King County

Department of Assessments
King County Administration Bldg.
500 Fourth Avenue, ADM-AS-0708
Seattle, WA 98104-2384
(206) 296-5195 FAX (206) 296-0595
Email: assessor.info@kingcounty.gov

Lloyd Hara
Assessor

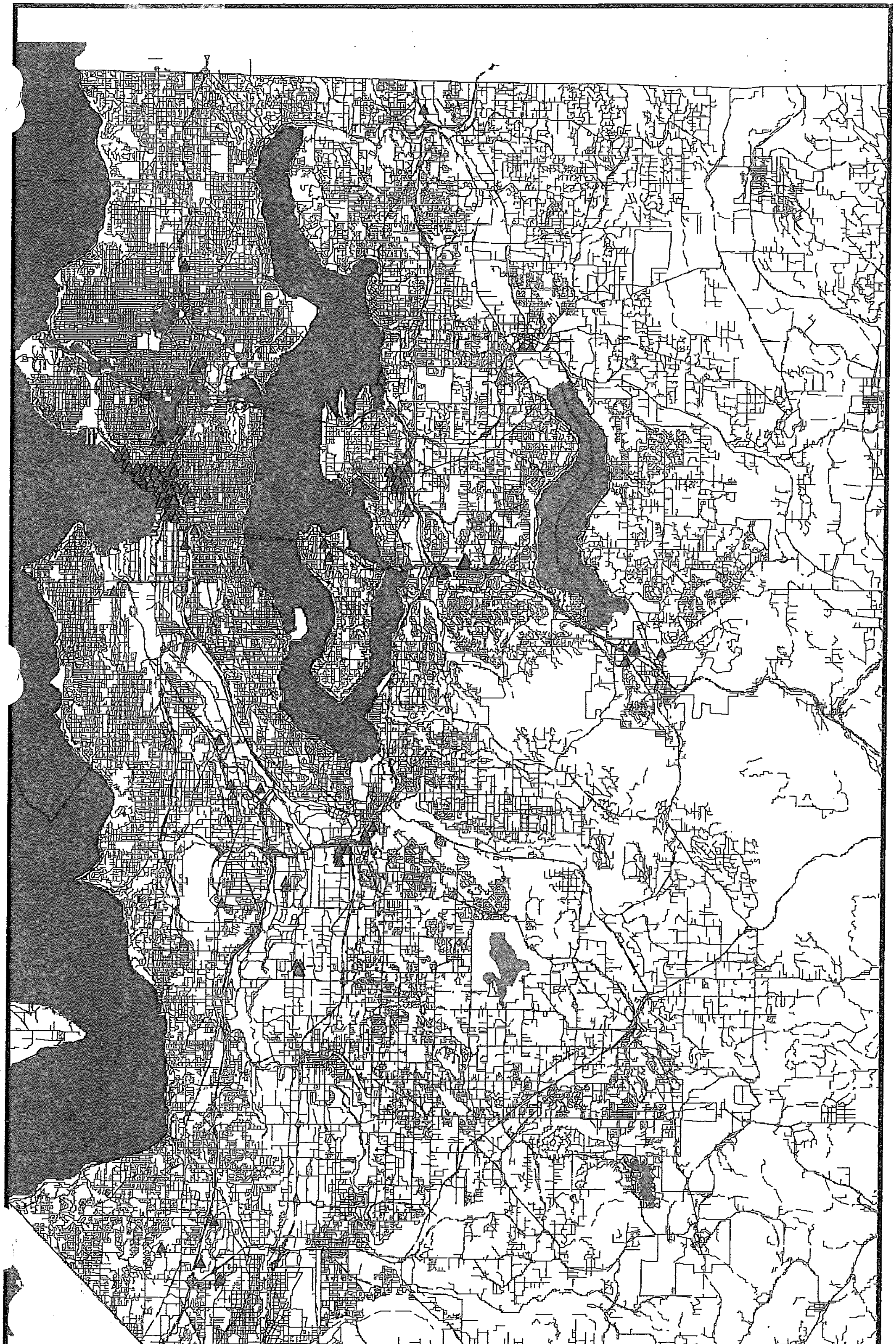
As we start preparations for the 2013 property assessments, it is helpful to remember that the mission and work of the Assessor's Office sets the foundation for efficient and effective government and is vital to ensure adequate funding for services in our communities. Maintaining the public's confidence in our property tax system requires that we build on a track record of fairness, equity, and uniformity in property assessments. Though we face ongoing economic challenges, I challenge each of us to seek out strategies for continuous improvement in our business processes.

Please follow these standards as you perform your tasks.

- Use all appropriate mass appraisal techniques as stated in Washington State Laws, Washington State Administrative Codes, Uniform Standards of Professional Appraisal Practice (USPAP), and accepted International Association of Assessing Officers (IAAO) standards and practices.
- Work with your supervisor on the development of the annual valuation plan and develop the scope of work for your portion of appraisal work assigned, including physical inspections and statistical updates of properties;
- Where applicable, validate correctness of physical characteristics and sales of all vacant and improved properties.
- Appraise land as if vacant and available for development to its highest and best use. The improvements are to be valued at their contribution to the total in compliance with applicable laws, codes and DOR guidelines. The Jurisdictional Exception is applied in cases where Federal, State or local laws or regulations preclude compliance with USPAP;
- Develop and validate valuation models as delineated by IAAO standards: Standard on Mass Appraisal of Real Property and Standard on Ratio Studies. Apply models uniformly to sold and unsold properties, so that ratio statistics can be accurately inferred to the entire population.
- Time adjust sales to January 1, 2013 in conformance with generally accepted appraisal practices.
- Prepare written reports in compliance with USPAP Standard 6 for Mass Appraisals. The intended users of your appraisals and the written reports include the public, Assessor, the Boards of Equalization and Tax Appeals, and potentially other governmental jurisdictions. The intended use of the appraisals and the written reports is the administration of ad valorem property taxation.

Lloyd Hara
King County Assessor

LOCATION OF OFFICE BUILDINGS IN THE OFFICE SPECIALTY - 280



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King County
Assessments

2013 Revalue Report – Office Specialty – 280

King County Department of Assessments

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Executive Summary Report

Appraisal Date 1/01/13 - 2013 Assessment Year – 2014 Tax Roll Year

Specialty Name: **Major Office Buildings**

Physical Inspection: Selected office buildings from the Seattle, Eastside, and South County submarkets were physically inspected. These properties were inspected in 2013 prior to the posting of the office values.

Sales - Improved Analysis Summary:

Number of Sales: 35 market transactions in 2010, 2011, 2012

Range of Sale Dates: 7/30/2010 to 12/21/2012

Sales – Ratio Study Summary:

	Average AV	Average Sales Price	Ratio	COD*
2012 Value	$102,974,400	$158,238,300	65.1%	22.83%
2013 Value	$133,472,800	$158,238,300	84.3%	9.82%
Change	+$ 30,498,400		+19.2%	-13.01%
% Change	+29.6%		+29.5%	-57.0%

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

Sales used in Analysis: All improved sales in the past three years that were verified as market sales and did not have major renovation or have been segregated or merged since being purchased were included in the ratio analysis. The exception was double sales of which the earlier of the sales was removed. There were three double sales in the three years of sales used.

The above ratio study results for office sales in the Office Specialty 280 (institutional grade office buildings with a rentable area of 100,000 square feet or more) is based on a sales sample that is heavily weighted with sales of well-leased or well-located lower risk properties in the Downtown Seattle sub-markets and the Bellevue CBD. Consequently, in this instance, it may not be an entirely reliable tool for measuring the revaluation results of the overall specialty that includes properties with higher than market vacancy or less dynamic suburban locations (i.e. South King County) where values generally remained flat or increased slightly.

In addition, the sales sample represents the leased fee interest while the Assessor values the fee simple interest based on market parameters as of the valuation date. Therefore sales with older leases that are above or below current market rates do not reflect what the Assessor is valuing. Also in the current recovering and expansion cycle of the office market, buyers are purchasing properties with expectations of higher future net operating incomes (NOI) from higher lease rates with fewer concessions. These sales will reflect higher values than the Assessor's value by the income approach using current market parameters.

Total Population – Parcel Summary Data:

	Land	Improvements	Total
2012 Value	**2,741,456,001**	**10,515,085,400**	**13,256,541,401**
2013 Value	**3,046,777,800**	**12,346,745,100**	**15,393,522,900**
Percent Change	**+11.1%**	**+17.4%**	**+16.1%**

Number of Improved Parcels in the Ratio Study Population:

218 (this excludes individual office condo units i.e. Nordstrom Medical Tower has 27 individual medical office condos but the ratio views it as one property) – 273 improved parcels total.

Conclusion and Recommendation:

While office sales increased significantly in 2011 and 2012 there were still insufficient sales in all of the market segments to rely on the Sales Comparison Approach in the 2013 revalue. The Income Approach is used in the final reconciliation of value because it allows greater equalization and uniformity of values for the various stratifications of office buildings in the different submarkets. In addition, sufficient market income data was available for the analysis.

As of the end of 2012 the Seattle and Eastside office submarkets were solidly in the recovery or expansion phases of the commercial real estate cycle while most South King County submarkets were flat or in the very early stages of recovery. Most submarkets experienced decreases in vacancy and higher asking lease rates. For many office properties landlord concessions including free or reduced rent and higher than typical tenant improvement allowances were either going away or being reduced and longer leases were being signed. This trend was most pronounced in the newer Class A offices in the Seattle downtown submarkets and the Bellevue CBD. The higher-end sector of the market was transitioning from a tenant market to a landlord market.

With solid job growth particularly in the technology sector and very little new construction in the immediate pipeline, institutional investors anticipating higher net operating incomes were purchasing quality, well-leased, or well-located office buildings with higher vacancy at high values resulting in lower capitalization rates than one year earlier.

The resulting valuation by the income approach reflects the improving income fundamentals particularly the lower capitalization rates. The overall increase of 16.1%

reflects the improving office market in King County. It does not include the limited new construction values which are valued later.

The values recommended in this report reflect current office market parameters as of the valuation date of 1/01/2013 therefore it is recommended that they should be posted for the 2013 Assessment Year.

Analysis Process

Effective date of Appraisal: January 1, 2013

Date of Appraisal Report: June 20, 2013

Highest and Best Use Analysis

As if vacant: Market analysis of this area, together with current zoning and current anticipated use patterns, indicate the highest and best use of the majority of the appraised parcels as commercial use. Any opinion not consistent with this is specifically noted in the 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. The current improvements do add value to the property in most cases, and are therefore the highest and best use of the property as improved. In those properties where the property is not at its highest and best use, a nominal value of $1,000 is assigned to the improvements and the property may be returned to the geo-appraiser.

