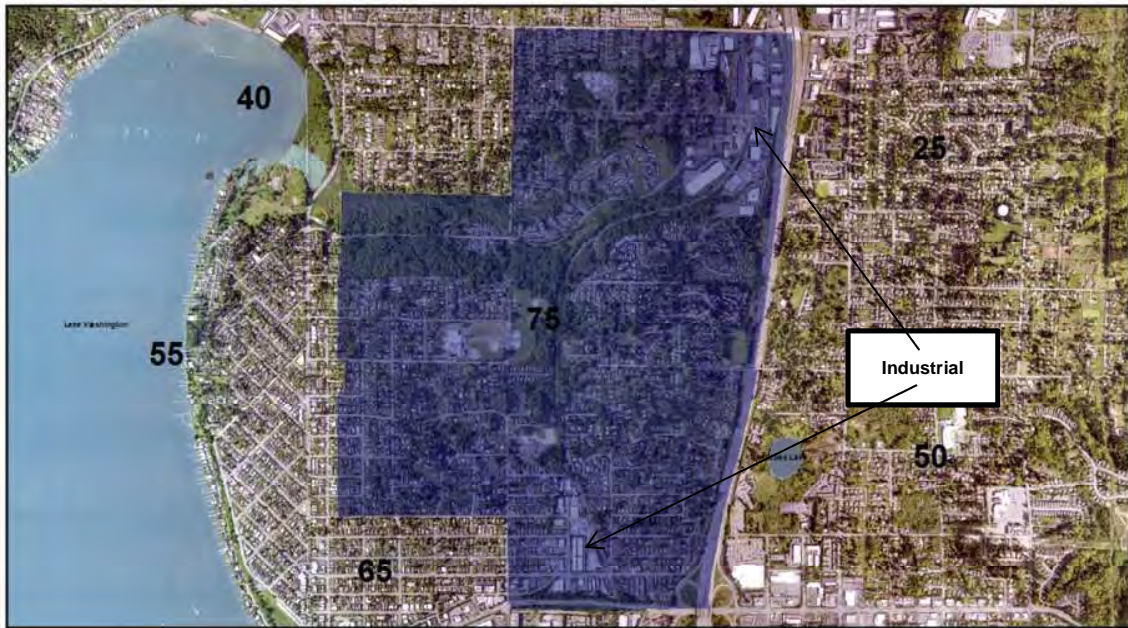
This proposed 100% smoke free LEED silver certified building is to be located in the northwest of Area 85-70, along Lake Street S. The previous retail improvements on the site were permitted for demolition in late 2013.



NE Kirkland: Area 85-75

Boundaries: Area 85-70 is all vacant and improved commercial properties located north of NE 85th Street and South of NE 116th Street.

- North – NE 116th Street
- South – NE 85th Street
- East – Interstate 405
- West – 9th Street (South)/108th Avenue NE (North)



Neighborhood Description: The predominant commercial land uses within this neighborhood include a mixture of small neighborhood low-rise office buildings and light industrial manufacturing buildings. Very little new construction has occurred in this neighborhood recently however sales of industrial properties have been relatively high.

Area 85-75 contains two distinct industrial areas, both of which align along the former BNSF railway. The first, and most prominent, is at the northeast of the area. This area features larger business-park style industrial developments. The second, smaller area is a triangle at the south end of the neighborhood (shown at the right). This area features smaller-scale, oftentimes owner-user light industrial and warehouse buildings. This area is adjacent to an older residential neighborhood, some of the parcels of which actually occur in the LIT (light industrial) zoned triangle (inscribed in the orange circle). As such, some of these older homes have been purchased over the last 5 years for re-development to a more conforming use. One example is the D.R. Strong engineering building, completed in 2013 (the large white square in the orange circle).



North Creek: Area 85-85

Boundaries: Area 85-85 is all vacant and improved commercial properties within the City of Bothell's North Creek planning district east of I-405 and north of SR-522.

- North – King/Snohomish County Line
- South – SR-522
- East – 130th PI NE
- West – Interstate-405



Neighborhood Description: The prominent commercial land uses within this neighborhood primarily consist of business parks with office, warehouse, retail, and high-tech/flex buildings. Most of the improvements in this area have been constructed within the last 25 years. The Seattle Times printing plant is also located in this area. This area is home to Bothell's Technology Corridor – a series of four modern business parks home to numerous producers of the fast growing high technology. These developments – Canyon Park Business Center, North Creek, Quadrant North Creek and Quadrant Monte Villa Center – provide millions of square feet of office and production space to a wide range of companies. Recently, Google has expanded their presence and established a satellite office – 58,000 square feet of space – within Schnitzer North Creek. Quadrant and Schnitzer Northwest are two of the major owners/developers in the area. Recently, however, Schnitzer has sold nearly all of its North Creek properties in several separate bulk portfolio sales.

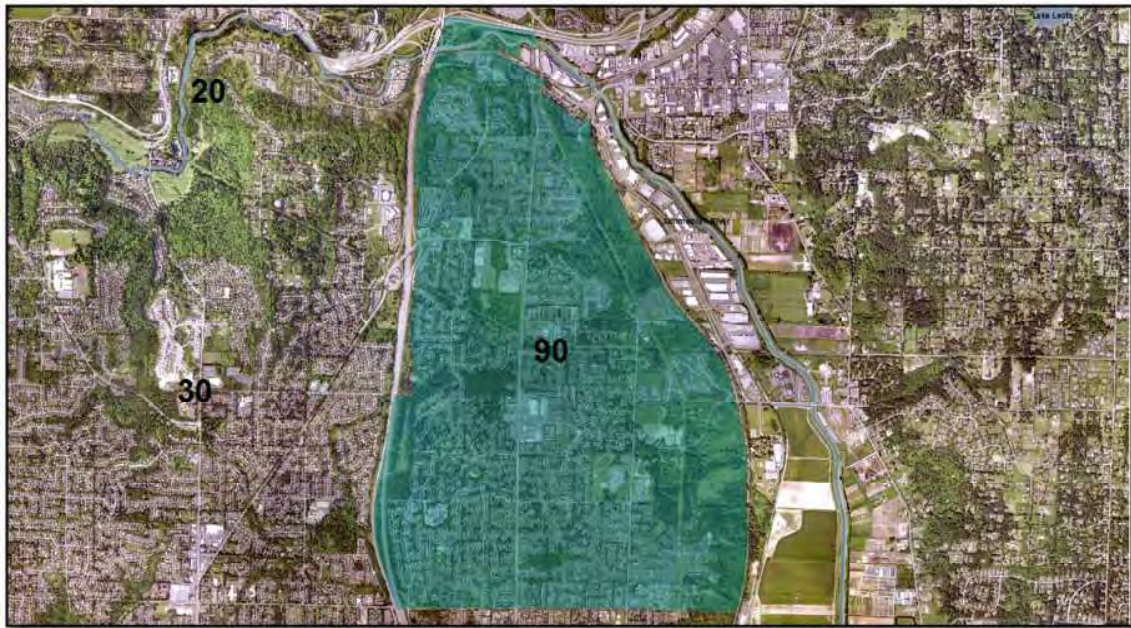
In late 2013 site work began for a new 24-Hour Fitness. This long vacant site, near Home Depot and Staples, has featured several proposals for development over the last several years, with the most recent plans finally coming to fruition.



Kingsgate: Area 85-90

Boundaries: Area 85-90 is all vacant and improved commercial properties located east of Interstate-405 and north of NE 132nd Street. On June 1st, 2011 the City of Kirkland completed annexation of the areas known as Finn Hill, North Juanita, and Kingsgate. As a result, much of area 85-90 that was previously within unincorporated King County is now within the City of Kirkland's jurisdiction.

- North – SR-522
- South – NE 132nd Street
- East – Interstate 405
- West – Eastside Rail Corridor



Neighborhood Description: The commercial land uses within this neighborhood are a mixture of retail, office, and multi-family uses. The improvement built in neighborhood 85-90 are generally older, with most buildings built between 1965 and 1985. The Kingsgate shopping center is the major commercial retail area in the neighborhood.



In 2012, Friends of Youth – a non-profit organization providing services for youth and their families, began converting a church into a group home and office. Those efforts continued in 2013. The group has also commenced with expanding the site for development of several single-family residences.

Physical Inspection Area:

Areas 85-35, 85-55, 85-70 and 85-75 were physically inspected for the 2014 assessment year as required by WAC 458-07-015 4 (a). An exterior observation of the properties was made to verify the accuracy and completeness of property characteristic data that affect value. These inspection areas comprise 201 parcels, or approximately 17.03% of the 1,116 total parcels located in Area 85 (not including specialties and government-owned properties).

Preliminary Ratio Analysis

A Preliminary Ratio Study was done just prior to the application of the 2014 recommended values. This study benchmarks the current assessment level using 2013 posted assessment values. The study was repeated after application of the 2014 recommended values. The results are included in the validation section of this report, showing an improvement in the Coefficient of Dispersion (COD) from 12.41% to 11.00%. In addition, the resulting assessment level as measured by the weighted mean ratio is 90.10%. The price-related differential is 1.01. These figures are presented in the 2013 and 2014 Assessment Ratio Analysis charts included in this report.

Scope of Data

Land Value Data: Vacant sales from 1/01/2011 to 12/31/2013 were given primary consideration for valuing land. Since January of 2011, there were 21 land sales that were considered in Area 85. The sales verified as “good” were coded “Y” in the Assessor’s records. Multi-parcel sales were also considered after combining the various aspects of all parcels involved in the sales.

Improved Parcel Total Value Data: 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 considered were verified, if possible, by calling either the purchaser or seller, inquiring in the field or calling the real estate agent. Characteristic data is verified for all sales if possible. 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

Within Geographic Area 85, there were approximately 21 commercial land sales that occurred during the last three years. In the absence of land sales in a given neighborhood, land sales from other similar neighborhoods were considered. For land valuation purposes, the Assessor used GIS (Geographic Information System) as the primary tool to establish new assessed land values. The new land values are based on neighborhood land sales that are equalized with adjacent and similarly zoned properties. In some neighborhoods, new commercial development sites are being created through the demolition of existing single family residences located on commercially zoned lots and through the demolition of older commercial and multi-family buildings.

The table on the following page summarizes the land valuation model as it was applied to the properties in Area 85. All dollar amounts are stated as a price per square foot of land area. The table is intended as a guide to “typical” land values with additional adjustments made for individual site variations.

| Typical Land Value Ranges By Neighborhood and Land Use 2014 Revaluation | | | | | | |
|--|---|--|---|---|----------------------|----------------------------|
| Area 85 Neighborhoods | Multi-Family Land Uses | | Commercial Land Uses | | Industrial Land Uses | |
| | Zoning Designation | \$/SF Range | Zoning Designation | \$/SF Range | Zoning Designation | \$/SF Range |
| 85-20 Bothell | R-2800, R-4000, R-5400a OP, R-8400, R-9600 R-9600 SSHO, R18, R18P, R-24 | \$17 - \$30 \$7 - \$15 \$11 - \$22 | 522, C, GDC, CBPSO DC, DN GC, DT | \$16 - \$30 \$20 - \$38 \$10 - \$28 | | |
| 85-25 East Totem Lake | RSX 7.2 RM 1.8, RM 2.4, RM 3.6, RM 5.0, R4 | \$12 - \$13 \$17 - \$26 | TL 3A, 3B, 3C, 3D TL 1A, 1B, 2, 4A, 5, 6A, 8 NRH 1A, 1B, 2, 3, 4, 5 PR 1.8 | \$15 - \$23 \$17 - \$30 \$14 - \$26 \$17 - \$17 | TL 7 TL 9A | \$10 - \$25 \$15 - \$17 |
| 85-30 Finn Hill/ North Juanita | RSA 4, 6, 8 RMA 1.8, 2.4, 3.6, 5.0 R 4000, R 9600 R24SO, R18SO, R12, R18 | \$5 - \$14 \$13 - \$25 \$5 - \$7 \$9 - \$22 | BC 1 BNA NB | \$20 - \$25 \$18 - \$28 \$17 - \$22 | | |
| 85-35 West Totem Lake | PR 1.8, 3.6, RM 1.8, 3.6, 5.0 | \$14 - \$24 | TL 4B, 4C, 6B TL 10A, B, TL 11 | \$17 - \$32 \$15 - \$26 | | |
| 85-40 Juanita | RM 1.8, 2.4, 3.6, RMA 1.8, 3.6, 5.0 RS 8.5 RSA 4, 6, 8 RSX 7.2 | \$22 - \$40 \$17 - \$22 \$9 - \$9 \$13 - \$17 | BNA JBD 1, 4, 5 JBD 2 JBD 3, 6 PR 2.4, 3.6 | \$17 - \$22 \$45 - \$55 \$32 - \$40 \$22 - \$35 \$18 - \$24 | | |
| 85-45 Houghton/ South Kirkland | PLA 5A, 5D, 5E RM 3.6, 5.0 | \$65 - \$65 \$40 - \$65 | BC PLA 5B, 5C PO, PR 3.6, 5.0 | \$35 - \$65 \$65 - \$80 \$55 - \$60 | LIT | \$22 - \$26 |
| 85-50 East Kirkland | PLA 16 PLA 17, 17A RM 1.8, 2.4, 3.6 RS 12.5, 7.2, 8.5, RSX 35, 7.2 | \$5 - \$11 \$33 - \$33 \$18 - \$35 \$6 - \$17 | BCX, BN, NC/C PR 3.6 RH 1A, 1B, 2A, 2B 2C RH 3, 5A, 5B, 5C, 7, 8 | \$22 - \$25 \$25 - \$40 \$18 - \$45 \$35 - \$45 | LIT | \$20 - \$25 |
| 85-55 NW Kirkland | RS 5.0, 7.2 | \$40 - \$75 | MSC 1, 2, 3, 4 | \$55 - \$68 | | |
| 85-60 SE Kirkland | PLA 1 R-15, R-20 RM 3.6 RS 8.5, 12.5 | \$13 - \$13 \$10 - \$20 \$40 - \$55 \$13 - \$35 | FC III GC OLB PO | \$50 - \$90 \$60 - \$60 \$16 - \$30 \$45 - \$45 | LI | \$13 - \$25 |
| 85-65 Kirkland CBD | PLA 6A PLA 6C, 6D, 6E, 6J, 7A, 7B, 7C, RM 3.6 RS 5.0, 7.2 | \$90 - \$105 \$50 - \$70 \$43 - \$43 | CBD 1, 1B, 2, 3, 4 CBD 5, 6, 7 CBD 8 PLA 6B, MSC 4 PR 2.4 | \$90 - \$105 \$70 - \$90 \$80 - \$105 \$55 - \$70 \$70 - \$80 | PLA 6G | \$23 - \$24 |
| 85-70 SW Kirkland | PLA 15B, 3B, 6F RM 3.6, RS 12.5 PLA 2, WD I | \$35 - \$65 \$40 - \$105 \$22 - \$25 | BN, PR 8.5 PLA 3A, PR 8.5 PLA 3B | \$100 - \$105 \$55 - \$60 \$45 - \$45 | PLA 6G | \$25 - \$25 |
| 85-75 NE Kirkland | PLA 9 RM 3.6 RS 7.2, 8.5, RSX 7.2 | \$2 - \$8 \$35 - \$50 \$14 - \$17 | TL 10C, 10D, 10E | \$15 - \$18 | LIT | \$20 - \$25 |
| 85-85 North Creek | R-2800 OP | \$15 - \$15 | R-AC, OP, CB, LI | \$18 - \$22 | R-AC, OP, CB, LI | \$18 - \$22 |
| 85-90 Kingsgate | R12SO, R18SO, R24, RMA 1.8, 2.4 R6, R6SO RMA 3.6, RSA4, 6 | \$11 - \$18 \$6 - \$6 \$6 - \$22 | BC 2, NB, NBP, NBPSO | \$18 - \$30 | | |

*Please note that this table is a summary of "typical" land values and is therefore not all inclusive

Recommended land value for the 2014 Assessment year resulted in an average total change from 2013 assessments of +1.66%. The total assessed land value for the 2013 assessment year for Area 85 was \$1,124,705,572 and the total recommended land assessed value for the 2014 assessment year is \$1,143,415,972.

| Change in Assessed Land Value | | | |
|-------------------------------|-----------------|--------------|----------|
| 2013 Land Value | 2014 Land Value | \$ Change | % Change |
| \$1,124,705,572 | \$1,143,415,972 | \$18,710,400 | 1.66% |

Nearborhoods and Sales:

The following is a breakdown of each neighborhood and a summary of the sales considered. The Assessor considered these and historic sales as the primary method of establishing the new assessed land values for each neighborhood.

