

Commercial Revalue

2014 Assessment Roll

WAREHOUSES

AREA

500

**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.

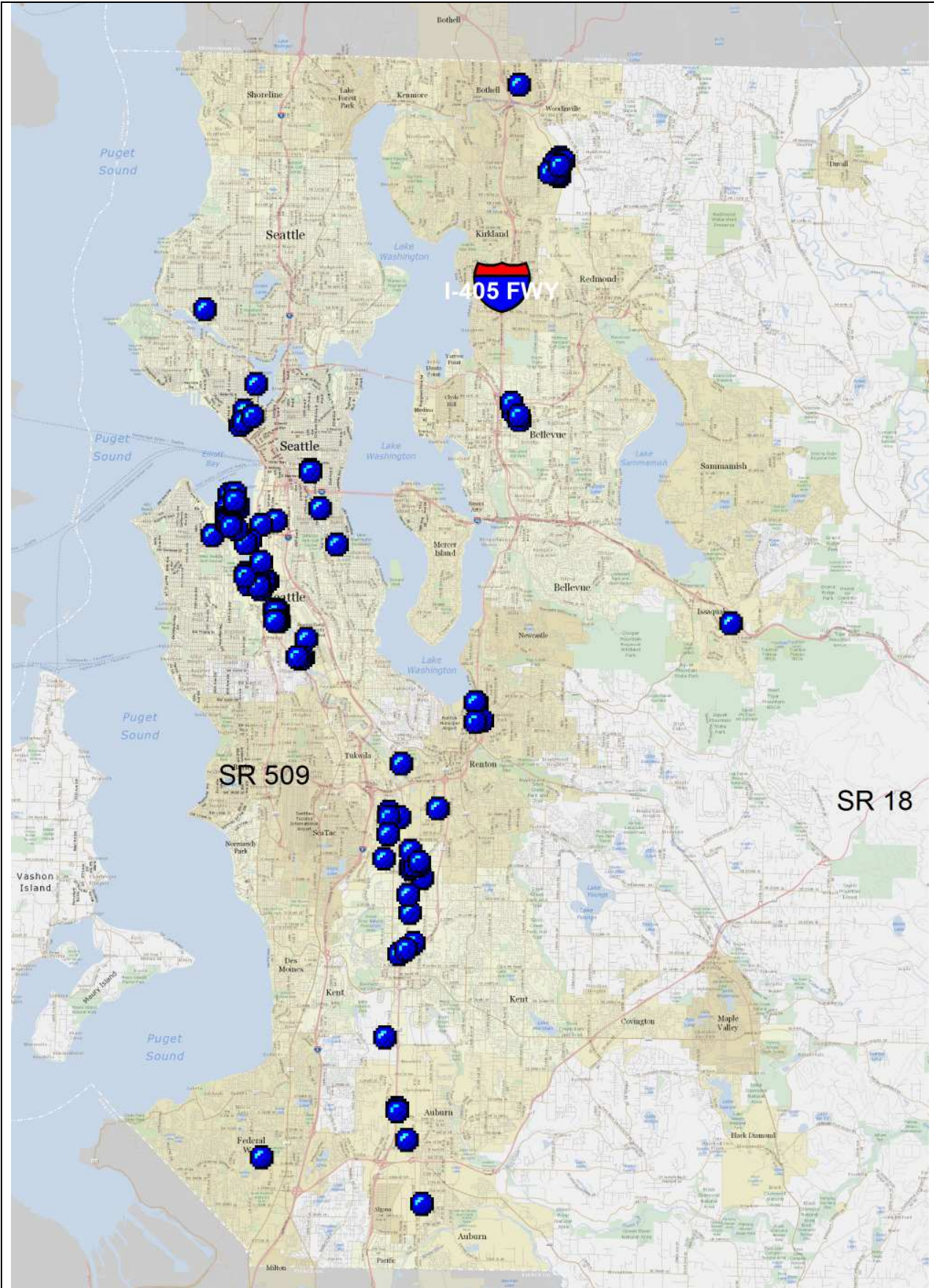
Fair and uniform assessments set the foundation for effective government and I am pleased that we are able to make continuous and ongoing improvements to serve you.

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

INDUSTRIAL SPECIALTY – AREA 540



Executive Summary Report

Appraisal Date 1/1/2014 – 2014 Assessment Year

Specialty Name: Area 500 -Warehouses 100,000 net square feet or larger

Sales - Improved Summary:

Number of Sales: 20

Range of Sale Dates: 1/01/2011 – 01/01/2014

Sales – Ratio Study Summary:

	Mean Assessed Value	Mean Sale Price	Ratio	COD
2013 Value	\$15,356,900	\$17,509,000	87.70%	10.99%
2014 Value	\$16,647,100	\$17,509,000	95.10%	7.78%
Change	\$1,290,200		7.40%	- 3.21%
%Change	+8.40%		+8.44%	-29.21%

*COD is a measure of uniformity, the lower the number, the better the uniformity. The negative figures of -3.21% and -29.21% actually represent an improvement.

Sales used in Analysis: All improved sales that were verified as fair market transactions were included in the analysis. Sales that have had major remodels since purchase, segregated or merged since being purchased, and sale leasebacks were not included in the analysis.

Population - Parcel Summary Data:

	Land	Improvements	Total
2013 Value	\$1,220,534,600	\$1,695,571,400	\$2,916,106,000
2014 Value	\$1,252,550,800	\$1,905,339,700	\$3,157,890,500
Percent Change	+2.62%	+12.37%	+ 8.29%

Number of Parcels in the Ratio Study Population: 268

Conclusion and Recommendation:

Total assessed values for the 2014 revalue have increased 8.29%.

Since the values recommended in this report improve uniformity, and equity, it is recommended the values should be posted for the 2014 Assessment Year.

Analysis Process

Effective Date of Appraisal: January 1, 2014

Date of Appraisal Report: May 14, 2014

The following appraiser did the valuation for this specialty area:

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. 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.

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 01/01/2014 were considered in all analyses.
- Time adjustments were not made to sales due to the lack of sales activity.
- This report intends to meet the requirements of the Uniform Standards of Professional Appraisal Practice, Standard 6.

Puget Sound Warehouse Economic Conditions

The King County industrial real estate market has remained one of the most adaptable and dynamic areas in the commercial market for 2013. It has even topped the apartment investment segment. The Puget Sound area is one of the top markets in the country right now and it is a market that both private and publicly held companies are targeting. Due to less capital intensive options, plus stable rental rates and values, industrial properties continue to be a prime sought-after real estate investment class. More investors are heading to the industrial market because properties are viewed as being less intense to manage. Industrial buildings are relatively less expensive to maintain when one tenant leaves and it doesn't cost much to accommodate a new tenant. They consists of concrete walls and a concrete floor. Warehouse and distribution properties are even more desirable than flex (business parks), manufacturing, and other specialized spaces. According to a recent Urban Land Institute survey, more that 60 percent of investors said they would buy industrial properties; fewer than 10 percent said they would sell industrial properties.

International trade, consumption, and inventory rebuilding ignited demand for larger warehouse space in key port and distribution markets. The King County industrial market ranks fourth in the nation behind Houston, San Francisco, and New York City. Seattle's recovery has outpaced much of the country. There is a pent up demand for larger high quality properties. There is a lot of interest in warehouse space from non-traditional players, most of whom show a clear preference for the institutional-grade bulk warehouse space. There are now bidding wars taking place for top quality assets.