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 by field inspection, review of plans, marketing information, and rent rolls when available.

Special Assumptions, Departures and Limiting Conditions

All three approaches to value were considered in this analysis.

The following Departmental guidelines were considered and adhered to:

Market trends (market condition adjustments, time adjustments) were considered for the sales prices of the sales available in the current office market cycle.

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

Identification of the Area

Name or Designation: Specialty Area 280: Major Office Buildings

This report contains data pertinent to the revalue of major office buildings (100,000 square feet of net rentable area and above). Net rentable area as utilized here is typically described as gross building area less vertical penetrations. The office specialty properties are found throughout King County, with significant concentrations located in Downtown Seattle and Downtown Bellevue. Additionally, larger suburban office buildings are found in many jurisdictions of the County. All office specialty properties were revalued this year. Included in the addendum of this report is a list of the parcels physically inspected for the assessment year.

Boundaries:

All of King County

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:

For purposes of the 2013 revaluation of the office-building specialty, the population has been segmented into six regions. These regions are generally described by their geographic location with the exception of medical office buildings, which is described by its primary use. The following is a brief description of the market segments and the new office development that is occurring in the each area.

<u>North</u>

This region represents a small portion of the total specialty. The largest concentrations of buildings in this segment are located in the Northgate, Fremont, and University Districts. The most recent completed office building was <u>Lake View at Fremont</u> in the Quadrant Lake Union Center in Fremont. The 102,000 square foot building was completed in the 4^{th} Qtr. 2008. It transferred in a foreclosure sale in November 2010 and sold again in 6/2012 after achieving full occupancy. In January 2013 construction started on the 5-story, 129,000 square foot <u>Stone34</u> project in Fremont. The ultra-green office building is pre-certified LEED platinum and will be the new headquarters of Brooks Sports.

<u>Seattle Central Business District (Seattle CBD & Downtown Submarkets)</u>

The largest portion of the office specialty is comprised of properties located in this region. Approximately 45% of the office properties are located in the Downtown Seattle submarkets. The Seattle CBD geographic boundaries are loosely described for purposes of this analysis as extending from Lower Queen Anne on the north to Safeco Field on the south, from Puget Sound on the west to Interstate 5 on the east.

South Lake Union is the downtown submarket with the lowest office vacancy with much of the supply/demand dynamics driven by the Amazon's campus move and its need for additional office space, and the attraction of high-tech and life science companies to this revitalized, in-close neighborhood. In the fourth quarter of 2012 the fifth phase of the Amazon's eleven building, midrise South Lake Union Campus was completed. The 1.8 million square foot campus was purchased by Amazon in December 2012 and is now fully occupied. The other dedicated project that is nearing completion is the first building of the Third Phase of the University of Washington Life Science South Lake Union Campus which is expected to be complete by mid-2013. Two more research buildings may be built on the site at Mercer, Dexter, and 8th Avenue. These research buildings are in the biotech specialty.

On-going construction of office projects includes 202 Westlake. This is a 130,000 square foot office building that began as a speculative building but has since been leased by Amazon and is expected to be completed in mid-2013. Vulcan's Phase VI for Amazon which is a two-building midrise project between Westlake and Ninth Avenues and Mercer and Republican Streets is also underway. Ground was broken for the 377,000 square foot project in the first quarter of 2013. The other office project that broke ground in early 2013 was Dexter Station in the northwest portion of South Lake Union. The 10-story, 345,000 square foot development is being built on a speculative basis. It will have tall floor heights required by bio-tech or life science firms.

Projects in the planning stage include Skanska's 13-story office building on the east side of Fairview Avenue, several office buildings of 11 – 13-stories on the west side of Fairview on the Troy Laundry site to be developed by Touchstone, and Vulcan's proposed 12-story office building on the east side of Ninth Avenue. These proposed office buildings are waiting for building height clarification from the pending South Lake Union rezone and/or pre-leasing. In late 2013 Vulcan will start construction on a 6-story, 245,000 square feet building at the northwest corner of Mercer Street and Westlake Avenue that will be the new home of the Allen Institute for Brain Science.

In the adjacent Denny Triangle/Regrade neighborhood Amazon purchased a three block site with plans to build in three phases a 3.3 million square feet office complex. Excavation and shoring for first phase, a 37-story office tower with a 2,000 seat meeting room will begin in mid-2013 on Block 14. It is slated for completion in late 2015 and 2016. Blocks 19 and 20 will also have 37 or 38-story towers and amenities including outside plazas and green spaces. When completed the three towers could accommodate as many as 12,000 employees.

The office market recovery has been steady but less dynamic in the established Central Business and Financial District which has traditionally been the location of law firms, insurance companies, and financial institutions. However the overall job growth and momentum has encouraged several developers to review and move forward on office plans that were shelved during the past recession.

Daniels Real Estate and Stockbridge Capital will start excavation in the second half of 2013 for the 43-story Fifth & Columbia high-rise. The speculative building will have 528,000 square feet of office space over a luxury hotel on the 2nd through 15th floor. In the same vicinity Schnitzer West is refining earlier plans for the Madison Centre at 505 Madison Street. The modified plan is for a 36-story building with 750,000 square feet of office and street-level retail on the half-block site. Construction would start after a portion of the space is pre-leased. Also in the CBD preliminary discussions are on-going concerning a 285,000 square foot expansion of the Washington State Convention Center. Such an expansion would double the center's size. In south downtown plans for Civic Square a public-private development by Triad Development just west of City Hall are being reviewed again. The 1.1 million square foot development planned in the mid-2,000's includes a 42-story office and residential tower and a large public plaza.

Just south of Downtown and Pioneer Square in the SoDo-Stadium District new construction includes Homeplate Center- North. The six-story, 142,000 square foot, speculative office building was recently completed to shell in the April 2012. The second phase Homeplate Center – South is a 190,000 square foot office building and it is scheduled to be completed in late 2013.

Bellevue Central Business District (Bellevue CBD)
This region, while comprised of a smaller number of properties, is considered to be the second most significant area of the office specialty. It is comprised of mid and high-rise office buildings in the Bellevue CBD.

From the mid-2000s until the economic downturn in 2008 five office towers were built in the Bellevue CBD. Microsoft similar to Amazon today in South Lake Union and Denny Regrade was the driving force in the expansion cycle of that office market. Microsoft occupied the greater portion of Lincoln Square and took all of the office space in the two Bravern towers, and in City Center Plaza. Expedia leased 85% of Tower 333 while the Summit III project that didn't start until early 2008 was capped at street level. When the recession occurred there wasn't any speculative office to lease up and further depress lease rates as was the case in Seattle.

With Class A vacancy at 10% or less in most surveys and limited large blocks of space available, office developers are reviving shelved plans or are proposing new projects and are hoping for pre-leases during the mitigation phase of development. The dynamic that has changed in the current recovering/expansion cycle is the attraction of the Bellevue CBD and its urban amenities and office high-rises to many technology firms (other than Microsoft) over the traditional suburban campus setting.

Kemper Development plans to expand Lincoln Square with a two 450-foot towers above a three-story retail podium. One tower will have 545,000 square feet of office space and the other will have a luxury hotel and residential units. Beacon Capital has submitted plans for a 23-story office high-rise with 515,000 square feet. It would be sited just west of the Bravern complex on NE 8th Street. Schnitzer West has consulted with the City of Bellevue about building an office tower that could be up to 22-stories with 450,000 square feet on NE 4th Street one block east of Bellevue Square. The Rockefeller Group and Bellevue based Sterling Realty Organization has announced plans for a phased 2.4 million square foot project on a 5.5 acre site on NE 8th Avenue one block east of Lincoln Square. The plans call for three office towers above a podium with retail and public spaces. They are seeking an anchor tenant for at least one of the towers before proceeding. Bentall-Kennedy's Summit III project with essentially 1/3 of the project complete with the capped below-grade parking structure is in the most favorable position to come online early in the expansion cycle.

Suburban Eastside

This region includes properties outside of the Bellevue CBD, on the East Side of Lake Washington. The analysis considers properties from the I-90 corridor, Kirkland, Redmond, Bothell, Issaquah and suburban Bellevue to comprise the Suburban Eastside. At present, while this region has a large geographic expanse, it has fewer large office buildings.

While the suburban Eastside office markets have seen a steady recovery it has not been as robust as the Bellevue CBD and there are fewer immediate projects proposed. Still in the development pipeline is Touchstone Corp.'s Parkplace project located on an 11.7 acre site near downtown Kirkland. Tentative plans are for 1.2 million square foot of office/technology space, 300,000 square feet of retail, a hotel, 3,500 below-grade parking stalls and about 3.5 acres of public space. Also, in Kirkland, Google has bucked the trend of tech companies to expand in the CBD neighborhoods with their announcement that will double the size of their suburban Kirkland campus with two additional 2-story buildings having a total of 180,000 square feet of new space. Construction and tenant improvements should be completed in late 2015.

Along the Bel-Red Corridor in Bellevue Wright Runstad & Co. has submitted plans for portion of the first phase of the huge proposed Spring Hill District, 36-acre mixed-use development project. Plans for two midrise office buildings with a total of 476,000 square feet have been submitted to the City of Bellevue. Eventually the project will consist of 16 blocks with over 4,000,000 square feet of office and supporting retail, 1000 multi-family residences, 16 acres of open space, and a direct link with Sound Transit East light rail.

Also on a 28-acre site in Redmond, Capstone Partners is in the preliminary planning stage of a 3 million square foot mixed use development that would eventually have 1.1 million square feet of midrise office, 1,400 multi-family units, retail space, and 300 hotel rooms. A light rail station will be in close proximity.

South County
Properties located within South Seattle, Renton, Tukwila, Kent, SeaTac, Auburn and Federal Way areas generally describe this region. Weyerhaeuser has been the predominant property owner in the Federal Way area but has been downsizing in recent years. In these sub-markets there has been no recent new construction of large office buildings with the exception being South Seattle.

The Federal Aviation Administration had stated that they would be expanding the regional headquarters now located in the 1601 Lind Avenue Building in Renton and were requesting proposals for a 500,000 square foot, LEED Gold office building that would be located in Renton, Kent, Des Moines, Sea Tac, or Tukwila. The FAA had planned to move into the new space in late 2014. However in 2010 the FAA announced that they would need significantly less space than previously thought and the plans appear to be on hold.