Area Overview

Since 2011, there have been a total of twenty (21) commercial land sales throughout Area 85 that meet the requirements of a fair market transaction.

Area 85-20 – Bothell

Since 2011, there have been a total of two land sales in the Bothell neighborhood. The Assessor used recent historic sales (3 years) and GIS (Geographic Information System) as the primary method of establishing new assessed land values. Land sales of RC (Residential Improvements on Commercial Zoned Land) properties along with land sales between 2009 and 2010 were also considered as a basis for estimating land values. Since historic multi-family and commercially zoned land sales within the Bothell market area had similar selling prices per sq.ft., the Assessor used location influence and lot size as the primary indicator for setting land values. In the absence of land sales in a given neighborhood, land sales from other similar neighborhoods were considered.

| Area | Nbhd. | Major | Minor | Land Area | Excise # | Sale Price | Sale Date | SP / Land Area | Zone | Remarks |
|------|-------|--------|-------|-----------|----------|-------------|-----------|----------------|------|--|
| 85 | 20 | 052605 | 9095 | 12,242 | 2556250 | \$237,000 | 07/23/12 | \$19.36 | GDC | \$FR of commercial land. Sold for land value |
| 85 | 20 | 072605 | 9371 | 81,973 | 2488722 | \$2,600,000 | 04/25/11 | \$31.72 | DN | Proposed multi-family development |

Area 85-25 – East Totem Lake

Within Area 85-25, there have been two land sales since 2011. The Assessor used the most recent historic sales (3 years) and GIS (Geographic Information System) as the primary methods of establishing new assessed land values. Land sales of RC (Residential Improvements on Commercial Zoned Land) properties along with land sales between 2009 and 2010 were also considered as a basis for estimating land values. The Assessor also used location influence, zoning, and lot size as an indicator for setting land values. In the absence of land sales in a given neighborhood, land sales from other similar neighborhoods were considered.

| Area | Nbhd. | Major | Minor | Land Area | Excise # | Sale Price | Sale Date | SP / Land Area | Zone | Remarks |
|------|-------|--------|-------|-----------|----------|-------------|-----------|----------------|------|------------------------------------|
| 85 | 25 | 272605 | 9043 | 207,781 | 2568517 | \$4,000,000 | 10/03/12 | \$19.25 | TL 7 | Future industrial development site |
| 85 | 25 | 272605 | 9061 | 259,437 | 2621194 | \$4,100,000 | 07/31/13 | \$15.80 | TL 7 | Future commercial service dev site |

Area 85-30 – Finn Hill/North Juanita

Within Area 85-30, there has been one land sale since 2011. The Assessor used the most recent historic sales (3 years) and GIS (Geographic Information System) as the primary methods of establishing new assessed land values. Land sales of RC (Residential Improvements on Commercial Zoned Land) properties along with land sales between 2009 and 2010 were also considered as a basis for estimating land values. The Assessor also used location influence, zoning, and lot size as an indicator for setting land values. In the absence of land sales in a given neighborhood, land sales from other similar neighborhoods were considered.

| Area | Nbhd. | Major | Minor | Land Area | Excise # | Sale Price | Sale Date | SP / Land Area | Zone | Remarks |
|------|-------|--------|-------|-----------|----------|------------|-----------|----------------|---------|--------------------------|
| 85 | 30 | 357980 | 0549 | 45,000 | 2536794 | \$325,000 | 03/29/12 | \$7.22 | RMA 3.6 | Vacant multi-family site |

Area 85-35 – West Totem Lake

Within Area 85-35, there have been no land sales since 2011. The Assessor used the most recent historic sales (3 years) and GIS (Geographic Information System) as the primary methods of establishing new assessed land values. Land sales of RC (Residential Improvements on Commercial Zoned Land) properties along with land sales between 2009 and 2010 were also considered as a basis for estimating land values. The Assessor also used location influence, zoning, and lot size as an indicator for setting land values. In the absence of land sales in a given neighborhood, land sales from other similar neighborhoods were considered.

Area 85-40 - Juanita

Since 2011, there have been six land sales in the Juanita neighborhood. The Assessor used recent historic sales (3 years) and GIS (Geographic Information System) as the primary method of establishing new assessed land values. Land sales of RC (Residential Improvements on Commercial Zoned Land) properties along with land sales between 2009 and 2010 were also considered as a basis for estimating land values. The Assessor also used location influence, zoning, and lot size as an indicator for setting land values. In the absence of land sales in a given neighborhood, land sales from other similar neighborhoods were considered.

| Area | Nbhd. | Major | Minor | Land Area | Excise # | Sale Price | Sale Date | SP / Land Area | Zone | Remarks |
|------|-------|--------|-------|-----------|----------|-------------|-----------|----------------|---------|---|
| 85 | 40 | 302605 | 9148 | 54,206 | 2488145 | \$3,100,000 | 04/20/11 | \$57.19 | JBD 2 | 102-unit apartment building site |
| 85 | 40 | 179150 | 0315 | 79,900 | 2490060 | \$850,000 | 04/26/11 | \$10.64 | JBD 4 | Future mixed use development |
| 85 | 40 | 375790 | 0035 | 101,586 | 2506715 | \$9,850,000 | 08/24/11 | \$96.96 | JBD 1 | Future mixed use add to Juanita Village |
| 85 | 40 | 607650 | 0101 | 95,103 | 2601908 | \$1,935,416 | 04/22/13 | \$20.35 | PR 2.4 | Vacant land sale, multi-fam development |
| 85 | 40 | 376050 | 0010 | 27,400 | 2610545 | \$2,100,000 | 06/05/13 | \$76.64 | RMA 1.8 | Future condo development |
| 85 | 40 | 375790 | 0036 | 13,387 | 2644778 | \$500,000 | 12/09/13 | \$37.35 | JBD 1 | Vacant land sale, office development |

Area 85-45 – Houghton/South Kirkland

Within Area 85-45, there have been two land sales since 2011. The Assessor used the most recent historic sales (3 years) and GIS (Geographic Information System) as the primary methods of establishing new assessed land values. Land sales of RC (Residential Improvements on Commercial Zoned Land) properties along with land sales between 2009 and 2010 were also considered as a basis for estimating land values. The Assessor also used location influence, zoning, and lot size as an indicator for setting land values. In the absence of land sales in a given neighborhood, land sales from other similar neighborhoods were considered.

| Area | Nbhd. | Major | Minor | Land Area | Excise # | Sale Price | Sale Date | SP / Land Area | Zone | Remarks |
|------|-------|--------|-------|-----------|----------|-------------|-----------|----------------|--------|------------------------------------|
| 85 | 45 | 250550 | 0135 | 8,594 | 2526705 | \$490,000 | 01/09/12 | \$57.02 | PR 5.0 | New office bldg under construction |
| 85 | 45 | 123890 | 0115 | 17,692 | 2632069 | \$1,995,000 | 09/19/13 | \$112.76 | PLA 5C | To be redeveloped as apartment |

Area 85-50 – East Kirkland

Within Area 85-50, there has been one land sale since 2011. The Assessor used the most recent historic sales (3 years) and GIS (Geographic Information System) as the primary methods of establishing new assessed land values. Land sales of RC (Residential Improvements on Commercial Zoned Land) properties along with land sales between 2009 and 2010 were also considered as a basis for estimating land values. The Assessor also used location influence, zoning, and lot size as an indicator for setting land values. In the absence of land sales in a given neighborhood, land sales from other similar neighborhoods were considered.

| Area | Nbhd. | Major | Minor | Land Area | Excise # | Sale Price | Sale Date | SP / Land Area | Zone | Remarks |
|------|-------|--------|-------|-----------|----------|-------------|-----------|----------------|-------|----------------------------|
| 85 | 50 | 123310 | 0216 | 19,907 | 2512034 | \$1,400,000 | 09/26/11 | \$70.33 | RH 5A | Future Taco Time franchise |

Area 85-55 – NW Kirkland

Within Area 85-55, there has been one land sale since 2011. The Assessor used the most recent historic sales (3 years) and GIS (Geographic Information System) as the primary methods of establishing new assessed land values. Land sales of RC (Residential Improvements on Commercial Zoned Land) properties along with land sales between 2009 and 2010 were also considered as a basis for estimating land values. The Assessor also used location influence, zoning, and lot size as an indicator for setting land values. In the absence of land sales in a given neighborhood, land sales from other similar neighborhoods were considered.

| Area | Nbhd. | Major | Minor | Land Area | Excise # | Sale Price | Sale Date | SP / Land Area | Zone | Remarks |
|------|-------|--------|-------|-----------|----------|------------|-----------|----------------|-------|--------------------------------------|
| 85 | 55 | 124500 | 1060 | 7,650 | 2607655 | \$640,000 | 05/24/13 | \$83.66 | MSC 1 | Sold for land value, hold for re-dev |

Area 85-60 – SE Kirkland

Since 2011, there has been one land sale in the SE Kirkland neighborhood. The Assessor used recent historic sales (3 years) and GIS (Geographic Information System) as the primary method of establishing new assessed land values. Land sales of RC (Residential Improvements on Commercial Zoned Land) properties along with land sales between 2009 and 2010 were also considered as a basis for estimating land values. The Assessor also used location influence, zoning, and lot size as an indicator for setting land values. In the absence of land sales in a given neighborhood, land sales from other similar neighborhoods were considered.

| Area | Nbhd. | Major | Minor | Land Area | Excise # | Sale Price | Sale Date | SP / Land Area | Zone | Remarks |
|------|-------|--------|-------|-----------|----------|------------|-----------|----------------|------|--------------------------|
| 85 | 60 | 202505 | 9099 | 67,096 | 2484691 | \$325,000 | 03/23/11 | \$4.84 | R-20 | Vacant multi-family site |

Area 85-65 – Kirkland CBD

Within Area 85-65, there has been one land sales since 2011. The Assessor used the most recent historic sales (3 years) and GIS (Geographic Information System) as the primary methods of establishing new assessed land values. Land sales of RC (Residential Improvements on Commercial Zoned Land) properties along with land sales between 2009 and 2010 were also considered as a basis for estimating land values. The Assessor also used location influence, zoning, and lot size as an indicator for setting land values. In the absence of land sales in a given neighborhood, land sales from other similar neighborhoods were considered.

| Area | Nbhd. | Major | Minor | Land Area | Excise # | Sale Price | Sale Date | SP / Land Area | Zone | Remarks |
|------|-------|--------|-------|-----------|----------|-------------|-----------|----------------|--------|---------------------------------------|
| 85 | 65 | 187500 | 0190 | 43,995 | 2522868 | \$2,860,000 | 12/12/11 | \$65.01 | PLA 6B | Detached & attached multi-family site |

Area 85-70 – SW Kirkland

Within Area 85-70, there have been three land sales since 2011. The Assessor used the most recent historic sales (3 years) and GIS (Geographic Information System) as the primary methods of establishing new assessed land values. Land sales of RC (Residential Improvements on Commercial Zoned Land) properties along with land sales between 2009 and 2010 were also considered as a basis for estimating land values. The Assessor also used location influence, zoning, and lot size as an indicator for setting land values. In the absence of land sales in a given neighborhood, land sales from other similar neighborhoods were considered.

| Area | Nbhd. | Major | Minor | Land Area | Excise # | Sale Price | Sale Date | SP / Land Area | Zone | Remarks |
|------|-------|--------|-------|-----------|----------|-------------|-----------|----------------|--------|------------------------------|
| 85 | 70 | 082505 | 9187 | 7,200 | 2609059 | \$507,000 | 05/29/13 | \$70.42 | RM 3.6 | Sold for land value |
| 85 | 70 | 082505 | 9251 | 17,820 | 2610781 | \$1,214,400 | 06/03/13 | \$68.15 | RM 3.6 | Purchased for redevelopment |
| 85 | 70 | 788260 | 0120 | 221,025 | 2629978 | \$7,833,000 | 09/10/13 | \$35.44 | PLA 6G | Google Campus Expansion Site |

Area 85-75 – NE Kirkland

Within Area 85-75, there have been no land sales since 2011. The Assessor used the most recent historic sales (3 years) and GIS (Geographic Information System) as the primary methods of establishing new assessed land values. Land sales of RC (Residential Improvements on Commercial Zoned Land) properties along with land sales between 2009 and 2010 were also considered as a basis for estimating land values. The Assessor also used location influence, zoning, and lot size as an indicator for setting land values. In the absence of land sales in a given neighborhood, land sales from other similar neighborhoods were considered.

Area 85-85 – North Creek

Within Area 85-85, there has been one land sales since 2011. The Assessor used the most recent historic sales (3 years) and GIS (Geographic Information System) as the primary methods of establishing new assessed land values. Land sales of RC (Residential Improvements on Commercial Zoned Land) properties along with land sales between 2009 and 2010 were also considered as a basis for estimating land values. The Assessor also used location influence, zoning, and lot size as an indicator for setting land values. In the absence of land sales in a given neighborhood, land sales from other similar neighborhoods were considered.

| Area | Nbhd. | Major | Minor | Land Area | Excise # | Sale Price | Sale Date | SP / Land Area | Zone | Remarks |
|------|-------|--------|-------|-----------|----------|-------------|-----------|----------------|------|---------------------------------------|
| 85 | 85 | 092605 | 9129 | 178,596 | 2618206 | \$2,700,000 | 06/25/13 | \$15.12 | R-AC | Vacant, future commercial development |

Area 85-90 – Kingsgate

Within Area 85-90, there have been no land sales since 2011. The Assessor used the most recent historic sales (3 years) and GIS (Geographic Information System) as the primary methods of establishing new assessed land values. Land sales of RC (Residential Improvements on Commercial Zoned Land) properties along with land sales between 2009 and 2010 were also considered as a basis for estimating land values. The Assessor also used location influence, zoning, and lot size as an indicator for setting land values. In the absence of land sales in a given neighborhood, land sales from other similar neighborhoods were considered.

Improved Parcel Total Values:

Economic Considerations:

Historic Economic Conditions:

The Seattle region experienced strong employment growth in the mid-2000's as the local economy continued to experience increasing diversification led by the rapidly expanding technology and biotech sectors. This helped spur increases in net migration and a robust real estate market which experienced rapidly appreciating property values unprecedented in recent memory. This period of strong growth came to a grinding halt as the effects of the national economic crisis began to impact the local economy. The year 2009 marked a clear shift in the local economy as demonstrated by significant regional job losses and plummeting real estate values. The recessionary period that followed was characterized by a tightening of lending practices, further job losses, and declines in all sectors of the real estate market.

Current National Economy:

The United States economy has made significant gains in its quest to recover from the damage done by the recent recession. The overall unemployment rate continues to drop from the recent-time high experienced in the last quarter of 2009. From January 1, 2013 to January 1, 2014 the rate dropped from 7.9% to 6.6%. The stock market also continues to rebound, with the Dow Jones industrial average holding throughout early 2014 at just above 16,000 – up from early-January 2013 closings round 13,500. In addition, the amount of foreclosures has dropped and home values continue to show signs of improvement. Consumer sentiment has improved as well. In another sign of improvement, housing starts in 2013 increased 18 percent compared to 2012 figures, the fourth straight annual gain.