King County has some of the largest and most recognized companies in the world. Other companies want to be near them. The industrial real estate market benefited from an improved labor market. King County has increased employment and is one of the fastest growing regions in the country. King County now ranks among the top large counties in the nation for both the rate at which it added new residents and the overall increase in population. It is only surpassed by Harris County in Texas. The area has a well-educated work force and good living options. King County has seen increased employment in manufacturing, retail, e-commerce, and construction which is driving the demand for industrial products.

Industrial properties have benefited from the increase in international trade and the demand for large industrial warehouses with proximity to transportation hubs. Close proximity to the ports (Seattle and Tacoma), airports, freeway, and railroads (which enhance local and global trade) increases the demand for distribution and warehouse space throughout King County. With the widening of the Panama Canal it will allow Asian companies to ship cargo directly to the East Coast, but that will hurt California more than ports in Washington because of Washington's strong economy. Ports on California are tightly regulated and labor costs are much higher than in Washington.

Speculative construction of commercial properties has finally started in King County for the first time in three years. There is currently a low supply of large distribution space. Motion Water Sports has built an approximate 135,000 square foot warehouse in Snoqualmie Ridge. A new Stryker Business Center at Pacific Gateway in Kent has broken ground. An 87-acre site in Des Moines is in the planning stage and is expected recently to have up to 1,600,000 square feet of industrial, office and retail space..

With the demand for larger industrial space there has been a trend of steady tightening of the leasing market over the last year. It is expected to spike in 2014. The last four quarters have shown strong positive absorption rates. A major player now is the retail market, as increased spending power for families has driven the demand for distribution and fulfillment centers. They handle the consumers purchase items acquired either online, in-store, from television, or radio. They want to be close to the client to deliver the product. They want to offer same-day or next-day shipping to compete. The only way to compete is to build more distribution centers near the buyers. Online sellers have become the fastest growing segment of warehouse occupiers. Amazon.com is currently going to locate at the New Stryker Business Center in Kent and will occupy over 1,000,000 square feet. Selling merchandise from a space that rents from \$4 to \$9 rent per square foot that can be stacked, makes more sense than paying retail lease rates. There is a fundamental improvement in space demand.

The rate of absorption and leasing activity in the Puget Sound industrial market remained strong in 2013. Since there has been limited new construction of industrial properties in the last several years, and a good absorption of that which was available, the vacancy rate has declined across the board. The industrial real estate market saw rents increasing in 2013. It is becoming a landlord's market. Landlords are being more aggressive on leasing terms. Additionally, there were fewer concessions given to renters compared to previous years. Most industrial properties rents are based on a triple net basis, meaning the tenant pays for such operating costs as real estate taxes, insurance, and building maintenance. Warehouse lease rates are usually broken down by warehouse space and office build-out rate. The office lease rate is an add-on to warehouse rates. Capitalization rates are declining with the primary markets, such as Seattle, having the lowest capitalization rates in the region.

Public and private REITS have been acquiring the best industrial real estate in the hot markets, like Seattle. Their approach is to buy and hold these industrial properties through market fluctuations. Foreign investors are getting better returns in the US market because of the favorable currency exchange rates, and they are safer investments with less risk. The warehouse real estate market includes a variety of tenants and owner/users but is approximately 65% institutionally owned. Institutional and foreign investors are still favoring industrial warehouses over other commercial type investments because they produce a steady cash flow. Interest rates have been stable and capital supply is healthy.

According to Kidder Mathews, typical warehouse sales fall into the following ranges:

Kent Valley	\$45-\$80	per square foot
Seattle	\$80-\$125	per square foot
Eastside	\$90-\$150 ¹	per square foot

Identification of the Area

Name or Designation: Area 500

This report contains data pertinent to the revalue of major warehouse facilities throughout King County. Specialty Area 500 encompasses all distribution, transit and storage buildings as well as light industrial facilities with a building area greater than or equal to 100,000 net rentable square feet.

Boundaries:

The properties are located throughout the entire King County.

Maps:

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

Warehouse and Area Description:

The largest industrial warehouses with at least 100,000 net square feet in King County have been segmented into five neighborhood regions. These regions are described by their geographic location. Significant concentrations (76%) are located in the South End of the county in Kent, Auburn, Algona, Renton, and Tukwila. All warehouse specialty properties were revalued this year.

Many of these warehouses are designed specifically for the storage of goods. Warehouses are used by importers, exporters, transport businesses, manufacturers, wholesalers, etc. They are normally equipped with loading docks. Typically office space is between 3% and 12% of the total building area.

Distribution warehouses will have more office/sales area than storage warehouses, approximately 15%, to accommodate breakdown and transshipment. They typically have dock-high or grade-level doors, with bays larger than 5,000 square feet and clearance heights in excess of 20 feet. They often have refrigeration or air conditioning and are stocked with goods to be redistributed to retailers, wholesalers or shipped directly to consumers.

Transit warehouses are designed for loading, freight segregation and closed storage. Two different building materials used to construct warehouses, tilt-wall concrete and

¹Kidder Mathews, 4th Quarter 2013, pg. 2&3

prefabricated metal construction, have evolved from ugly and boxy to become more polished. Stone and brick are used as exterior coverings. The tilt-wall is more durable, has built in noise reduction, and better fire protection. The advantage of metal building construction is that it is more environmentally friendly and less expensive to construct. These new metal buildings are nearly 100 percent recyclable.

Developers are starting to build warehouses that are LEED certified. In the warehouse specialty there is one in Snoqualmie Ridge, the Technical Glass Building. This building is the highest quality warehouse in spec 500 to have received the LEED-CI certification. The warehouse has all low flow water fixtures and using 100% reclaimed water for all irrigation, it is built with a butterfly roof that creates a wooden platform above concrete tilt-up panels with module of windows for maximum daylight penetration and views. Another recently built warehouse is located in Redmond. It is the new Fed-Ex building at 18795 N.E. 73rd St and is the first LEED-certified project for FedEx.

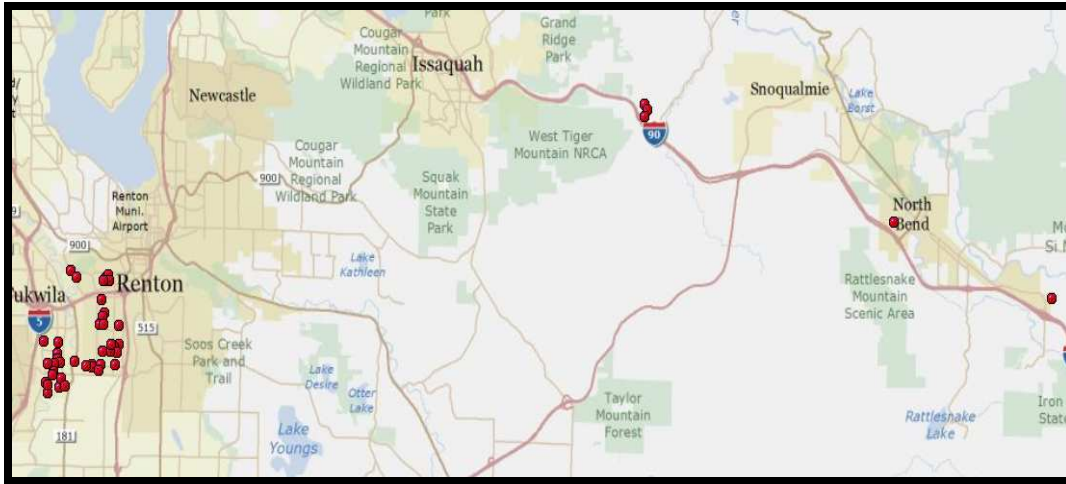
The following is a breakdown of each neighborhood sub-area and a summary of the 2013 sales that were considered. The assessor considered these sales and the sales from 2011 and 2012 in the ratio study.

