

Client and Intended Use of the Appraisal:

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

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

Definition and date of value estimate:

Market Value

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

Highest and Best Use

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

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

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

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

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

Date of Value Estimate

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

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

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

Property rights appraised:

Fee Simple

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

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

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

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

Assumptions and Limiting Conditions:

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

Scope of Work Performed:

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

CERTIFICATION:

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

- *The statements of fact contained in this report are true and correct*
- *The report analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions and 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.*
- *The individuals listed below were part of the “appraisal team” and provided significant real property appraisal assistance to the person signing this certification.*

Chris Savage – Commercial Appraiser I

Analysis Process

Effective Date of Appraisal: January 1, 2008

Date of Appraisal Report: May 1, 2008

The following appraiser did the valuation for this geographic area:

- Chris Savage – Commercial Appraiser I

Highest and Best Use Analysis

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

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

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

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

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

Special Assumptions and Limiting Conditions

All three approaches to value were considered in this appraisal.

The following Departmental guidelines were considered and adhered to:

- Sales from 01/01/2005 to 12/31/2007 (at minimum) were considered in all analyses.
- No market trends (market condition adjustments, time adjustments) were applied to sales prices. Models were developed without market trends. The utilization of three years of market information without time adjustments averaged any net changes over that time period.
- This report intends to meet the requirements of the Uniform Standards of Professional Appraisal Practice, Standard 6.

Identification of the Area

Name or Designation:

- **Area 95 (Issaquah, Sammamish, Preston, North Bend, Snoqualmie Valley, Fall City, Carnation, Duvall, Skykomish)**

Boundaries:

- West – Lake Sammamish, Rural Woodinville, Newcastle and Highway 169
- North – Snohomish County
- East – Chelan & Kittitas Counties
- South – Cedar River and Chester Morse Lake

Maps:

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

Area Description:

Commercial Area 95 includes: Issaquah, Sammamish, Preston, North Bend, Snoqualmie Valley, Fall City, Carnation, Duvall, Skykomish, most of Steven's Pass Ski Area and a good portion of Snoqualmie Pass Ski Area. With the exception of Issaquah (Areas 95-20 and 95-25), which is considered urban, and Sammamish and Snoqualmie Ridge (Area 95-10 and the Ridge portion of Area 95-50), which is considered suburban, most of Commercial Area 95 is rural in nature. Unlike other commercial areas within the county that are homogeneous in nature, Area 95 is a diverse region covering more than 1,200 square miles. Rural (unincorporated) towns include Fall City and Snoqualmie Pass, while "rural centers" include Preston. With the exception of Issaquah and Sammamish, Area 95 lies outside of the *Seattle Metropolitan Area Urban Growth Line*. Given the complex and diverse nature of Area 95, it is divided into eleven neighborhoods totaling 1,889 parcels that have been established for valuation purposes.

City of Sammamish: Area 95-10

Boundaries: The City of Sammamish is located east of Lake Sammamish, south of Redmond Ridge and north of Issaquah.

- North – Redmond Ridge
- South – North Issaquah at SE 40th Street
- East – 277th Avenue Southeast
- West – Lake Sammamish

This neighborhood includes the City of Sammamish, plus adjacent properties outside of the city but considered to be within its market area. Commercial properties are clustered in three centers, the Inglewood Plaza commercial area, Pine Lake Plaza, and the Klahanie Community Center. Most of the neighborhood, with the exception of the Klahanie Community Center, is situated within incorporated City of Sammamish. Klahanie is adjacent to the city and is part of the market area. As in past years, there has been limited new construction and market activity within this neighborhood, and most new development is multi-family housing. All of Area 95-10 is located within the *Seattle Metropolitan Urban Growth Area* boundary.

North Issaquah: Area 95-20

Boundaries: North Issaquah is south of Sammamish, east of the lower portion of Lake Sammamish and north of Interstate 90.

- North – Sammamish
- South – Interstate 90
- East – Preston
- West – Lake Sammamish

This neighborhood includes that area of Issaquah lying north of Holly Street plus the new “planned unit development” of the Issaquah Highlands. The neighborhood is an eclectic mix of apartment buildings, small and medium sized mixed use buildings, shopping centers and retail stores in the older neighborhoods, and newer office buildings and new apartment and condominiums on the Sammamish plateau. There are also several industrial properties, with two of the larger being the Lakeside Sand and Gravel pit and the Rowley Business Park. Most of Area 95-20 is located within the city limits of Issaquah and all of it lies within the *Seattle Metropolitan Urban Growth Area* boundary. Growth and development within this area has been limited (with exception to the Issaquah Highlands) due to a traffic concurrency and water moratorium. Both of these limitations have been partially mitigated and the restrictions are less severe than in previous years. Market activity continues to be somewhat limited. Geographically, Area 95-20 is one of the smallest neighborhoods, but it has a high number of improved parcels and is urbanized.

Downtown & Historic Issaquah: Area 95-25

Boundaries: Interstate 90 to the north, just west of State Route 900, Squak Mountain State Park to the south and Tiger Mountain State Forest.

- North – Interstate 90
- South – Squak Mountain State Park
- East – Tiger Mountain State Park
- West – Just west of State Route 900 at Cougar Mountain Regional Wildland Park

This market area includes all of the Issaquah that is south of I-90 including the Gilman and Front Street corridors. The neighborhood is a mix of line retail, shopping centers, office and some light industrial and storage buildings. On Front Street, known as Historic Issaquah, there is a blend of older homes that have been converted to retail and office buildings as well as some older and newer retail buildings. There hasn't been much change along the historic Front Street corridor. The area also has a good number of apartment buildings and condominiums with more to be developed. Nearly all of area 95-25 is inside of the Issaquah city limits and lies within the *Seattle Metropolitan Urban Growth Area* boundary. Market activity is strong in this area and is projected to continue as there is available land for development. The age of many of the buildings is such that remodels, renovations and teardowns for redevelopment are occurring and are projected to continue to do so.

Duvall: Area 95-30

Boundaries: The Duvall area is bordered by Snohomish County to the north, just west of Snoqualmie Valley Road, south to Carnation Duvall Road (as it curves eastward) and east to 296th Ave.

- North – Snohomish County
- South – Carnation Duvall Road
- East – 296th Avenue
- West – Just west of Snoqualmie Valley Road

This market area includes the City of Duvall and surrounding commercial and industrial properties considered to be within the Duvall market area. Duvall is an old incorporated town located on the ridge east of the Snoqualmie River. The recent residential growth within the community has spurred several major commercial projects, including the Duvall Commons, Riverview Plaza, and the Copper Hill Square development. Market activity is still somewhat limited although there are several projects in early development according to the City of Duvall. As an incorporated city, Duvall has its own *Urban Growth Area Boundary Line* that generally conforms to the existing city limits. There are still limitations, however, on new commercial development. All of Area 95-30 lies outside of the *Seattle Metropolitan Area Urban Growth Area* line and, with the exception of properties within the City of Duvall, new commercial development will be somewhat limited.

Carnation: Area 95-35

Boundaries: This area is bound by Carnation Duvall road to the north, 288th Avenue to the west, Southeast 3rd Street to the south and Griffin Creek to the east.

- North – Carnation Duvall Road
- South – Southeast 3rd Street
- East – Griffin Creek
- West – 288th Avenue

The Carnation market area consists of the City of Carnation and adjacent unincorporated areas. Carnation is an old incorporated town located along the Snoqualmie River. Carnation, unlike Duvall, has experienced very little in the way of growth or new construction in either its commercial or residential sectors due to the communities lack of a sewage treatment plant. All properties are on septic systems. Currently the city is working on installing a citywide sewer system. Like Duvall, Carnation has its own *Urban Growth Area Boundary Line*, which generally conforms to the existing city limits. However, because the community lies outside of the *Seattle Metropolitan Area Urban Growth Line* and lacks a sewer infrastructure, new commercial development is expected to be limited.

North Bend: Area 95-40

Boundaries: This area includes all land within the North Bend City limits.

- North – Mt. Si Golf Course
- South – Rattlesnake Mountain Scenic Area
- East – 428th and 432nd Avenues
- West – 398th Avenue

The North Bend neighborhood is the City of North Bend. Adjacent areas to the north, east, and south are now included in Areas 95-45 and 95-65. Area 95-40 consists primarily of the old retail center of downtown North Bend. As an incorporated city, North Bend has its own *Urban Growth Area Boundary Line*, which it shares with the City of Snoqualmie (Area 95-50). The North Bend portion of the *Urban Growth Area Boundary Line* extends east beyond the existing city limits. The community still lies outside of the *Seattle Metropolitan Area Urban Growth Line*, which, along with the water moratorium has limited new commercial development. However in late December of 2007, the City of North Bend and Seattle Public Utilities came to terms on an agreement that will allow North Bend access to water. This should encourage development going forward.

East I-90 Corridor: Area 95-45

Boundaries: This area is one of the largest in Area 95 and is bound by the North *Bend Urban Growth Area Boundary Line* to the west, Chester Morse Lake to the south, Kittitas County to the East and Malachite and Twin Peaks in the midst of the Mount Baker-Snoqualmie National Forest to the north.

- North – Malachite and Twin Peaks
- South – Chester Morse Lake (just south of)
- East – Kittitas County
- West – North Bend Urban Growth Boundary

The East I-90 Corridor area is of one the largest and eastern most commercial areas in the county. It consists of all commercial properties east of the City of North Bend yet outside of the newly created Area 95-65. The neighborhood includes properties in the King County portion of Snoqualmie Summit and properties east of the Edgewick Interchange that are situated within the Snoqualmie-Mt. Baker National Forest and are primarily governmental properties. A water moratorium imposed by the state has restricted most new construction. Most of the private commercial property is concentrated at or near the summit where new development is severely curtailed. This entire neighborhood is in unincorporated King County and most of the area is restricted to development.

Snoqualmie: Area 95-50

Boundaries: This area includes downtown Snoqualmie as well as Snoqualmie Ridge and is north of North Bend, west of Fall City and Preston, east beyond the Snoqualmie River and north to 53rd Street.

- North – 53rd Street
- South – North Bend and just south of I-90
- East – Just beyond the North Fork of the Snoqualmie River
- West – Fall City and Preston

This neighborhood includes the City of Snoqualmie, and adjacent unincorporated areas considered to be within the Snoqualmie market area. Development in Area 95-50 outside of Snoqualmie Ridge is restricted by the Snoqualmie River Flood Plane, which encompasses much of the area. Unlike the other rural communities, Snoqualmie has a modern sewage treatment plant built to accommodate construction in the new Snoqualmie Ridge neighborhoods. Most growth has occurred in the Snoqualmie Ridge neighborhood to the west of the old downtown business core. The Snoqualmie Ridge Business Park was developed as a high-tech business park offering amenities more comparable to those offered in Bellevue or Redmond. It is superior to other industrial areas in the vicinity, is able to command premium prices and is a very active market on the retail, industrial and office development fronts.