Current Economic Conditions:

The regional economy, including the Eastside Market Area, has been steadily improving. Employment growth has outpaced the national economy, with the strongest gains in construction and manufacturing. Commercial real estate sales transaction volume has increased and underlying economic fundamentals have improved. Fueled by the spike in demand for apartment housing, and the consequential tightening of vacancy rates and upward pressure on rental rates, development of new multi-family apartment projects is continuing at a fast pace. Much of the new construction in Area 85 over the last few years has been multi-family apartment projects. An improvement in investor sentiment is also putting downward pressure on Capitalization Rates for other market segments such as industrial and office. As regional employment growth continues to be healthy, the office market has continued to strengthen with a number of sale transactions over the year. In addition, strong activity at the regional ports, coupled with an improvement in consumer demand, has made the industrial market one of the strongest commercial real estate markets in the area. With present low interest rates, many smaller companies are finding that it is financially advantageous to become an owner/user and purchase property for their business. As a result, there has been an increase in sales activity in the smaller industrial properties.

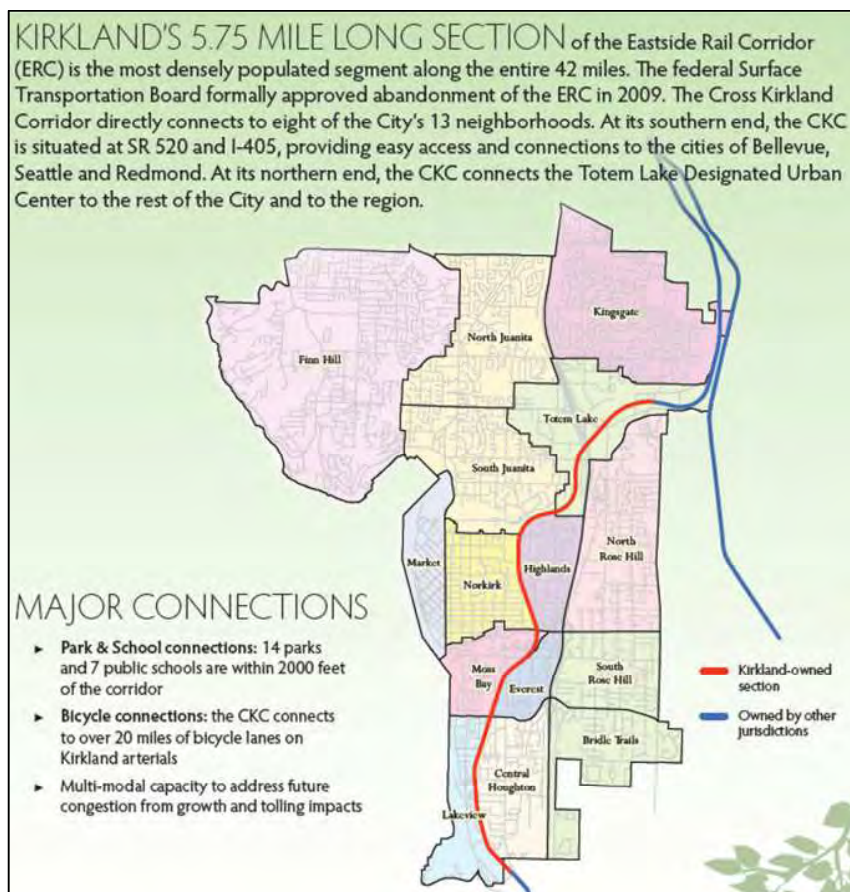
Construction Activity: Several construction projects were completed in 2012 and 2013. These include The 104 Apartments, a 115-unit mixed use project; the 61-unit Francis Village affordable housing project; Ondine at Juanita Bay, a 102-unit apartment building; Waterscape Juanita Village, a 196-unit mixed-use project; the multi-story parking garage at the South Kirkland Park and Ride; and the Friends of youth admin buildings

Some projects continued in earnest. These include the Bothell highway realignment and associated projects; Gateway Plaza, a phased project with 442 apartments and 45,000 square feet of commercial space; and Slater 116, a 108-unit mixed use apartment building.

Several more projects broke ground in 2013: McMenamins renovation of the Anderson building; the new Toyota of Kirkland site; Fairfax Hospital's addition of a new two-story, 68-bed building; the new Fred Meyer Fuel Center; a new 24-Hour Fitness; and the Friends of Youth housing units.

In 2014 it is anticipated that a few more projects will begin. These projects were recently permitted: addition of school rooms at Kirkland Children's School; a 203-unit apartment; a 58-unit affordable housing building; a 185-unit mixed use development; and Potala Village Kirkland – a proposed mixed-use project consisting of 143 luxury apartment units and 6,000 square feet of retail space plus retail parking.

A particularly noteworthy 2014 ground-breaking is the Google Kirkland expansion campus. As introduced in the discussions of Area 85-45 and 85-70, earlier in this report, the development of this new campus includes features of another Kirkland-wide project – the Cross Kirkland Corridor (CKC). Google's involvement with the CKC concerns only that portion of the corridor adjacent to the campuses, but the City of Kirkland has embarked upon the creation of this new trail, the intention of which is to use a pre-existing transportation corridor for better city access.



The Cross Kirkland Corridor traverses Kirkland, from the South Kirkland Park and Ride to the Totem Lake Business District. In 2012, the City of Kirkland purchased a 5.75 mile segment of the 41-mile Eastside Rail Corridor. The plan is to develop a multi-modal transportation corridor.

The CKC occupies the former BNSF rail bed, which no longer carries train traffic. Removal of the rails, iron and ties from the CKC was completed in October 2013. The Final Master Plan is

expected to be completed in mid-2014. In the meantime, an interim trail will be constructed in by October 2014. This interim trail will be ADA compliant and will feature all-weather new crushed gravel surface within the existing rail bed. The trail will extend from 108th Avenue Northeast (south end) to 132nd Avenue Northeast (north end).

| 2013 Year End Metrics | | | |
|--------------------------|------------------------|------------------------|------------------------|
| | Office | Retail | Industrial |
| Vacancy | ↘ (slight decrease) | ↗ (slight increase) | ↘ (slight decrease) |
| Rental Rate | ↗ (slight increase) | ↘ (slight decrease) | ↗ (slight increase) |
| Capitalization Rate | ↔ (stable) | ↘ (slight decrease) | ↘ (slight decrease) |
| Improved Property Values | ↗ (slight increase) | ↔ (stable) | ↗ (slight increase) |
| Land Values | ↔ (stable) | ↔ (stable) | ↗ (slight increase) |

Office Market Conditions: The regional office market continues to improve to a point of relative stabilization, as evidenced by positive, but slowing overall absorption. The slowing absorption, along with lower overall vacancy rates, has helped to spike overall asking rates as well. In general, rental rates in the Eastside market area increased slightly while the vacancy rate declined. It's reported that the continued improvements in vacancy rates and rental rates has caused leasing concessions to decline both in frequency and value.

Surveyed market reports indicate that Eastside "Class A" office space had reported asking rents ranging from \$21.00/SF to \$45.00/SF (full service), while reported "Class B" asking rents ranged from \$18.00/SF to \$35.00/SF (full service). The SR-520 corridor market reported "Class A" asking rents ranging from \$22.00/SF to \$28.00/SF, while the "Class B" office asking rates were reported between \$18.00/SF to \$27.00/SF. Within the Kirkland market area, the reported asking rents for "Class A" office space ranged from \$25.00/SF to \$36.00/SF, while reported asking rents for "Class B" office space ranged from \$18.00/SF to \$28.00/SF. The Bothell market reported "Class A" asking rents ranging from \$21.00/SF to \$30.00/SF, while the "Class B" office asking rates were reported between \$18.00/SF to \$22.00/SF.

The eastside market area total (direct and sublet) office vacancy rate increased from 13.5% to 14.2% from Q4 2012 to Q4 2013. However, Area 85 submarkets therein showed improvement. The SR-520 submarket total vacancy rate decreased by 30.5%. The Kirkland and Bothell submarkets also declined in total vacancy rate, but more modestly (1.2% and 5.1%, respectively).

| Office Market Statistics | | | | | | |
|--------------------------|------------------|-----------------|----------------|---------------------------|-------------|--------------------------|
| | Market Size (SF) | Total Vacancy % | Vacancy Change | Class A Avg. Asking Rate* | Rent Change | 2013 Net Absorption (SF) |
| SR-520 | 2,579,812 | 10.7% | -30.5% | \$27.40 | 0.6% | 13,828 |
| Kirkland | 1,465,805 | 8.1% | -1.2% | \$38.95 | 23.3% | (22,561) |
| Bothell | 2,895,063 | 16.8% | -5.1% | \$24.94 | 4.8% | 47,543 |
| Eastside (all) | 30,063,196 | 14.2% | 5.2% | \$30.43 | 4.5% | 37,711 |

Source: 4th Qtr 2013 CBRE Office MarketView

*Full Service

Retail Market Conditions: Research reports indicate that the regional retail market has essentially stabilized, with some improvements in rental rates. The Seattle/Puget-Sound Region experienced positive absorption and a stabilized vacancy rate of 5.5% overall, while the Eastside

submarket showed negative absorption. In the overall Eastside submarket, rents dropped slightly and the total vacancy rate increased slightly.

Retail development activity has remained low as the market continues to slowly reabsorb existing vacant space. In addition, many retailers are reluctant to pay rents at levels that justify new construction investment. Most new retail space on the market has come in the form of retail space within mixed-use multi-family developments as the development of multi-family properties intensified over the year.

Within Area 85 submarkets, the picture is more positive than the overall Eastside. Quoted rates increased modestly in the 522 Corridor, Bothell/Kenmore, and Kirkland submarkets. These increases are balanced by slight overall increases in vacancy rates, indicating that the retail market is relatively stable. The table below summarizes vacancy rates and quoted rent rates for general retail properties in market areas within Area 85. Excluded from the data are malls, power centers and shopping centers.

| General Retail Market Statistics* | | | | | |
|-----------------------------------|------------------|-----------------|----------------|---------------------|-------------|
| | Market Size (SF) | Total Vacancy % | Vacancy Change | Quoted Rent Rates** | Rent Change |
| 520 Corridor | 1,205,325 | 0.9% | 800.0% | \$22.87 | 5.4% |
| Bothell/Kenmore | 1,899,582 | 1.1% | -38.9% | \$18.78 | 12.7% |
| Kirkland | 1,735,649 | 2.0% | 42.9% | \$23.34 | 9.6% |
| Eastside (all) | 10,625,295 | 3.6% | 100.0% | \$19.97 | -6.3% |

Source: The COSTAR Retail Report, Year-End 2013

*Excludes malls, power centers, shopping centers and specialty shopping centers

**NNN

The Eastside features 227 shopping features, many of which are included in Area 85; therefore, a brief discussion of trends is warranted. From Q4 2012 to Q4 2013, the quoted rate increased from \$23.05 to \$23.68. Total vacancy dropped from 7.8% to 6.3% and absorption slowed, but was still positive.

Industrial Market Conditions: The regional industrial market has continued the strong growth experienced in 2012 with its strongest year since 2007. Total vacancy is down, direct lease rates are up, and net absorption is up. This suite of trends is all the more indicative of a strong industrial market, considering that there was also 1,172,323SF of completions in 2013. Net absorption increased strongly over the year and, region wide, the overall vacancy rate declined from 7.1% in 2012 to 6.6% in 2013.

The Eastside market area constitutes approximately 10% of the region's gross leasable area. Vacancy rates are currently at 11.2%, down from 11.6% last year. Further, average direct asking rates increased slightly from \$0.85/SF/Mon to \$0.90/SF/Mon (the highest in the region). The Eastside had positive net absorption of 378,041 SF with no new construction.

| Industrial Market Statistics | | | | | | |
|------------------------------|------------------|-----------------|----------------|----------------------|-------------|--------------------------|
| | Market Size (SF) | Total Vacancy % | Vacancy Change | Direct Asking Rates* | Rent Change | 2012 Net Absorption (SF) |
| Eastside Market | 24,149,137 | 11.2% | -3.4% | \$0.90 | 5.9% | 378,041 |

Source: 4th Qtr 2013 CBRE Industrial MarketView

*NNN/Month

Sales comparison approach model description

All sales were verified with a knowledgeable party, when possible. Each sale was inspected and the recorded property characteristics adjusted when necessary. The resulting data was stratified according to four data sources from the Assessor's records: occupancy codes, age, condition, and size in order to establish appropriate ranges of price per square foot to use as guidelines. In addition to setting parameters for the market approach to value, this process also supports and validates the income approach model.

Properties for which the sales comparison approach was deemed the most reliable method of valuation include: daycares, converted single family residences used as businesses, small office condominiums, mobile home parks, and individual situations deemed appropriate by the appraiser.

Sales comparison calibration

Calibration of the coefficients utilized in the models applied via the sales comparison approach was established via 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. Cost figures were 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 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 fraternal halls, daycares, and new or on-going construction.

Cost calibration

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

Income capitalization approach model description

The Income Approach was considered a reliable approach to valuation throughout Area 85 for improved property types where income and expense data is available to ascertain market rates. Income parameters were derived from the market place through market rental surveys, sales, and available real estate publications and websites.

Income approach calibration

Income tables were developed for each of the fourteen neighborhoods that comprise Area 85. The tables pertain to the following property types: Retail, Industrial Engineering Buildings, Medical and Dental Offices, Discount Stores, Storage Garage, Basement Finish, Restaurant, Storage Warehouse, and Office, in addition to an exclusion table indicating property uses not covered by an income table. Properties which contain differing section uses may have multiple tables that are

applicable to the property as a whole. There are a total of 357 income tables for Area 85. All tables are included.

The tables were calibrated after setting economic rents, vacancy, expenses, and capitalization rates by using adjustments based 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 nominal \$1,000 value was allocated to the improvements. For properties where sales and income and expense data was not available, the cost approach was utilized.

Income: Income parameters were derived from the market place through information obtained during sales verification, as well as through published sources (i.e. OfficeSpace.Com, Commercial Brokers Association, Costar, Multiple Corporate Real Estate Websites), and opinions expressed by real estate professionals active in the market.

Vacancy: Vacancy rates used were derived mainly from published sources tempered by appraiser observation and knowledge of the market.

Expenses: Expense ratios were estimated based on industry standards, published sources, and appraiser observation and knowledge of the area's rental practices. Within our income valuation models, the Assessor used triple net expenses for typical retail/mixed-use & industrial type uses. For typical office/medical buildings, the Assessor used full service expenses within the valuation models.