South King County:

This area has three sub markets, 500-25, 500-35, and 500-45. The largest concentration, (approximately 76%) of the warehouse specialty properties are located in this area. This is the largest submarket due largely to the valley's level topography and larger vacant pieces of land that are available.

The South King County warehouse real estate market had significant absorption in 2014 which has driven vacancy rates down again in 2013. There is little inventory for larger warehouses on the market at this time. According to Kidder Mathews there are only 12 user type buildings available in South King County compared to over 20 in the last couple of years.

Specialty Area 500-25:

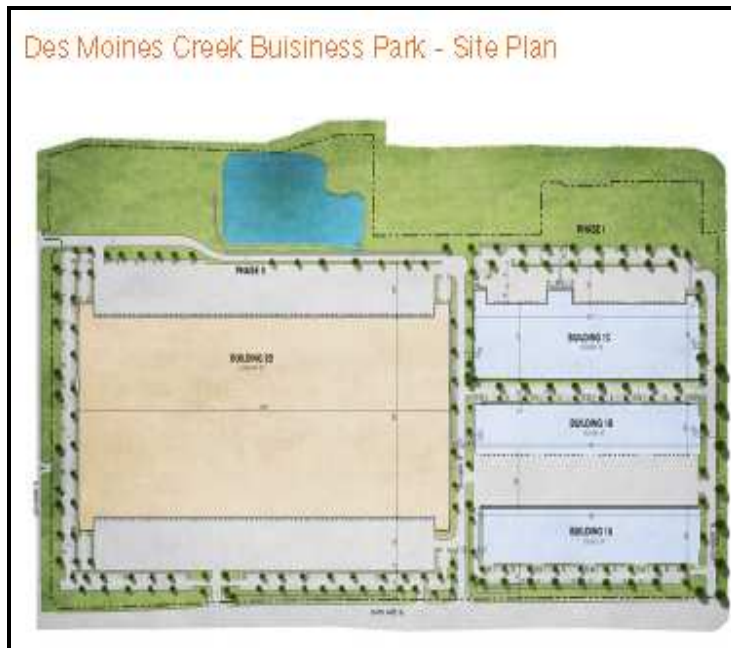


This Specialty Area includes Tukwila, North Bend, Preston, Des Moines and Renton. There are forty six parcels in area 500-25. Distribution warehouses dominate this area. This South King county subarea is the closest to Seattle and the Port of Seattle.

The warehouses near Westfield (formerly Southcenter) in Tukwila contain many display sections for merchandise. Examples would be Macy's Warehouse and United Furniture. Renton may see more space used by the future 737MAX production parts by Boeing.

There were no 2013 market sales in this area. In late 2012 there were four sales.

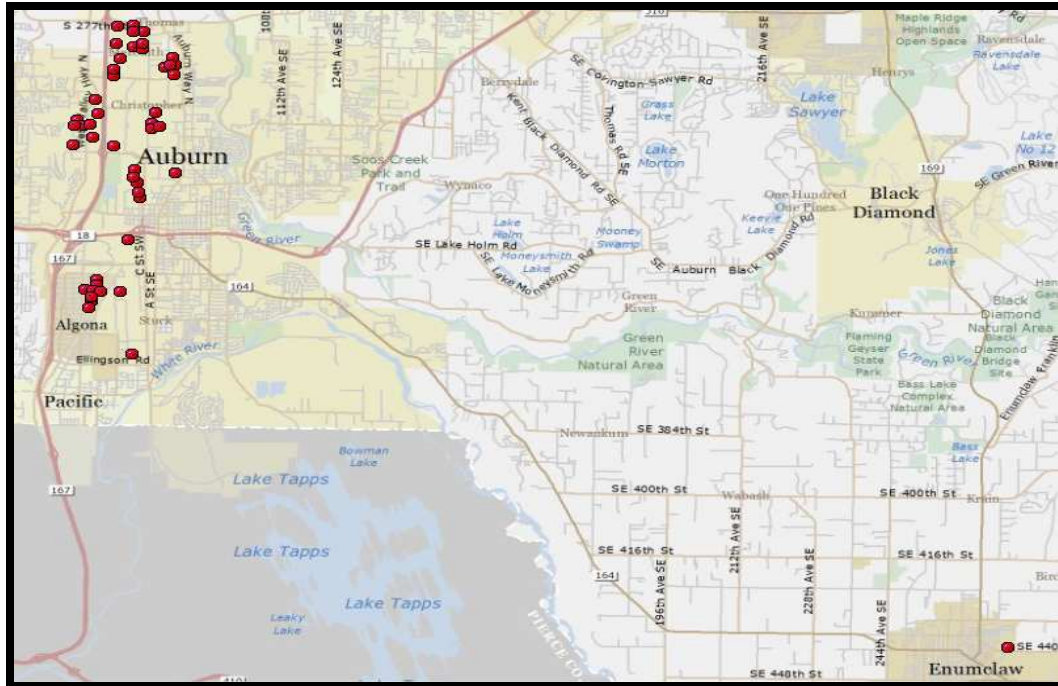
A large scale project is being marketed in Des Moines by Panattoni Development Company. They will have a long term lease on the land and will build to suit warehouses in the near future. The build out will be over seven years and construction to start in 2014. They expect to spend \$125 million on the phased project. It will have up to 1,600,000 square feet according to the marketing brochure. The area will be called Des Moines Creek Business Park. The city of Des Moines estimates the project will create more than 1,000 permanent jobs. This project supports the Port's agenda to grow the benefits of Sea-Tac Airport by tripling the volume of air cargo and expand local business. It has an ideal location between two seaports, new light rail and freeway access and located next to the airport.



The site for Des Moines Creek Business Park is bounded by South 216th and 208th streets, 24th Ave South on the east and a portion of Des Moines Creek Park on the west.

Specialty Area 500-35:

This area includes Auburn, Algona, and Enumclaw. There are 47 parcels in area 500-35. In this area, there are a large number of industrial parks offering a variety of space for the particular needs of individual tenants, as well as many stand-alone industrial facilities that have been built to individual specifications. Property types include incubator space, major cold storage space, and product distribution facilities.



One of the largest warehouse parcels in Auburn is the Safeway Distribution complex. It has over 1,150,100 square feet of building space in nine buildings.



Parcel 252104-9096 Safeway 3520 Pacific Ave South

Area 500-35 had two market sales in 2013 ranging in price from \$49 to \$86 per net square foot.