Outside the Ridge, the development activity is quite different. The Snoqualmie Lumber Mill, owned by Weyerhaeuser Company, has closed and deed restrictions limit land use to timber processing. As with Area 95-40 (North Bend), there has been limited construction in the downtown retail core, but again, remodeling and renovations of existing buildings are taking place. The neighborhood lies outside of the *Seattle Metropolitan Area Urban Growth Line*, but shares an existing *Urban Growth Area Boundary Line* with the City of North Bend. The Snoqualmie portion of the *Urban Growth Area Boundary Line* extends north of the city to include the existing sawmill properties. While there is some new commercial development, overall growth potential appears limited outside of Snoqualmie Ridge.

Preston-Fall City: Area 95-55

Boundaries: A large area that encompasses Preston and Fall City and extends southward to the Cedar River. It is bordered by Issaquah and the Sammamish Plateau to the west and by Snoqualmie Ridge to the east.

- North – East Griffin Creek Road Northeast
- South – Cedar River (just north of it)
- East – Snoqualmie Ridge
- West – Issaquah and the Sammamish Plateau

This market area includes two separate unincorporated areas. The “*rural center*” of Preston, located adjacent to Interstate 90 between Issaquah and Snoqualmie, consists of the “highlands” and is more industrial in character. The second is the “*rural town*” of Fall City located adjacent to the Snoqualmie River and is more residential and commercial in character. The Fall City area experienced extensive flooding during 2006. The Snoqualmie River Flood Plane and the lack of sewers throughout the neighborhood restrict development in Area 95-55, although there has been major warehouse construction in the Preston market. Most of the market activity has occurred in the Preston market. There has been little construction or market activity in the Fall City market. This neighborhood lies outside both the *Seattle Metropolitan Area Urban Growth Line* and the *Snoqualmie-North Bend Urban Growth Area Boundary Line*. Due primarily to the lack of sewers, overall growth potential appears limited for this market area.

Skykomish & Stevens Pass: Area 95-60

Boundaries: This is one of the largest areas in 95 and is bordered by Snohomish County to the north, Chelan County to the east at Stevens Pass, by Carnation and Duvall areas to the west and by Malachite and Twin Peaks in the midst of the Mount Baker-Snoqualmie National Forest at the south.

- North – Snohomish County
- South – Malachite and Twin Peaks
- East – Chelan County
- West – Carnation and Duvall areas

Area 95-60 is the one of the two largest of the eleven neighborhoods within Area 95, but it has the fewest number of parcels. The neighborhood is limited to commercial properties along the Stevens Pass Highway, the City of Skykomish, and the King County portion of the Stevens Pass Ski Area (encompassing most of the improvements there). This neighborhood lies entirely outside of the *Seattle Metropolitan Area Urban Growth Line*. The City of Skykomish has its *Urban Growth Area Boundary Line*, which corresponds to the existing city limits. The majority of Area 95-60 lies within the Snoqualmie-Mount Baker National Forest and new development is severely curtailed. A large portion of the commercial core of the City of Skykomish has been identified as impacted by oil contamination caused by over 100 years of railroad operations. The extent of the contamination is still in question, although remediation efforts have been underway. Due to a lack of sales the economic impact is yet unknown although there have been some commercial and residential sales recently that show that initially the clean up may not overly dampen the market. There has been no new construction activity in this market area and the market activity has been limited.

North Bend Perimeter: Area 95-65

Boundaries: This is a new area that is just east of the North Bend city limits and extends along the I-90 corridor within the *Urban Growth Area Boundary Line* but outside of the city limits.

- North – Just north of I-90
- South – Just south of I-90
- East – Edgewick Interchange
- West – North Bend city limits

Area 95-65 is the smallest area in 95. It lies entirely outside of the *Seattle Metropolitan Area Urban Growth Line* and is a newly added neighborhood due to the uniqueness of being inside a growth boundary but outside the North Bend city limits.

Physical Inspection Area

For the year 2008, the physical inspection neighborhood is Area 95-25, which consists of Downtown and Historic Issaquah. This neighborhood is one of the smallest geographically, but contains the largest number of parcels, 514. The 514 parcels constitute approximately 22% of the total parcel count of 2,313.

Preliminary Ratio Analysis

A Preliminary Ratio Study done in March of 2008 includes sales of property occurring between January 1, 2005 and December 31, 2007. The Preliminary Ratio Study indicated a Coefficient of Variation (COV) of 26.317%, Weighted Mean Ratio of 84.77% and a Price-related Differential of 1.02.

The Ratio Study was repeated following the application of the 2008 recommended values. The result is included in the validation section of this report. The new COV is 16.97% (a bit higher than some areas due to the amount of rural properties), the new Weighted Mean Ratio of 95.3% and a Price-related Differential of 1.01.

Scope of Data

Land Value Data:

Vacant land sales occurring between January 2005 and December 2007 are given primary consideration in the land valuation. However, given the limited number of vacant land sales in most neighborhoods, consideration is also given to sales that occurred prior to and after the primary market period. Additionally, sales from competing neighborhoods are used in the valuation of various properties. All the sales were investigated and those verified as “good” were coded as such in the Assessor’s records and used in the ratio study. Some multi-parcel sales are also considered after combining the various aspects of all parcels involved in the sale. Not all neighborhoods experienced land sales and not all land sales are used. In addition to the commercial land sales, sales of vacant non-commercial zoned land are considered in the valuation of those parcels having a non-commercial zoning but used for commercial purposes. However, since these sales are not “commercial”, they were not included in the ratio study.

Improved Parcel Total Value Data:

Improved sales occurring between January 2005 and December 2007 are given primary consideration in the valuation process. Sales information is obtained from excise tax affidavits and reviewed initially by the Accounting Division-Sales Identification Section. The sales information is further analyzed and investigated by the appraiser during the valuation process. An attempt is made to verify all sales by contacting the purchaser and seller, or contacting the real

estate agent and/or broker. If possible, characteristic data is also verified and updated at this time. All sales are listed in the “Sales Used” or “Sales Not Used” sections of this report. “Sales Used” refer to those sales specifically used in developing the ratio study. “Sales Not Used” indicates that, for one reason or another, the sale is not used in the ratio study. These sales, however, may have been considered in the overall valuation of the population as a whole. Additional information resides in the Assessor’s procedure manual located in the Public Information area of the King County Administration Building.

Land Value

Land Sales, Analysis, Conclusions

For this year’s revaluation, there have been some land sales however, the number is still considered insufficient for such a vast and varied market area. As in past years, most of the sales have occurred in the rural cities and unincorporated surrounding areas. Whether based on zoning, location, or utilities, any analysis of the land sales fails to detect or establish any significant valuation patterns.

Land is valued assuming it vacant and able to be developed. Primary considerations in the land valuation are location (neighborhood), zoning, site size, availability of utilities, and access. Additional consideration is given to presence or lack of developmental restrictions such as wetland, setbacks, topography, etc, shape, and frontage. Additionally, contiguous properties under single ownership and utilized as an economic unit are given additional consideration. Because the highest and best use of the land is assumed commercial or industrial in nature, no consideration is given to view, view potential, waterfront, traffic noise, proximity to power lines, or other nuisances, which might affect residential land values, unless such problems would also affect the commercial aspect of the site.

Rural land is valued based on a square foot basis with zoning as the primary delineator, with each zoning having a base land size and a base value per square foot. Within a zone, the base land size and base value per square foot may differ due to location or jurisdiction. The base square foot values were adjusted to reflect the overall size of the site, with additional adjustments for utilization, utilities, access, etc. Urban land is also valued based on a square foot basis based on zoning. Some properties (often larger parcels) are valued based on site valuation. Site valuation is based on the number of units within a development, or for undeveloped land, the number of potential units allowed under the zoning and taking into consideration environmental factors when appropriate. Several of the zones are noted as “NS”. This indicates that no specific number of dwelling units is specified for that zone or that the existing multi-family properties were developed prior to the adoption of the current zoning regulations. Additionally there are several multi-family properties, primarily mixed-use, that are valued using a price per square foot. These, however, are the minority.

Other properties valued on a “Site” basis include mobile home parks, cemeteries, and marginal-use properties such as easements, rights-of-way, drain fields and retention pond sites, some native growth protection sites, and many sites over ten (10) acres.

The following are detailed discussions of the sales analysis for the various market areas. The sales are presented in a chronological order; the first sale listed being the oldest the last sale being the most recent. The “market period” extends from January 1, 2005 through December 31, 2007.

Area 95-10: Sammamish

There are two land sales for the Sammamish market area. They are both R18 sites that sold in August 2006 for \$7.56 per square foot and in January 2007 for \$7.44 per square foot.

Parcel Number	Sale Date	E Tax Number	Verified Sale Price	№ of Parcels	Site Size (SqFt)	Price per SqFt	Zoning
272506-9011	08/18/06	2231940	\$ 1,100,000	1	145,490	\$ 7.56	R18SO
342506-9018	01/10/07	2261273	\$ 1,600,000	1	215,186	\$ 7.44	R18

Area 95-20: North Issaquah

For the current market period there are three sales of vacant commercial land, with one a parcel off East Lake Sammamish Parkway and two located in the Issaquah Highlands neighborhood. The first parcel sold in January 2004, for \$6.96 per square foot. This site is zoned IC and is only about half-buildable and had been considered part of the Issaquah gravel pit, the western half having steep slopes. Subsequent to this sale, the site was rezoned to UV, subdivided, and the eastern half sold in September 2005, for \$29.60 per square foot. The new site is level and at grade. The current development plan is for multi-family units that can take advantage of the excellent views offered from this site. The third sale was a tear down sale of an small and older storage warehouse on nearly an acre of land. It shows the continued trend of higher land values, even for industrial land, in the Issaquah area at \$30.49 per square foot.

Parcel Number	Sale Date	E Tax Number	Verified Sale Price	№ of Parcels	Site Size (SqFt)	Price per SqFt	Zoning
272406-9007	01/05/04	2013233	\$ 9,097,496	1	1,306,800	\$ 6.96	IC
272406-9007	10/23/05	2165958	\$ 21,696,260	1	733,115	\$ 29.59	UV
212406-9061	08/08/06	2230240	\$ 1,100,000	1	36,074	\$ 30.49	IC

Area 95-25: South & Historic Issaquah

There has been a good deal of land sale activity in the Talus Development with a range of land sales that have steadily grown in price per foot since 2005. The four sales that occurred in this flexible UV-EV zoned land range from \$12.05 to \$28.18 per square foot during the three year sales period. There are also a three sales that took place downtown near Historic Issaquah in the CBD zone for \$20.34 to \$44 per square foot. The 2/14/06 sale for \$20.34 per foot was a plottage sale along with a much smaller parcel that isn't listed. The combined sales price per foot of the two is \$34.96 per square foot.