Income Capitalization Approach model description: The income approach is considered the most reliable approach to valuation in Area 85 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, the Commercial Brokers Association, and other relevant online sources. 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. Since property taxes are considered to be an allowable operating expense, no effective tax rate is included in the following capitalization rate data.

| SEATTLE / PACIFIC NW CAP RATES | | | | | | |
|--------------------------------|------|----------|--------|------------|--------|--|
| Source | Date | Location | Office | Industrial | Retail | Remarks |
| | | | - | - | 5.70% | Quick Service Rest. |
| | | | - | - | 6.00% | Jr. Big Box - (20,000/SF - 39,999/SF) |
| | | | - | - | 7.30% | Mid. Big Box - (40,000/SF - 79,999/SF) |
| | | | | | 7.20% | Mega Big Box - (80,000/SF +) |

| NATIONAL CAP RATES | | | | | | |
|---|--------------|----------|--|--|--|---|
| Source | Date | Location | Office | Industrial | Retail | Remarks |
| ACLI | Yr. End 2013 | National | 6.26% 7.28% 7.09% - 7.23% 6.10% | 7.10% 7.94% 7.61% - 7.99% 6.73% | 6.65% 7.28% 7.09% - 7.23% 6.20% | Overall Sq.Ft. - <50k Sq.Ft. - 50k-200k Sq.Ft. - 200K+ |
| PWC / Korpaz | 4Q 2013 | National | 6.45% 6.98% 7.71% - - - - - | - - - 7.83% 6.22% - - - | - - - - - 6.56% 6.67% 6.98% | CBD Office - (4.00% - 9.00%) Sub. Office - (5.00% - 9.50%) Medical Office - (5.50% - 11.00%) Flex/R&D - (6.25% - 10.00%) Warehouse - (5.00 - 7.75%) A+ = 5.46%; A = 5.92%; B+ = 6.71% Power Center - (5.50% - 8.00%) Neigh. Strip Ctrs. - (5.00% - 10.00%) |
| IRR: Viewpoint for 2014 | Yr. End 2013 | Seattle | 7.37% 8.01% 7.68% 8.23% - - - - - - - - | - - - - 7.50% 8.09% 8.01% 8.53% - - - - | - - - - - - - - 7.01% N/A 7.26% 7.72% 7.41% 7.93% | <u>Institutional Grade Properties</u> CBD Office – Class A CBD Office – Class B Suburban Office – Class A Suburban Office – Class B Industrial – Class A Industrial – Class B Flex Industrial – Class A Flex Industrial – Class B Reg. Mall – Class A Reg. Mall – Class B Community Retail – Class A Community Retail – Class B Neighborhood Retail – Class A Neighborhood Retail – Class B |
| RERC-CCIM: Investment Trends Quarterly | 4Q 2013 | National | 7.70% 8.00% - - - | - - 7.80% 7.90% - | - - - - 7.50% | Office CBD Office Suburban Industrial Warehouse Flex Retail |
| Colliers International Office/Industrial Highlights | Q4 2013 | National | 7.27% 7.81% - - - | - - 7.50% 6.10% 7.22% | - - - - - | CBD Office Suburban Office\ U.S. Total Seattle/Puget Sound West Region |
| IAAO Webinar Cap. Rate Report | Yr End 2013 | National | - 7.20% - - - - - - - | - - - - - - - - | - - 7.40% 7.20% 7.40% 7.50% 7.20% 6.70% 6.40% 7.00% | <u>“Transactions over \$2.5mil”</u> <u>(Real Cap Anal)</u> Single Tenant Office Big Box Grocery/Supermarket Anchored Strip Malls Unanchored Strip Malls Power Center Drug Stores Malls Average – All Subcategories |
| Calkain: Net Lease Economic Report | Yr End 2013 | National | - - - - - | - - - - - | 6.70% 7.10% 6.60% 7.30% 7.45% 5.95% | Overall (Average) Drug Store Quick Service Rest. Restaurant Big Box Banks |
| The Boulder Group: Net Lease Market Report | 4Q 2013 | National | 7.70% - - - | 8.00% - - - | 7.02% 7.10% 6.25% 7.50% | Overall (Average) Big Box “Overall” Big Box “Investment Grade” Big Box “Non-Investment Grade” |

| NATIONAL CAP RATES | | | | | | |
|--|---------|-------------|--------|------------|--------|--|
| Source | Date | Location | Office | Industrial | Retail | Remarks |
| | | | - | - | 7.05% | Jr. Big Box - (20,000/SF – 39,999/SF) |
| | | | - | - | 7.18% | Mid. Big Box - (40,000/SF – 79,999/SF) |
| | | | - | - | 7.58% | Mega Big Box - (80,000/SF +) |
| | | West Region | - | - | 6.63% | Overall (Average) |
| Cassidy/Turley: Single Tenant Net Lease Overview | 3Q 2013 | National | - | 7.60% | - | Industrial |
| | | | - | - | 6.90% | Drug Store |
| | | | - | - | 6.90% | Quick Service Rest. |
| | | | - | - | 7.60% | Jr. Big Box - (20,000/SF – 39,999/SF) |
| | | | - | - | 7.90% | Mid. Big Box - (40,000/SF – 79,999/SF) |
| | | | - | - | 7.50% | Mega Big Box - (80,000/SF +) |

The preceding tables summarize various ranges of Capitalization Rates and trends that are compiled and collected on a national or broad regional scale. This information is reconciled with data specific to the real estate market in Area 85 to develop the income model. The range of capitalization rates in the income model for Area 85 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 85 that are valued by the income approach include, but are not limited to, offices, retail stores, and mixed-use buildings.

Typical income model parameters for the various markets that make up Area 85 are summarized on the following pages. It should be noted that due to the nature of commercial real estate, not all properties fall within the "typical" parameters listed below for their respective property use type.

Area 85-20 – Bothell

| Typical Income Parameters | | | | |
|----------------------------------|------------------------------|----------------------------------|--|----------------------------------|
| Land Use | Rent Range per SF | Vacancy/ Coll. Loss % | Expenses per SF or % of EGI | Capitalization Rate % |
| Office/Medical Office | \$19.00 to \$27.00 | 5% to 15% | \$6.25 to \$7.00 | 7.00% to 8.75% |
| Retail/Mixed Use | \$10.50 to \$17.50 | 5% | 7.50% | 7.00% to 8.75% |
| Industrial/Whse. | \$3.00 to \$8.40 | 5% to 8% | 7.50% | 6.75% to 8.75% |

Typical rental rates for office and medical office properties in this area range from \$19.00 to \$27.00 per square foot of net rentable area, Full Service. Deductions for vacancy and collection loss were estimated between 5% and 15% of Potential Gross Income. Typical expense rates for properties of this type range from \$6.25 to \$7.00 per square foot of net rentable area. Capitalization Rates applicable to this property type typically range from 7.00% to 8.75% depending on factors such as effective age and quality/condition.

For retail and mixed use property types, typical rental rates tend to be between \$10.50 and \$17.50 per square foot of net rentable area, Triple Net. Deductions for vacancy and collection loss were estimated at 5% of Potential Gross Income. Typical expense levels for retail/mixed use are 7.50% of Effective Gross Income and typical Capitalization Rates are between 7.00% and 8.75%.

Industrial lease rates are typically quoted on a monthly price per square foot basis. For consistency, the table above has displayed rents on an annual price per square foot basis in line with the other property types. Typical rental rates for industrial/warehouse properties in this area range from \$0.25 to \$0.70 per square foot per month (\$3.00/SF - \$8.40/SF annualized), Triple Net. Vacancy and credit loss deductions are typically between 5% and 8% of Potential Gross Income while typical expense rates are 7.50% of Effective Gross Income. Capitalization Rates typical for this property type range between 6.75% and 8.75%.

Area 85-25 – East Totem Lake (East of I-405)

| Typical Income Parameters | | | | |
|---------------------------|----------------------|--------------------------|--------------------------------|--------------------------|
| Land Use | Rent Range per SF | Vacancy/ Coll. Loss % | Expenses per SF or % of EGI | Capitalization Rate % |
| Office/Medical Office | \$17.75 to \$30.25 | 6% to 14% | \$6.75 to \$7.25 | 6.75% to 8.75% |
| Retail/Mixed Use | \$15.00 to \$24.00 | 5% | 7.50% | 6.75% to 8.75% |
| Industrial/Whse. | \$3.75 to \$9.15 | 7% to 8% | 7.50% | 6.75% to 8.50% |

Typical rental rates for office and medical office properties in this area range from \$17.75 to \$30.25 per square foot of net rentable area, Full Service. Deductions for vacancy and collection loss were estimated between 6% and 14% of Potential Gross Income. Typical expense rates for properties of this type range from \$6.25 to \$7.25 per square foot of net rentable area. Capitalization Rates applicable to this property type typically range from 6.75% to 8.75% depending on factors such as effective age and quality/condition.

For retail and mixed use property types, typical rental rates tend to be between \$15.00 and \$24.00 per square foot of net rentable area, Triple Net. Deductions for vacancy and collection loss were estimated at 5% of Potential Gross Income. Typical expense levels for retail/mixed use are 7.50% of Effective Gross Income and typical Capitalization Rates are between 6.75% and 8.75%.

Industrial lease rates are typically quoted on a monthly price per square foot basis. For consistency, the table above has displayed rents on an annual price per square foot basis in line with the other property types. Typical rental rates for industrial/warehouse properties in this area range from \$0.31 to \$0.76 per square foot per month (\$3.75/SF - \$9.15/SF annualized), Triple Net. Vacancy and credit loss deductions are typically between 7% and 8% of Potential Gross Income while typical expense rates are 7.50% of Effective Gross Income. Capitalization Rates typical for this property type range between 6.75% and 8.50%.

Area 85-30 - Finn Hill/North Juanita

| Typical Income Parameters | | | | |
|---------------------------|----------------------|--------------------------|--------------------------------|--------------------------|
| Land Use | Rent Range per SF | Vacancy/ Coll. Loss % | Expenses per SF or % of EGI | Capitalization Rate % |
| Office/Medical Office | \$17.00 to \$27.00 | 5% to 13% | \$6.25 to \$6.75 | 6.75% to 9.00% |
| Retail/Mixed Use | \$16.00 to \$22.25 | 5% | 7.50% | 7.00% to 8.75% |
| Industrial/Whse. | \$3.60 to \$9.15 | 8% to 9% | 7.50% | 7.00% to 8.75% |

Typical rental rates for office and medical office properties in this area range from \$17.00 to \$27.00 per square foot of net rentable area, Full Service. Deductions for vacancy and collection loss were estimated between 5% and 13% of Potential Gross Income. Typical expense rates for properties of this type range from \$6.25 to \$6.75 per square foot of net rentable area. Capitalization Rates applicable to this property type typically range from 6.75% to 9.00% depending on factors such as effective age and quality/condition.

For retail and mixed use property types, typical rental rates tend to be between \$16.00 and \$22.25 per square foot of net rentable area, Triple Net. Deductions for vacancy and collection loss were estimated at 5% of Potential Gross Income. Typical expense levels for retail/mixed use are 7.50% of Effective Gross Income and typical Capitalization Rates are between 7.00% and 8.75%.

Industrial lease rates are typically quoted on a monthly price per square foot basis. For consistency, the table above has displayed rents on an annual price per square foot basis in line with the other property types. Typical rental rates for industrial/warehouse properties in this area range from \$0.30 to \$0.76 per square foot per month (\$3.60/SF - \$9.15/SF annualized), Triple Net. Vacancy and credit loss deductions are typically between 8% and 9% of Potential Gross Income while typical expense rates are 7.50% of Effective Gross Income. Capitalization Rates typical for this property type range between 7.00% and 8.75%.

Area 85-35 - West Totem Lake (West of I-405)

| Typical Income Parameters | | | | |
|----------------------------------|------------------------------|----------------------------------|--|----------------------------------|
| Land Use | Rent Range per SF | Vacancy/ Coll. Loss % | Expenses per SF or % of EGI | Capitalization Rate % |
| Office/Medical Office | \$18.00 to \$30.25 | 6% to 13% | \$6.75 to \$7.50 | 6.75% to 8.50% |
| Retail/Mixed Use | \$15.00 to \$24.00 | 5% | 7.50% | 7.00% to 8.75% |
| Industrial/Whse. | \$3.60 to \$9.15 | 7% to 9% | 7.50% | 7.00% to 8.75% |

Typical rental rates for office and medical office properties in this area range from \$18.00 to \$30.25 per square foot of net rentable area, Full Service. Deductions for vacancy and collection loss were estimated between 6% and 13% of Potential Gross Income. Typical expense rates for properties of this type range from \$6.75 to \$7.50 per square foot of net rentable area. Capitalization Rates applicable to this property type typically range from 6.75% to 8.50% depending on factors such as effective age and quality/condition.

For retail and mixed use property types, typical rental rates tend to be between \$15.00 and \$24.00 per square foot of net rentable area, Triple Net. Deductions for vacancy and collection loss were estimated at 5% of Potential Gross Income. Typical expense levels for retail/mixed use are 7.50% of Effective Gross Income and typical Capitalization Rates are between 7.00% and 8.75%.

Industrial lease rates are typically quoted on a monthly price per square foot basis. For consistency, the table above has displayed rents on an annual price per square foot basis in line with the other property types. Typical rental rates for industrial/warehouse properties in this area range from \$0.30 to \$0.76 per square foot per month (\$3.60/SF - \$9.15/SF annualized), Triple Net. Vacancy and credit loss deductions are typically between 7% and 9% of Potential Gross Income while typical expense rates are 7.50% of Effective Gross Income. Capitalization Rates typical for this property type range between 7.00% and 8.75%.

Area 85-40 - Juanita

| Typical Income Parameters | | | | |
|----------------------------------|------------------------------|----------------------------------|--|----------------------------------|
| Land Use | Rent Range per SF | Vacancy/ Coll. Loss % | Expenses per SF or % of EGI | Capitalization Rate % |
| Office/Medical Office | \$17.50 to \$28.00 | 5% to 13% | \$6.25 to \$7.75 | 6.75% to 8.75% |
| Retail/Mixed Use | \$16.50 to \$29.25 | 5% | 7.50% | 6.75% to 8.50% |
| Industrial/Whse. | \$3.60 to \$9.15 | 7% to 8% | 7.50% | 7.00% to 8.75% |

Typical rental rates for office and medical office properties in this area range from \$17.50 to \$28.00 per square foot of net rentable area, Full Service. Deductions for vacancy and collection loss were estimated between 5% and 13% of Potential Gross Income. Typical expense rates for properties of this type range from \$6.25 to \$7.75 per square foot of net rentable area.

Capitalization Rates applicable to this property type typically range from 6.75% to 8.75% depending on factors such as effective age and quality/condition.

For retail and mixed use property types, typical rental rates tend to be between \$16.50 and \$29.25 per square foot of net rentable area, Triple Net. Deductions for vacancy and collection loss were estimated at 5% of Potential Gross Income. Typical expense levels for retail/mixed use are 7.50% of Effective Gross Income and typical Capitalization Rates are between 6.75% and 8.50%.

Industrial lease rates are typically quoted on a monthly price per square foot basis. For consistency, the table above has displayed rents on an annual price per square foot basis in line with the other property types. Typical rental rates for industrial/warehouse properties in this area range from \$0.30 to \$0.76 per square foot per month (\$3.60/SF - \$9.15/SF annualized), Triple Net. Vacancy and credit loss deductions are typically between 7% and 8% of Potential Gross Income while typical expense rates are 7.50% of Effective Gross Income. Capitalization Rates typical for this property type range between 7.00% and 8.75%.

Area 85-45 – Houghton/South Kirkland

| Typical Income Parameters | | | | |
|----------------------------------|------------------------------|----------------------------------|--|----------------------------------|
| Land Use | Rent Range per SF | Vacancy/ Coll. Loss % | Expenses per SF or % of EGI | Capitalization Rate % |
| Office/Medical Office | \$19.50 to \$30.00 | 5% to 14% | \$7.25 to \$7.75 | 6.50% to 8.25% |
| Retail/Mixed Use | \$14.75 to \$24.75 | 5% | 7.50% | 7.00% to 8.75% |
| Industrial/Whse. | \$4.20 to \$9.75 | 5% to 9% | 7.50% | 7.00% to 8.75% |

Typical rental rates for office and medical office properties in this area range from \$19.50 to \$30.00 per square foot of net rentable area, Full Service. Deductions for vacancy and collection loss were estimated between 5% and 14% of Potential Gross Income. Typical expense rates for properties of this type range from \$7.25 to \$7.75 per square foot of net rentable area. Capitalization Rates applicable to this property type typically range from 6.50% to 8.25% depending on factors such as effective age and quality/condition.

For retail and mixed use property types, typical rental rates tend to be between \$14.75 and \$24.75 per square foot of net rentable area, Triple Net. Deductions for vacancy and collection loss were estimated at 5% of Potential Gross Income. Typical expense levels for retail/mixed use are 7.50% of Effective Gross Income and typical Capitalization Rates are between 7.00% and 8.75%.