The first sale in 2013 was in Algona, Washington. This area is the closest to Pierce County and this area has the lowest value per square foot due to distance from Seattle and the highest vacancy rates.. This warehouse was built in 1986.



502 10th Ave North Algona, Washington

Area	Parcel	Building Area	Excise #	Sales Price	Sale Date	SP/Square Foot
500-35	030151-0230	287,945	2596486	\$14,200,000	03/29/2013	\$49

The second sale is a Distribution warehouse built in 1999. It has had several remodels since being built. It is located in Auburn, Washington.



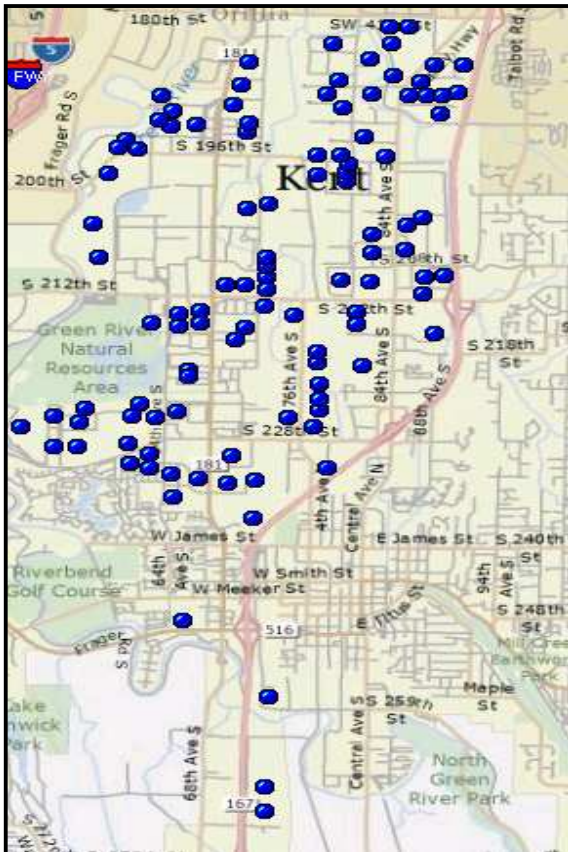
521 8th Street S.W. Auburn, Washington

Area	Parcel	Building Area	Excise #	Sales Price	Sale Date	SP/Square Foot
500-35	132104-9019	286,350	2633634	\$24,750,000	09/24/2013	\$86



In 2013, a light manufacturing warehouse was developed by Panattoni Development Co. It is located at 1600 'M' Street N.W. Auburn, Washington. It was built for Hospital Central (HSCA) and will be used as their laundry plant. It sold as a build to suit for \$177 per square foot.

Specialty Area 500-45:



This area includes the Kent Valley. Distribution warehouses dominate the area, yet manufacturing facilities, food service and cold storage warehouses are also found throughout this area. This is the largest of the sub-areas with 108 parcels. The area has level topography, good freeways and rail access.

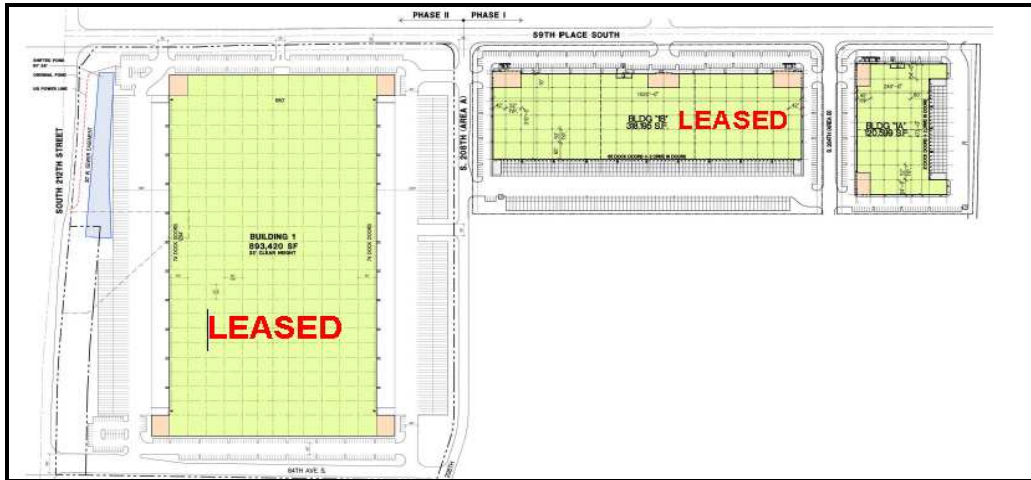
In the Kent Valley, there was one market sale of a distribution warehouse in 2013. It was located at 6205 S. 231st Street. It sold for \$88 per square foot. It did have 16% office build out.



Area	Parcel	Building Area	Excise #	Sales Price	Sale Date	SP/Square Foot
500-45	887980-0200	115,004	2626846	\$10,150,000	08/26/2013	\$88

The IDS Real Estate Group bought 72 acres in Kent from Boeing and is currently building warehouses and offices that will total 1.2 million square feet according to the Puget Sound Business Journal. The area is called Stryker Business Center at Pacific Gateway. It is named for the Stryker armored vehicle. Boeing was involved in the development of the military vehicle and that allowed the project to use the name. The project will be built in phases.

It is located on 216th Street and 59th Place So. It is midway between the Seattle and Tacoma seaports. They have demolished seven old buildings. They started marketing Phase1 in 2013 without any tenants signed. The buildings have 30-foot and 32-foot ceilings, natural light, several entrances, trailer storage and a mix of high and ground-level spots. In early 2014 Amazon.com announced it plans to acquire a new warehouse or fulfillment center with approximately one million square feet for employees to pack and ship small items like electronics and books. They started with the largest building first. Amazon has warehouses in Bellevue, Sumner, and Dupont.



Phase 1

Seattle/Close-In: (Approximately 18% of the total warehouse specialty population is located here)

Specialty Area 500-60:



This area is located primarily south of Safeco Field in the Sodo district, and along both sides of the Duwamish Waterway and makes up the heart of Seattle's historic industrial area. Area 500-60 has 48 parcels. This area contains a mixture of industrial processing facilities, distribution warehouses, and truck terminals. The close-in market of Seattle is

the most established submarket and seems to be the most stable market. There is little institutional ownership and is made up of owner/user or private ownership. They will pay more for the northerly location

The buildings in this area are generally 50 to 100 years old. These buildings also typically have lower ceilings and limited truck loading facilities because the sites are smaller and land is very expensive. Despite some of the buildings obsolescence due to age, the close proximity to freeways and waterways has helped this area thrive even during difficult economic times. Demand for industrial space in this area has remained high with influence from the Port of Seattle and the proximity to the I-5 freeway, Safeco Field, and Qwest Field. Due to the lack of available land in this neighborhood, there has been little new warehouse development, and as a result, vacancies are the lowest in this area (presently 5%).

This area has higher lease rates due to the proximity to the Port, trains, and freeway. There have not been any sales of warehouses over 100,000 square feet in area 500-60 in the last three years until 2013.

Initiative 1183 in late 2011 put the State of Washington out of the liquor business which freed up a 250,000 square foot warehouse at 4401 East Marginal Way. It had been used for distributing liquor for the state. It sold in August 2013. The Kidder Mathews brokerage took bids and did not set a listing price. The new owner, Panattoni, is based in Newport Beach, California and is one of the most active industrial developers in the area. They already had a tenant, Solid Waste Collection company Clean Scapes, for 75,000 square feet.