Parcel Number	Sale Date	E Tax Number	Verified Sale Price	№ of Parcels	Site Size (SqFt)	Price per SqFt	Zoning
282406-9274	01/10/05	2095505	\$ 610,000	2	14,580	\$ 41.83	CBD
856273-0140	01/19/05	2096712	\$ 750,000	1	49,223	\$ 15.24	UV-EV
856273-0160	03/15/05	2017827	\$ 6,120,000	1	49,223	\$ 15.24	UV-EV
856273-0150	07/18/05	2139527	\$ 2,278,000	1	189,050	\$ 12.05	UV-EV
282406-9031	02/14/06	2186541	\$ 337,500	1	16,588	\$ 20.34	CBD
282406-9086	12/05/07	2323816	\$ 363,000	1	8,250	\$ 44.00	CBD
856273-0170	12/20/07	2325631	\$ 11,000,000	1	390,298	\$ 28.18	UV-EV

Area 95-30: Duvall

There are five verified land sales over the last three years for the Duvall area. A major sale, not included in the ratio study because it had both residential and commercial lots and a small house, involved seven vacant and one improved parcels. The sale occurred in January 2006 for \$900,000. The site contained a combined area of 39,502 square feet of non-contiguous land. The indicated value, including the improvements, was \$22.78 per square foot.

The first sale is an *MUI2 (Mixed Used District – Commercial and Residential)* and sold for \$12 per square foot. The second sale listed below is zoned *R-6 (Residential 6 Units/Acre)*. This sale occurred in July 2006 for \$40.00 per square foot. The third sale is of a large vacant tract to the south of the downtown area zoned *Co (Commercial)*, adjacent to the Safeway development. This site, which has some environmental restrictions, sold for \$2.07 per square foot in August of 2006. The final two sales were vacant lots just east of downtown, zoned *R-8 (Residential 8 Units/Acre)* and show upward movement in land value for this area at \$28.42 per square foot.

Parcel Number	Sale Date	E Tax Number	Verified Sale Price	№ of Parcels	Site Size (SqFt)	Price per SqFt	Zoning
132606-9063	06/22/06	2218679	\$ 914,760	1	76,230	\$ 12.00	MUI2
213170-0775	07/31/06	2227671	\$ 400,000	2	10,000	\$ 40.00	R6
242606-9051	08/21/06	2231700	\$ 498,586	1	240,783	\$ 2.07	CO
213170-0760	04/03/07	2279243	\$ 135,000	1	4,750	\$ 28.42	R8
213170-0765	04/03/07	2279509	\$ 135,000	1	4,750	\$ 28.42	R8

Area 95-35: Carnation

There was one vacant land sale in Area 95-35; however, it is not a new sale. The property is located along the east side of Tolt Avenue and extends to McKinley Avenue. The site, which is zoned *CBD (Central Business District)*, is vacant and at grade. It has water but no sewers. The sale occurred in March 2005 for \$14.65 per square foot.

Parcel Number	Sale Date	E Tax Number	Verified Sale Price	№ of Parcels	Site Size (SqFt)	Price per SqFt	Zoning
865730-0301	03/21/05	2110672	\$ 172,300	1	11,765	\$ 14.65	CBD

Area 95-40: North Bend

There were two commercial land sales in this market area over the last three years. The first sale is zoned *DC (Downtown Commercial)*. This site sold in September 2005 for \$12.18 per square foot and is located on West North Bend Way at the west end of the commercial district. The newer sale is a piece of flat, vacant land next to the Safeway complex and is zoned *IMU (Interchange Mixed Use)*.

Parcel Number	Sale Date	E Tax Number	Verified Sale Price	№ of Parcels	Site Size (SqFt)	Price per SqFt	Zoning
857090-0208	10/25/05	2165041	\$ 113,500	1	9,320	\$ 12.18	DC
092308-9092	08/08/07	2305177	\$ 2,400,000	1	192,075	\$ 12.50	IMU

Area 95-65: North Bend Perimeter

As discussed earlier in the report, this is a new market area as it is inside of the growth boundary but outside the city limits. It had four sales during the market period. One sale is zoned *IP* (*Industrial Property*), two are zoned *RB* (*Regional Business*), and one is zoned *UR* (*Urban Reserve*). However there are differing development requirements depending on the *SO* (*special overlay*) requirements.

The first sale occurred in August 2005 for or \$2.52 per square foot. This site is zone *RBSO* and has no highway frontage. The second sale, zoned *URSO*, occurred in July 2006, and contains a split parcel that was purchased by the same buyer as the first sale as part of an assemblage. This smaller site sold for \$1.61 per square foot. The third sale occurred in December 2006 for \$3.07 per square foot. The site is zoned *IP* and has good frontage along SE North Bend Way. The last sale is zone *RBSO*, sold for \$13.12 per foot along with an adjoining vacant parcel to be used as a tractor sales lot. It has good SE North Bend Way frontage and shows an upward trend in land value for the area.

Parcel Number	Sale Date	E Tax Number	Verified Sale Price	№ of Parcels	Site Size (SqFt)	Price per SqFt	Zoning
102308-9009	08/02/05	2151672	\$ 950,000	2	376,357	\$ 2.52	RBSO
132308-9205	07/26/06	2225707	\$ 10,000	1	6,200	\$ 1.61	URSO
142308-9073	12/04/06	2253852	\$ 950,000	1	309,700	\$ 3.07	IP
132308-9135	01/08/07	2259849	\$ 315,000	2	24,000	\$ 13.12	RBSO

Area 95-45: East I -90 Corridor

There were no land sales for the market period in this area.

Area 95-50: Snoqualmie

The first two sales are zoned *Business* (*B*). The first of these is located along Maple Street, near downtown Snoqualmie, but not fronting Railroad Avenue. This sale occurred in March 2005 in conjunction with purchase of the neighboring residence, but under a separate deed. The property sold for \$16.67 per square foot. The site has water and sewer, but no storm sewer, curbs, or sidewalks. The second *B* zoned parcel is located in the Meadowbrook District, and sold for \$1.65 per square foot. This site is triangular, fronts the Snoqualmie River, is in the flood plane, and the sale took place while repair work was underway on the adjacent Meadowbrook Way Bridge.

The next two sales are zoned *MU* (*Mixed Use*), and are located in the new Snoqualmie Ridge Planed Unit Development (PUD). These sites have water, sewer, curbs, gutters, and sidewalks. The third sale is located in the commercial portion of the PUD in the Snoqualmie Ridge retail area and has a good corner location. It sold in November 2005 for \$12.47 per square foot. The fourth sale is located in the industrial portion of the PUD in the Snoqualmie Ridge commercial area. This site sold in July 2006 for \$7.11 per square foot.

The next sale is located along Railroad Avenue SE, south of downtown Snoqualmie, near the intersection of Meadowbrook Way SE. The site is triangular is shape and is zoned *Business* (*B*). The sale occurred in August 2006 for \$17.77 per square foot. The next sale is located in the industrial portion of the PUD in the Snoqualmie Ridge commercial area. This site sold in

December 2006 for \$11.53 per square foot. The most recent sale took place southeast of downtown Snoqualmie and was a tear down sale that included three parcels of land. Keep in mind that two of these parcels have stream impacts that equate to roughly 60,000 square feet so the effective sales price per foot of the non-impacted land is higher than \$9.10. The zoning for these parcels is *OP (Office Park)*.

Parcel Number	Sale Date	E Tax Number	Verified Sale Price	N ^o of Parcels	Site Size (SqFt)	Price per SqFt	Zoning
784920-1430	03/11/05	2107985	\$ 150,000	1	9,000	\$ 16.67	B
541710-0045	09/27/05	2158659	\$ 7,000	1	4,256	\$ 1.64	B
262407-9066	11/02/05	2168084	\$ 836,548	1	67,082	\$ 12.47	MU
785180-0060	06/28/06	2218721	\$ 1,173,655	2	165,093	\$ 7.11	MU
322408-9115	08/14/06	2230261	\$ 270,000	1	15,193	\$ 17.77	B
785180-0040	12/27/06	2260235	\$ 964,500	1	83,635	\$ 11.53	MU
312408-9130	09/10/07	2310723	\$ 1,995,000	3	219,105	\$ 9.10	OP

Area 95-55: Preston – Fall City

There are no new land sales for Area 95-55. The only sale is an industrial site in Preston used in previous years. This sale is zoned *Industrial Property (IP)*. The site has frontage along SE High Point Way and sold in August 2004 for \$9.07 per square foot. The property was purchased by the adjoining property owner to expand his business.

Parcel Number	Sale Date	E Tax Number	Verified Sale Price	N ^o of Parcels	Site Size (SqFt)	Price per SqFt	Zoning
322407-9128	08/05/04	2060968	\$ 2,050,000	1	225,924	\$ 9.07	IP

Area 95-60: Skykomish

There were no land sales for the market period in Area 95-60.

Sales Summary:

Altogether, there are 32 sales used for the land revaluation. Of the 32 sales, eight are more current year 2007 sales. The other sales have been used for previous valuations. For the most part, the sales presented support the basic assumptions for the overall valuation of land within Area 95. It is assumed that sales price per square foot is related to overall site size giving consideration for larger sites selling for less per square foot than smaller sites. The second assumption is that properties with utilities, particularly water, sell for more than properties without water (there is less of an impact with sewers in this predominately rural area). The primary consideration in the underlying land values is based on zoning and site size. The total assessed value for land prior to the revaluation was \$977,970,886. After revaluation, the assessed value for land is \$1,070,849, for an increase of 9.50%.

Improved Parcels: Total Values

Sales comparison approach model description

The model for the sales comparison approach is based primarily on four fields within the Assessor's records; the occupancy codes, the effective age of the improvements, construction class, and the gross building size. A search is made of the data that most closely fit a given property within each geographic area and sub-area.

There were 95 improved sales in Commercial Area 95 considered fair market transactions and reflective of market conditions for the various property types. Considerable weight, therefore, is given to the sales comparison approach.

As with the vacant land sales, the improved sales are not evenly spread out within the area. There were two sales from Area 95-10 (Sammamish), 16 from Area 95-20 (North Issaquah) and 14 from Area 95-25 (Downtown & Historic Issaquah), the more urban neighborhoods. There are 14 from Area 95-30 (Duvall), eight from Area 95-35 (Carnation), 13 from Area 95-40 (North Bend), three from Area 95-45 (the East I-90 Corridor), 17 from Area 95-50 (Snoqualmie), five from Area 95-55 (Fall City-Preston), two from Area 95-60 (Skykomish) and one from area 95-65 (North Bend Perimeter), the rural neighborhoods.

Of equal significance with the geographic distribution of the sales is their chronological distribution. Of the 95 sales, 38 occurred in 2005, 30 in 2006, and 27 in 2007. The fairly constant number of sales over the past three years is indicative of stable market conditions.