In South Seattle the U.S. General Services Administration oversaw the development of a 209,000 square foot office building that is the new U.S. Army Corps of Engineer's district headquarters. The ultra-green building was completed in late 2012 and is expected to receive LEED Platinum certification. It is located at the Federal Center South complex.

Medical Office Buildings
These buildings are analyzed independent of the remainder of the specialty as medical/dental office buildings. They typically have a different construction cost, and income/expense profile. Medical office buildings require more intensive plumbing, extra power for medical equipment, higher fresh-air filtration, zoned heating, and more parking than conventional offices.

The properties in this category are generally located on First Hill and the University District, with one medical office building in Downtown Seattle and two in Bellevue.

In the second half of 2011 Overlake Medical Pavilion a 190,000 square foot medical office building just east of I-405 was completed. It is targeting LEED silver certification. As of the valuation date it was less than 10% leased.

In Seattle just east of I-5 in the First Hill submarket the 7th & Madison Building built in 2008 as a speculative office building was leased to the Polyclinic and built-out as a medical office building. The building then sold in December 2012. An adjacent parking garage that was built to accommodate the out-patient use was not included in the sale.

Leasing Class Descriptions

A description of the leasing classes is provided. In the market approach and income approach analysis the office properties are grouped into the above market areas and then stratified into the appropriate leasing class. The leasing class may differ from the building class. For example, a reinforced concrete, midrise office building will be classified as Class B construction but may be considered in the market as Class A leased space.

Class A:
Class A properties are the most prestigious buildings competing for premier office users with above average rents for the area. Buildings have high quality standard finishes, state-of-art building systems, and exceptional accessibility and a definitive market presence.

Class B:
Class B properties are buildings competing for a wide range of office users with average rents for the area. Building finishes are fair to good for the area and systems are adequate, and the buildings do not compete with Class A buildings.

Class C:
Class C properties are buildings competing for tenants requiring functional space at below average rents for the area. The buildings typically have designs and finishes that are dated.

In the valuation analysis Class A buildings are further stratified into A+ and top tier A+ office buildings and average Class A properties. Class B buildings are stratified into renovated/historic, average, and B- properties needing capital expenditures. The office specialty predominately consists of Class A and B properties.

LEED Office Buildings

LEED or Leadership in Energy and Environmental Design is an internationally recognized green building certification system that was developed by the U.S. Green Building Council in 2000. LEED promotes sustainable building and development practices through a rating system that recognizes projects that implement strategies for better environmental and health performance.[1] It has become the standard for green development of new buildings and retrofitting older buildings.

Initially government and environmental groups were the leading promoters of "Building Green" commercial buildings. Today the Pacific Northwest is among the top regions in the country in terms of sustainable development with developers and owners of institutional grade office buildings now considering the benefits of energy efficient new construction, and renovation and modifications to existing buildings. Increasingly the cost of building green is coming down at the same time that energy prices are rising. Green construction and retrofitting reduces operating expenses and may also provide a superior experience for the office tenant.

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[1] www.usgbc.org "What LEED Is – Intro"

In addition to the quantifiable energy savings and the shorter term to recover the added costs of going green, most government agencies and some corporate tenants are now requiring green office spaces. The U.S. Building Council (USGBC) estimates that 40 – 48% of commercial construction by value will be green by 2015. Recent data reports that commercial buildings with LEED or Energy Star ratings command a rent premium of 4-5 percent over non-rated buildings (University of California, Berkeley, 2011) further supports the economics of building green.[2] Also, Energy Star calculates that a 10% decrease in energy use can lead to 1.5% increase in net operating income (NOI). Given current low capitalization rates a landlord can increase an office building's value and reduce the tenant's expenses (in buildings leased on a triple net (NNN) basis by reducing energy use.[3]

The City of Seattle recognizing the value of reduced energy use and the value premium of sustainable features of commercial buildings has established the Building Energy Benchmarking & Reporting Program with a goal of 20% improvement in energy performance of existing buildings by 2020 compared to 2005 levels. Owners and managers of 800 large Seattle buildings are now required to benchmark the energy performance of their properties with the ratings provided to prospective buyers and tenants.

Christian Gunter who is the director of Sellen Sustainability which is the sustainable consulting subsidiary of Sellen Construction states that sustainability is rapidly becoming the new status quo in markets such as Seattle. "Tenants desire its benefits, companies are adopting it as part of their culture and city commercial energy codes and benchmarking regulations are pushing greater levels of building efficiency and disclosure. Commercial real estate owners and investors who embrace sustainability will experience the value creation and risk mitigation benefits it offers.[4]

Puget Sound Economic Conditions

In 2012 the Puget Sound economy grew faster than the nation's economy. Employment increased by 2.7% in 2012, which exceeded the national job growth of 1.4%. This recovery is tied to the region's diverse economy. Its strengths include aerospace, software development including internet retail and gaming, and global trade. Conway & Pedersen's Puget Sound Economic Forecaster has revised up the anticipated 2013 employment growth to 2.7% which is again nearly twice the growth expected nationwide. A slightly lower 2.4% is predicted for the Puget Sound region in 2014. In King County

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[2] Valuation Magazine, 2nd Q. 2012, Appraisal Institute, "Green Scene" pgs. 21- 22

[3] Puget Sound Business Journal, "Real Estate: When buildings go green tenants shouldn't see red" Adam Mihlstin, 12/07/2012

[4] Puget Sound Business Journal, "Real Estate: How to turn underperforming buildings around" Christian Gunter, 12/07/2012

unemployment fell to 4.4% in April 2013 down from an average of 8.6% in 2009. This level is traditionally considered full employment.[5]

With a huge backlog of airplane orders Boeing's employment remained strong in 2012 following increased hiring in 2011. In 2011 the company won the contract for the aerial tankers, reached a labor agreement, and committed to build the next generation of 737 airplanes in Renton.

Also, a stable information-technology industry once anchored by Microsoft has evolved into one of the largest high-tech clusters in the nation with Amazon.com dramatically increasing its footprint in Seattle. Other major tech-related companies with large real estate footprints in the Seattle area are Nintendo, Expedia Inc. and F5 Networks Inc. Google and Facebook are also increasing their presence significantly in the area in order to take advantage of the large pool of tech employees. The Seattle area was recently ranked fourth for top start-up ecosystems in the world according to report by Startup Genome. The Puget Sound business climate and lifestyle which attracts a skilled, educated workforce has encouraged these start-ups.[6] In the Seattle metropolitan area the above average growth in tech employment has helped fill a glut in vacant office space available after the "Great Recession" and has accelerated the recovering of the office market.

International trade continues to have a strong impact on the regional economy. While foreign exports were the first sector of the economy to recover it has now slowed due to the slower world economy. Boeing with 75% of its airplanes going overseas is the region's top foreign exporter. Besides Boeing there are a wide list of regional businesses that provide products and services for foreign markets. These include Microsoft, Weyerhaeuser, Paccar, Russell Investments, Costco, Starbucks, Expeditors International, Perkins Coie, NBBJ, Alaska Airlines, Port of Seattle, and the University of Washington. Economist Dick Conway anticipates that the region's exports will increase from flat to a 5% growth rate in 2013.[7]

Office Market Conditions

The Puget Sound region's commercial real estate market began to stabilize in 2010 and was solidly in the recovery cycle in 2011. As of the January 1st 2013 valuation date the Seattle CBD and Downtown office submarkets, and the Bellevue CBD and several Eastside Suburban submarkets such as I-90 and Kirkland have transitioned to the early stages of the expansion cycle of the office market. This cycle is characterized by decreasing vacancy rates, increased new construction, high absorption, moderate to high employment growth, and medium to high rental rate growth. Other Eastside submarkets

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[5] The Seattle Times, "Seattle area reaches full employment milestone" Jon Talton, 5/22/2013
[6] CBRE Q4 2012 Puget Sound Area Office Marketview
[7] Economic Development Council of Seattle and King County Marketing Supplement, Pg. 8, 1/11/2013

and in-close Seattle submarkets such as Northgate are solidly in the recovery cycle while South King County office submarkets are in the very early stages of recovery.

The "2013 Emerging Trends in Real Estate" survey published in October 2012 by the Urban Land Institute and PwC ranks Seattle as the seventh most favorable market for commercial and multi-family investment among the nation's 51 largest markets. By sector Seattle had the fourth best retail, industrial, and office markets. It is a primary market and a global center for the software industry and has attracted the attention of domestic and global investors. It has diverse economies and a good quality of living which attracts younger adults. Over the past ten years that population has increased by 20 percent.[8] This fast growth and increasing talent pool serves as a catalyst attracting enterprises from outside the region in particular technology companies. Added to the attractiveness of Seattle to these companies is the lower cost of office space in comparison to other primary markets such as the San Francisco Bay Area.[9] This in turn has attracted institutional buyers who anticipate high rent growth contributing to higher net operating incomes in the future.

According to Co-Star's Year-End 2012 State of the U.S. Office Market Review and Forecast Seattle/Puget Sound Region had the fifth lowest vacancy at 10.5%, was fourth in occupancy growth at 1.1% and had the seventh highest absorption rate. However, when total net absorption in 2012 is reviewed as a percentage of inventory then Seattle ranked highest according to a report by Jones Lang LaSalle.[10] The Puget Sound office market recorded an annual absorption of 3.12 million square feet according to CBRE Q4 2012 Puget Sound Area Office Market View report.

As of the January 1st 2013 valuation date the greater Seattle and Bellevue CBD Class A office market is in an accelerating stage of the market cycle. This is characterized by solid rent growth in the newer office towers particularly in upper view floors. With vacancy in this segment of Class A market below 10% it is transitioning to a landlord's market with fewer concessions including free rent, lower tenant improvement allowances, and longer leases being signed.

While the newer and A+ offices buildings have outperformed, the flight to quality continues to affect the older average Class A and Class B office buildings with a high level of commodity space (average non-view office space) where absorption and the rise in effective rent rates have been more moderate or flat. The well-located buildings in this segment that are located in the north Downtown areas of the CBD, Denny Triangle, and South Lake Union are benefiting from the attractiveness of these locations to technology tenants in particular Amazon which continues to take large blocks of space. This dynamic is also occurring in the Pioneer Square/International District where tech and e-commerce companies are locating and expanding.