4401 EAST MARGINAL WAY

Area	Parcel	Building Area	Excise #	Sales Price	Sale Date	SP/Square Foot
500-60	182404-9063	243,044	2623351	\$23,400,000	08/09/2013	\$96

Panattoni Development Co has recently broken ground to add 111,677 square foot expansion to the former Washington State Liquor Control Board's warehouse.



It will be called Skyline Distribution Center. Asking lease rates are: \$.59 per square foot NNN-shell and \$.85 per square foot NNN-office area.

Another sale late in 2013 occurred at 3701 S. Norfolk Street. The subject sits on two parcels and has 123,100 square feet.

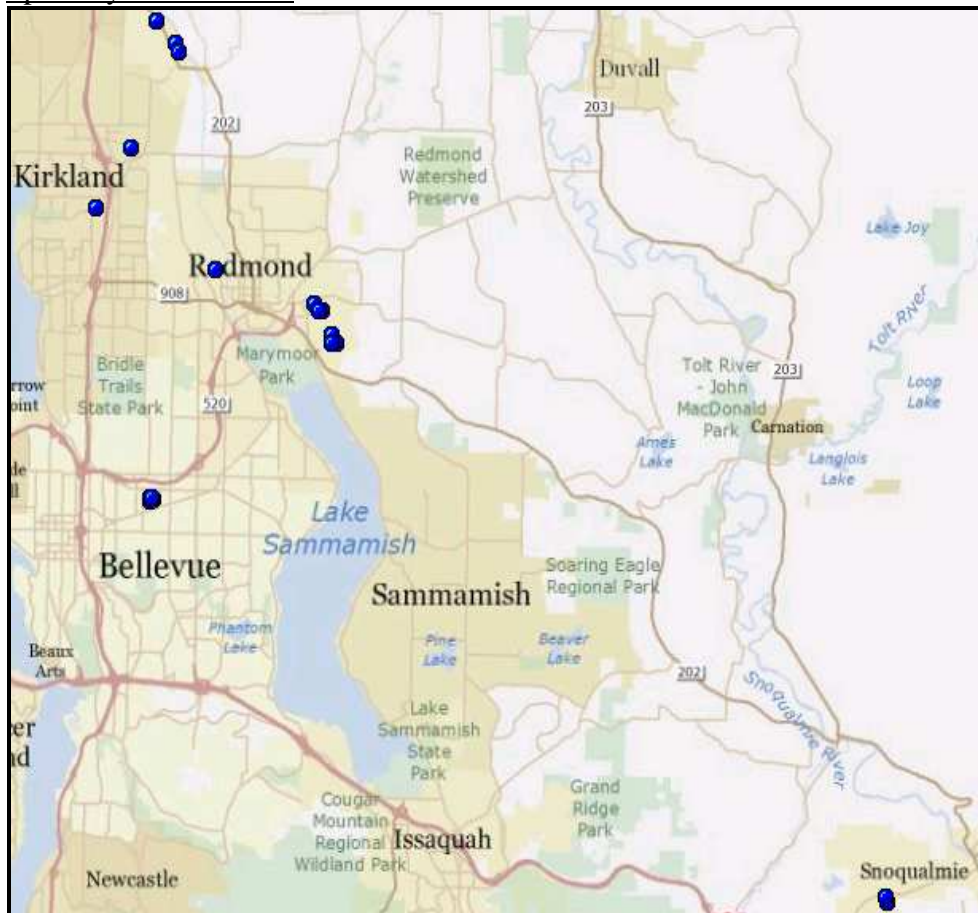


Area	Parcel	Building Area	Excise #	Sales Price	Sale Date	SP/Square Foot
500-60	032304-9194 & 032304-9216	123,000	2645251	\$13,000,000	12/13/2013	\$106

A new pilot program is being formed in Seattle, King County, and Washington State to encourage rehabilitating existing warehouses and for construction of new industrial buildings on industrial zoned land. This program will help grow jobs in our region and produce a good or better environmental performance than current regulations. Construction fund loans will be made available through the New Markets Tax Credit Program and Grow Seattle Fund. Many older warehouse facilities in Seattle have not seen reinvestment and they hope this program will identify 10 projects. This program encourages LEED Gold certificates when possible.

East King County: (Approximately 7% of the warehouse specialty population is located in this area)

Specialty Area 500-80:



This area represents the vast geographic area of the Eastside (the area east of Seattle and east of Lake Washington) which includes Bellevue, Snoqualmie, Kirkland, Redmond, and Woodinville. It has the smallest warehouse count of all the neighborhoods, 19 parcels. It has benefited greatly from population growth and an influx of high technology companies. These warehouses have small bays and at-grade door distribution. Newer warehouses can be seen in this area. Lease rates are at the top end of this specialty. Land prices are the highest in the county.

A ground distribution center for FedEx in Redmond has been built. It is the largest industrial building in Redmond. It has 30-foot clear heights and office space. It is FedEx's first LEED-certified project. The 24 acres of vacant land were acquired for \$16.87 million by Sun Cap Properties Group of Charlotte, N.C. The build to suit warehouse is 210,761 square feet per plans received by the Redmond building department. Due to concerns of impact to the neighborhood, Sun Cap built a berm to create a visual and sound barrier between neighbors and the site.



072506-9129 FedEx 18795 N.E. 73rd Street Redmond

In the Snoqualmie Ridge Business Park, a new industrial warehouse has been built by Motion Water Sports. It has 134,730 square feet according to the building department and is located at 7926 Bracken Place S.E. It is the new headquarters for two company brands, O'Brien and HO Sports. This project was also developed by the Panattoni Company.



Motion Water Sports new headquarters, Snoqualmie WA

Physical Inspection Identification:

Warehouses in Auburn (500-35) 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 characteristics that affect value. The data on the parcels was reviewed and corrected with new pictures if the appearance had changed. A list of the parcels is attached for review.

Preliminary Ratio Analysis:

A Ratio Study was completed 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 10.99% to 7.78% and the Coefficient of Variation (COV) from 13.86% to 9.32%. In addition, the resulting assessment level as measured by the weighted mean ratio is 95.1%. The price-related differential is 0.99. These figures are presented in the 2013 and 2014 Assessment Ratio Analysis charts included in this report.

Scope of Data**Land Value:**

The geographic appraiser in the area in which the specialty warehouse property is located is responsible for the land value used by the warehouse specialty appraiser. See appropriate area reports for land valuation discussion.

Improved Parcel Total Values:**Sales Comparison Approach model description**

Improved warehouse sales for Area 500 were verified by the specialty appraiser and entered into the Real Property Sales application. The sales were field visited and all data was checked. The sales used range in date from 1/1/2011 to 1/01/2014. Verification consisted of contact with Buyer, Seller or Broker if possible, or information from the COMPS InfoSystem, Inc., real estate sales verification service. At the time of sale, information on vacancy and market absorption rates, current and anticipated rents, capitalization rates, and the competitive position of the property were also gathered. Some data factors (effective year built, occupancy codes, size, and condition) were collected to establish ranges of price per square foot to use as guidelines in the model. The parameters were also used to validate the income approach model along with the capitalization rates from sales.