Industrial lease rates are typically quoted on a monthly price per square foot basis. For consistency, the table above has displayed rents on an annual price per square foot basis in line with the other property types. Typical rental rates for industrial/warehouse properties in this area range from \$0.35 to \$0.81 per square foot per month (\$4.20/SF - \$9.75/SF annualized), Triple Net. Vacancy and credit loss deductions are typically between 5% and 9% of Potential Gross Income while typical expense rates are 7.50% of Effective Gross Income. Capitalization Rates typical for this property type range between 7.00% and 8.75%.

Area 85-50 – East Kirkland (East of I-405)

| Typical Income Parameters | | | | |
|---------------------------|----------------------|--------------------------|--------------------------------|--------------------------|
| Land Use | Rent Range per SF | Vacancy/ Coll. Loss % | Expenses per SF or % of EGI | Capitalization Rate % |
| Office/Medical Office | \$19.50 to \$29.00 | 7% to 15% | \$7.25 to \$7.75 | 6.75% to 8.50% |
| Retail/Mixed Use | \$15.25 to \$24.25 | 5% | 7.50% | 7.00% to 8.75% |
| Industrial/Whse. | \$4.20 to \$9.60 | 7% to 9% | 7.50% | 7.00% to 8.75% |

Typical rental rates for office and medical office properties in this area range from \$19.50 to \$29.00 per square foot of net rentable area, Full Service. Deductions for vacancy and collection loss were estimated between 7% and 15% of Potential Gross Income. Typical expense rates for properties of this type range from \$7.25 to \$7.75 per square foot of net rentable area. Capitalization Rates applicable to this property type typically range from 6.75% to 8.50% depending on factors such as effective age and quality/condition.

For retail and mixed use property types, typical rental rates tend to be between \$15.25 and \$24.25 per square foot of net rentable area, Triple Net. Deductions for vacancy and collection loss were estimated at 5% of Potential Gross Income. Typical expense levels for retail/mixed use are 7.50% of Effective Gross Income and typical Capitalization Rates are between 7.00% and 8.75%.

Industrial lease rates are typically quoted on a monthly price per square foot basis. For consistency, the table above has displayed rents on an annual price per square foot basis in line with the other property types. Typical rental rates for industrial/warehouse properties in this area range from \$0.35 to \$0.80 per square foot per month (\$4.20/SF - \$9.60/SF annualized), Triple Net. Vacancy and credit loss deductions are typically between 7% and 9% of Potential Gross Income while typical expense rates are 7.50% of Effective Gross Income. Capitalization Rates typical for this property type range between 7.00% and 8.75%.

Area 85-55 - NW Kirkland

| Typical Income Parameters | | | | |
|---------------------------|----------------------|--------------------------|--------------------------------|--------------------------|
| Land Use | Rent Range per SF | Vacancy/ Coll. Loss % | Expenses per SF or % of EGI | Capitalization Rate % |
| Office/Medical Office | \$18.75 to \$28.25 | 5% to 13% | \$7.50 to \$7.50 | 6.50% to 8.25% |
| Retail/Mixed Use | \$11.75 to \$23.00 | 5% | 7.50% | 7.00% to 8.75% |
| Industrial/Whse. | \$4.20 to \$9.60 | 5% to 9% | 7.50% | 7.00% to 8.75% |

Typical rental rates for office and medical office properties in this area range from \$18.75 to \$28.25 per square foot of net rentable area, Full Service. Deductions for vacancy and collection loss were estimated between 5% and 13% of Potential Gross Income. Typical expense rates for properties of this type are \$7.50 per square foot of net rentable area. Capitalization Rates applicable to this property type typically range from 6.50% to 8.25% depending on factors such as effective age and quality/condition.

For retail and mixed use property types, typical rental rates tend to be between \$11.75 and \$23.00 per square foot of net rentable area, Triple Net. Deductions for vacancy and collection loss were estimated at 5% of Potential Gross Income. Typical expense levels for retail/mixed use are 7.50% of Effective Gross Income and typical Capitalization Rates are between 7.00% and 8.75%.

Industrial lease rates are typically quoted on a monthly price per square foot basis. For consistency, the table above has displayed rents on an annual price per square foot basis in line with the other property types. Typical rental rates for industrial/warehouse properties in this area range from \$0.35 to \$0.80 per square foot per month (\$4.20/SF - \$9.60/SF annualized), Triple Net. Vacancy and credit loss deductions are typically between 5% and 9% of Potential Gross Income while typical expense rates are 7.50% of Effective Gross Income. Capitalization Rates typical for this property type range between 7.00% and 8.75%.

Area 85-60 - SE Kirkland

| Typical Income Parameters | | | | |
|---------------------------|----------------------|--------------------------|--------------------------------|--------------------------|
| Land Use | Rent Range per SF | Vacancy/ Coll. Loss % | Expenses per SF or % of EGI | Capitalization Rate % |
| Office/Medical Office | \$19.00 to \$28.50 | 5% to 14% | \$7.25 to \$7.75 | 6.25% to 8.50% |
| Retail/Mixed Use | \$14.00 to \$23.00 | 5% | 7.50% | 6.75% to 8.50% |
| Industrial/Whse. | \$4.20 to \$9.60 | 6% to 9% | 7.50% | 6.75% to 8.50% |

Typical rental rates for office and medical office properties in this area range from \$19.00 to \$28.50 per square foot of net rentable area, Full Service. Deductions for vacancy and collection loss were estimated between 5% and 14% of Potential Gross Income. Typical expense rates for properties of this type range from \$7.25 to \$7.75 per square foot of net rentable area. Capitalization Rates applicable to this property type typically range from 6.25% to 8.50% depending on factors such as effective age and quality/condition.

For retail and mixed use property types, typical rental rates tend to be between \$14.00 and \$23.00 per square foot of net rentable area, Triple Net. Deductions for vacancy and collection loss were estimated at 5% of Potential Gross Income. Typical expense levels for retail/mixed use are 7.50% of Effective Gross Income and typical Capitalization Rates are between 6.75% and 8.50%.

Industrial lease rates are typically quoted on a monthly price per square foot basis. For consistency, the table above has displayed rents on an annual price per square foot basis in line with the other property types. Typical rental rates for industrial/warehouse properties in this area range from \$0.35 to \$0.80 per square foot per month (\$4.20/SF - \$9.60/SF annualized), Triple Net. Vacancy and credit loss deductions are typically between 6% and 9% of Potential Gross Income while typical expense rates are 7.50% of Effective Gross Income. Capitalization Rates typical for this property type range between 6.75% and 8.50%.

Area 85-65 - Kirkland CBD

| Typical Income Parameters | | | | |
|---------------------------|----------------------|--------------------------|--------------------------------|--------------------------|
| Land Use | Rent Range per SF | Vacancy/ Coll. Loss % | Expenses per SF or % of EGI | Capitalization Rate % |
| Office/Medical Office | \$20.50 to \$32.50 | 6% to 14% | \$7.00 to \$7.75 | 6.00% to 8.25% |
| Retail/Mixed Use | \$18.25 to \$27.75 | 8% | 7.50% | 6.75% to 8.50% |
| Industrial/Whse. | \$3.60 to \$9.00 | 6% to 8% | 7.50% | 7.00% to 8.75% |

Typical rental rates for office and medical office properties in this area range from \$20.50 to \$32.50 per square foot of net rentable area, Full Service. Deductions for vacancy and collection loss were estimated between 6% and 14% of Potential Gross Income. Typical expense rates for properties of this type range from \$7.00 to \$7.75 per square foot of net rentable area.

Capitalization Rates applicable to this property type typically range from 6.00% to 8.25% depending on factors such as effective age and quality/condition.

For retail and mixed use property types, typical rental rates tend to be between \$18.25 and \$27.75 per square foot of net rentable area, Triple Net. Deductions for vacancy and collection loss were estimated at 8% of Potential Gross Income. Typical expense levels for retail/mixed use are 7.50% of Effective Gross Income and typical Capitalization Rates are between 6.75% and 8.50%.

Industrial lease rates are typically quoted on a monthly price per square foot basis. For consistency, the table above has displayed rents on an annual price per square foot basis in line with the other property types. Typical rental rates for industrial/warehouse properties in this area range from \$0.30 to \$0.75 per square foot per month (\$3.60/SF - \$9.00/SF annualized), Triple Net. Vacancy and credit loss deductions are typically between 6% and 8% of Potential Gross Income while typical expense rates are 7.50% of Effective Gross Income. Capitalization Rates typical for this property type range between 7.00% and 8.75%.

85-70 – SW Kirkland

| Typical Income Parameters | | | | |
|---------------------------|----------------------|--------------------------|--------------------------------|--------------------------|
| Land Use | Rent Range per SF | Vacancy/ Coll. Loss % | Expenses per SF or % of EGI | Capitalization Rate % |
| Office/Medical Office | \$21.00 to \$32.50 | 6% to 13% | \$7.25 to \$8.25 | 6.75% to 8.50% |
| Retail/Mixed Use | \$18.50 to \$27.50 | 5% | 7.50% | 7.00% to 8.75% |
| Industrial/Whse. | \$3.60 to \$9.00 | 6% to 8% | 7.50% | 6.50% to 8.50% |

Typical rental rates for office and medical office properties in this area range from \$21.00 to \$32.50 per square foot of net rentable area, Full Service. Deductions for vacancy and collection loss were estimated between 6% and 13% of Potential Gross Income. Typical expense rates for properties of this type range from \$7.25 to \$8.25 per square foot of net rentable area. Capitalization Rates applicable to this property type typically range from 6.75% to 8.50% depending on factors such as effective age and quality/condition.

For retail and mixed use property types, typical rental rates tend to be between \$18.50 and \$27.50 per square foot of net rentable area, Triple Net. Deductions for vacancy and collection loss were estimated at 5% of Potential Gross Income. Typical expense levels for retail/mixed use are 7.50% of Effective Gross Income and typical Capitalization Rates are between 7.00% and 8.75%.

Industrial lease rates are typically quoted on a monthly price per square foot basis. For consistency, the table above has displayed rents on an annual price per square foot basis in line with the other property types. Typical rental rates for industrial/warehouse properties in this area range from \$0.30 to \$0.80 per square foot per month (\$3.60/SF - \$9.60/SF annualized), Triple Net. Vacancy and credit loss deductions are typically between 6% and 8% of Potential Gross Income while typical expense rates are 7.50% of Effective Gross Income. Capitalization Rates typical for this property type range between 6.50% and 8.50%.

85-75 – East Kirkland (West of I-405)

| Typical Income Parameters | | | | |
|----------------------------------|------------------------------|----------------------------------|--|----------------------------------|
| Land Use | Rent Range per SF | Vacancy/ Coll. Loss % | Expenses per SF or % of EGI | Capitalization Rate % |
| Office/Medical Office | \$19.50 to \$30.25 | 7% to 13% | \$6.50 to \$7.75 | 6.75% to 8.50% |
| Retail/Mixed Use | \$15.00 to \$24.00 | 5% | 7.50% | 7.00% to 8.75% |
| Industrial/Whse. | \$4.20 to \$9.60 | 6% to 7% | 7.50% | 6.50% to 8.25% |

Typical rental rates for office and medical office properties in this area range from \$19.50 to \$30.25 per square foot of net rentable area, Full Service. Deductions for vacancy and collection loss were estimated between 7% and 13% of Potential Gross Income. Typical expense rates for properties of this type range from \$6.50 to \$7.75 per square foot of net rentable area. Capitalization Rates applicable to this property type typically range from 6.75% to 8.50% depending on factors such as effective age and quality/condition.

For retail and mixed use property types, typical rental rates tend to be between \$15.00 and \$24.00 per square foot of net rentable area, Triple Net. Deductions for vacancy and collection loss were estimated at 5% of Potential Gross Income. Typical expense levels for retail/mixed use are 7.50% of Effective Gross Income and typical Capitalization Rates are between 7.00% and 8.75%.

Industrial lease rates are typically quoted on a monthly price per square foot basis. For consistency, the table above has displayed rents on an annual price per square foot basis in line with the other property types. Typical rental rates for industrial/warehouse properties in this area range from \$0.35 to \$0.80 per square foot per month (\$4.20/SF - \$9.60/SF annualized), Triple Net. Vacancy and credit loss deductions are typically between 6% and 7% of Potential Gross Income while typical expense rates are 7.50% of Effective Gross Income. Capitalization Rates typical for this property type range between 6.50% and 8.25%.

85-85 – North Creek

| Typical Income Parameters | | | | |
|----------------------------------|------------------------------|----------------------------------|--|----------------------------------|
| Land Use | Rent Range per SF | Vacancy/ Coll. Loss % | Expenses per SF or % of EGI | Capitalization Rate % |
| Office/Medical Office | \$12.50 to \$25.50 | 8% to 14% | \$6.25 to \$7.25 | 6.75% to 8.50% |
| Retail/Mixed Use | \$13.00 to \$20.50 | 6% | 8.00% | 6.75% to 8.50% |
| Industrial/Whse. | \$4.20 to \$8.40 | 5% to 10% | 7.50% | 7.00% to 8.75% |

Typical rental rates for office and medical office properties in this area range from \$12.50 to \$25.50 per square foot of net rentable area, Full Service. Deductions for vacancy and collection loss were estimated between 8% and 14% of Potential Gross Income. Typical expense rates for properties of this type range from \$6.25 to \$7.25 per square foot of net rentable area. Capitalization Rates applicable to this property type typically range from 6.75% to 8.50% depending on factors such as effective age and quality/condition.

For retail and mixed use property types, typical rental rates tend to be between \$13.00 and \$20.50 per square foot of net rentable area, Triple Net. Deductions for vacancy and collection loss were estimated at 6% of Potential Gross Income. Typical expense levels for retail/mixed use are 8.00% of Effective Gross Income and typical Capitalization Rates are between 6.75% and 8.75%.

Industrial lease rates are typically quoted on a monthly price per square foot basis. For consistency, the table above has displayed rents on an annual price per square foot basis in line with the other property types. Typical rental rates for industrial/warehouse properties in this area range from \$0.35 to \$0.70 per square foot per month (\$4.20/SF - \$8.40/SF annualized), Triple Net. Vacancy and credit loss deductions are typically between 5% and 10% of Potential Gross Income while typical expense rates are 7.50% of Effective Gross Income. Capitalization Rates typical for this property type range between 7.00% and 8.75%.

85-90 – Kingsgate

| Typical Income Parameters | | | | |
|---------------------------|----------------------|--------------------------|--------------------------------|--------------------------|
| Land Use | Rent Range per SF | Vacancy/ Coll. Loss % | Expenses per SF or % of EGI | Capitalization Rate % |
| Office/Medical Office | \$18.00 to \$28.00 | 8% to 14% | \$6.50 to \$7.50 | 7.25% to 9.00% |
| Retail/Mixed Use | \$13.50 to \$21.00 | 5% | 7.50% | 7.00% to 9.00% |
| Industrial/Whse. | \$4.20 to \$9.00 | 5% to 10% | 7.50% | 7.00% to 9.00% |

Typical rental rates for office and medical office properties in this area range from \$18.00 to \$28.00 per square foot of net rentable area, Full Service. Deductions for vacancy and collection loss were estimated between 8% and 14% of Potential Gross Income. Typical expense rates for properties of this type range from \$6.50 to \$7.50 per square foot of net rentable area. Capitalization Rates applicable to this property type typically range from 7.25% to 9.00% depending on factors such as effective age and quality/condition.

For retail and mixed use property types, typical rental rates tend to be between \$13.50 and \$21.00 per square foot of net rentable area, Triple Net. Deductions for vacancy and collection loss were estimated at 5% of Potential Gross Income. Typical expense levels for retail/mixed use in this area are 7.50% of Effective Gross Income and typical Capitalization Rates are between 7.00% and 9.00%.