The sales were analyzed primarily on their predominant use to arrive at a price per square foot value range. If applicable, differing building segments were also analyzed. Typically, multi-parcel sales and sales with improvements that were remodeled or experienced a change in use were excluded from the ratio study. These sales, however, may have been used in the sales analysis. The sale prices establish general value ranges that delineate the upper and lower market value limits for the various property types within the subject market areas. In applying the sales comparison approach: location, quality, and effective age are factors considered in addition to the property use. When sales data is available, the market approach is considered the most reliable approach to value.

Sales comparison calibration

Comparable sales from each market were investigated and applied to comparable properties within that market area. Additionally, sales from competing or similar market areas were included to supplement the surrounding neighborhoods within the geographic areas. Finally, sales of comparable property classes and uses were also considered. Data from the sales were analyzed and compared to income and cost data.

The sales for medical and dental facilities, including veterinary clinics, indicate a value range in the \$250-350/sf range for the urbanized neighborhoods and between \$150 and \$350/sf for the rural neighborhoods.

Office building sales can be grouped into three general categories; newer urban offices (built after 2000), older urban office buildings and older rural office buildings. Newer urban office buildings indicate a range of between \$230 and \$400/sf, while the newer rural buildings indicate a range of only \$165 to \$225/sf. The older urban office buildings have a range of between \$180 and \$450/sf, while the older rural buildings have a range of between \$150 and \$250/sf.

There are six restaurant sales that indicate sales values between \$100 and \$500/sf. The higher value properties are in Issaquah and North Bend.

Sales of newer buildings are located in the planned unit development community of Snoqualmie Ridge and the Issaquah Highlands. These buildings are typically multi-tenant and have an indicated sales value range of between \$225 and \$450/sf. Older retail spaces are predominately

single tenant buildings and located in the rural communities. They indicated prices of between \$60 and \$300/sf. Age, condition and location account for the price spread.

Prices per square foot for light industrial use buildings are again a function of location and age/condition. The sales indicate a value range between \$60 and \$300/sf and are reflective of the various types of light industrial buildings.

Sales of automotive service buildings indicate a range from \$75 to \$250/sf.

Cost approach model description

A replacement cost new – less depreciation (RCNLD) analysis based on the *Marshall & Swift Commercial Estimator* is automatically calculated on all improved properties. Depreciation is based on studies done by the Marshall & Swift Valuation Service. Both costs and depreciation are adjusted to the date of valuation, January 1, 2008. The “Current Cost Multiplier” is based on the final quarter of the year, while the “Local Cost Multiplier” is based on Western US region and the Seattle Area market. Overall, these Seattle-based cost figures do not reflect the true costs associated with most of rural Commercial Area 95. Thus, other than publicly owned, tax-exempt properties, and new construction, the use of the cost approach has been limited even though many properties have improvements and are not considered “income” properties. The cost approach, however, has been used exclusively for the valuation of publicly owned and/or tax-exempt properties.

Cost calibration

The *Marshall & Swift Commercial Estimator* built into the Real Property Application is calibrated by the Marshall & Swift Valuation Service. By accessing the parcel and computerized valuation model supplied by Marshall & Swift, the appraiser valuing new construction can individually re-calibrate Marshall-Swift valuations for specific building segments.

Income capitalization approach model description

Income tables have been developed for the income capitalization approach for each of the 11 neighborhoods. The tables are developed for specific property types and are broken down into use classifications; such as retail uses, office space, eating establishments, supermarkets, medical/dental services, attached residential, multi-family group care residences, detached single-family residential, day care centers, industrial – manufacturing, storage, agricultural, and recreational uses. Finished basements and mezzanine uses are also considered, although these uses may be combined with other uses.

Income approach calibration

The income tables are based on the effective age, and construction quality of the various building components as recorded in the Assessor’s records. Each building component is then valued based on typical economic rent (RENT), market vacancy and credit loss (VCL), typical operating expenses (OEX), and capitalization rates (CAP) for its specific neighborhood. In a number of instances, a blended, or override, rate may be utilized in the valuation of specific properties.

Income, vacancy allowances, and operating expenses are based on published market sources such as Costar, the Korpacz Real Estate Investor Survey, Commercial Bankers, Association, Cushman & Wakefield, and the CBRE Market Views. These published sources, however, as a rule do not cover the rural markets of East King County. The income tables are included in the addenda of this report.

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 minimal \$1,000 value was allocated to the improvements. For properties where sales and income/expense data was not available, the Cost Approach was utilized.

Income: Income parameters were derived from the market place through the listed fair market sales as well as through published sources (i.e. Office Space Dot.Com, Commercial Brokers Association, Costar, Multiple Corporate Real Estate Websites), opinions expressed by real estate professionals active in the market and a voluntary survey.

Vacancy: Vacancy rates used were derived mainly from published sources tempered by personal observation as well as a voluntary survey.

Expenses: Expense ratios were estimated based on industry standards, published sources, personal knowledge of the area's rental practices and via a voluntary survey. Within our income valuation models, the assessor used triple net expenses for typical retail/mixed-use, and office/medical buildings industrial type uses.

Income Capitalization Approach model description

The income approach is considered the most reliable approach to valuation in area 95 where relevant income and expense data is available to ascertain market rates. During the sales verification process, an attempt is made to obtain income and expense data from the parties involved in the transactions through interviews or via mail. The information requested includes current and anticipated future rents, operating expense breakdown and assigned responsibility for the expenses, and estimated capitalization rates associated with a sale. In addition, owners, tenants, and agents of non-sale properties are surveyed to collect similar data. Disclosure of this information is not required by law and therefore is often difficult to obtain. The return rate of mail surveys varies and the data can be incomplete. Telephone interviews are dependent upon obtaining a valid number for a knowledgeable party and the opportunity to contact them. Interviews with tenants in the field usually yield rental and expense information only. As a supplement, lease information is gathered from Costar and other websites. In order to calibrate a credible income model, it is necessary to consider data from recognized published sources to assist in developing capitalization rates. These publications tend to report data that is considered relevant to institutional-grade CBD and suburban real estate.

Source	Date	Location	Office	Industrial	Retail	Multi-family	Remarks
Colliers Private Capital News	Summer 2007	Puget Sound	6.70%	6.52%	6.37%	5.5%	Transaction size \$1-15M except multifamily
CBE Outlook 2007 in Review	1Q 2008	Puget Sound	6.00%-6.30%		6.50%		Transactions greater than \$5 million
Boulder Net Lease Funds LLC	2Q 2007	State	7.09%	7.71%	7.69%		
Real Capital Analytics	January 2008	National	5.46%	6.46%	6.31%		Weighted Average
Korpacz: PWC	4Q 2007	Pacific NW	7.81%				Institutional Grade
Korpacz: PWC	4Q 2007	National	6.64%-7.24%	6.48%-7.60%	6.68%-7.24%	5.75%	
Puget Sound Business Journal	December 2007	Seattle	5.5%	6.3%	6.0%	5.6%	From Real Capital Analytics, Inc.
IRR Viewpoint for 2008	January 2008	Seattle	6.00%-6.25%	6.25%-7.25%	6.00%-6.25%	4.00%	Institutional Grade Properties
Emerging Trends in	October	National	5.60%-6.52%	6.25%-	5.56%-	5.26%-	Rates as of July

Real Estate 2008	2007			6.71%	6.36%	5.70%	2007
Dupree & Scott	February 2008	Tri-County				4.51%-4.95%	From RHA Update
Grubb & Ellis Forecast 2008	1Q 2008	Seattle	5.60%-5.90%	6.50%	6.60%	5.50%	Transactions greater than \$5 million- from Real Capital Analytics

In area 95, many of the properties are considered to be non-institutional grade. They may present a higher risk to investors and therefore should be valued at a higher capitalization rate. The following table shows ranges of capitalization rates for institutional and non-institutional grade properties per a survey conducted in January 2008 by PricewaterhouseCoopers LLP.

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

The preceding tables demonstrate ranges of capitalization rates and trends that are compiled with information that is collected on a national or broad regional scale. This information is reconciled with data specific to the real estate market in area 95 to develop the income model. The range of capitalization rates in the income model for area 95 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 95 that are valued by the income approach include, but are not limited to, offices, retail stores, and mixed-use buildings.

The following are brief summaries of the information presented in the income tables for the various neighborhoods.

Area 95-10 Sammamish

Land Use	Rent Range per SqFt	VCL Range	OEX Range	CAP Range
Office and Medical & Dental	\$11.00 - \$26.00	5% - 8%	10%	6.75% - 8.0%
Retail & Mixed Use	\$15.50 - \$20.50	7 %	10%	6.75% - 8.0%
Restaurant	\$24.00 - \$29.00	5%	10%	6.75% - 8.0%

Typical rents for offices, medical & dental buildings, and banks range between \$11.00 to \$26.00 per square foot, with medical and dental offices typically occupying the upper end of the rent range. Vacancy rates (VCL) range between 5% to 8% with Operating Expenses (OEX), expressed as a percentage, at 10%, and Capitalization rates (CAP) ranging between 6.75% to 8.0%. Retail and Mixed Use properties, on the other hand, typically rent for between \$15.50 and \$20.50 per square foot with VCL rates in the 7% range, OEX rates are 10%, and CAP rates between 6.75% and 8.0%. Restaurant rents are typically higher at \$24.00 to \$29.00 per foot with 5% vacancy rates, 10% OEX rates, and CAP rates in the same range of \$6.75-8.0%.

Area 95-20 North Issaquah

Land Use	Rent Range per SqFt	VCL Range	OEX Range	CAP Range
Medical & Dental	\$19.00 to \$24.00	7% - 10%	8%	6.50% - 8%
Office & Bank	\$16.00 to \$27.00	8%	8%	6.50% - 8%
Retail & Mixed Use	\$12.00 - \$22.00	7% - 10%	8% - 10%	6.50% - 8%
Restaurant & Bar-Tavern	\$17.00 to \$38.00	8% - 10%	10% - 15%	6.50% - 8%
Industrial & Warehouse	\$5.50 to \$8.00	10%	12% - 15%	6.50% - 8%

Typical rents for medical & dental offices range between \$19.00 and \$24.00 per square foot with VCL rates in the 7% to 10% range, OEX rates between 7% to 10%, and CAP rates between 6.5% to 8%. Standard offices and banks typically rent for between \$16.00 and \$27.00 per square foot and indicate a stable vacancy rate of approximately 8%. Expenses range between 8% to 10% and CAP rates range between 6.5% to 8%. Retail and Mixed Use properties indicate typical rental rates between \$12.00 and \$22.00 per square foot with VCL rates between 7% to 10%, OEX rates between 10% to 15%, CAP rates at 6.5% to 8%. Restaurants, bar, and tavern rents, including both sit-down and fast food, range between \$17.00 and \$38.00 per square foot, with fast food restaurants and newer trendy sit-down restaurants typically occupying the upper end of the rent range. The VCL rate ranges between 8% to 10%, while OEX's are estimated at between 10% to 15%, and CAP rate between 6.50% to 8%. Industrial and warehouse properties typically rent for between \$5.50 and \$8.00 per square foot, with VCL rates at 10%, OEX rates between 12% to 15% , and CAP rate ranges between 6.50% to 8%.