Sales comparison calibration

Calibration of the coefficients utilized in the models applied via the sales comparison approach was established by an analysis of sales within each neighborhood. Individual

prices were applied based on various characteristics deemed appropriate by each market. There were 20 improved sales within the Warehouse Specialty dating from 1/1/2011 to 1/1/2014. The sales statistics also helped form the income approach to value by setting parameters for the income rates, vacancies, expenses and capitalization rates. Specific variables and prices for each neighborhood are discussed in more detail later in the report.

Cost Approach model description

Cost estimates are automatically calculated via the Marshall & Swift Valuation modeling system. Depreciation was based on studies done by Marshall & Swift Valuation Service. The cost was also adjusted to the western region and the Seattle area. The Marshall & Swift cost calculations are automatically calibrated to the data in the Real Property Application. Because of the difficulty in accurately determining the depreciation of older warehouse properties, this approach to value was given the least weight in the final reconciliation of values. Cost estimates were relied upon for valuing on-going new construction where comparable sales data and/or sufficient income and expense information is not available.

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 is considered a reliable approach to valuation in area 500 where relevant income and expense data is available to ascertain market rates. Income parameters were derived from the market place through market rental surveys, sales, and outside sources. 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. This year there was approximately an 11% return of surveys. Several leases were originated several years ago. Disclosure of this information is not required by law and therefore is often difficult to obtain. The data can be incomplete. Interviews with tenants in the field usually yield rental and expense information only. As a supplement, lease information is gathered from Costar and other websites.

Income approach calibration





The models or income tables of each of the five neighborhoods were calibrated setting economic base rents, vacancy rates, expenses, and capitalization rates by using adjustments based on size, effective year built, and quality of construction as recorded in the Assessor's records. 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.

Properties which contain differing section uses may have multiple tables that are applicable to the property. An example would be a warehouse with a mezzanine office and main floor office, where three tables would be used. Capitalization rates have fallen slightly in the majority of industrial properties.

Below are typical model parameters for the various uses. 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. Industrial lease rates are typically quoted on a monthly price per square foot basis. The tables below have displayed the rents on an annual price per square foot. The majority of office build-out is considered an add-on to the warehouse rates and the tables below have considered that.

In order to calibrate a credible income model, it is necessary to consider data from recognized published sources to assist in developing capitalization rates.

Area 500 Industrial Income Parameters

Vacancy	Cap Rates	Construction	Rental Rates
			

The following tables demonstrate ranges of capitalization rates and trends that are compiled with information that is collected on a national or broad regional scale. This information is reconciled with data specific to the real estate market in Area 500 to develop the income model. Property taxes are considered an allowable expense, therefore, no effective tax rate is included in the capitalization rates. The range of capitalization rates in the income model for Area 500 reflects the variety of properties in this area.

Source	Date	Location	Industrial	Remarks
ACLI	Yr. End 2013	Seattle	7.05%	
CBRE: Capital Markets Cap. Rate survey.	Aug.-13	Seattle	5.00% - 5.50% 5.50% - 6.00%	Class A Class B
Colliers International	4Q 2013	West Region	6.10%	
PWC /Korpaz	4Q 2013	Seattle	6.22%	
IRR:Viewpoint	Yr. End	Seattle	5.25%	Industrial
Costar	Yearend	King County	6.02-6.60%	

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.

AREA 500-25

PROPERTY TYPE	TYPICAL RENT RANGE	VACANCY	EXPENSE RATE *	OAR RANGE
Storage Cold storage Garage Service Showroom Industrial Distribution	\$3.75 to \$5.75	7%	10%	7.00% to 8.00%
Warehouse Office	\$8.00 to \$9.75	7%	10%	7.00% to 8.00%
Mezzanine Storage	\$3.00 to \$5.50	7%	10%	7.00% to 8.00%
Mezzanine Office	\$7.25 to \$8.75	7%	10%	7.00% to 8.00%

* Warehouses are typically leased on a triple net basis.

AREA 500-35 & AREA 500-45

PROPERTY TYPE	TYPICAL RENT RANGE	VACANCY	EXPENSE RATE *	OAR RANGE
Storage Cold storage Garage Service Showroom Industrial Distribution	\$4.00 to \$5.25	7%	10%	7.00% to 8.00%
Warehouse Office	\$7.75 to \$9.25	7%	10%	7.00% to 8.00%
Mezzanine Storage	\$3.75 to \$5.50	7%	10%	7.00% to 8.00%
Mezzanine Office	\$7.00 to \$8.50	7%	10%	7.00% to 8.00%

* Warehouses are typically leased on a triple net basis.

AREA 500-60

PROPERTY TYPE	TYPICAL RENT RANGE	VACANCY	EXPENSE RATE *	OAR RANGE
Storage Cold storage Garage Service Showroom Industrial Distribution	\$6.60 to \$7.50	5%	10%	7.00% to 7.50%
Warehouse Office	\$8.50 to \$12.00	5%	10%	7.00% to 7.50%
Mezzanine Storage	\$5.25 to \$6.50	5%	10%	7.00% to 7.50%
Mezzanine Office	\$7.75 to \$11.00	5%	10%	7.00% to 7.50%

* Warehouses are typically leased on a triple net basis.

AREA 500-80

PROPERTY TYPE	TYPICAL RENT RANGE	VACANCY	EXPENSE RATE *	OAR RANGE
Storage Cold storage Garage Service Showroom Industrial Distribution	\$7.50 to \$8.50	10%	10%	7.00% to 7.50%
Warehouse Office	\$13.00 to \$16.00	10%	10%	7.00% to 7.50%
Mezzanine Storage	\$5.25 to \$6.25	10%	10%	7.00% to 7.50%
Mezzanine Office	\$12.00 to \$15.00	10%	10%	7.00% to 7.50%

* Warehouses are typically leased on a triple net basis.

Reconciliation

All parcels were individually reviewed for correctness of the model application before final value selection. All of the factors used to establish value by the model were subject to adjustment. There were some variations to the values under certain circumstances, such as properties with excess land, inferior and superior location, or deferred maintenance.

The market sales approach is considered the most reliable indicator of value when comparable sales were available, however, the income approach was applied to most parcels in order to better equalize comparable properties. Whenever possible, market rents, expenses, and capitalization rates were ascertained from sales, and along with data from surveys and publications these parameters were applied to the income model. An administrative review of the selected values was made by Ruth Peterson, Senior Appraiser for quality control purposes.

Model Validation

Total Value Conclusions, Recommendations and Validation:

Appraiser judgment prevails in all decisions regarding individual parcel valuation. A value is selected based on general and specific data pertaining to the parcel, the neighborhood, and the market. The appraiser determines which available value estimate is

appropriate and may adjust for particular characteristics and conditions as they occur in the valuation area.

The standard statistical measures of valuation performance are presented in both the 2013 and 2014 Ratio Analysis charts included in this report. Application of the total value model, described above, results in improved equity between individual properties. This is shown by the improvement in the C.O.D. from 10.99% to 7.78%. This falls within IAAO performance guidelines. These figures are presented in the 2013 and 2014 Ratio Analysis charts included in this report.