Industrial lease rates are typically quoted on a monthly price per square foot basis. For consistency, the table above has displayed rents on an annual price per square foot basis in line with the other property types. Typical rental rates for industrial/warehouse properties in this area range from \$0.35 to \$0.75 per square foot per month (\$4.20/SF - \$9.00/SF annualized), Triple Net. Vacancy and credit loss deductions are typically between 5% and 10% of Potential Gross Income while typical expense rates are 7.50% of Effective Gross Income. Capitalization Rates typical for this property type range between 7.00% and 9.00%.

Reconciliation

All parcels were individually reviewed for correct application of the model 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 ample 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.

The income approach to value was considered to be a reliable indicator of value in most instances. The total value generated from the income table calculations and the selected income values varied in some cases due to special circumstances, such as properties with excess land, inferior/superior location, super-adequacy, or physical/functional obsolescence. Appraisal

judgment prevailed when determining when to depart from the Assessor's table generated income model. An administrative review of the selected values was made by Bonnie Christensen, Senior Appraiser for quality control purposes.

Model Validation

Total Value Conclusions, Recommendations and Validation:

Appraiser judgment prevails in all decisions regarding individual parcel valuation. Each parcel is field reviewed during the entire cycle 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 by particular characteristics and conditions as they occur in the valuation area.

In this valuation model, the income approach is used to value the majority of the income producing properties that aren't obsolesced (land value is greater than value by income method) because there are an insufficient number and a variety of sales to value the different sectors by the market approach. The income approach also insures greater uniformity and equalization of values.

For this revalue period, land values have remained fairly stable with some minor increases in select areas. Income parameters have remained relatively stable over the recent term with some downward pressure on Capitalization Rates as investor sentiment has incrementally improved, with most changes occurring in the Office and Industrial markets. The total valuation amount for Area 85 (before new construction is added) increased by 1.49%.

The standard statistical measures of valuation performance are presented in both in the 2013 and 2014 Ratio Analysis charts included in this report. Comparison of the 2013 Ratio Study Analysis with the 2014 Ratio Study Analysis indicates that the weighted mean statistical measure of assessment level went from 87.00% to 90.10%. The Coefficient of Dispersion (COD) went from 12.41% to 11.00%, the Coefficient of Variation (COV) went from 15.12% to 13.26%, and the Price-related Differential (PRD) went unchanged, remaining at 1.01%.

The new assessment level is reflected in the weighted mean ratio of 90.10%. The standard statistical measures of valuation performance are presented both in the Executive Summary and in the 2013 and 2014 Ratio Analysis charts included in this report. The total assessed value for the 2013 assessment year for Area 85 was \$2,244,548,375. The total recommended assessed value for the 2014 assessment year is \$2,318,151,133.

Application of these recommended values for the 2014 assessment year results in an average total change from the 2013 assessments of 3.28%. The total value for the geographic assigned parcels decreased as follows:

| Change in Total Assessed Value | | | |
|--------------------------------|------------------|--------------|----------|
| 2013 Total Value | 2014 Total Value | \$ Change | % Change |
| \$2,244,548,375 | \$2,318,151,133 | \$73,602,758 | 3.28% |

The Coefficient of Dispersion (COD) and the Coefficient of Variation (COV) in the three year ratio study presented in this report indicate an improvement in uniformity. Therefore, it is recommended that the assessed values be posted for the 2014 assessment year.

Note: More details and information regarding aspects of the valuations and the report are retained in the working files kept in the Assessor's office.

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 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 is 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.*
- *Services that I provided within the prior three years include physical inspection, revaluation, appeal response preparation, attendance and participation in hearings, data collection, sales verification, and identifying new construction and recording the corresponding data.*

Date: 5/8/14

Commercial Appraiser I

Area 085 - Kirkland and Bothell
2014 Assessment Year

| Parcel Number | Assessed Value | Sale Price | Sale Date | Ratio | Diff: Median |
|--------------------------|---------------------------|-------------------|----------------------|--------------|-------------------------|
| 012000-0170 | 3,032,500 | 3,945,000 | 11/26/2012 | 0.7687 | 0.0984 |
| 062505-9020 | 2,490,000 | 2,490,000 | 5/16/2013 | 1.0000 | 0.1329 |
| 062505-9029 | 5,101,300 | 5,650,000 | 8/17/2012 | 0.9029 | 0.0358 |
| 062605-9032 | 1,168,300 | 1,875,000 | 10/23/2013 | 0.6231 | 0.2440 |
| 072605-9204 | 949,100 | 900,000 | 7/2/2012 | 1.0546 | 0.1874 |
| 072605-9342 | 1,800,000 | 1,800,000 | 7/15/2013 | 1.0000 | 0.1329 |
| 072605-9444 | 1,815,100 | 2,350,000 | 4/26/2012 | 0.7724 | 0.0947 |
| 082505-9087 | 4,519,700 | 6,176,001 | 12/2/2011 | 0.7318 | 0.1353 |
| 082505-9196 | 4,279,500 | 5,770,000 | 12/7/2011 | 0.7417 | 0.1254 |
| 082505-9315 | 513,100 | 510,000 | 1/4/2012 | 1.0061 | 0.1390 |
| 082605-9160 | 2,888,200 | 2,610,000 | 1/13/2012 | 1.1066 | 0.2395 |
| 096700-0425 | 663,400 | 850,000 | 3/30/2011 | 0.7805 | 0.0867 |
| 096700-0431 | 401,100 | 360,000 | 4/24/2012 | 1.1142 | 0.2470 |
| 096700-0445 | 573,800 | 722,000 | 8/27/2012 | 0.7947 | 0.0724 |
| 123850-0165 | 8,680,500 | 8,500,000 | 9/28/2012 | 1.0212 | 0.1541 |
| 124450-0176 | 2,597,400 | 3,750,000 | 12/20/2013 | 0.6926 | 0.1745 |
| 124450-0230 | 1,599,600 | 1,850,000 | 1/5/2012 | 0.8646 | 0.0025 |
| 124870-0160 | 2,907,400 | 3,500,000 | 7/13/2012 | 0.8307 | 0.0364 |
| 162605-9153 | 1,303,800 | 1,200,900 | 1/24/2013 | 1.0857 | 0.2186 |
| 172505-9236 | 3,770,900 | 4,200,000 | 12/21/2012 | 0.8978 | 0.0307 |
| 192605-9107 | 452,500 | 500,000 | 4/29/2011 | 0.9050 | 0.0379 |
| 250550-0140 | 1,108,280 | 1,100,000 | 2/10/2011 | 1.0075 | 0.1404 |
| 282605-9008 | 2,061,900 | 2,050,000 | 11/26/2012 | 1.0058 | 0.1387 |
| 282605-9068 | 10,333,100 | 13,050,000 | 6/27/2013 | 0.7918 | 0.0753 |
| 282605-9091 | 1,780,200 | 2,100,000 | 12/17/2012 | 0.8477 | 0.0194 |
| 292605-9125 | 10,896,200 | 13,849,900 | 11/2/2012 | 0.7867 | 0.0804 |
| 329140-0030 | 4,583,100 | 6,050,000 | 11/13/2013 | 0.7575 | 0.1096 |
| 332605-9008 | 1,360,700 | 1,650,000 | 10/13/2011 | 0.8247 | 0.0425 |
| 332605-9121 | 1,261,400 | 1,500,000 | 2/1/2011 | 0.8409 | 0.0262 |
| 332605-9206 | 1,291,000 | 1,450,000 | 12/24/2012 | 0.8903 | 0.0232 |
| 376250-0020 | 274,400 | 531,000 | 12/27/2013 | 0.5168 | 0.3504 |
| 384850-0705 | 4,016,800 | 3,984,475 | 12/28/2012 | 1.0081 | 0.1410 |
| 388580-3370 | 731,000 | 890,000 | 11/25/2013 | 0.8213 | 0.0458 |
| 388580-3875 | 1,553,500 | 1,800,000 | 4/5/2013 | 0.8631 | 0.0041 |
| 388580-5760 | 605,800 | 840,000 | 3/12/2012 | 0.7212 | 0.1459 |
| 388580-6375 | 636,000 | 605,000 | 1/9/2012 | 1.0512 | 0.1841 |
| 389060-0010 | 11,641,700 | 12,171,792 | 9/7/2011 | 0.9564 | 0.0893 |
| 389060-0020 | 11,887,400 | 12,078,208 | 9/7/2011 | 0.9842 | 0.1171 |
| 389310-0925 | 1,956,600 | 2,250,000 | 12/27/2012 | 0.8696 | 0.0025 |
| 392700-0095 | 6,665,300 | 8,000,000 | 2/15/2013 | 0.8332 | 0.0340 |
| 392700-0300 | 5,627,400 | 6,830,000 | 2/15/2013 | 0.8239 | 0.0432 |
| 431500-0050 | 1,267,200 | 1,450,000 | 12/19/2012 | 0.8739 | 0.0068 |
| 788260-0115 | 2,963,600 | 2,950,000 | 7/19/2011 | 1.0046 | 0.1375 |
| 857905-0010 | 1,680,000 | 1,650,000 | 11/27/2012 | 1.0182 | 0.1511 |

Area 085 - Kirkland and Bothell
2014 Assessment Year

| | | | |
|-------------------------------------|-------------|---|--------------------|
| Quadrant/Crew: | Appr date : | Date: | Sales Dates: |
| North Crew | 1/1/2013 | 3/5/2014 | 1/1/11 - 12/31/13 |
| Area | Appr ID: | Prop Type: | Trend used?: Y / N |
| 85 | TBRA | Improvement | N |
| SAMPLE STATISTICS | | | |
| Sample size (n) | 44 | <div><p>Ratio Frequency</p><p>Ratio</p></div> | |
| Mean Assessed Value | 3,129,300 | | |
| Mean Sales Price | 3,598,600 | | |
| Standard Deviation AV | 3,151,304 | | |
| Standard Deviation SP | 3,603,383 | | |
| | | | |
| ASSESSMENT LEVEL | | | |
| Arithmetic mean ratio | 0.882 | | |
| Median Ratio | 0.867 | | |
| Weighted Mean Ratio | 0.870 | | |
| | | | |
| UNIFORMITY | | | |
| Lowest ratio | 0.5168 | | |
| Highest ratio: | 1.1142 | | |
| Coefficient of Dispersion | 12.41% | | |
| Standard Deviation | 0.1333 | | |
| Coefficient of Variation | 15.12% | | |
| Price-related Differential | 1.01 | | |
| RELIABILITY | | | |
| 95% Confidence: Median | | | |
| Lower limit | 0.824 | | |
| Upper limit | 0.984 | | |
| 95% Confidence: Mean | | | |
| Lower limit | 0.842 | | |
| Upper limit | 0.921 | | |
| | | | |
| SAMPLE SIZE EVALUATION | | | |
| N (population size) | 899 | | |
| B (acceptable error - in decimal) | 0.05 | | |
| S (estimated from this sample) | 0.1333 | | |
| Recommended minimum: | 28 | | |
| Actual sample size: | 44 | | |
| Conclusion: | OK | | |
| NORMALITY | | | |
| Binomial Test | | | |
| # ratios below mean: | 24 | | |
| # ratios above mean: | 20 | | |
| z: | 0.452267017 | | |
| Conclusion: | Normal* | | |
| *i.e., no evidence of non-normality | | | |

Area 085 - Kirkland and Bothell
2014 Assessment Year

| Parcel Number | Assessed Value | Sale Price | Sale Date | Ratio | Diff: Median |
|--------------------------|---------------------------|-------------------|----------------------|--------------|-------------------------|
| 012000-0170 | 3,168,400 | 3,945,000 | 11/26/2012 | 0.8031 | 0.1068 |
| 062505-9020 | 2,478,600 | 2,490,000 | 5/16/2013 | 0.9954 | 0.0855 |
| 062505-9029 | 5,355,900 | 5,650,000 | 8/17/2012 | 0.9479 | 0.0380 |
| 062605-9032 | 1,458,700 | 1,875,000 | 10/23/2013 | 0.7780 | 0.1319 |
| 072605-9204 | 979,700 | 900,000 | 7/2/2012 | 1.0886 | 0.1786 |
| 072605-9342 | 1,800,000 | 1,800,000 | 7/15/2013 | 1.0000 | 0.0901 |
| 072605-9444 | 2,123,000 | 2,350,000 | 4/26/2012 | 0.9034 | 0.0065 |
| 082505-9087 | 4,746,400 | 6,176,001 | 12/2/2011 | 0.7685 | 0.1414 |
| 082505-9196 | 4,078,500 | 5,770,000 | 12/7/2011 | 0.7068 | 0.2031 |
| 082505-9315 | 530,100 | 510,000 | 1/4/2012 | 1.0394 | 0.1295 |
| 082605-9160 | 2,923,400 | 2,610,000 | 1/13/2012 | 1.1201 | 0.2102 |
| 096700-0425 | 674,400 | 850,000 | 3/30/2011 | 0.7934 | 0.1165 |
| 096700-0431 | 405,200 | 360,000 | 4/24/2012 | 1.1256 | 0.2156 |
| 096700-0445 | 582,600 | 722,000 | 8/27/2012 | 0.8069 | 0.1030 |
| 123850-0165 | 8,738,400 | 8,500,000 | 9/28/2012 | 1.0280 | 0.1181 |
| 124450-0176 | 2,842,200 | 3,750,000 | 12/20/2013 | 0.7579 | 0.1520 |
| 124450-0230 | 1,573,400 | 1,850,000 | 1/5/2012 | 0.8505 | 0.0594 |
| 124870-0160 | 2,969,100 | 3,500,000 | 7/13/2012 | 0.8483 | 0.0616 |
| 162605-9153 | 1,303,800 | 1,200,900 | 1/24/2013 | 1.0857 | 0.1758 |
| 172505-9236 | 3,819,900 | 4,200,000 | 12/21/2012 | 0.9095 | 0.0004 |
| 192605-9107 | 486,300 | 500,000 | 4/29/2011 | 0.9726 | 0.0627 |
| 250550-0140 | 1,046,600 | 1,100,000 | 2/10/2011 | 0.9515 | 0.0415 |
| 282605-9008 | 2,096,700 | 2,050,000 | 11/26/2012 | 1.0228 | 0.1129 |
| 282605-9068 | 10,331,100 | 13,050,000 | 6/27/2013 | 0.7917 | 0.1183 |
| 282605-9091 | 1,774,900 | 2,100,000 | 12/17/2012 | 0.8452 | 0.0647 |
| 292605-9125 | 11,302,700 | 13,849,900 | 11/2/2012 | 0.8161 | 0.0938 |
| 329140-0030 | 5,216,600 | 6,050,000 | 11/13/2013 | 0.8622 | 0.0477 |
| 332605-9008 | 1,323,900 | 1,650,000 | 10/13/2011 | 0.8024 | 0.1076 |
| 332605-9121 | 1,261,400 | 1,500,000 | 2/1/2011 | 0.8409 | 0.0690 |
| 332605-9206 | 1,320,000 | 1,450,000 | 12/24/2012 | 0.9103 | 0.0004 |
| 376250-0020 | 305,500 | 531,000 | 12/27/2013 | 0.5753 | 0.3346 |
| 384850-0705 | 4,016,800 | 3,984,475 | 12/28/2012 | 1.0081 | 0.0982 |
| 388580-3370 | 755,400 | 890,000 | 11/25/2013 | 0.8488 | 0.0612 |
| 388580-3875 | 1,789,700 | 1,800,000 | 4/5/2013 | 0.9943 | 0.0844 |
| 388580-5760 | 620,900 | 840,000 | 3/12/2012 | 0.7392 | 0.1708 |
| 388580-6375 | 627,000 | 605,000 | 1/9/2012 | 1.0364 | 0.1264 |
| 389060-0010 | 11,832,600 | 12,171,792 | 9/7/2011 | 0.9721 | 0.0622 |
| 389060-0020 | 12,082,300 | 12,078,208 | 9/7/2011 | 1.0003 | 0.0904 |
| 389310-0925 | 2,004,200 | 2,250,000 | 12/27/2012 | 0.8908 | 0.0192 |
| 392700-0095 | 7,573,200 | 8,000,000 | 2/15/2013 | 0.9467 | 0.0367 |
| 392700-0300 | 6,406,100 | 6,830,000 | 2/15/2013 | 0.9379 | 0.0280 |
| 431500-0050 | 1,267,200 | 1,450,000 | 12/19/2012 | 0.8739 | 0.0360 |
| 788260-0115 | 2,997,800 | 2,950,000 | 7/19/2011 | 1.0162 | 0.1063 |
| 857905-0010 | 1,680,000 | 1,650,000 | 11/27/2012 | 1.0182 | 0.1083 |