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[8] 2013 Emerging Trends in Real Estate - pwc & Urban Land Institute, Pg. 38
[9] Daily Journal of Commerce, "Tech companies boost local office market" Leigh Callaghan, 12/12/12
[10] PSBJ, "Seattle office market shows greatest improvement in U.S." Marc Stiles, 3/15/2013

Commercial real estate surveys vary depending on the size and leasing classes of the buildings that are included and whether owner-occupied, medical, and government-owned buildings are included. According to Kidder Mathews Q4 2012 Seattle Market Forecast which includes owner-occupied offices the regional vacancy was 10.31% down from 11.72% one year earlier. CBRE Q4 2012 Puget Sound Area Office MarketView indicates a regional vacancy of 15.4% down from 17.9% one year earlier. Cushman and Wakefield Q4 2012 Marketbeat Office Snapshot indicates that the King County overall vacancy rate decreased to 17.5% from 20.5% one year earlier. Jones Lang LaSalle Q4 2012 Office Highlights which includes A & B buildings over 30,000 square foot has a regional vacancy of 14.7% (Snohomish County but not Pierce County is included). Colliers Q4 2012 Office Research & Forecast Report for Puget Sound estimates a total vacancy of 15.83% in a survey that includes A, B, and C buildings. All of the surveys indicate that vacancy on an overall basis is declining.

According to Cushman & Wakefield's Marketbeat Office Snapshot the Seattle Downtown submarkets had Year-to-date overall net absorption of 1,427,932 SF up from 1,076,474 SF one year earlier and the close-in Seattle submarkets had overall net absorption of 423,641 SF as compared to negative 172,130 SF one year earlier. The Bellevue CBD had YTD Overall net absorption of 249,458 SF up from 193,929 SF the previous year and the Eastside Suburban office submarkets had 204,523 SF of positive absorption down from 708,383 SF one year earlier. The Southend Suburban submarkets of Tukwila, SeaTac, Renton, and Kent/Auburn had YTD net absorption of 53,550 up from negative 20,658 SF at the end of 2011 and Federal Way's had 40,610 SF of absorption down from 104,304 SF the previous year.

By the end of 2012 the office market in the Seattle CBD and adjacent downtown submarkets had overall vacancy that decreased measurably from the previous year. Published data from commercial real estate services vary significantly in regards to vacancy. Kidder Mathews which includes owner-occupied buildings in its statistics, lists the overall 4th quarter vacancy at 10.5% (includes A, B, & C leasing classes) down from 12.39% the previous year. Colliers 4th Quarter Research & Forecast Report indicates that downtown total vacancy was 12.49% down from 13.93% one year earlier. CBRE lists the overall vacancy for all lease classes at 14.3% down from 17.72% at the end of 2011.

Seattle: The Seattle CBD and downtown office submarkets saw a strong positive trend of leasing and sales activity in 2012. Flat or declining lease rates characterized the overall office market however strong demand for space in view floors and top-tier and new high-rise office buildings resulted in substantial increases in asking rates and higher effective lease rates in these buildings. Tenant expansion and lease renewals was also a positive trend while "flight to quality" continued to negatively affect older, average or less well-located office buildings.

By year-end 2012 all of the large speculative high-rise and midrise office buildings built in the last market expansion cycle had stabilized occupancy with vacancy well under 10%

with the exception of the 635 and 645 Elliott Buildings which were only 21% leased and located outside of the downtown core on Elliott Way in Lower Queen Anne.

A positive development in 2012 was the Talon receivership of the troubled 11-building Archon portfolio of office buildings in Seattle and Bellevue. This will bring in needed tenant improvement money and re-start leasing in these buildings. This is already occurring with the Smith Tower in Pioneer Square which had been acquired by CBRE Global Investors in a foreclosure/auction sale.

Bellevue/Eastside: The Bellevue CBD and the Eastside Suburban submarkets also exhibited positive trends in 2012. Hiring in the technology sector was the primary driver for office market growth.

The Bellevue CBD's overall vacancy rate declined to 10.8% from 13.8% one year earlier while the Eastside Suburban submarkets overall vacancy dropped to 12.6% from 13.6% the previous year according to Cushman & Wakefield Q4 2012 Marketbeat Office Snapshot. Kidder Mathews Q4 2012 Real Estate Market Review reported that the overall vacancy rate in the Bellevue CBD fell to 8.9% from 12.40% one year earlier while the total Eastside vacancy fell to 8.36% from 10.09% the previous year.

Unlike the Seattle office market where the recent economic downturn was coupled with a high level of speculative office space entering the market in 2008 and 2009, the Bellevue CBD did not have vacant speculative office buildings to add to the vacancy and deflate lease rates further. Three of the four new office buildings in the Bellevue CBD were leased by Microsoft and the fifth building Summit III was capped at the ground level. Lease rates remained higher in comparison to Seattle. In 2012 office asking lease rates in the Bellevue CBD generally increased from 5 to 10%.

South King County: According to Kidder Mathews South King County saw a modest decease in vacancy with overall vacancy down to 12.32% at year-end 2012 from 12.86% one year earlier. CBRE lists the overall year-end 2012 vacancy at 20.5% down from 21.1% the previous year.

Currently the average asking rental rate in South King County is flat at $20.18 per square foot full-service or over 30% lower than the other King County markets.[11] A review of the submarket vacancies in South King County shows a wide range of vacancies between the submarkets. Certain submarkets have been inordinately affected by the changing real estate needs of Boeing and Weyerhaeuser. More recently SeaTac and Kent have been negatively affected by Boeing giving up office space and Federal Way has seen high office vacancy as Weyerhaeuser has downsized and vacated and sold several of their office properties. In contrast, Boeing released Triton Tower III in Renton in 2011 and with the commitment of Boeing to build 737 Max in Renton there may be additional demand for office space when the program gets started.

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[11] Kidder Mathews – Real Estate Market Review – Seattle Office – Q4 2012

As the office market continues to strengthen in the Seattle and Eastside submarkets and concessions and free rent disappear there may be an increase in tenants willing to relocate in South King County to take advantage of the substantially lower lease rates and concessions available.

Medical Office Buildings: The Medical Office Building segment of the office market has shown much greater resilience in the economic downtown than the office market in general. Health care was the largest job-creation sector in 2012 with most of the jobs added in ambulatory care facilities.[12]

The shift of medical care from inpatient to outpatient has resulted in more visits to physicians' offices and more demand for medical office space. Positive job growth in this sector has continued throughout the recession. Changes in healthcare technology, the push for online medical records, the passage and implementation of the Patient Protection and Affordable Care Act, and the high population in the 55-plus age group should result in very strong demand for existing and additional medical office space in the coming years.

High occupancy rates, long leases, low tenant turnover, and the fact that healthcare keeps expanding regardless of the economic cycle has resulted in an office market segment that has been attractive to institutional buyers. Hospitals and health systems have also found it useful to spin-off and sell non-core assets such as medical office buildings to get capital for new services, technology, and other uses.

According to Marcus & Millichap 3rd Q 2012 Office Research Market Overview the Seattle Metropolitan region had medical office vacancy of 6.4 % as of the 2nd quarter of 2012 and average asking rent of $31.79 per square foot. Marcus & Millichap Medical Office Research Report for the 2nd half of 2012 indicates that hospital-affiliated and credit-tenant sales in primary markets sell at cap rates in the 6.0% to 6.75% range. Non-institutional grade, off-campus transactions are trading in the high 7 to 9% range nationally. Most of the medical office buildings in the office specialty are institutional-grade, hospital associated buildings.[13] The Marcus & Millichap's First Half 2013 Medical Office Report states that the Pacific Northwest with several planned speculative projects targeted for delivery in 2013 will continue to outperform other parts of the country in regards to vacancy.

Preliminary Ratio Analysis

The inclusion of the Ratio Study Summary is included for administrative consistency. The final ratio study may not be an entirely reliable analysis of the recommended values

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[12] CoStar Group "Feverish Pace of MOB Development Fueled by Strong Demand, New Occupancy Trends"- Randyl Drummer – 1/23/2013
[13] Marcus & Millichap 2nd Half 2012 Medical Office Research Report, Pg. 3

because the sales sample is over weighted with sales in the downtown Seattle submarkets and sales from the Bellevue central business district.

The Preliminary Ratio Study was completed just prior to the application of the 2013 recommended values. This study benchmarks the current assessment level using 2012 assessed values. The study was also repeated after application of the 2013 recommended values. The results are included in the validation section of this report showing a change in the level of assessment (weighted mean) from 65.1% to 84.3%, the Coefficient of Dispersion (C.O.D.) from 22.83% to 9.82%, and the Coefficient of Variation (C.O.V.) from 31.45% to 12.97%. The Price-related Differential (P.R.D.) fell from 1.12 to 1.05.

All of these measures indicate a substantial improvement and with the exception of the assessment level and the PRD these measures are within IAAO guidelines. They are presented in the 2013 Ratio Analysis chart included in this report.

As previously stated the ratio study results for office sales in the Office Specialty 280 is based on a sales sample that is heavily weighted with sales of well-leased or well-located lower risk properties in the Downtown Seattle sub-markets and the Bellevue CBD.

In addition, the sales sample represents the leased fee interest while the Assessor values the fee simple interest based on market parameters as of the valuation date. Therefore sales with older leases that are above or below current market rates do not reflect what the Assessor is valuing.

Also in the current recovering and expansion cycle of the office market, buyers are purchasing properties with expectations of higher future net operating incomes (NOI) from higher lease rates with fewer concessions. Consequently many of these sales reflect a value that is higher than current office market income parameters applied by the Assessor in the income model. This results in an assessment level that better reflects the income model than the sales approach.

Scope of Data

Land Value Data:

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

Improved Parcel Total Value Data:

Sales information is obtained from excise tax affidavits and reviewed initially by the Accounting Division Sales Identification Section. Information is analyzed and investigated by the appraiser in the process of revaluation. All sales are verified, if possible, by contacting either the purchaser or seller, or contacting the real estate broker, and reviewing sale transaction data from online subscription sources. Characteristic data is verified for all sales, if possible. If necessary a site inspection is made. Sales are listed in the "Sales Used" and "Sales Not Used" sections of this report.

Improved Parcel Total Values:

Sales comparison approach model description

The office building sales in King County utilized in the analysis for the current revalue were segmented into six market segments. The segmentation is based primarily on the geographic boundaries previously described. In the event a segment lacked adequate sales representation, similarities in other segments were considered and judgment was applied in determining market comparability. Sales of institutional-grade office buildings that were under but close to the 100,000 rentable square foot threshold of the office specialty group might also be reviewed.