The total assessed value for the 2013 assessment year for Area 500 was \$2,916,106,000. The total recommended assessed value for the 2014 assessment year is \$3,157,890,500. Application of these recommended values for the 2014 assessment year results in a total change from the 2013 assessments of + 8.29%.

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 the recording the corresponding data.

Area 500 - WAREHOUSES OVER 100,000 SQUARE FEET
2014 Assessment Year

<i>Parcel Number</i>	<i>Assessed Value</i>	<i>Sale Price</i>	<i>Sale Date</i>	<i>Ratio</i>	<i>Diff: Median</i>
012204-9045	38,573,700	37,550,000	7/20/2012	1.0273	0.1586
030151-0230	13,516,400	14,200,000	3/29/2013	0.9519	0.0832
032304-9194	8,945,100	13,000,000	12/13/2013	0.6881	0.1806
122104-9017	43,081,100	43,000,000	3/14/2011	1.0019	0.1332
122204-9113	5,984,100	7,633,172	2/17/2011	0.7840	0.0847
125380-0060	5,246,100	5,300,000	8/17/2012	0.9898	0.1212
125380-0170	8,264,400	8,500,000	4/5/2012	0.9723	0.1036
132104-9019	14,005,200	24,750,000	9/24/2013	0.5659	0.3028
132204-9062	8,855,300	10,500,000	5/10/2012	0.8434	0.0253
182404-9063	22,202,400	23,400,000	8/9/2013	0.9488	0.0801
232973-0080	11,002,200	13,035,000	3/1/2012	0.8441	0.0246
252304-9017	7,399,300	8,225,000	12/13/2012	0.8996	0.0309
252304-9058	8,461,000	9,000,000	10/11/2011	0.9401	0.0714
322407-9001	23,466,400	23,800,000	12/24/2012	0.9860	0.1173
362304-9026	8,959,600	10,476,000	1/6/2012	0.8553	0.0134
664960-0070	8,846,400	12,000,000	7/17/2012	0.7372	0.1315
788880-0380	8,741,700	9,910,000	5/9/2011	0.8821	0.0134
880200-0010	40,027,700	48,000,000	9/20/2012	0.8339	0.0348
887980-0200	7,678,800	10,150,000	8/26/2013	0.7565	0.1121
887980-0220	13,882,000	17,750,000	9/5/2012	0.7821	0.0866

Area 500 - WAREHOUSES OVER 100,000 SQUARE FEET
2014 Assessment Year

Quadrant/Crew:		Appr date :	Date:	Sales Dates:			
North Crew		1/1/2013	5/13/2014	1/1/11 - 01/1/14			
Area		Appr ID:	Prop Type:	Trend used?: Y / N			
500		SELF	Improvement	N			
SAMPLE STATISTICS							
Sample size (n)		20					
Mean Assessed Value		15,356,900					
Mean Sales Price		17,509,000					
Standard Deviation AV		11,867,567					
Standard Deviation SP		12,325,389					
ASSESSMENT LEVEL							
Arithmetic mean ratio		0.865					
Median Ratio		0.869					
Weighted Mean Ratio		0.877					
UNIFORMITY							
Lowest ratio		0.5659					
Highest ratio:		1.0273					
Coefficient of Dispersion		10.99%					
Standard Deviation		0.1198					
Coefficient of Variation		13.86%					
Price-related Differential		0.99					
RELIABILITY							
95% Confidence: Median		<div>These figures reflect measurements before posting new values.</div>					
Lower limit						0.784	
Upper limit						0.952	
95% Confidence: Mean							
Lower limit		0.812					
Upper limit		0.917					
SAMPLE SIZE EVALUATION							
N (population size)		258					
B (acceptable error - in decimal)		0.05					
S (estimated from this sample)		0.1198					
Recommended minimum:		21					
Actual sample size:		20					
Conclusion:		Uh-oh					
NORMALITY							
Binomial Test							
# ratios below mean:		10					
# ratios above mean:		10					
z:		-0.223606798					
Conclusion:		Normal*					
*i.e., no evidence of non-normality							

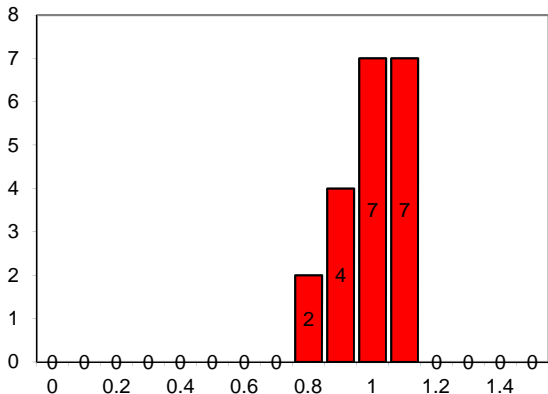
Ratio Frequency

Ratio	Frequency
0.6	1
0.7	1
0.8	4
0.9	6
1.0	6
1.1	2
1.2	0
1.3	0
1.4	0

Area 500 - WAREHOUSES OVER 100,000 SQUARE FEET
2014 Assessment Year

<i>Parcel Number</i>	<i>Assessed Value</i>	<i>Sale Price</i>	<i>Sale Date</i>	<i>Ratio</i>	<i>Diff: Median</i>
012204-9045	38,338,200	37,550,000	7/20/2012	1.0210	0.0874
030151-0230	13,982,600	14,200,000	3/29/2013	0.9847	0.0511
032304-9194	12,097,900	13,000,000	12/13/2013	0.9306	0.0029
122104-9017	45,129,700	43,000,000	3/14/2011	1.0495	0.1160
122204-9113	6,608,000	7,633,172	2/17/2011	0.8657	0.0678
125380-0060	5,601,800	5,300,000	8/17/2012	1.0569	0.1234
125380-0170	8,824,400	8,500,000	4/5/2012	1.0382	0.1046
132104-9019	19,188,300	24,750,000	9/24/2013	0.7753	0.1583
132204-9062	9,462,100	10,500,000	5/10/2012	0.9012	0.0324
182404-9063	23,825,100	23,400,000	8/9/2013	1.0182	0.0846
232973-0080	11,760,900	13,035,000	3/1/2012	0.9023	0.0313
252304-9017	7,764,300	8,225,000	12/13/2012	0.9440	0.0104
252304-9058	9,368,300	9,000,000	10/11/2011	1.0409	0.1074
322407-9001	25,065,000	23,800,000	12/24/2012	1.0532	0.1196
362304-9026	9,810,500	10,476,000	1/6/2012	0.9365	0.0029
664960-0070	9,478,400	12,000,000	7/17/2012	0.7899	0.1437
788880-0380	8,686,500	9,910,000	5/9/2011	0.8765	0.0570
880200-0010	43,554,200	48,000,000	9/20/2012	0.9074	0.0262
887980-0200	8,688,500	10,150,000	8/26/2013	0.8560	0.0775
887980-0220	15,707,100	17,750,000	9/5/2012	0.8849	0.0486