Area 95-25 South Issaquah

Land Use	Rent Range per SqFt	VCL Range	OEX Range	CAP Range
Medical & Dental	\$18.50 to \$24.00	7% - 10%	8%	6.5% - 8%
Office & Bank	\$13.00 to \$27.00	8% - 10%	8%	6.5% - 8.75%
Retail & Mixed Use	\$8.00 - \$24.00	5% - 7%	8% - 15%	6.75% - 8.75%
Restaurant & Bar-Tavern	\$9.00 to \$27.00	10%	10% - 15%	6.5% - 8.75%
Industrial & Warehouse	\$5.50 to \$15.00	10%	12% - 15%	6.5% - 8.75%

Typical rents for medical & dental offices range between \$18.50 and \$24.00 per square foot with VCL rates typically between 7% to 10%, OEX at 8%, and CAP rates between 6.5% to 8%. Standard offices and banks rent for between \$13.00 and \$27.00 per square foot and indicate a vacancy rate between 8% to 10%. Expenses area at 8% and CAP rates range between 6.5% to 8.75%. Retail and Mixed Use properties indicate rental rates between \$8.00 and \$27.00 per square foot with VCL rates between 5% to 7%, OEX rates between 8% to 15%, CAP rates at 6.75% to 8.75%. Restaurants, bar, and tavern rents, including both sit-down and fast foot, range between \$9.00 and \$27.00 per square foot, with fast foot restaurants and nicer sit-down restaurants typically occupying the upper end of the rent range. The VCL rate is estimates at 10%, while OEX's are estimated at between 10% and 15%, and CAP rate between 6.5% to 8.75%. Industrial and warehouse properties typically rent for between \$5.00 and \$15.00 per square foot, with VCL rates at 10%, OEX rates between 12% to 15%, and CAP rate ranges between 6.5% to 8.75%.

Area 95-30 Duvall

Land Use	Rent range per SqFt	VCL Range	OEX Range	CAP Range
Office and Medical & Dental	\$8.00 to \$25.00	7.5%	10%	7.25% - 8.5%
Retail & Mixed Use	\$12.00 to \$18.00	12%	10%	7% - 8.25%
Industrial & Storage	\$3.25 – \$8.25	5% - 7%	10%	7.75% - 8.75%

Typical rents for offices and medical & dental buildings range between \$8.00 and \$25.00 per square foot, VCL rates between 7.5%, OEX rates at around 10%, and CAP rates in the 7.25% to 8.5% range. Retail and Mixed Use property rents range between \$12.00 and \$18.00 per square foot, with VCL at 12%, OEX at 10%, and CAP rates at 7.% to 8.25%. Industrial and storage properties have a rental range between \$3.25 and \$8.25 per square foot with VCL rates estimated between 5% to 7%, OEX rates at 10% and CAP rates between 7.75% to 8.75%

Area 95-35 Carnation

Land Use	Rent range per SqFt	VCL Range	OEX Range	CAP Range
Office and Medical & Dental	\$12.00 to \$21.00	7% - 10%	7% - 10%	7.5% - 8.75%
Retail & Mixed Use	\$5.00 to \$17.00	10% - 15%	7% - 10%	7.5% - 8.75%
Industrial, Warehouse, & Stg	\$5.25 to \$14.50	10%	10%	7.5% - 8.75%

Rents for offices and medical and dental buildings range between \$12.00 and \$21.00 per square foot, with VCL estimated between 7% to 10%, OEX estimated between 7% to 10%, while CAP rates are between 7.5% to 8.75%. Retail and Mixed Use property rents range between \$5.00 and \$17.00 per square foot and VCL rates are estimated at between 10% and 15%, OEX estimates range between 7% to 10%, and CAP rates are 7.5% to 8.75%. Industrial, warehouse, and storage properties have a rental range between \$5.25 and \$14.50 per square foot, VCL rates at 10%, OEX rates at 10%, and CAP rates of between 7.5% and 8.75%.

Area 95-40 North Bend

Land Use	Rent Range per SqFt	VCL Range	OEX Range	CAP Range
Office and Medical & Dental	\$9.00 to \$24.00	10% - 12%	10%	6.75% - 8.5%
Retail & Mixed Use	\$10.00 to \$19.00	7% - 10%	7% - 10%	7.0% - 8.25%
Restaurant & Bar-Tavern	\$14.50 to \$19.50	10% - 12%	10%	7% - 8.25%
Industrial & Warehouse	\$5.00 to \$12.00	10% - 12%	10%	7.25% - 8.5%

Typical rents for offices and medical & dental buildings range between \$9.00 and \$24.00 per square foot with VCL rates between 10% to 12%, OEX rates at 10%, and CAP rates between 6.75% to 8.5%. Typical rents for Retail and Mixed Use properties range between \$10.00 and \$19.00 per square foot, the VCL rates are estimated between 7% and 10%, OEX rates at 10%, and CAP rates between 7% and 8.5%. Restaurant, bar, and tavern rents range between \$14.50 and \$19.50 per square foot with those properties near the freeway interchange generally having the higher rents. The VCL rates are 10% to 12%, while OEX rates generally are at 10%, and CAP rates are between 7.25 and 8.5%. Industrial and storage properties have a rental range between \$5.00 and \$12.00 per square foot, VCL rates between 10% and 12%, OEX rates at 10%, and CAP rates between 7.25% and 8.5%.

Area 95-45 East I-90 Corridor

Land Use	Rent Range per SqFt	VCL Range	OEX Range	CAP Range
Office Building Uses	\$20.00 - \$24.00	10%	10%	8% - 9%
Retail & Convenience Stores	\$11.00 to \$18.00	10%	7%	7.25% - 8.5%
Industrial & Warehouse	\$4.50 to \$16.00	8% - 12%	10% - 15%	7.25% - 8.75%

Typical rents for offices (there are no medical or dental buildings) range between \$20.00 and \$24.00 per square foot with VCL and OEX's estimated at 10%, and CAP rates estimated at 8% to 9%. Retail and convenience store rents are between \$11.00 and \$18.00 per square foot, VCL at 10%, OEX's are estimated at 7%, and CAP rates are between 7.25% to 8.5%. Industrial and warehouse properties vary greatly in size, age, and use and rents range between \$4.50 and \$16 per square foot, with the VCL estimated between 10% to 15%, OEX between 10% to 15%, and CAP rates at 7.25% to 8.75%.

Area 95-50 Snoqualmie

Land Use	Rent Range per SqFt	VCL Range	OEX Range	CAP Range
Office and Medical & Dental	\$13.00 to \$22.00	7% - 10%	7% - 15%	6.5% - 8%
Retail & Mixed Use	\$8.00 to \$20.00	7% - 10%	7% - 10%	\$6.5% - 8%
Industrial & Warehouse	\$7.50 to \$17.00	7% - 12%	10% - 12%	6.75% - 8%

Typical rents for offices, banks, and medical and dental buildings range between \$13.00 and \$22.00 per square foot, with medical and dental offices typically occupying the upper end of the rent range. VCL range between 7% and 10%, while the OEX range is 7% and 15%, and CAP rates are between 6.5% to 8%. Rents for retail and mixed-use properties are between \$8.00 and \$20.00 per square foot, with the higher rents from the new Snoqualmie ridge properties. VCL rates range between 7% to 10%, OEX's range between 7% to 10%, and CAP rates between 6.5% to 8%. Industrial and warehouse properties vary greatly in size, age, and use and rents can range

between \$7.50 and \$17.00 per square foot, with VCL between 7% to 12%, OEX between 10% and 12%, and CAP rates between 6.75% and 8%.

Area 95-55 Preston – Fall City

Land Use	Rent Range per SqFt	VCL Range	OEX Range	CAP Range
Office and Medical & Dental	\$12.00 to \$19.00	7% - 10%	7% - 10%	7.75% - 8.75%
Retail & Mixed Use	\$12.00 to \$19.00	7% - 10%	7% - 10%	7.75% - 8.75%
Industrial & Warehouse	\$4.50 to \$15.50	10% - 12%	10%	8% - 9.25%

Typical rents for office space range between \$8.00 and \$16.00 per square foot with VCL ranging between 5% to 10%, OEX's between 10% and 15%, and CAP rates between 8% and 8.75%. Rents for retail and mixed-use properties are between \$12.00 and \$18.00 per square foot, with VCL rated between 7% and 10%, OEX rates between 7% and 15%, and CAP rates between 9% and 10%. Industrial and warehouse properties vary greatly in size, age, and use. Rents range between \$4.00 and \$14.00 per square foot, with VCL estimated at approximately 10%, and OEX rates between 10% and 15%, and CAP rates between 8% and 10%.

Area 95-60 Skykomish – Stevens Pass

Land Use	Rent Range per SqFt	VCL Range	OEX Range	CAP Range
Office Uses	\$11.00 to \$17.00	10%	8%	7.75% - 8.50%
Retail & Mixed Use	\$10.00 to \$15.00	10% - 15%	10%	8.75% - 9.75%
Industrial & Warehouse	\$2.00 to \$7.00	10% - 25%	10% - 15%	8.5% - 10%

Area 95-60 has only a few properties that are not owner occupied or government owned and the income tables for this neighborhood were developed to support the cost and market approaches to value. The rent allocated for office uses range between \$11.00 and \$17.00 per square foot, with VCLs estimated at 10%, OEX at 8%, and CAP rates estimated at 7.75% to 8.5%. Retail and Mixed Use rents range between \$10.00 and \$15.00, VCL's at 10% to 15%, OEX's at 10%, and CAP rates a 8.25% to 10%. Industrial and warehouse properties vary greatly in size, age, and use. Rents range between \$2.00 and \$7.00 per square foot, with VCL ranging between 10% to 25%, OEXs between 10% to 15% and CAP rates estimated to be between 8.5% and 10%.

Area 95-65 North Bend Perimeter

Land Use	Rent Range per SqFt	VCL Range	OEX Range	CAP Range
Office and Medical & Dental	\$18.00 to \$23.00	12% - 14%	10%	7.25% - 8.5%
Retail & Mixed Use	\$9.00 to \$18.00	12% - 14%	10%	7.25% - 8.5%
Industrial & Warehouse	\$5.00 to \$12.00	12% - 14%	10%	7.25% - 8.5%

Typical rents for office space range between \$18.00 and \$23.00 per square foot with VCL ranging between 12% to 14%, OEX's at 10% , and CAP rates between 7.25% and 8.5%. Rents for retail and mixed-use properties are between \$9.00 and \$18.00 per square foot, with VCL rated between 12% and 14%, OEX rates at 10%, and CAP rates between 7.25% and 8.5%. Industrial and warehouse properties vary greatly in size, age, and use. Rents range between \$5.00 and

\$12.00 per square foot, with VCL estimated between 12% and 14%, OEX rates at 10% and CAP rates between 7.25% and 8.25%.