The recovery and expansion of the commercial office real estate market coincides with increased lending activity, and a higher volume of office sales. Continuing low interest rates and the highest ever spread between capitalization rates and U.S. Treasuries has resulted in commercial real estate continuing as an attractive investment. 2012 had the strongest sales volume in five years nationally. A bifurcation in the sales market continues between institutional-grade and non-institutional grade office properties with REITS (Real Estate Investment Trusts) as the big buyers of office buildings according to CoStar. The report also stated that distress sales were down and sales may be shifting to smaller, secondary markets because of the premium price and limited inventory of core assets available in the primary markets and CBD's.[14]

In 2012 approximately $4.7 billion of Puget Sound area office properties were traded making Seattle the third most active office sales market in the country. Intuitional buyers bought more than 80% of the properties. Of the sales over 80% were well-leased buildings in downtown Seattle and Bellevue.[15] The high level of sales reflects the confidence that national institutional investors have in the region's economy and office market. Job growth chiefly from the tech sector and minimal new office construction are key factors in the attraction of investors to the regional office market. Similar to the national market, investors are buying and paying a premium for the better leased or well-located office buildings. The sales now include not just the newer A+ stabilized

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[14] CoStar Year-End 2012 State of the U.S. Office Market Review & Forecast, 1/24/13

[15] PSBJ "Seattle ranked No. 3 in country in 2012 office sales activity – Tom Pehl - CBRE" 2/27/2013

buildings but also average Class A and well-leased Class B buildings in the downtown submarkets while value-add offices requiring high lease-cost are being traded to a lesser extent in the weaker submarkets.

Seattle Office Sales: In the fourth quarter of 2012 Amazon purchased their 11-building midrise Amazon Office Campus in South Lake Union for over $1.15 billion. This was the largest commercial real estate transaction in the nation in 2012. However even with this sale removed the Seattle office market had the highest year-over-year percent change in sales of any of the markets according to CoStar's year-end report.

Sales of Class A+ office high-rises in the Seattle CBD/Denny Regrade in 2012 include the Second & Seneca Building, Russell Investments Center, 1201 Third Avenue (the former Washington Mutual Tower), and the West 8th Building.

Sales of Average A buildings in the CBD include Metropolitan Park North which sold in a Deed in Lieu of Foreclosure, 1600 Seventh Avenue (former Quest Plaza) which was 40% occupied to be 60% leased by Nordstrom, Plaza 600 Building, and Metropolitan Park East and Metropolitan West Buildings. Besides the Amazon campus sale in South Lake Union the midrise Republican Building and the adjacent 500 Yale Buildings sold. In-close Seattle sales include Lake View at Fremont, and the Adobe and Fremont Lake Union Center Buildings in Fremont.

Medical Office Building sales were limited to the 7th & Madison Building on the west edge of the First Hill submarket just east of I-5 and downtown. This building sold after being renovated from shell condition to medical office for the Polyclinic.

Seattle office buildings that sold in the first quarter of 2013 were the Logan Building, Dexter Horton Building and Pacific Building in the CBD, and 605 and 625 Union Station Buildings in Pioneer Square/International District submarket, Westlake Terry East & West Buildings in South Lake Union, and the three Elliott West Buildings in the Waterfront submarket.

Bellevue and Eastside Office Sales:
Sales of Class A+ office high-rises in the Bellevue CBD included Skyline Tower, City Center Bellevue, and the 2008 City Center Plaza. City Center Plaza is fully leased to Microsoft through 2024. It previously sold in 7/2010 and sold again in 11/2012 for the highest per square foot unit value of any of the regional sales at $652/SF.

Suburban Eastside office sales in the office specialty were limited to the office condo portion of The Offices at Riverpark in Redmond. This mixed use project was built in 2008 and had stabilized occupancy.

South King County Office Sales:
In South King County there were three sales in 2012. In Federal Way the I-5 Technology Center (formerly East Campus II) sold again in 6/2012 after leasing up to 90%. It previously sold in 3/2010 with high vacancy. Also in Federal Way the mostly vacant Weyerhaeuser North Building I sold. In Kent the Centerpoint Corporate Park Complex sold with 45% vacancy. This sale consists of three midrise office buildings and a 1-story retail commons building. The low sale prices of the Weyerhaeuser and Centerpoint buildings with their high vacancy reflect the anticipated difficulty of leasing up larger office buildings in these two South County submarkets where the major employers Weyerhaeuser and Boeing have given up so much office space.

In 2012 investors continued to be attracted to and competing for properties with the highest returns. These well-leased Class A+ and Class A office properties in downtown Seattle and Bellevue typically sold with capitalization rates in the mid-4% to mid-5% range. Well-leased Class B, and in-close Class A office properties outside the downtown submarkets (i.e. Fremont) sold with a cap rate range of 5.5% to 6.5%. Interest has also spread to well-located, high vacancy office buildings which offer value adds opportunities.

Sales comparison calibration

Market sales of office specialty properties that occurred during the period from 1/01/2010 to 12/31/2012 were considered in the analysis. Other market sales of office buildings that were smaller than the office specialty threshold of 100,000 square feet net rentable, were often reviewed in the analysis when the sales were limited for a building type or submarket.

The current office market cycle has seen a substantial increase in sale transactions particularly in the downtown cores however there have been too few sales of different office types in all of the various submarkets to rely on the market approach to value.

While the sales were reviewed and market data extracted when possible, the Income Approach was used in the final reconciliation of value because it allows greater equalization and uniformity of values for the various stratifications of office buildings and because sufficient market income data was available as of the valuation.

Cost approach model description

Cost estimates are automatically calculated via the Marshall & Swift cost modeling system. Depreciation was based on studies done by Marshall & Swift Valuation Service. The cost was adjusted to the Western Region and the Seattle area. Marshall & Swift cost calculations are automatically calibrated to the data in place in the Real Property Application. Because of the difficulty in accurately determining the depreciation of older office properties, this approach to value was given the least weight in the final reconciliation of values of older office buildings. However, it was given more weight in the valuation of new construction and recently completed office buildings that have not been leased up. With new buildings the cost method is reconciled with the income method as if leased to see if a downward adjustment should be made to the cost approach to reflect the anticipated length of the lease-up period and the cost of build-out.

Cost calibration

The Marshall & Swift cost-modeling system built into the Real Property Application is calibrated to this region and the Seattle area.

Income capitalization approach model description

A direct capitalization income approach estimate was calculated for all properties within the specialty. Due to the significance of the parking income contribution in the Seattle and Bellevue CBD's, and the fact that these parcels comprise the majority of the properties within the specialty, parking income was a necessary component of the direct capitalization process. The inability of the department's income table program to recognize parking stalls as an income generator precluded the use of income tables in the revaluation of the office specialty. Therefore, no tables were created. Instead three direct capitalization workbooks were created showing each property's income value estimate.

Income approach calibration

The income valuation models were calibrated after setting base rents by considering necessary adjustments. Appraisal judgment was employed in adjusting for differences between individual buildings based on their perceived investment competitiveness in their respective markets. Location, effective year-built, construction and leasing class, and quality and size as recorded in the Assessor's records were items considered to be of primary importance in determining a properties placement in the appropriate base rent category.

Within each of the six market segments, income parameters were established for economic rent, vacancy and credit loss, expenses, and capitalization rates for various groupings of properties based on their investment competitiveness. Rents, operating expenses, and capitalization rates were collected on sold properties when available. This data was then considered along with surveys conducted by outside resources, along with information gathered from properties available for lease and sale and utilized to establish general guidelines for neighborhood groupings. A rent survey was conducted to ascertain the income parameters typically reflected in the current office lease market. The information gathered is considered to be indicative of the current office-leasing environment and in most instances, the data reported is based on deals that have been made and are in place or will be in the near future.

In the "**Statistical Research Report of Seattle Office**" for Fourth Quarter 2012 Colliers International breaks out Seattle office submarkets, building counts, total building class square feet, direct and total vacancy, and average asking lease rates (Full Service).

Market Area	**Bldg Ct.**	**Total SF**	**Direct Vacant SF**	**Sublease Vacant SF**	**4th Qtr Direct Vacancy Rate**	**4th Qtr Total Vacancy Rate**	**Average Asking Lease Rate**
Sea CBD							
Class A	39	20,060,230	2,710,049	295,173	**13.51%**	14.98%	**$31.44**
Class B	42	3,758,355	598,882	22,412	**15.93%**	16.53%	**$26.24**
Pioneer Sq / Waterfront							
Class A	9	1,697,677	488,368	-	**28.77%**	28.77%	**$27.29**
Class B	47	2,966,536	451,611	2,109	**15.22%**	15.29%	**$24.13**
Belltown / Denny Regrade							
Class A	14	2,844,698	400,032		**14.06%**	14.06%	**$27.29**
Class B	25	1,910,704	321,489	42,019	**16.83%**	19.02%	**$28.85**
Q. Anne / Magnolia							
Class A	10	1,306,881	439,762	6,715	**33.65%**	34.16%	**$33.12**
Class B	39	2,107,989	157,907	-	**7.49%**	7.49%	**$20.52**
Lake Union							
Class A	21	4,309,124	69,767	-	**1.62%**	1.62%	**$28.04**
Class B	55	2,998,263	299,466	28,993	**9.99%**	10.95%	**$27.95**
U District / Ballard							
Class A	4	349,256	4,112	32,861	**1.18%**	10.59%	**$34.80**
Class B	35	1,634,033	72,857	-	**4.46%**	4.46%	**$25.70**
Northgate / North Seattle							
Class A	2	205,361	9,123	-	**4.44%**	4.44%	**$26.00**
Class B	13	448,195	65,385	-	**14.59%**	14.59%	**$23.41**
Market Summary							
Class A	99	30,773,227	4,121,213	334,749	**13.39%**	14.48%	**$30.72**
Class B	256	15,824,075	1,967,597	95,533	**12.43%**	13.04%	**$26.17**

In the **"Statistical Research Report of Eastside Office"** for Fourth Quarter 2012 Colliers International breaks out Eastside office submarkets, building counts, total building class square feet, direct and total vacancy, and average asking lease rates (Full Service). This survey does not include owner user properties.