Area 085 - Kirkland and Bothell
2014 Assessment Year

| | | | |
|-------------------------------------|--------------|--|--------------------|
| Quadrant/Crew: | Appr date : | Date: | Sales Dates: |
| North Crew | 1/1/2014 | 4/25/2014 | 1/1/11 - 12/31/13 |
| Area | Appr ID: | Prop Type: | Trend used?: Y / N |
| 85 | TBRA | Improvement | N |
| SAMPLE STATISTICS | | | |
| Sample size (n) | 44 | | |
| Mean Assessed Value | 3,242,500 | | |
| Mean Sales Price | 3,598,600 | | |
| Standard Deviation AV | 3,243,297 | | |
| Standard Deviation SP | 3,603,383 | | |
| | | | |
| ASSESSMENT LEVEL | | | |
| Arithmetic mean ratio | 0.910 | | |
| Median Ratio | 0.910 | | |
| Weighted Mean Ratio | 0.901 | | |
| | | | |
| UNIFORMITY | | | |
| Lowest ratio | 0.5753 | | |
| Highest ratio: | 1.1256 | | |
| Coefficient of Dispersion | 11.00% | | |
| Standard Deviation | 0.1207 | | |
| Coefficient of Variation | 13.26% | | |
| Price-related Differential | 1.01 | | |
| RELIABILITY | | | |
| 95% Confidence: Median | | These figures reflect measurements after posting new values. | |
| Lower limit | 0.848 | | |
| Upper limit | 0.994 | | |
| 95% Confidence: Mean | | | |
| Lower limit | 0.874 | | |
| Upper limit | 0.945 | | |
| | | | |
| SAMPLE SIZE EVALUATION | | | |
| N (population size) | 900 | | |
| B (acceptable error - in decimal) | 0.05 | | |
| S (estimated from this sample) | 0.1207 | | |
| Recommended minimum: | 23 | | |
| Actual sample size: | 44 | | |
| Conclusion: | OK | | |
| NORMALITY | | | |
| Binomial Test | | | |
| # ratios below mean: | 22 | | |
| # ratios above mean: | 22 | | |
| z: | -0.150755672 | | |
| Conclusion: | Normal* | | |
| *i.e., no evidence of non-normality | | | |

Ratio Frequency

| Ratio | Frequency |
|---------|-----------|
| 0.6-0.7 | 1 |
| 0.7-0.8 | 7 |
| 0.8-0.9 | 12 |
| 0.9-1.0 | 12 |
| 1.0-1.1 | 10 |
| 1.1-1.2 | 2 |
| 1.2-1.3 | 0 |
| 1.3-1.4 | 0 |

Ratio

| Area | Nbhd | Major | Minor | Total NRA | E # | Sale Price | Sale Date | SP / NRA | Property Name | Zone | Par. Ct. | Ver. Code | Remarks |
|------|------|--------|-------|-----------|---------|--------------|-----------|----------|----------------------------------|--------|----------|-----------|---------|
| 085 | 020 | 062605 | 9032 | 6,712 | 2638826 | \$1,875,000 | 10/23/13 | \$279.35 | COLLIER-VINE PROF BLDG | GDC | 1 | Y | |
| 085 | 020 | 072605 | 9204 | 5,400 | 2553455 | \$900,000 | 07/02/12 | \$166.67 | NAPA AUTO PARTS | 522 | 1 | Y | |
| 085 | 020 | 072605 | 9342 | 12,249 | 2618385 | \$1,800,000 | 07/15/13 | \$146.95 | NORTHLAKE MONTESSORI | GC | 1 | Y | |
| 085 | 020 | 072605 | 9444 | 9,769 | 2541348 | \$2,350,000 | 04/26/12 | \$240.56 | BOTHELL PROFESSIONAL PLAZA | DN | 2 | Y | |
| 085 | 020 | 082605 | 9160 | 13,574 | 2528804 | \$2,610,000 | 01/13/12 | \$192.28 | MOSS HERITAGE BUILDING | DC | 1 | Y | |
| 085 | 020 | 096700 | 0425 | 4,055 | 2489382 | \$850,000 | 03/30/11 | \$209.62 | General Offices | DN | 1 | Y | |
| 085 | 020 | 096700 | 0431 | 2,332 | 2541131 | \$360,000 | 04/24/12 | \$154.37 | OFFICE BUILDING | DN | 1 | Y | |
| 085 | 020 | 096700 | 0445 | 2,800 | 2562969 | \$722,000 | 08/27/12 | \$257.86 | Insurance Office (Converted SFR) | DN | 1 | Y | |
| 085 | 025 | 282605 | 9008 | 11,142 | 2576589 | \$2,050,000 | 11/26/12 | \$183.99 | TOTEM LAKE CENTER | TL 1B | 1 | Y | |
| 085 | 025 | 282605 | 9068 | 49,260 | 2621442 | \$13,050,000 | 06/27/13 | \$264.92 | LA Fitness | TL 4A | 1 | Y | |
| 085 | 025 | 329140 | 0030 | 19,623 | 2641190 | \$6,050,000 | 11/13/13 | \$308.31 | EVERGREEN MEDICAL CENTER | TL 1B | 1 | Y | |
| 085 | 025 | 332605 | 9008 | 7,355 | 2513866 | \$1,650,000 | 10/13/11 | \$224.34 | KINDER CARE LEARNING CENTER | NRH 3 | 2 | Y | |
| 085 | 030 | 192605 | 9107 | 1,880 | 2489427 | \$500,000 | 04/29/11 | \$265.96 | KINGSGATE ANIMAL CLINIC | CBPSO | 1 | Y | |
| 085 | 035 | 282605 | 9091 | 17,920 | 2581640 | \$2,100,000 | 12/17/12 | \$117.19 | EASTSIDE SPRAYING SERVICE | TL 10B | 1 | Y | |
| 085 | 035 | 292605 | 9125 | 74,747 | 2572615 | \$13,849,900 | 11/02/12 | \$185.29 | OFFICE BUILDING | TL 10A | 2 | Y | |
| 085 | 035 | 389060 | 0010 | 64,116 | 2508956 | \$12,171,792 | 09/07/11 | \$189.84 | KIRKLAND 405 CORP CTR BLDG A-1 | TL 10A | 1 | Y | |
| 085 | 035 | 389060 | 0020 | 65,469 | 2508957 | \$12,078,208 | 09/07/11 | \$184.49 | KIRKLAND 405 CORP CTR BLDG A-2 | TL 10A | 1 | Y | |
| 085 | 040 | 375790 | 0015 | 2,533 | 2602945 | \$1,800,000 | 04/26/13 | \$710.62 | STARBUCK'S AT JUANITA VILLAGE | JBD 1 | 1 | Y | |
| 085 | 040 | 376250 | 0020 | 1,186 | 2648226 | \$531,000 | 12/27/13 | \$447.72 | JUANITA PROFESSIONAL PLAZA CONDO | JBD 6 | 1 | Y | |
| 085 | 045 | 012000 | 0170 | 17,760 | 2577760 | \$3,945,000 | 11/26/12 | \$222.13 | McDonald Insurance | LIT | 2 | Y | |
| 085 | 045 | 082505 | 9315 | 2,744 | 2525930 | \$510,000 | 01/04/12 | \$185.86 | Tutmark Realty (Office/Apartment | PR 5.0 | 1 | Y | |
| 085 | 045 | 250550 | 0140 | 4,212 | 2478774 | \$1,100,000 | 02/10/11 | \$261.16 | PROGRESSIVE MARKETING | PR 5.0 | 1 | Y | |
| 085 | 050 | 123850 | 0165 | 47,840 | 2566720 | \$8,500,000 | 09/28/12 | \$177.68 | FORBES LAKE BUILDING | LIT | 1 | Y | |
| 085 | 050 | 384850 | 0705 | 20,229 | 2582517 | \$3,984,475 | 12/28/12 | \$196.97 | RETAIL & 9 UNIT | NC/C | 1 | Y | |
| 085 | 055 | 388580 | 3370 | 2,703 | 2643284 | \$890,000 | 11/25/13 | \$329.26 | MARKET STREET DENTAL OFFICES | MSC 1 | 1 | Y | |
| 085 | 055 | 388580 | 3875 | 7,500 | 2598757 | \$1,800,000 | 04/05/13 | \$240.00 | MARKET SQUARE BUILDING | MSC 1 | 1 | Y | |
| 085 | 055 | 857905 | 0010 | 4,200 | 2575997 | \$1,650,000 | 11/27/12 | \$392.86 | 1010 BUILDING, THE | MSC 1 | 1 | Y | |
| 085 | 060 | 202505 | 9228 | 47,633 | 2614161 | \$17,300,000 | 06/27/13 | \$363.19 | YARROW BAY PLAZA OFFICE | YBD 3 | 1 | Y | |
| 085 | 060 | 431500 | 0050 | 3,520 | 2581149 | \$1,450,000 | 12/19/12 | \$411.93 | LINBROOK OFFICE (#5) | YBD 3 | 1 | Y | |
| 085 | 065 | 062505 | 9020 | 12,728 | 2606058 | \$2,490,000 | 05/16/13 | \$195.63 | FLAME BUILDING | CBD 2 | 1 | Y | |
| 085 | 065 | 062505 | 9029 | 20,649 | 2559665 | \$5,650,000 | 08/17/12 | \$273.62 | MARINA PARK BUILDING | CBD 2 | 1 | Y | |
| 085 | 065 | 082505 | 9087 | 16,800 | 2521115 | \$6,176,001 | 12/02/11 | \$367.62 | CHAFFEY BUILDING | CBD 2 | 1 | Y | |
| 085 | 065 | 082505 | 9196 | 16,950 | 2521475 | \$5,770,000 | 12/07/11 | \$340.41 | RETAIL | CBD 2 | 2 | Y | |
| 085 | 065 | 124450 | 0176 | 6,837 | 2647591 | \$3,750,000 | 12/20/13 | \$548.49 | RETAIL | CBD 1 | 2 | Y | |
| 085 | 065 | 124450 | 0230 | 4,888 | 2525820 | \$1,850,000 | 01/05/12 | \$378.48 | RETAIL | CBD 1 | 1 | Y | |
| 085 | 065 | 124870 | 0135 | 75,753 | 2615565 | \$24,500,000 | 06/28/13 | \$323.42 | CONTINENTAL PLAZA | CBD 5 | 1 | Y | |
| 085 | 065 | 124870 | 0160 | 11,700 | 2554097 | \$3,500,000 | 07/13/12 | \$299.15 | OFFICE BUILDING | CBD 5 | 1 | Y | |
| 085 | 065 | 388580 | 6375 | 3,800 | 2525997 | \$605,000 | 01/09/12 | \$159.21 | DAYCARE | RS 7.2 | 1 | Y | |
| 085 | 065 | 788260 | 0115 | 26,900 | 2502215 | \$2,950,000 | 07/19/11 | \$109.67 | SOUND ELEVATOR | PLA 6G | 1 | Y | |

Improvement Sales for Area 085 with Sales Used

03/05/2014

| Area | Nbhd | Major | Minor | Total NRA | E # | Sale Price | Sale Date | SP / NRA | Property Name | Zone | Par. Ct. | Ver. Code | Remarks |
|------|------|--------|-------|-----------|---------|--------------|-----------|----------|----------------------------------|---------|----------|-----------|--------------|
| 085 | 070 | 172505 | 9236 | 16,702 | 2582266 | \$4,200,000 | 12/21/12 | \$251.47 | YARROW SHORES OFFICE BUILDING | YBD 2 | 1 | Y | |
| 085 | 075 | 332605 | 9121 | 9,496 | 2477168 | \$1,500,000 | 02/01/11 | \$157.96 | HEATH SIGN COMPANY | TL 10C | 1 | Y | |
| 085 | 075 | 332605 | 9206 | 7,920 | 2582587 | \$1,450,000 | 12/24/12 | \$183.08 | SUNMARK | TL 10E | 1 | Y | |
| 085 | 075 | 388580 | 5760 | 4,000 | 2533497 | \$840,000 | 03/12/12 | \$210.00 | Progressive Finishes Inc. | LIT | 1 | Y | |
| 085 | 075 | 389310 | 0921 | 60,209 | 2646072 | \$4,200,000 | 12/14/13 | \$69.76 | Former Costco HQ | TL 10E | 1 | Y | Not in ratio |
| 085 | 075 | 389310 | 0925 | 21,040 | 2582389 | \$2,250,000 | 12/27/12 | \$106.94 | DURKIN CHEMICAL INC | TL 10E | 1 | Y | |
| 085 | 085 | 392700 | 0095 | 40,475 | 2589375 | \$8,000,000 | 02/15/13 | \$197.65 | NORTH CREEK BLDG "I" | R-AC, O | 1 | Y | |
| 085 | 085 | 392700 | 0130 | 95,385 | 2635845 | \$24,127,250 | 10/15/13 | \$252.95 | NORTH CREEK BUSINESS CAMPUS 2 - | R-AC, O | 1 | Y | Bulk Sale |
| 085 | 085 | 392700 | 0150 | 60,500 | 2635843 | \$14,594,000 | 10/15/13 | \$241.22 | NORTH CREEK TECH CAMPUS 2 - BLDG | R-AC, O | 1 | Y | Bulk Sale |
| 085 | 085 | 392700 | 0160 | 51,700 | 2635842 | \$14,760,136 | 10/15/13 | \$285.50 | NORTH CREEK TECH CAMPUS 1 - BLDG | R-AC, O | 1 | Y | Bulk Sale |
| 085 | 085 | 392700 | 0170 | 40,500 | 2635841 | \$11,780,750 | 10/15/13 | \$290.88 | NORTH CREEK TECH CAMPUS 1 - BLDG | R-AC, O | 1 | Y | Bulk Sale |
| 085 | 085 | 392700 | 0180 | 59,900 | 2635840 | \$16,832,106 | 10/15/13 | \$281.00 | NORTH CREEK TECH CAMPUS 1 - BLDG | R-AC, O | 1 | Y | Bulk Sale |
| 085 | 085 | 392700 | 0190 | 40,200 | 2635838 | \$7,249,832 | 10/15/13 | \$180.34 | NORTH CREEK TECH CAMPUS 1 - BLDG | R-AC, O | 1 | Y | Bulk Sale |
| 085 | 085 | 392700 | 0200 | 59,900 | 2635839 | \$10,546,819 | 10/15/13 | \$176.07 | NORTH CREEK TECH CAMPUS 1 - BLDG | R-AC, O | 1 | Y | Bulk Sale |
| 085 | 085 | 392700 | 0210 | 60,500 | 2635846 | \$14,574,358 | 10/15/13 | \$240.90 | NORTH CREEK BUSINESS CAMPUS 2 - | R-AC, O | 1 | Y | Bulk Sale |
| 085 | 085 | 392700 | 0230 | 66,084 | 2635844 | \$17,033,888 | 10/15/13 | \$257.76 | NORTH CREEK BLDG. "Q" | R-AC, O | 1 | Y | Bulk Sale |
| 085 | 085 | 392700 | 0300 | 35,275 | 2589379 | \$6,830,000 | 02/15/13 | \$193.62 | SCHNITZER NORTH CREEK OFFICE CEN | R-AC, O | 1 | Y | Bulk Sale |
| 085 | 090 | 162605 | 9153 | 7,600 | 2586704 | \$1,200,900 | 01/24/13 | \$158.01 | OFFICE BLDG | NB | 1 | Y | |
| 085 | 090 | 212605 | 9100 | 6,087 | 2528249 | \$1,399,875 | 01/30/12 | \$229.98 | GRACE CHAPEL | RSA 6 | 1 | Y | Not in ratio |