Reconciliation and/or Validation Study of Calibrated Value Models Including Ratio Study of Hold Out Samples.

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

The strong local economy is widely apparent in the key markets such as Issaquah, Sammamish, Snoqualmie Ridge and even Duvall. This has resulted in lowered vacancy rates and higher rents throughout most of the market area and new construction within the private sector has been steady. The most dramatic examples of this are the new commercial/retail and industrial/office building construction in the Snoqualmie Ridge submarket, the vast development happening in Issaquah Highlands and the market surprises such as the Duvall Commons retail project in Duvall. Another noticeable affect of the strong economy was a decrease in office vacancies. The change is most apparent in Areas 95-20 and 95-25 which is the Issaquah area

Generally, 2006 and 2007 showed positive indicators. This is indicated by the stable number of improved sales yearly between 2005 and 2007. The overall market, which is reflected in the 2008 assessed values, is positive. Historic norms for most market segments, have shown a marked improvement and new non-governmental construction has increased in most market areas.

Model Validation

Total Value Conclusions, Recommendations and Validation:

The market sales approach is considered the most reliable indicator of value when comparable sales are available.

The income approach to value is considered a reliable indicator of value when market sales are not available. Whenever possible, market rents, expenses, and capitalization rates were ascertained from sales. Data from surveys and publications were also considered in the application of the income approach.

Cost estimates were relied upon for valuing special use properties where comparable sales data and/or income/expense information were not available.

Appraiser judgment prevails in all decisions regarding individual parcel valuation. Each parcel is field reviewed and a value is selected based on general and specific data pertaining to the parcel, the neighborhood, and the market. The appraiser determines which value estimate is most appropriate and may adjust by particular characteristics and conditions as they occur in the market areas.

The new assessment level is reflected in the weighted mean ratio of 95.3%. The standard statistical measures of valuation performance are all within IAAO guidelines and are presented both in the Executive Summary and in the 2007 and 2008 Ratio Analysis charts included in this report.

The total assessed value for the 2007 assessment year for Area 95 was \$2,229,249,427. The total recommended assessed value for the 2008 assessment year is \$2,515,636,340.

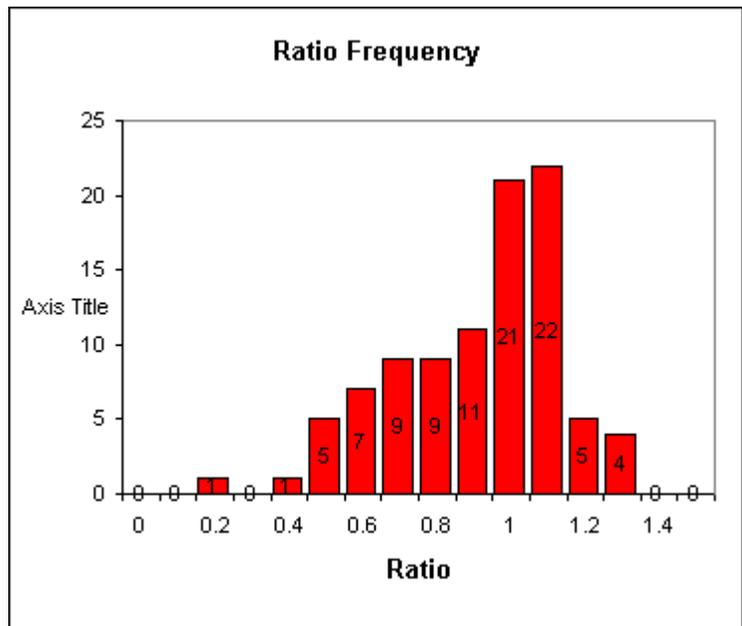
Application of these recommended values for the 2008 assessment year (taxes payable in 2009) results in an average total change from the 2007 assessments of 12.85%. The total value for the geographic assigned parcels increased as follows:

	2007 TOTAL	2008 TOTAL	\$ CHANGE	% CHANGE
Total Value	\$2,229,249,427	\$2,515,636,340	+ \$286,386,913	+ 12.85%

Area 095 - Before Revaluation
2008 Assessment Year
A 2008 Ratio Looking at Sales Using the 2007 Assessed Values

Quadrant/Crew: East Crew	Lien Date: 1/1/2007	Date: 5/22/2008	Sales Dates: 1/7/05 - 12/14/07
Area 95	Appr ID: CSAV	Prop Type: Improvement	Trend used?: Y / N N

SAMPLE STATISTICS	
<i>Sample size (n)</i>	95
<i>Mean Assessed Value</i>	1,421,200
<i>Mean Sales Price</i>	1,634,300
<i>Standard Deviation AV</i>	2,336,143
<i>Standard Deviation SP</i>	2,525,181
ASSESSMENT LEVEL	
<i>Arithmetic mean ratio</i>	0.864
<i>Median Ratio</i>	0.922
<i>Weighted Mean Ratio</i>	0.870
UNIFORMITY	
<i>Lowest ratio</i>	0.1650
<i>Highest ratio:</i>	1.2268
<i>Coefficient of Dispersion</i>	18.78%
<i>Standard Deviation</i>	0.2193
<i>Coefficient of Variation</i>	25.39%
<i>Price-related Differential</i>	0.99
RELIABILITY	
95% Confidence: Median	
<i>Lower limit</i>	0.865
<i>Upper limit</i>	0.984
95% Confidence: Mean	
<i>Lower limit</i>	0.820
<i>Upper limit</i>	0.908
SAMPLE SIZE EVALUATION	
<i>N (population size)</i>	1889
<i>B (acceptable error - in decimal)</i>	0.05
<i>S (estimated from this sample)</i>	0.2193
Recommended minimum:	74
<i>Actual sample size:</i>	95
Conclusion:	OK
NORMALITY	
Binomial Test	
<i># ratios below mean:</i>	37
<i># ratios above mean:</i>	58
<i>z:</i>	2.051956704
Conclusion:	Non-normal
*i.e., no evidence of non-normality	

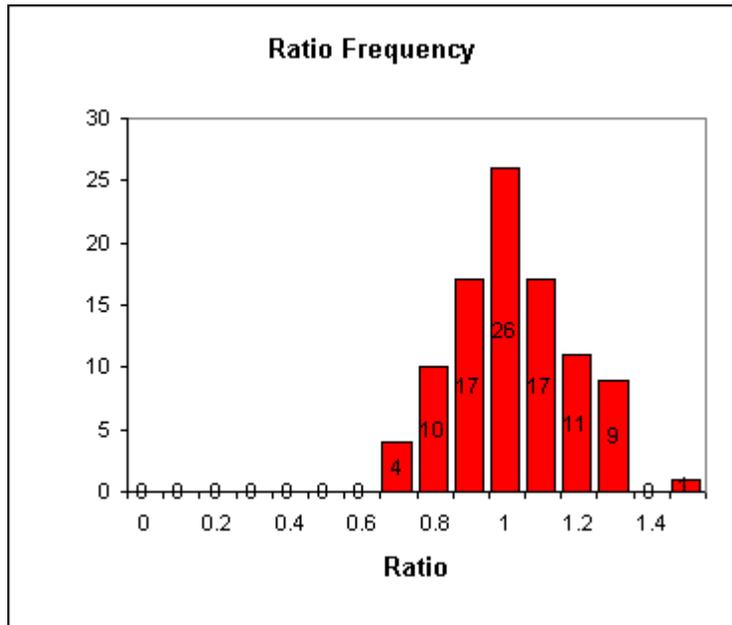


These figures reflect measurements before posting values.

Area 095 - Final Ratio Report
2008 Assessment Year
Ratio of Sales to 2008
Assessed Values

Quadrant/Crew: East Crew	Lien Date: 1/1/2008	Date: 5/20/2008	Sales Dates: 1/7/05 - 12/14/07
Area 95	Appr ID: CSAV	Prop Type: Improvement	Trend used?: Y / N N

SAMPLE STATISTICS	
Sample size (n)	95
Mean Assessed Value	1,557,700
Mean Sales Price	1,634,300
Standard Deviation AV	2,413,906
Standard Deviation SP	2,525,181
ASSESSMENT LEVEL	
Arithmetic mean ratio	0.966
Median Ratio	0.945
Weighted Mean Ratio	0.953
UNIFORMITY	
Lowest ratio	0.6084
Highest ratio:	1.5122
Coefficient of Dispersion	13.49%
Standard Deviation	0.1639
Coefficient of Variation	16.97%
Price-related Differential	1.01
RELIABILITY	
95% Confidence: Median	
Lower limit	0.914
Upper limit	1.003
95% Confidence: Mean	
Lower limit	0.933
Upper limit	0.999
SAMPLE SIZE EVALUATION	
<i>N (population size)</i>	1889
<i>B (acceptable error - in decimal)</i>	0.05
<i>S (estimated from this sample)</i>	0.1639
Recommended minimum:	42
Actual sample size:	95
Conclusion:	OK
NORMALITY	
Binomial Test	
# ratios below mean:	51
# ratios above mean:	44
z:	0.615587011
Conclusion:	Normal*
*i.e., no evidence of non-normality	



These figures reflect the ratio for Area 95 following the current revaluation. Given the diversity and amount of rural parcels in the revalue area, limited weight is given to the results of the ratio study.