Market Area	**Bldg Ct.**	**Total SF**	**Direct Vacant SF**	**Sublease Vacant SF**	**4th Qtr Direct Vacancy Rate**	**4th Qtr Total Vacancy Rate**	**Average Asking Lease Rate**
Bellevue CBD							
Class A	26	7,742,525	663,990	12,289	**8.58%**	8.73%	**$36.82**
Class B	19	860,698	100,347	-	**11.66%**	11.66%	**$30.42**
I-90 Corridor							
Class A	17	2,483,049	32,389	-	**1.30%**	1.30%	**$30.51**
Class B	32	2,033,318	232,773	45,636	**11.45%**	13.69%	**$29.10**
520 Corridor							
Class A	3	330,899	67,720	-	**20.47%**	20.47%	**$26.14**
Class B	53	2,276,513	104,274	-	**4.58%**	4.58%	**$22.95**
Suburban							
Class A	1	44,000	44,000	-	**100%**	100%	**$46.49**
Class B	105	3,338,599	513,615	9,297	**15.38%**	15.66%	**$27.18**
Kirkland							
Class A	16	1,264,646	100,210	21,135	**7.92%**	9.60%	**$33.17**
Class B	73	2,176,504	300,614	8,800	**13.81%**	14.22%	**$26.31**
Redmond							
Class A	16	1,313,908	267,515	9,028	**20.36%**	21.05%	**$29.39**
Class B	41	2,099,488	298,183	-	**14.20%**	14.20%	**$22.89**
Issaquah/ Coal Crk							
Class A	6	809,532	7,841	30,000	**0.97%**	4.67%	**$29.42**
Class B	26	828,417	59,755	2,236	**7.21%**	7.48%	**$32.35**
Mercer Island							
Class A	1	101,617	23,646	-	**23.27%**	23.27%	**$34.06**
Class B	11	322,447	4,398	-	**1.36%**	1.36%	**$29.24**
Eastside Market Summary							
Class A	86	14,090,176	1,207,311	72,452	**8.57%**	9.08%	**$33.86**
Class B	360	13,935,984	1,613,959	65,969	**11.58%**	12.05%	**$26.56**

Officespace.com provides statistics on leased office buildings throughout King County. Submarkets are delineated and broken out into leasing class, number of buildings, direct vacant square feet, vacancy with sublet, future available square feet, and weighted average asking lease rate. The information in the following table is the 4th Quarter 2012 statistics from Officespace.com for the Seattle submarkets that were considered useful in the current revaluation.

Class	# Bldgs	Total Sq. Ft.	Direct Vac. SF	Direct Vac.	Sublease SF	Vac. w/ Sublet	Future Vac.	Av. Lease FS
Seattle CBD								
A+	8	7,573,642	1,264,342	**16.7%**	253,027	20.03%	92,313	**$39.53**
A	39	12,147,575	1,555,007	**12.8%**	257,684	14.92%	493,807	**$29.72**
B	50	4,250,101	579,262	**13.6%**	60,462	15.05%	156,848	**$25.03**
Denny Regrade								
A	17	3,513,513	480,009	**13.7%**	2,963	13.75%	8,358	**$30.86**
B	41	1,722,232	182,156	**10.1%**	2,152	10.70%	10,395	**$15.79**
Lake Union								
A	38	2,917,459	173,570	**5.9%**	85,948	8.90%	115,276	**$27.70**
B	65	1,462,521	162,427	**11.1%**	-	11.11%	17,929	**$20.65**
Pioneer Sq.								
A	13	2,093,654	405,057	**19.3%**	21,980	20.40%	25,146	**$28.97**
B	45	2,017,088	320,210	**15.9%**	29,421	17.33%	38,435	**$22.89**
Queen Anne/ Magnolia								
A	13	755,426	10,146	**1.34%**	-	1.34%	16,651	**$23.90**
B	33	1,044,375	92,148	**8.8%**	16,656	10.42%	1,257	**$22.28**
Waterfront								
A	26	2,756,841	648,676	**23.5%**	39,563	24.96%	38,921	**$30.94**
B	27	1,779,765	113,391	**6.4%**	29,313	8.02%	351,850	**$20.87**
Ballard/ University								
A	27	1,682,941	122,624	**7.3%**	1,939	7.4%	10,705	**$26.78**
B	47	1,183,416	78,272	**6.6%**	14,348	7.83%	1,263	**$23.84**
Cap./First Hill								
A	11	1,165,262	71,080	**6.1%**	31,552	8.81%	3,512	**$38.16**
B	44	1,152,035	65,995	**5.7%**	2,775	5.97%	125,597	**$25.28**
Northgate/ North Seattle								
A	10	514,936	16,426	**3.2%**	11,484	5.42%	9,094	**$26.50**
B	44	1,099,716	208,326	**18.9%**	-	18.9%	20,916	**$21.97**

The information in the following table was the 4th Quarter 2012 statistics from Officespace.com for the Bellevue CBD and I-90 submarkets.

Class	# Bldgs	Total Sq. Ft.	Direct Vac. SF	Direct Vac.	Sublease SF	Vac. w/ Sublet	Future Vac.	Av. Lease Rate (FS)
Bellevue CBD								
A+	14	5,600,486	303,211	**5.4%**	90,161	7.02%	38,258	**$35.84**
A	15	2,693,688	439,446	**16.3%**	135,273	21.34%	81,974	**$31.82**
B	35	867,998	49,667	**5.7%**	10,673	6.95%	32,191	**$25.80**
Bellevue Suburban								
A	41	1,729,921	565,920	**32.7%**	40,868	35.08%	15,957	**$30.37**
B	149	2,745,167	365,363	**13.3%**	8,328	13.61%	38,134	**$23.05**
I-90								
A	95	6,562,784	1,009,928	**15.4%**	367,324	20.99%	242,620	**$28.05**
B	54	1,012,013	97,255	**9.6%**	-	9.61%	38,712	**$24.62**
Bothell/ Woodinville								
A	46	2,640,790	475,445	**18%**	27,411	19.04%	31,482	**$23.24**
B	12	186,763	12,388	**6.6%**	-	6.63%	5,594	**$24.59**
Kirkland/ Totem Lake								
A	46	2,172,439	172,779	**8%**	76,971	11.50%	52,559	**$29.75**
B	55	908,487	115,779	**12.7%**	13,640	14.23%	1,811	**$24.09**
Redmond/ Willows								
A	49	3,093,506	615,862	**19.9%**	46,959	21.43%	121,053	**$24.27**
B	28	424,886	54,100	**12.7%**	-	12.73%	5,740	**$22.41**
520/Overlake								
A	60	2,351,784	269,934	**11.5%**	14,674	12.10%	7,414	**$24.54**
B	58	1,334,192	245,680	**18.4%**	6,693	18.92%	5,683	**$22.06**

The information in the following table was the 4th Quarter 2012 statistics from Officespace.com for the South County office sub-markets.

Class	**# Bldgs**	**Total Sq. Ft.**	**Direct Vac. SF**	**Direct Vac.**	**Sublease SF**	**Vac. w/ Sublet**	**Future Vac.**	**Av. Lease Rate (FS)**
Renton/ Tukwila								
A	49	2,705,837	395,434	**14.6%**	95,250	18.13%	13,370	**$21.87**
B	88	2,185,299	372,108	**17%**	35,608	18.66%	39,178	**$17.97**
SeaTac								
A	7	667,388	223,014	**33.4%**	-	33.42%	5,232	**$23.06**
B	22	316,689	66,760	**21.1%**	-	21.08%	-	**$18.10**
Kent/ Auburn								
A	30	1,439,727	490,306	**34.1%**	49,212	37.47%	15,498	**$18.52**
B	35	689,802	198,669	**28.8%**	-	28.8%	-	**$15.18**
South/ West Seattle								
A	15	1,391,258	427,646	**30.7%**	16,511	31.92%	12,968	**$21.08**
B	29	2,092,665	168,588	**8.1%**	2,653	8.18%	-	**$21.29**
Federal Way								
A	30	1,698,483	401,899	**23.7%**	199,755	35.42%	32,306	**$20.34**
B	39	636,293	94,723	**14.9%**	-	14.89%	3,100	**$17.24**

According to the CB Richard Ellis Fourth Quarter 2012, Puget Sound Office Market Report vacancy rates, full service asking lease rates and operating expenses reported by brokers for Class A, B and C located in the Canal, Central Business District, Denny Regrade, Lake Union, Lower Queen Anne, Pioneer Square and Waterfront market areas indicate the following:

Submarket	**Vacancy Rate: Class A w/sub-lease**	**Vacancy Rate: Class B w/sub-lease**	**Vacancy Rate: Class C w/sub-lease**	**Overall Vacancy Rate Including sub-lease**	**Overall Vacancy Rate: w/o sub-lease Direct Vacancy***
CBD	14.75%	15.15%	11.14%	14.70	13.48%
Waterfront	10.76%	10.83%	9.91%	10.64	8.94%
Pioneer Square	19.09%	20.10%	9.58%	18.48%	18.43%
Denny Regrade	13.87%	34.67%	19.60%	17.84%	17.35%
Lower Queen Anne	16.59%	17.88%	34.43%	17.90%	17.68%
Lake Union	4.05%	9.08%	21.40%	5.42%	4.54%
Canal	9.93%	11.04%	0.00%	9.93%	9.93%
Downtown Seattle	13.19%	18.06%	14.72%	14.25%	13.38%

* A direct vacancy rate as opposed to an overall vacancy rate (includes sublease space available) is used in the revaluation analyses

According to the CB Richard Ellis Fourth Quarter 2012 Puget Sound Office Market Report full service asking lease rates and operating expenses reported by brokers for Class A, B and C properties indicate the following:

Seattle	Yr End	Full Service Lease Rates(Asking rates)			Operating Expenses *		
Market Area		**Class A**	**Class B**	**Class C**	**Class A**	**Class B**	**Class C**
Seattle CBD	2011	$26-$46	$22-$34	$20-$26	$10.00-$11.50	$7.00-$11.00	$6.50-$9.50
	2012	**$26-$44**	**$23-$35**	**$19-$26**	**$10.00-$11.50**	**$7.00-$11.00**	**$6.50-$9.50**
Waterfront	2011	$24-$31	$20-$25	$17-$24	$8.00-$10.00	$6.75-$8.75	$6.00-$7.00
	2012	**$24-$35**	**$24-$27**	**$18-$24**	**$8.00-$10.00**	**$6.75-$8.75**	**$6.00-$7.00**
Pioneer Square	2011	$24-$30	$17-$26	$16-$24	$8.00-$9.00	$6.50-$8.25	$5.50-$7.00
	2012	**$27-$34**	**$23-$29**	**$17-$24**	**$8.00-$9.00**	**$6.50-$8.25**	**$5.50-$7.00**
Denny Regrade	2011	$22-$35	$20-$28	$18- $25	$8.00-$10.00	$6.50-$9.00	$6.00-$7.50
	2012	**$24-$39**	**$20-$28**	**$18-$25**	**$8.00-$10.00**	**$6.50-$9.00**	**$6.00-$7.50**
Lower Queen Anne	2011	$22.50-$35	$19-$23	$18-$23	$7.50-$9.50	$6.50-$7.75	$6.00-$7.00
	2012	**$23-$35**	**$19-$24**	**$17-$22.50**	**$7.50-$9.50**	**$6.50-$7.75**	**$6.00-$7.00**
Lake Union	2011	$23-$39	$21-$28	$18.50-$24	$9.50-$11.00	$6.75-$8.75	$6.00-$7.00
	2012	**$24-$32**	**$20-$30**	**$19.50**	**$9.50-$11.00**	**$6.75-$8.75**	**$6.00-$7.00**
Canal	2011	$24-$30	$19-$27	$16-$24	$7.00-$8.50	$6.50-$7.75	$5.50-$7.00
	2012	**$22-$30**	**$21-$26**	**$19.50**	**$7.00-$8.50**	**$6.50-$7.75**	**$5.50-$7.00**
Seattle Downtown	**2012**	**$22-$44**	**$19-$35**	**$17-$26**	**$7.00-$11.50**	**$6.50-$11.00**	**$5.50-$9.50**

*Operating expenses include property taxes, but do not include leasing commissions or tenant improvements

According to the CB Richard Ellis Fourth Quarter 2012, Puget Sound Office Market Report, vacancy rates, full service asking lease rates and operating expenses reported by brokers for Class A, B and C properties located in the Bellevue CBD, I-405, SR-520, I-90, Bel-Red Corridor, Kirkland, Redmond market areas indicate the following:

Submarket	**Vacancy Rate: Class A w/sub-lease**	**Vacancy Rate: Class B w/sub-lease**	**Vacancy Rate: Class C w/sub-lease**	**Overall Vacancy Rate: Including sub-lease**	**Overall Vacancy Rate: w/o sub-lease Direct Vacancy***
CBD	8.37%	26.15%	8.76%	10.56%	9.74%
I-405	14.79%	19.90%	20.83%	17.48%	17.38%
SR-520	20.31%	11.19%	8.21%	15.39%	14.97%
I-90	11.66%	8.88%	27.03%	11.66%	10.50%
Bel-Red-Road Corridor	6.12%	6.84%	17.42%	8.52%	8.45%
Kirkland	8.09%	8.70%	9.30%	8.19%	7.47%
Redmond	18.92%	22.93%	12.03%	19.47%	18.36%
Bothell	17.99%	11.81%	13.58%	17.74%	16.10%
Eastside (overall)	12.97%	16.20%	13.33%	13.64%	12.77%

* A direct vacancy rate as opposed to an overall vacancy rate (includes sublease space available) is used throughout the revaluation analyses

CB Richard Ellis 4th Quarter 2012 Puget Sound Office Market Report indicates the following full service asking lease rates and operating expenses for Eastside submarkets:

	Year End	Full Service Lease Rates (Asking Rates)			Operating Expenses*		
Market Area		**Class A**	**Class B**	**Class C**	**Class A**	**Class B**	**Class C**
Bellevue CBD	2011	$27-$40	$24-$30	$21.50-$25.00	$10-$12	$8-$9	--
	2012	**$27-$42**	**$26-$34**	**$23.50-$25.00**	**$10-$12**	**$8-$9**	**--**
I-405	2011	$22-$28	$20-$27	$18-$24	$8.00-$9.75	$7.25-$7.75	$7.00-$7.75
	2012	**$22.50-$31**	**$19-$28**	**$18-$25**	**$8.00-$9.75**	**$7.25-$7.75**	**$7.00-$7.75**
SR-520	2011	$22-$26.50	$20-$25	$16-$22	$8.00-$9.75	$7.25-$8.25	$7.00-$7.75
	2012	**$22-$28**	**$18-$25**	**$18-$23**	**$8.00-$9.75**	**$7.25-$8.25**	**$7.00-$7.75**
I-90	2011	$22.50-$31.50	$24-$30	$21-$26	$8.00-$10.00	$7.50-$8.50	--
	2012	**$25-$34**	**$23-$31**	**$21-$26.50**	**$8.00-$10.00**	**$7.50-$8.50**	**--**
Bel-Red-Road Corridor	2011	$25.50-$29.50	$18-$26	$17-$24	$8.00	$6.75-$7.75	$6.00-$7.50
	2012	**$25-$28**	**$19-$26.50**	**$17-$24**	**$8.00**	**$6.75-$7.75**	**$6.00-$7.50**
Kirkland	2011	$23.50-$35	$18-$30	$17.50-$22	$8.00-$9.25	$7.00-$7.50	$6.75-$8.50
	2012	**$25-$34**	**$18-$29**	**$17.50-$22**	**$8.00-$9.25**	**$7.00-$7.50**	**$6.75-$8.50**
Redmond	2011	$22.50-$30	$20-$26	$16.25-$25	$8.00-$8.50	$6.75-$7.25	--
	2012	**$22.50-$31**	**$20-$26**	**$16.25-$25**	**$8.00-$8.50**	**$6.75-$7.25**	**--**
Bothell	2011	$22.50-$31	$18-$22	$17.25	$8.00-$8.50	$6.75-$7.25	--
	2012	**$21-$28**	**$18-$22**	**$17.25**	**$8.00-$8.50**	**$6.75-$7.25**	**--**
Eastside	**2012**	**$21-$42**	**$18-$34**	**$16.25-$26.50**	**$8.00-$12.00**	**$6.75-$9.00**	**$6.00-$8.50**

*operating expenses include property taxes but not leasing commissions and TI's

According to the CB Richard Ellis Fourth Quarter 2012 Puget Sound Office Market Report rates for properties (includes all multi-tenant office buildings 10,000 square feet and greater in size) located in the Auburn, Kent, Renton, Sea-Tac, South Seattle, Tukwila and Federal Way market areas indicate the following:

Submarket	**Total Vacancy Rate (with sublease)**	**Direct Asking Lease Rate Class A (full service)**	**Direct w/sub-lease Asking Lease Rate Class A (full service)**
Auburn	13.9%	$20.35	$19.17
Kent	33.6%	$22.67	$22.38
Renton	9.6%	$23.14	$22.87
Sea-Tac	33.5%	$23.29	$23.29
Tukwila	14.8%	$19.88	$19.72
Federal Way	30.0%	$20.89	$20.10
Total Southend Vacancy	**20.5%**	**$22.04**	**$21.42**
South Seattle	23.3%%	$24.87	$24.87

Both direct vacancy rates and overall vacancy rates (overall includes sublease space available) were reviewed for the following analyses. Typically the direct vacancy is given greater weight. Submarket vacancy rates often varied substantially in different published surveys depending on submarket delineation.

To recognize the vacancy and competitiveness of most of the Seattle downtown neighborhoods a Class A vacancy rate of 10%, 15%, or 20% was applied to all the Class A offices in these submarkets. The 10% vacancy rate has been applied to submarkets such as South Lake Union and the University District where Class A vacancy rates from all the surveys are below 10%. It has also been applied to the newer Class A office buildings that have reached stabilized occupancy.

Elsewhere, appraisal judgment was applied in reconciling various vacancy surveys in other submarkets. Higher capitalization rates were applied to office properties with vacancies substantially higher than 20%. If an office property's situation was deemed far inferior from the "norm" requiring a multi-year lease up period the direct capitalization analysis utilizing a higher cap rate might be reconciled with a discounted cash flow analysis (DCF).

The specific "norm" vacancy rate(s) will be indicated later in the brief description of the income parameters utilized in each of the six market segments.

Following are lists of office cap rates for both the Seattle Metropolitan office market and the national office market:

Seattle Metro Area Office Cap Rates

Source	Date	Location	Type	Range	Average	Remarks
American Council of Life Insurance (Commercial Mortgage Commitments)	4th Qtr. 2012	Seattle-Bellevue-Everett	Office		**5.51%**	Based on 3 loans with average loan amount of $95,667,000
	Year-End 2012	Seattle-Bellevue-Everett	Office		**5.48%**	Based on 14 loans with average loan amount of $39,019,000
Real Capital Analytics –Trends & Trades	4th Qtr. 2012	Seattle Metropolitan Area	Office		**5.10%%**	National average was 6.8%
	Prior 12 months thru 4th Qtr. 2012		Office		**5.80%**	National average was 7.1%
Colliers International Office Highlights	4th Qtr. 2012	Seattle	CBD Office		**4.40%**	Based on multi-tenant institutional grade buildings fully leased at market rents
			Suburban Office		**7.40%**	
Colliers – Puget Sound Region Research & Forecast Report	4th Qtr. 2012	Puget Sound/Seattle	Premier Class A in CBD locations	**4.25% - 5.75%**		
CBRE Capital Markets Cap Rate Survey	February 2013	Seattle	CBD- Class A Office - Stabilized	**5.00% - 5.75%**		CBRE professional's opinion of where cap rates are likely to trend in the 1st half of 2013 based on recent trades as well as interaction with investors
			CBD- Class A – Value Added	**6.00% - 7.00%**		Value added refers to offices with high vacancy or requiring high capital expenditures
			CBD- Class B - Stabilized	**5.50 – 6.50%**		
			CBD- Class B – Value Added	**7.00% - 8.00%**		
			Suburban – A - Stabilized	**6.00% - 6.50%**		
			Suburban – A – Value Added	**6.00% - 8.00%**		
			Suburban – B – Stabilized	**6.50% - 7.50%**		
			Suburban – B – Value Added	**7.00% - 8.00%**		
Marcus & Millichap Market Update	3rd Qtr. 2012	Seattle Metropolitan Area	Best-in-class assets in core areas	**Mid 5%**		
			Average office	**Mid 6% - low 7% range**		
Co Star Office Report Year-End 2012	3rd Qtr. 2012	Seattle/Puget Sound	Office	**6% - 7%**	**6.61%**	Office sales of 15,000 SF & larger – national range just under 8%
PWC (Korpacz) Real Estate Investor Survey	4th Qtr. 2012	Pacific NW	Office	**4.50% - 10.00%**	**6.96%**	Survey (not sales) based – includes other Northwest cities & suburbs
Integra Realty Resources - Viewpoint 2013	Year End 2012	Seattle	CBD Office		**5.50%**	Institutional grade properties - survey
		Seattle	Suburban Office		**6.00%**	
Reis Quarterly Reports	4th Qtr. 2012	Seattle Metropolitan Area	Office		**4.90%**	6.9% is 12 month rolling average