| Area | Nbhd. | Major | Minor | Land Area | E # | Sale Price | Sale Date | SP / Ld. Area | Property Name | Zone | Par. Ct. | Ver. Code | Remarks | | |
|------|-------|--------|-------|-----------|---------|-------------|-----------|------------------|--------------------------------|---------|-------------|--------------|---|--|--|
| 085 | 020 | 052605 | 9095 | 12,242 | 2556250 | \$237,000 | 07/23/12 | \$19.36 | SFR on commerical zoned land | GDC | 1 | Y | | | |
| 085 | 020 | 072605 | 9371 | 81,973 | 2488722 | \$2,600,000 | 04/25/11 | \$31.72 | ROOMING HOUSE | DN | 4 | Y | | | |
| 085 | 025 | 272605 | 9043 | 207,781 | 2568517 | \$4,000,000 | 10/03/12 | \$19.25 | PUGET WESTERN BLDG | TL 7 | 1 | Y | | | |
| 085 | 025 | 272605 | 9061 | 259,437 | 2621194 | \$4,100,000 | 07/31/13 | \$15.80 | EASTSIDE DISPOSAL | TL 7 | 1 | Y | | | |
| 085 | 030 | 357980 | 0549 | 45,000 | 2536794 | \$325,000 | 03/29/12 | \$7.22 | VACANT | RMA 3.6 | 1 | Y | | | |
| 085 | 040 | 179150 | 0315 | 79,900 | 2490060 | \$850,000 | 04/26/11 | \$10.64 | Greek Restaurant | JBD 4 | 1 | Y | | | |
| 085 | 040 | 302605 | 9148 | 54,206 | 2488145 | \$3,100,000 | 04/20/11 | \$57.19 | Vacant Lot | JBD 2 | 1 | Y | | | |
| 085 | 040 | 375790 | 0035 | 101,586 | 2506715 | \$9,850,000 | 08/24/11 | \$96.96 | VAC LD | JBD 1 | 1 | Y | | | |
| 085 | 040 | 607650 | 0101 | 95,103 | 2601908 | \$1,935,416 | 04/22/13 | \$20.35 | Vacant Land | PR 2.4 | 3 | Y | *R land. Multi-parcel, multi-zone, future multi-family. | | |
| 085 | 040 | 376050 | 0010 | 27,400 | 2610545 | \$2,100,000 | 06/05/13 | \$76.64 | SFR - Teardown | RMA 1.8 | 1 | Y | *R land, future condos | | |
| 085 | 040 | 375790 | 0036 | 13,387 | 2644778 | \$500,000 | 12/09/13 | \$37.35 | VACANT - SEG FROM WATERSCAPE | JBD 1 | 1 | Y | | | |
| 085 | 045 | 123890 | 0115 | 17,692 | 2632069 | \$1,995,000 | 09/19/13 | \$112.76 | HART ASSOC | PLA 5C | 1 | Y | | | |
| 085 | 045 | 250550 | 0135 | 8,594 | 2526705 | \$490,000 | 01/09/12 | \$57.02 | 6th Street Site | PR 5.0 | 1 | Y | | | |
| 085 | 050 | 123310 | 0216 | 19,907 | 2512034 | \$1,400,000 | 09/26/11 | \$70.33 | ARCO AMPM | RH 5A | 1 | Y | | | |
| 085 | 055 | 124500 | 1060 | 7,650 | 2607655 | \$640,000 | 05/24/13 | \$83.66 | Commercial SFR | MSC 1 | 1 | Y | | | |
| 085 | 060 | 202505 | 9099 | 67,096 | 2484691 | \$325,000 | 03/23/11 | \$4.84 | VACANT LOT | R-20 | 2 | Y | | | |
| 085 | 065 | 187500 | 0190 | 43,995 | 2522868 | \$2,860,000 | 12/12/11 | \$65.01 | Vacant Development Site | PLA 6B | 1 | Y | | | |
| 085 | 070 | 082505 | 9187 | 7,200 | 2609059 | \$507,000 | 05/29/13 | \$70.42 | SFR - Teardown | RM 3.6 | 1 | Y | *R land, to be segged into 2 lots, with 2 townhomes | | |
| 085 | 070 | 082505 | 9251 | 17,820 | 2610781 | \$1,214,400 | 06/03/13 | \$68.15 | MOSS BAY SUNSET CLUB II | RM 3.6 | 1 | Y | | | |
| 085 | 070 | 788260 | 0120 | 221,025 | 2629978 | \$7,833,000 | 09/10/13 | \$35.44 | Future Google campus expansion | PLA 6G | 1 | Y | | | |
| 085 | 085 | 092605 | 9129 | 178,596 | 2618206 | \$2,700,000 | 06/25/13 | \$15.12 | VACANT | R-AC, O | 1 | Y | | | |

| Area | Nbhd | Major | Minor | Total NRA | E # | Sale Price | Sale Date | SP / NRA | Property Name | Zone | Par. Ct. | Ver. Code | Remarks |
|------|------|--------|-------|-----------|---------|---------------|-----------|------------|-----------------------------------|---------|----------|-----------|--------------------------------------|
| 085 | 020 | 072605 | 9003 | 4,104 | 2532118 | \$450,000 | 02/28/12 | \$109.65 | CLEANERS AND LAUNDROMAT | DC | 1 | 63 | Sale price updated by sales id group |
| 085 | 020 | 072605 | 9203 | 2,269 | 2648731 | \$1,550,000 | 12/27/13 | \$683.12 | Car Sales Office (Dream City Spo | 522 | 3 | 61 | Financial institution resale |
| 085 | 020 | 082605 | 9040 | 2,704 | 2561876 | \$200,000 | 08/30/12 | \$73.96 | HILLCREST BAKERY | DC | 1 | 52 | Statement to dor |
| 085 | 020 | 082605 | 9096 | 2,484 | 2540064 | \$27,090 | 03/07/12 | \$10.91 | BASKIN-ROBBINS | DC | 1 | 24 | Easement or right-of-way |
| 085 | 020 | 082605 | 9307 | 720 | 2604425 | \$155,000 | 05/06/13 | \$215.28 | OFFICE | 522 | 1 | 51 | Related party, friend, or neighbor |
| 085 | 020 | 096700 | 0415 | 1,160 | 2641593 | \$450,000 | 11/13/13 | \$387.93 | Episcopal Thrift Store | DN | 1 | 44 | Tenant |
| 085 | 020 | 096700 | 0535 | 8,160 | 2515764 | \$19,637 | 08/10/11 | \$2.41 | RETAIL & LODGE | DC | 1 | 24 | Easement or right-of-way |
| 085 | 025 | 282605 | 9026 | 6,016 | 2643921 | \$1,050,000 | 12/03/13 | \$174.53 | Office Building | NRH 6 | 1 | 44 | Tenant |
| 085 | 025 | 282605 | 9040 | 3,716 | 2474576 | \$1,250,000 | 01/11/11 | \$336.38 | WASHINGTON EMISSION INSPECTION | TL 7 | 1 | 36 | Plottage |
| 085 | 025 | 282605 | 9051 | 1,940 | 2565168 | \$359,341 | 09/13/12 | \$185.23 | Commercial SFR | TL 6A | 1 | 51 | Related party, friend, or neighbor |
| 085 | 025 | 282605 | 9079 | 1,350 | 2570898 | \$750,000 | 10/25/12 | \$555.56 | OFFICE | TL 6A | 1 | 51 | Related party, friend, or neighbor |
| 085 | 025 | 282605 | 9128 | 10,376 | 2571041 | \$2,040,000 | 10/26/12 | \$196.61 | OFFICE INDUSTRIAL | TL 9A | 1 | 15 | No market exposure |
| 085 | 025 | 389310 | 0992 | 21,098 | 2635803 | \$4,250,000 | 10/09/13 | \$201.44 | SUN COAST BUILDING | NRH 2 | 1 | 44 | Tenant |
| 085 | 030 | 192605 | 9075 | 0 | 2574676 | \$1,224,413 | 11/16/12 | \$0.00 | JUANITA AUTO REBUILD | BC 1 | 2 | 11 | Corporate affiliates |
| 085 | 030 | 192605 | 9199 | 2,800 | 2584564 | \$1,650,000 | 01/14/13 | \$589.29 | CONVENIENCE MARKET (7-11) | BC 1 | 1 | 15 | No market exposure |
| 085 | 030 | 364910 | 0510 | 2,500 | 2611071 | \$610,000 | 06/08/13 | \$244.00 | ROCKY MARKET | NB | 1 | 60 | Short sale |
| 085 | 040 | 376245 | 0090 | 1,452 | 2645479 | \$325,000 | 12/13/13 | \$223.83 | JUANITA PROFESSIONAL CENTER COND | JBD 6 | 1 | 44 | Tenant |
| 085 | 040 | 376250 | 0030 | 1,546 | 2538827 | \$600,000 | 03/26/12 | \$388.10 | JUANITA PROFESSIONAL PLAZA CONDO | JBD 6 | 1 | 44 | Tenant |
| 085 | 040 | 607650 | 0462 | 3,133 | 2617155 | \$475,000 | 07/01/13 | \$151.61 | Juanita Retail | BNA | 2 | 60 | Short sale |
| 085 | 045 | 012000 | 0330 | 40,330 | 2583135 | \$2,200,000 | 12/31/12 | \$54.55 | PROCTOR PRODUCTS CO | LIT | 1 | 51 | Related party, friend, or neighbor |
| 085 | 045 | 052505 | 9064 | 10,800 | 2592462 | \$3,050,000 | 02/26/13 | \$282.41 | 911 KIRKLAND PLACE | PLA 5C | 1 | 64 | Sales/leaseback |
| 085 | 045 | 347297 | 0010 | 0 | 2617649 | \$1,771,000 | 06/26/13 | \$0.00 | HOUGHTON 6TH STREET | PR 5.0 | 3 | 44 | Tenant |
| 085 | 050 | 123310 | 0750 | 19,263 | 2532907 | \$3,215,000 | 03/06/12 | \$166.90 | ROSE HILL RETAIL | RH 5B | 1 | 63 | Sale price updated by sales id group |
| 085 | 050 | 123310 | 0872 | 2,732 | 2531457 | \$4,725 | 01/17/12 | \$1.73 | KIRKLAND HONDA | RH 5A | 1 | 24 | Easement or right-of-way |
| 085 | 050 | 388810 | 0220 | 7,420 | 2542392 | \$325,000 | 03/16/12 | \$43.80 | SFR HOUSE & GAR SVCS/WHSE | RSX 7.2 | 1 | 52 | Statement to dor |
| 085 | 055 | 388580 | 4670 | 2,200 | 2547137 | \$533,000 | 05/23/12 | \$242.27 | Small Office (Conv. SFR) | MSC 1 | 1 | 61 | Financial institution resale |
| 085 | 060 | 389810 | 0280 | 29,576 | 2645944 | \$4,973,000 | 12/15/13 | \$168.14 | Buchan Building | OLB | 1 | 51 | Related party, friend, or neighbor |
| 085 | 070 | 202505 | 9162 | 274,029 | 2487730 | \$100,217,188 | 04/21/11 | \$365.72 | THE PLAZA AT YARROW BAY I | PLA 3A | 4 | 15 | No market exposure |
| 085 | 070 | 935490 | 0220 | 2,114 | 2474783 | \$4,000,000 | 01/07/11 | \$1,892.15 | DELI CAFE & MICHAEL'S DRY CLEANIN | BN | 2 | 51 | Related party, friend, or neighbor |
| 085 | 075 | 332605 | 9206 | 7,920 | 2582586 | \$1,450,000 | 12/28/12 | \$183.08 | SUNMARK | TL 10E | 1 | 63 | Sale price updated by sales id group |
| 085 | 075 | 388580 | 5550 | 10,092 | 2608977 | \$1,750,000 | 05/31/13 | \$173.40 | EWING IRRIGATION | LIT | 2 | 23 | Forced sale |
| 085 | 075 | 389310 | 0855 | 13,600 | 2476234 | \$48,000 | 01/13/11 | \$3.53 | PEGASUS N/W-LGT MFG | TL 10D | 1 | 24 | Easement or right-of-way |
| 085 | 075 | 389310 | 0921 | 60,209 | 2532106 | \$3,900,000 | 02/28/12 | \$64.77 | COSTCO HOME OFFICE BLDG #1 | TL 10E | 1 | 61 | Financial institution resale |
| 085 | 085 | 042605 | 9008 | 90,661 | 2516163 | \$24,500,000 | 10/28/11 | \$270.24 | NORTH CREEK PLACE 1 | R 2800, | 1 | 65 | Plans & permits |

| Area | Nbhd. | Major | Minor | Land Area | E # | Sale Price | Sale Date | SP / Ld. Area | Property Name | Zone | Par. Ct. | Ver. Code | Remarks |
|------|-------|--------|-------|-----------|---------|-------------|-----------|------------------|----------------------------------|---------|-------------|--------------|------------------------------------|
| 085 | 020 | 062605 | 9005 | 57,063 | 2543918 | \$188,000 | 05/10/12 | \$3.29 | Vacant | R 5400a | 1 | | Foreclosure |
| 085 | 020 | 072605 | 9194 | 84,604 | 2548183 | \$1,963,013 | 06/13/12 | \$23.20 | VAC SPECIALISTS | 522 | 3 | | Foreclosure |
| 085 | 020 | 082605 | 9123 | 1,348 | 2515766 | \$5,216 | 06/14/11 | \$3.87 | ASSOC. PKNG. FOR IMPS ON MINOR # | DC | 1 | 24 | Easement or right-of-way |
| 085 | 025 | 282605 | 9004 | 162,914 | 2636647 | \$100,000 | 10/08/13 | \$0.61 | VACANT | TL 9B | 1 | 51 | Related party, friend, or neighbor |
| 085 | 025 | 282605 | 9113 | 13,000 | 2625310 | \$430,000 | 08/20/13 | \$33.08 | Old SFR | NRH 5 | 1 | 15 | No market exposure |
| 085 | 025 | 282605 | 9249 | 32,181 | 2543519 | \$2,750,000 | 05/10/12 | \$85.45 | Vacant Lot (Future 61 unit mixe | TL 6A | 1 | 56 | Builder or developer sales |
| 085 | 030 | 172605 | 9095 | 20,000 | 2506248 | \$30,000 | 08/17/11 | \$1.50 | VACANT | R24SO | 1 | 61 | Financial institution resale |
| 085 | 055 | 388580 | 8230 | 5,610 | 2648646 | \$799,000 | 12/23/13 | \$142.42 | SOZO HAIR STUDIO (SFR CONV) | MSC 4 | 1 | 15 | No market exposure |
| 085 | 060 | 202505 | 9277 | 78,628 | 2640627 | \$3,000,000 | 11/12/13 | \$38.15 | Park and Ride Lot | YBD 1 | 1 | N | No market exposure |
| 085 | 065 | 187500 | 0025 | 20,192 | 2521118 | \$1,100,000 | 12/02/11 | \$54.48 | VACANT LAND (PARKING LOT) | CBD 1B | 1 | 15 | No market exposure |
| 085 | 070 | 788260 | 0512 | 14,090 | 2529974 | \$525,000 | 02/13/12 | \$37.26 | VACANT LAND | RM 3.6 | 1 | | Financial institution resale |
| 085 | 070 | 788260 | 0514 | 1,408 | 2524011 | \$35,000 | 12/21/11 | \$24.86 | VACANT LAND | RM 3.6 | 1 | 51 | Related party, friend, or neighbor |