Improvement Sales for Area 095 with Sales Used

05/21/2008

Area	Nbhd	Major	Minor	Total NRA	E #	Sale Price	Sale Date	SP / NRA	Property Name	Zone	Par. Ct.	Ver. Code	Remarks
095	020	884390	0559	6,036	2096045	\$2,700,000	01/07/05	\$447.32	970 Gilman Place - Bldg 1	MUR	2	Y	
095	025	235430	0710	600	2098946	\$339,000	01/20/05	\$565.00	OFFICE BUILDING	MF-H	1	Y	
095	040	784670	0150	980	2099023	\$334,550	01/21/05	\$341.38	Dentist Office	DC	1	Y	
095	050	784920	0571	4,089	2103061	\$805,000	02/23/05	\$196.87	Verner & James, Inc.		1	Y	
095	045	142308	9039	2,375	2106425	\$350,000	03/01/05	\$147.37	Service Shop	IP	1	Y	
095	055	247590	0110	3,736	2116004	\$400,000	04/08/05	\$107.07	Fall City Chiropractic Clinic &	CB	1	Y	
095	025	272406	9018	4,584	2117325	\$1,237,500	04/19/05	\$269.96	IOOF BLDG	CBD	1	Y	
095	035	865830	2160	5,565	2117333	\$368,000	04/20/05	\$66.13	St Vincent de Paul Thrift Store	CBD	1	Y	
095	040	042308	9027	59,452	2127675	\$4,675,000	05/26/05	\$78.63	North Bend Business Park	NB	1	Y	
095	035	865830	2135	1,675	2134741	\$265,000	06/17/05	\$158.21	CEDAR LOG TAVERN	CBD	1	Y	
095	025	282406	9059	4,800	2135767	\$1,015,000	06/27/05	\$211.46	RETAIL BUILDING	CBD	1	Y	
095	025	282406	9147	7,200	2135539	\$1,115,000	06/27/05	\$154.86	FARMERS INSUR & FRONT ST PH	CBD	1	Y	
095	020	884350	0124	1,492	2136575	\$525,000	06/28/05	\$351.88	Minuetman Press	IC	1	Y	
095	050	312408	9038	12,500	2135303	\$1,500,000	06/28/05	\$120.00	Mountain View School	R-3	1	Y	
095	030	213070	0240	11,200	2135188	\$710,000	06/29/05	\$63.39	Duvall Plaza	Co	1	Y	
095	025	282406	9054	800	2137819	\$200,000	07/07/05	\$250.00	ALLSTATE AGENCY	CBD	1	Y	
095	040	042308	9025	2,032	2138602	\$380,000	07/11/05	\$187.01	North Bend Animal Clinic	NB	1	Y	
095	050	541710	0020	7,600	2138962	\$440,000	07/12/05	\$57.89	Mixed Use Building		2	Y	
095	010	679104	0010	20,006	2138385	\$7,000,000	07/13/05	\$349.90	Pine Lake Medical Plaza	O	2	Y	
095	040	784670	0200	1,320	2142361	\$325,000	07/23/05	\$246.21	Office	DC	1	Y	
095	040	784670	0615	11,561	2142628	\$1,300,000	07/26/05	\$112.45	Chaplain Chevrolet Service Garag	DC	6	Y	
095	035	865830	2180	2,980	2149634	\$520,000	08/24/05	\$174.50	Steve's Collision & Towing	CBD	2	Y	
095	050	785180	0020	57,300	2151578	\$12,150,000	08/31/05	\$212.04	TMG Snoqualmie	MU	1	Y	
095	050	322408	9074	8,048	2153550	\$1,050,000	09/08/05	\$130.47	Truck Service	PCI	1	Y	
095	050	784920	2285	3,730	2157646	\$637,775	09/12/05	\$170.99	Bank of Amercia		1	Y	
095	025	202406	9058	2,390	2158159	\$1,470,000	09/26/05	\$615.06	D E HOKANSON INC	PO	1	Y	
095	010	342506	9039	13,526	2159062	\$5,250,000	09/30/05	\$388.14	Plateau Professional Center & St		1	Y	
095	050	541710	0150	2,560	2160357	\$230,000	10/05/05	\$89.84	Northwest Custom Cycle		2	Y	
095	020	127530	0045	1,630	2161359	\$675,000	10/10/05	\$414.11	Office	PO	1	Y	
095	020	127530	0005	1,170	2163571	\$690,000	10/17/05	\$589.74	Office	PO	4	Y	
095	020	884390	0511	10,824	2166817	\$2,300,000	10/24/05	\$212.49	Telepress Building	MUR	2	Y	
095	030	192607	9005	2,736	2165265	\$9,000,000	10/27/05	\$3,289.47	Duvall Highlands Mobile Estates	R4	1	Y	
095	050	322408	9051	784	2173704	\$279,000	11/30/05	\$355.87	Cascade Animal Clinic		1	Y	
095	020	745090	0190	11,200	2174733	\$1,197,000	12/05/05	\$106.88	Zetec Training Center	IC	1	Y	

Improvement Sales for Area 095 with Sales Used

05/21/2008

Area	Nbhd	Major	Minor	Total NRA	E #	Sale Price	Sale Date	SP / NRA	Property Name	Zone	Par. Ct.	Ver. Code	Remarks
095	020	884390	0516	1,448	2179594	\$650,000	12/20/05	\$448.90	Magdalena's Eurpoean Cuisine	MUR	1	Y	
095	020	282406	9002	22,220	2178862	\$2,000,000	12/21/05	\$90.01	Zetec Lab & Shops	IC	3	Y	
095	025	527910	0450	1,326	2178445	\$550,000	12/21/05	\$414.78	OFFICE BUILDING	MF-H	1	Y	
095	060	262611	9038	1,920	2179843	\$200,000	12/27/05	\$104.17	Josh Towing Co.	R	1	Y	
095	030	174990	0110	2,284	2183178	\$700,000	01/24/06	\$306.48	Copper Hill Square Condo	MU12	1	Y	
095	040	784670	0605	1,040	2184769	\$240,000	01/26/06	\$230.77	Somerset Auto Glass	DC	1	Y	
095	030	174990	0970	1,136	2184772	\$304,000	01/31/06	\$267.61	Copper Hill Ssquare Condo	MU12	1	Y	
095	025	282406	9266	1,390	2187313	\$450,000	02/09/06	\$323.74	Residence to Office Conversion	MF-M	1	Y	
095	040	803620	0095	288	2195321	\$240,000	03/27/06	\$833.33	Car Wash	DC	2	Y	
095	020	745090	0040	16,210	2196821	\$1,640,000	03/28/06	\$101.17	Zetec Main Building	IC	1	Y	
095	045	142308	9060	13,176	2197830	\$1,425,000	03/30/06	\$108.15	Industrial Bldg.	ISO	1	Y	
095	045	862170	0050	1,908	2204088	\$350,000	04/20/06	\$183.44	Wilderness Glass	RBSO	1	Y	
095	020	282406	9287	40,100	2202372	\$12,175,000	04/24/06	\$303.62	Medical Center of Issaquah	R	1	Y	
095	030	174990	0092	863	2203988	\$2,425,000	04/26/06	\$2,809.97	Copper Hill Condo	MU12	5	Y	
095	030	213070	0195	4,160	2206111	\$650,000	05/04/06	\$156.25	Garden Gallery		1	Y	
095	040	857190	0120	2,800	2206963	\$615,000	05/10/06	\$219.64	Twede's Cafe	DC	1	Y	
095	030	174990	0091	640	2206889	\$176,250	05/11/06	\$275.39	Copper Hill Square Condo	MU12	1	Y	
095	040	784670	0790	4,024	2207754	\$500,000	05/17/06	\$124.25	North Bend Theater	DC	1	Y	
095	030	174990	0960	382	2208714	\$114,000	05/22/06	\$298.43	Copper Hill Square Condo	MU12	1	Y	
095	020	884350	0015	6,051	2213366	\$2,030,000	05/30/06	\$335.48	Triple X Restaurant & Offices	R	1	Y	
095	025	282406	9199	570	2212286	\$370,000	06/01/06	\$649.12	RETAIL	CBD	1	Y	
095	055	247590	0240	2,160	2214451	\$450,000	06/13/06	\$208.33	Mt View Nutrition & Farmers Insu	CB	1	Y	
095	030	174990	0094	1,459	2220573	\$400,000	07/07/06	\$274.16	COPPER HILL SQUARE	MU12	1	Y	
095	035	865730	0266	2,160	2222294	\$380,000	07/11/06	\$175.93	Carnation Medical & Dental Clini	CBD	1	Y	
095	050	784920	0625	1,500	2225018	\$530,000	07/24/06	\$353.33	Front Porch Cafe		1	Y	
095	020	127530	0020	1,270	2224686	\$800,000	07/25/06	\$629.92	Office Bldg	PO	1	Y	
095	040	803620	0005	12,013	2226616	\$1,950,000	07/31/06	\$162.32	Crawford Office Center	DC	1	Y	
095	050	784920	0595	10,370	2234491	\$875,000	08/28/06	\$84.38	Moore Fire Protection Warehouse		2	Y	
095	020	884390	0435	1,920	2251232	\$875,000	11/15/06	\$455.73	Kelly Electronics	MUR	1	Y	
095	030	174990	0210	1,492	2251736	\$775,100	11/20/06	\$326.49	COPPER HILL SQUARE	MU12	1	Y	
095	025	363010	0026	1,940	2253151	\$890,000	11/29/06	\$458.76	OFFICE BUILDING	MF-H	1	Y	
095	030	213170	0045	7,810	2253502	\$1,703,000	11/29/06	\$218.05	Duvall Center	OT	1	Y	
095	035	865830	2045	1,704	2254896	\$330,000	12/06/06	\$193.66	Eastside Valley Pawn Brokers	CBD	1	Y	
095	020	127530	0045	1,630	2256655	\$685,000	12/11/06	\$420.25	Office	PO	1	Y	

Improvement Sales for Area 095 with Sales Used

05/21/2008

Area	Nbhd	Major	Minor	Total NRA	E #	Sale Price	Sale Date	SP / NRA	Property Name	Zone	Par. Ct.	Ver. Code	Remarks
095	060	780780	0645	4,318	2262149	\$450,000	01/18/07	\$104.21	Vintage Stoves & Ranges	C	1	Y	
095	025	272406	9173	9,668	2268895	\$1,700,000	02/23/07	\$175.84	GILMAN AUTO BODY & HONDA RE	R	1	Y	
095	020	212406	9090	44,181	2274606	\$10,505,000	03/27/07	\$237.77	Puget Western	R	6	Y	
095	030	174990	0100	5,442	2278151	\$1,560,000	04/12/07	\$286.66	COPPER HILL SQUARE	MU12	1	Y	
095	035	232507	9043	0	2282222	\$220,000	05/02/07	\$0.00	Girl Scout Camp	RA10	2	Y	
095	020	884430	0115	28,033	2286308	\$7,395,000	05/18/07	\$263.80	Juniper Professional Center	MUR	1	Y	
095	050	784920	2655	4,676	2291058	\$1,015,000	06/07/07	\$217.07	River Street Office Bldg	BR2	2	Y	
095	040	857090	0244	7,160	2291492	\$1,269,400	06/13/07	\$177.29	Retail & Apts.	DC	1	Y	
095	050	889435	0340	6,060	2295018	\$415,965	06/26/07	\$68.64	VENTURE COMMERCE CENTER-S	MU	1	Y	
095	050	889435	0280	9,515	2295331	\$618,501	06/27/07	\$65.00	VENTURE COMMERCE CENTER-S	MU	1	Y	
095	050	889435	0010	6,110	2300807	\$355,602	07/23/07	\$58.20	VENTURE COMMERCE CENTER-S	MU	1	Y	
095	055	689370	0020	67,042	2305076	\$8,300,000	08/08/07	\$123.80	Preston Industrial Park (OPUS)	IP	1	Y	
095	050	889435	0350	9,545	2304687	\$605,000	08/10/07	\$63.38	VENTURE COMMERCE CENTER-S	MU	1	Y	
095	025	282406	9079	5,825	2304548	\$2,620,000	08/14/07	\$449.79	CCG Building/Realty	CBD	1	Y	
095	055	689330	0375	1,948	2308954	\$395,000	08/17/07	\$202.77	Stone Age Rockart	NBP	2	Y	
095	050	322408	9113	1,920	2306514	\$1,350,000	08/24/07	\$703.13	QuickLube	BG	1	Y	
095	040	857190	0076	2,250	2312925	\$577,000	09/17/07	\$256.44	Maguire Hill Real Estate	DC	1	Y	
095	050	889435	0130	6,090	2313362	\$366,600	09/24/07	\$60.20	VENTURE COMMERCE CENTER-S	MU	1	Y	
095	035	865830	2135	1,675	2314006	\$400,000	10/01/07	\$238.81	Cedar Lot Tavern	CBD	1	Y	
095	025	884390	0521	2,750	2316040	\$1,800,000	10/05/07	\$654.55	Orchid Tree Restaurant	MUR	1	Y	
095	030	213070	0365	4,672	2315543	\$600,000	10/11/07	\$128.42	Childrens' Services of SnoValley	OT	1	Y	
095	040	803620	0175	1,182	2317949	\$455,000	10/12/07	\$384.94	O'Donnell Dental Clinic	HDR	1	Y	
095	055	689370	0030	34,000	2318702	\$3,900,000	11/01/07	\$114.71	Preston Industrial Park (OPUS)	IP	1	Y	
095	025	272406	9009	2,828	2321710	\$1,500,000	11/20/07	\$530.41	Line Retail	CBD	1	Y	
095	030	242606	9051	11,203	2325093	\$6,400,000	12/05/07	\$571.28	Line Retail + Jiffy Lube	Co	1	Y	
095	035	865830	2140	1,100	2325294	\$268,000	12/12/07	\$243.64	Simply Good Interiors	CBD	1	Y	
095	065	142308	9030	2,088	2325162	\$200,000	12/14/07	\$95.79	House & Shop	RBSO	1	Y	