Area 500 - WAREHOUSES OVER 100,000 SQUARE FEET
2014 Assessment Year

Quadrant/Crew:	Appr date :	Date:	Sales Dates:		
North Crew	1/1/2014	5/13/2014	1/1/11 - 01/1/14		
Area	Appr ID:	Prop Type:	Trend used?: Y / N		
500	SELF	Improvement	N		
SAMPLE STATISTICS					
Sample size (n)	20	<div>Ratio Frequency</div> 			
Mean Assessed Value	16,647,100				
Mean Sales Price	17,509,000				
Standard Deviation AV	12,310,620				
Standard Deviation SP	12,325,389				
ASSESSMENT LEVEL					
Arithmetic mean ratio	0.942	<div>These figures reflect measurements after posting new values.</div>			
Median Ratio	0.934				
Weighted Mean Ratio	0.951				
UNIFORMITY					
Lowest ratio	0.7753				
Highest ratio:	1.0569				
Coefficient of Dispersion	7.78%				
Standard Deviation	0.0878				
Coefficient of Variation	9.32%				
Price-related Differential	0.99				
RELIABILITY					
95% Confidence: Median					
Lower limit	0.885				
Upper limit	1.021				
95% Confidence: Mean					
Lower limit	0.903				
Upper limit	0.980				
SAMPLE SIZE EVALUATION					
N (population size)	258				
B (acceptable error - in decimal)	0.05				
S (estimated from this sample)	0.0878				
Recommended minimum:	12				
Actual sample size:	20				
Conclusion:	OK				
NORMALITY					
Binomial Test					
# ratios below mean:	11				
# ratios above mean:	9				
z:	0.223606798				
Conclusion:	Normal*				
*i.e., no evidence of non-normality					

Improvement Sales for Area 500 with Sales Used

05/13/2014

Area	Nbhd	Major	Minor	Total NRA	E #	Sale Price	Sale Date	SP / NRA	Property Name	Zone	Par. Ct.	Ver. Code	Remarks
500	025	125380	0060	100,520	2560017	\$5,300,000	08/17/12	\$52.73	WAREHOUSE	IH	1	Y	
500	025	125380	0170	133,922	2537689	\$8,500,000	04/05/12	\$63.47	VALLEY INDUSTRIAL BLDG	IM	1	Y	
500	025	252304	9017	110,049	2579790	\$8,225,000	12/13/12	\$74.74	NORTH VALLEY BUSINESS PARK	C/LI	1	Y	
500	025	252304	9058	128,560	2514419	\$9,000,000	10/11/11	\$70.01	ALL PAK CONTAINER CORP	IH	1	Y	
500	025	322407	9001	285,610	2582041	\$23,800,000	12/24/12	\$83.33	WAREHOUSE	IP	2	Y	
500	035	030151	0230	287,945	2596486	\$14,200,000	03/29/13	\$49.31	SEATTLE COLD STORAGE	M1	1	Y	
500	035	122104	9017	951,563	2482412	\$43,000,000	03/14/11	\$45.19	UPS SUPPLY CHAIN SOLUTIONS	M2	2	Y	
500	035	132104	9019	286,350	2633634	\$24,750,000	09/24/13	\$86.43	AUBURN 18 DISTRIBUTION CENTE	M1	1	Y	
500	035	232973	0080	203,497	2532338	\$13,035,000	03/01/12	\$64.05	EMERALD CORPORATE PARK, BL	M1	1	Y	
500	035	664960	0070	141,970	2554954	\$12,000,000	07/17/12	\$84.52	WAREHOUSE	M1	1	Y	
500	045	012204	9045	960,302	2555152	\$37,550,000	07/20/12	\$39.10	VALLEY INDUSTRIAL PARK (BUILD	M2	2	Y	
500	045	122204	9113	124,972	2479077	\$7,633,172	02/17/11	\$61.08	NORTHROP DISTRIBUTION CENTE	M1	1	Y	
500	045	132204	9062	178,400	2542775	\$10,500,000	05/10/12	\$58.86	234 DISTRIBUTION CENTER	M1	1	Y	
500	045	362304	9026	135,300	2525625	\$10,476,000	01/06/12	\$77.43	WAREHOUSE	M2	1	Y	
500	045	631500	0120	239,031	2549619	\$20,137,450	06/21/12	\$84.25	GREENRIVER CORPORATE PARK	M2	4	26	Imp changed after sale; not in ratio
500	045	788880	0380	153,750	2490435	\$9,910,000	05/09/11	\$64.46	UNITED WAREHOUSES	M2	2	Y	
500	045	887980	0200	115,004	2626846	\$10,150,000	08/26/13	\$88.26	VAN DOREN BLDG. E	M1	1	Y	
500	045	887980	0220	228,356	2562716	\$17,750,000	09/05/12	\$77.73	PROGRESSIVE INTERNATIONAL	M1	1	Y	
500	060	032304	9194	123,000	2645251	\$13,000,000	12/13/13	\$105.69	WAREHOUSE	IG2 U/65	2	Y	
500	060	182404	9063	243,044	2623351	\$23,400,000	08/09/13	\$96.28	WA STATE LIQUOR CONTROL BOA	IG1 U/85	1	Y	
500	080	880200	0010	429,922	2565091	\$48,000,000	09/20/12	\$111.65	UNDERWOOD JOHNSON 188 (GEN	MP	3	Y	

Area	Nbhd	Major	Minor	Total NRA	E #	Sale Price	Sale Date	SP / NRA	Property Name	Zone	Par. Ct.	Ver. Code	Remarks
500	035	030151	0230	287,945	2662553	\$14,200,000	04/07/14	\$49.31	SEATTLE COLD STORAGE	M1	1	51	Related party, friend, or neighbor
500	035	242104	9083	108,885	2561924	\$9,500,000	08/30/12	\$87.25	WAREHOUSE	M1	1	15	No market exposure
500	045	125370	0130	101,890	2572438	\$7,500,000	10/31/12	\$73.61	8030 BUILDING	M2	1	51	Related party, friend, or neighbor
500	045	788880	0070	103,100	2649875	\$8,700	01/13/14	\$0.08	BOXMAKER INC	M2	1	24	Easement or right-of-way
500	045	883660	0010	289,700	2513002	\$18,500,000	10/05/11	\$63.86	WEST VALLEY BUSINESS PARK	M1	2	51	Related party, friend, or neighbor
500	060	617290	0230	106,179	2513129	\$12,500	10/03/11	\$0.12	SEATTLE PRODUCE TERMINAL	IG1 U/85	1	22	Partial interest (1/3, 1/2, etc.)
500	060	617290	0230	106,179	2513130	\$25,000	10/03/11	\$0.24	SEATTLE PRODUCE TERMINAL	IG1 U/85	1	22	Partial interest (1/3, 1/2, etc.)
500	060	617290	0230	106,179	2513132	\$25,000	10/03/11	\$0.24	SEATTLE PRODUCE TERMINAL	IG1 U/85	1	22	Partial interest (1/3, 1/2, etc.)
500	060	617290	0230	106,179	2513133	\$12,500	10/03/11	\$0.12	SEATTLE PRODUCE TERMINAL	IG1 U/85	1	22	Partial interest (1/3, 1/2, etc.)
500	060	617290	0230	106,179	2505155	\$44,000	08/12/11	\$0.41	SEATTLE PRODUCE TERMINAL	IG1 U/85	1	51	Related party, friend, or neighbor
500	080	072506	9129	210,761	2637526	\$60,625,000	10/25/13	\$287.65	DISTRIBUTION WAREHOUSE	MP	1	51	Related party, friend, or neighbor