Improvement Sales for Area 095 with Sales not Used

05/21/2008

Area	Nbhd	Major	Minor	Total NRA	E #	Sale Price	Sale Date	SP / NRA	Property Name	Zone	Par. Ct.	Ver. Code	Remarks
095	010	162406	9033	0	2127601	\$199,900	05/26/05	\$0.00	Provident Point Common Areas	SF-SL	1	N	Non-representative sale
095	010	342506	9005	8,672	2111908	\$2,310	03/17/05	\$0.27	Community Church of Joy		1	24	Easement or right-of-way
095	010	342506	9058	12,174	2235245	\$3,815,000	08/30/06	\$313.37	Kinder Care Pre School		1	34	Use-change after sale; not in ratio
095	010	358230	0040	1,960	2187824	\$1,200,000	02/21/06	\$612.24	Shell Mart w/Tullys Espresso	CB	1	Y	Specialty property
095	015	222605	9114	1,488	2178688	\$2,500,000	12/21/05	\$1,680.11	Killed	NB	3	N	Parcel no longer exists
095	020	212406	9061	0	2224703	\$28,292	04/22/06	\$0.00	Cope Construction	IC	1	16	Government agency
095	020	212406	9069	352	2269477	\$25,000	02/20/07	\$71.02	NW Pipeline Natural Gas Pipeline	R	1	15	No market exposure
095	020	212406	9070	8,880	2326827	\$500	12/11/07	\$0.06	Integrity Auto Repair	IC	1	32	\$1,000 sale or less
095	020	212406	9075	29,000	2095547	\$990,800	01/05/05	\$34.17	Vanguard Office Bldg	R	1	22	Partial interest (1/3, 1/2, etc.)
095	020	212406	9099	8,000	2308266	\$187,500	06/29/07	\$23.44	Clark's Towing	IC	1	12	Estate administrator, guardian, or executor
095	020	212406	9099	8,000	2319987	\$500,000	11/09/07	\$62.50	Clark's Towing	IC	1	51	Related party, friend, or neighbor
095	020	212406	9116	4,139	2311458	\$2,500	08/17/07	\$0.60	Union 76 & Brown Bear Car Wash	IC	1	16	Government agency
095	020	282406	9001	2,600	2318332	\$1,192,269	10/23/07	\$458.57	Unocal Service Station	IC	2	1	Personal property included
095	025	272406	9009	0	2097633	\$370,700	01/24/05	\$0.00	LINE RETAIL	CBD	1	11	Corporate affiliates
095	025	272406	9015	5,800	2184957	\$53,746	02/02/06	\$9.27	SHANG HAI RESTAURANT	CBD	1	18	Quit claim deed
095	025	282406	9253	3,070	2329222	\$197,905	01/07/08	\$64.46	Folkman Dental Clinic	R	1	18	Quit claim deed
095	025	292406	9075	2,400	2272481	\$350,000	03/19/07	\$145.83	SAV-ON Landscaping Materials	SF-S	1	46	Non-representative sale
095	030	132606	9083	1,258	2246816	\$630,000	10/23/06	\$500.79	Residence	R12	1	12	Estate administrator, guardian, or executor
095	030	174990	0210	1,492	2251737	\$210,100	11/22/06	\$140.82	COPPER HILL SQUARE	MU12	1	Y	This sale and the sale for \$565,000 compose the total sale price of \$775,100; not in ratio.
095	035	180100	0150	5,504	2261062	\$500	01/08/07	\$0.09	ELDORADO STONE CORP	LI/M	1	24	Easement or right-of-way
095	035	222507	9001	0	2159028	\$210,000	09/30/05	\$0.00	GIRL SCOUT CAMP	RA10	4	43	Development rights parcel to prvt sector
095	035	222507	9001	42,377	2159030	\$345,000	09/30/05	\$8.14	GIRL SCOUT CAMP	RA10	4	43	Development rights parcel to prvt sector
095	035	222507	9001	42,377	2165764	\$330,000	10/28/05	\$7.79	GIRL SCOUT CAMP	RA10	4	43	Development rights parcel to prvt sector
095	035	222507	9001	42,377	2166441	\$608,000	10/28/05	\$14.35	GIRL SCOUT CAMP	RA10	4	43	Development rights parcel to prvt sector
095	035	222507	9001	42,377	2194824	\$20,000	02/07/06	\$0.47	GIRL SCOUT CAMP	RA10	3	42	Development rights to cnty,cty,or prvt developer
095	035	222507	9001	42,377	2256447	\$40,000	12/19/06	\$0.94	GIRL SCOUT CAMP	RA10	5	43	Development rights parcel to prvt sector
095	035	222507	9001	42,377	2325474	\$104,000	12/18/07	\$2.45	Girl Scout Camp	RA10	6	15	No market exposure
095	035	342607	9011	7,472	2258297	\$701,259	12/28/06	\$93.85	CAMLANN VILLAGE	RA5	1	1	Personal property included
095	035	865730	0105	5,232	2307612	\$1,000	08/15/07	\$0.19	St. Anthony's Church	MU	1	32	\$1,000 sale or less
095	040	857090	0081	0	2172869	\$1,000	10/31/05	\$0.00	Sewage Treatment Maintenance Bld	POSPF	1	24	Easement or right-of-way

Improvement Sales for Area 095 with Sales not Used

05/21/2008

Area	Nbhd	Major	Minor	Total NRA	E #	Sale Price	Sale Date	SP / NRA	Property Name	Zone	Par. Ct.	Ver. Code	Remarks
095	040	784670	0706	1,902	2210740	\$430,000	05/30/06	\$226.08	Hang Chow Restaurant	DC	1	26	Imp changed after sale; not in ratio
095	040	092308	9009	3,174	2128695	\$1,300,000	05/31/05	\$409.58	NORTH BEND SHELL	DC	1	Y	Specialty property
095	040	092308	9088	2,460	2134513	\$1,700,000	06/10/05	\$691.06	Shell Gas & Mini Mart	IC	1	Y	Specialty property
095	040	092308	9088	2,460	2240503	\$3,200,000	09/29/06	\$1,300.81	Shell Gas & Mini Mart	IC	1	Y	Specialty property
095	045	282311	9023	22,568	2262339	\$6,739,914	01/19/07	\$298.65	Alpental Ski Area	CB	16	Y	Parcel removed from ratio study as forest land value is low.
095	050	052308	9029	0	2322094	\$150,000	11/08/07	\$0.00	Railroad Maintenance Shop	RE	1	16	Government agency
095	050	052308	9053	0	2322102	\$300,000	11/08/07	\$0.00	Part of Meadowbrook Farm	PO	1	16	Government agency
095	050	312408	9104	336	2218888	\$300,000	06/28/06	\$892.86	Telephone Switching	OP	1	15	No market exposure
095	050	784920	2040	7,130	2202058	\$72,000	04/10/06	\$10.10	Library and Fire Station		1	16	Government agency
095	050	785180	0080	173,900	2325693	\$26,933,526	12/19/07	\$154.88	Phillips	MU	1		Specialty property
095	050	889435	0050	9,565	2295761	\$412,368	06/26/07	\$43.11	VENTURE COMMERCE CENTER-SMU		1	46	Non-representative sale
095	050	784920	0510	3,456	2127711	\$390,000	05/31/05	\$112.85	Union Hall		1	34	Use-change after sale; not in ratio
095	050	784920	2285	3,730	2210095	\$650,000	05/30/06	\$174.26	Bank of Amercia		1	34	Use-change after sale; not in ratio
095	050	784920	0670	3,168	2223669	\$445,000	07/17/06	\$140.47	Grace Baptist Church	R-1-7.5	1	34	Use-change after sale; not in ratio
095	050	857090	0282	2,010	2246823	\$375,000	10/27/06	\$186.57	Converted SFR	DC	1	34	Use-change after sale; not in ratio
095	050	784920	1370	3,960	2219339	\$510,000	05/05/06	\$128.79	IOOF Lodge Building		1	Y	Major rennovation under way and change of use; not in ratio.
095	055	247590	0005	3,568	2238464	\$225,000	09/20/06	\$63.06	Model Garage	CB	1	22	Partial interest (1/3, 1/2, etc.)
095	055	247590	0005	3,568	2238463	\$200,000	09/20/06	\$56.05	Model Garage	CB	1	22	Partial interest (1/3, 1/2, etc.)
095	055	673070	0005	6,816	2110191	\$700,000	03/22/05	\$102.70	Colonial Inn & Restaurant	CB	1	34	Use-change after sale; not in ratio
095	055	152407	9017	4,490	2302205	\$1,150,000	07/02/07	\$256.12	Wells Nursery	RA5	1	Y	Sale is a tear down/land sale; not in ratio.
095	065	132308	9065	0	2135751	\$440,115	06/20/05	\$0.00	Mini-Storage (Personal Property)	RBSO	5	51	Related party, friend, or neighbor