National Office Cap Rates						
Source	**Date**	**Location**	**Type**	**Range**	**Average**	**Remarks**
Emerging Trends in Real Estate 2013 Survey	Aug - 2012	National	Central City Office		**6.15%**	Rate based on U.S. resondents to survey – August 2012
			Suburban Office		**7.90%**	
Real Capital Analytics – US Capital Trends & Trades	4th Qtr. 2012	National	Office		**6.80%**	Sales based –compared to 5.1% cap rate for Seattle
	Prior 12 months thru Qtr.4 2012		Office		**7.10%**	Compared to 5.8% cap rate for Seattle
American Council of Life Insurance (Com. Mortgage Commitments)	4th Qtr. 2012	National	Office- overall		**6.03%**	Data based on sales with fixed rate mortgages
			Office – $15m - $25m loan size		**7.08%**	
			Office - $25m and over		**5.80%**	
			Office: 100,001 SF - 200,000 SF		**7.08%**	
			Office- more than 200,000 SF		**5.80%**	
	Year End 2012	National	Office		**6.53%**	
			Office: 100,001 SF - 200,000 SF		**7.19%**	
			Office- more than 200,000 SF		**6.24%**	
Integra Realty Resources- Viewpoint 2011	Yr. End 2012	National	CBD Office	5.00% - 10.50%	**7.65%**	Institutional Grade Properties – survey
		National	Suburban Office	6.00% - 9.00%	**7.91%**	
RERC-CCIM Investment Trends Quarterly	3rd Qtr. 2012	National	Office		**6.30%**	RERC Realized Cap Rates – transaction based (12 month trailing average 3rd Qtr. 2012)
		West Region	Office	5.20% - 6.20%		West transactions – 12-month trailing average
PWC (Korpacz) R.E. Investor Survey	4th Qtr. 2012	National	CBD Office	4.25% – 10.50%	**6.70%**	Investor survey
			Suburban Office	5.00% - 10.50%	**7.42%**	
			Medical Office	5.75% - 11.00%	**7.84%**	
Marcus & Millichap Special Research Report	December 2012	National	CBD Office		**6.10%**	Average price of $295/SF
		National	Non-CBD Office		**7.90%**	Average price of $159/SF
Marcus & Millichap Medical Office Research Report	First Half 2013		Medical Office	**6.00% - 7.00%**		Range for top quality on-campus properties & off-campus buildings affiliated with health systems
			Medical Office		**7.80%**	Average for non-institutional-grade off campus properties

The published office capitalization rates again indicate that rates for the Seattle Metropolitan Area are lower than the national rates. Seattle is the tenth largest office market in the nation and is now considered a top-tier market. With the return of capital markets, low interest rates, and strong investor interest in the Puget Sound office market, capitalization rates have fallen significantly for leased-up, institutional grade office buildings based on sales in 2012 and early 2013. This is supported by the local and national published capitalization rates provided in this report.

When market sales are available an attempt is during the sales verification process to ascertain the capitalization rate on the sale or a pro-forma cap rate on the first year performance. Whenever possible information on the occupancy level, lease rates, tenancy terms, and expenses is collected to determine how the sale compares to the current economic parameters of the market and how the leased fee cap rate compares to a fee simple cap rate.

The following table shows the typical capitalization rates used in the 1/01/2013 revaluation of the properties in the office specialty (cap rates higher than these ranges are applied to properties with extreme vacancy):

Office Building Type & Market	Capitalization rate applied *
Class A+ & A Seattle – (high-rise, mid-rise, low-rise in CBD & downtown sub-areas)	**5.00% to 7.00%**
Class A Seattle in-close – (Fremont, U-District, Northgate, West Seattle)	**6.00% to 7.50%**
Class B Seattle CBD (downtown sub-areas)	**6.5% to 8.00%**
Class A+ & A Bellevue CBD – (high-rise, mid-rise, low-rise) & Mercer Island, & Kirkland Waterfront	**5.00% to 7.00%**
Class A- & B in Bellevue CBD	**6.50% to 7.50%**
Class A & B - Eastside Suburban	**6.00% to 7.50%**
South County A & B	**7.00% to 8.50%**
Medical Office Buildings	**5.50% to 7.25%**

- The range of capitalization rates reflect the building age, quality and competitiveness with the lower rates applied to the higher quality office buildings. Higher rates might be applied to the lesser quality office buildings or to properties that have higher than the normal sub-market vacancy, substantial sub-lease vacancy, or physical issues that result in higher operating expenses or require additional capital investment. These are often referred to as value-add properties.

The following is a brief description of the income parameters utilized in each of the six market segments:

North: Full service lease rates ranged from $22 to $30 per square foot of rentable area. Vacancy and collection loss figures used in this area was 10% to 20%, expenses $8.00 to $9.00/NRA and overall capitalization rates were 6.00% to 7.50%. Values on a price per square foot of rentable area fell in the $128 to $300 range.

Seattle CBD & Downtown Submarkets: Values on a price per square foot of rentable area fell in the $92 to $481 range. Lease rates ranged from $16.50 to $36.00 per square foot of rentable area. Vacancy and collection loss figures used in this area ranged from 10% to 20% with the majority at 15%, expenses ranged from $7 to $12/NRA, and overall rates ranged from 5.00% to 8.75% with the majority being 6.00% to 7.00%. A few properties included consideration of income from retail rents. This was typically considered for properties where the retail space represented approximately 5% or more of total net rentable area. The retail lease rate range utilized was $15 to $30/NRA, triple net rent. The vacancy and collection loss figure for retail space was typically 5% and the triple net expense rate was 5%.

Additionally, income from parking was considered. Income was based on an allocation of total parking spaces into daily and monthly rates. Monthly spaces were calculated as representing 67% of the total spaces while daily spaces accounted for the remaining 33%. Unreserved monthly and daily rates and occupancy rates were provided by the 2010 Puget Sound Regional Council Parking Inventory for the Downtown Seattle parking zones. No turnaround on the daily spaces was recognized. A parking expense rate of 15% to 25% was applied to parking income to arrive at a net parking income contribution figure with the older stand-alone parking garages typically incurring the higher expenses.

The following is a description of the parking income parameters used in the income approach to value the Downtown Seattle office properties. A map of the parking neighborhoods is included in the addendum of the office report.

Seattle CBD			
Neighborhood	Daily Rate	Monthly Rate	Occupancy
1	$16.44	$178.56	38.70%
2	$16.94	$141.67	51.40%
3	$15.90	$173.50	69.70%
4	$25.93	$235.15	70.10%
5	$26.53	$279.27	64.40%
6	$20.91	$212.13	60.00%
7	$24.76	$244.16	68.80%
8	$25.51	$286.12	69.80%
9	$14.90	$170.97	69.70%

10*	$15.20	$187.47	50.00%
11	$11.02	$163.23	64.30%
12	$13.77	$205.80	62.20%
13	$14.40	$213.54	60.00%
Lower Queen Anne			
Neighborhood	Daily Rate	Monthly Rate	Occupancy
17	$ 10.22	$203.45	62.50%
18	$ 12.87	$128.05	41.90%
19	$ 10.15	$137.72	58.60%

*high outlier removed from group of daily rates

Bellevue CBD: Values on a price per square foot of net rentable area fell in the $165 to $519 per square foot range. Lease rates ranged from $24 to $36 per rentable square foot. Vacancy and collection loss figures used for the offices were 10% to 20%, expenses ranged from $9 to $12/NRA, and capitalization rates ranged from 5.0% to 8.0%. One property included consideration of income from retail rents. The retail lease rate utilized was $25/NRA, triple net rent with a 5% vacancy and collection loss assumption and operating expenses of 5%. It is unusual for office buildings in this segment to have significant retail space included.

Additionally, income from parking was considered. Income was based on an allocation of total parking spaces into daily and monthly rates. Monthly spaces were calculated as representing 67% of the total spaces while daily spaces accounted for the remaining 33%. Unreserved monthly and daily rates and occupancy rates were provided by the 2010 Puget Sound Regional Council Parking Inventory for the Bellevue CBD zones. No turnaround on the daily spaces was recognized. A parking expense rate of 15% to 25% was applied to parking income to arrive at a net parking income contribution figure.

Bellevue CBD & Suburban			
Neighborhood	Daily Rate	Monthly Rate	Occupancy
1	$16.25	$120.73	54.60%
2	$16.50	$172.93	49.00%
3	$14.53	$155.88	52.50%
4	$16.50	$181.57	61.30%

Suburban Eastside: Lease rates ranged from $23 to $35 per square foot of net rentable area. Vacancy and collection loss figures used in this area were 15% to 20%, expenses were $8.50 to $12/NRA and overall rates were 6.0% to 8. 5%. Parking was not analyzed as an additional income contributor as parking has typically been included at no charge. Values on a price per square foot of net rentable area fell in the $142 to $329 range.

South End: Renton, Tukwila, Kent, SeaTac, Auburn, and Federal Way lease rates ranged from \$16.00 to \$28.00 per square foot of rentable area with the majority at \$18.00 to \$22.50. Vacancy and collection loss figures used in this area were 12% to 20%. Expenses in the South End submarkets were \$6 to \$10/NRA. Overall rates in the South End were typically 7.5% to 8.5%. Values on a price per square foot of net rentable in the South County office market fell in the \$77 to \$197 range.

Medical Office Buildings: Values on a price per square foot of net rentable area fell in the \$182 to \$399 range. Full service lease rates ranged from \$24 to \$36 per square foot of net rentable area. Vacancy and collection loss figures in this segment were 10% and expenses ranged from \$10.00 to \$14.50/NRA. Overall rates ranged from 5.50% to 7.25%.

Parking income contributions were included depending upon the location of the property. Downtown Seattle, First Hill and the University District locations included recognition of this income. Income was based on an allocation of total parking spaces into daily and monthly rates. Monthly spaces were calculated as representing 67% of the total spaces while daily spaces accounted for the remaining 33%. Unreserved monthly and daily rates and occupancy rates were provided by the 2010 Puget Sound Regional Council Parking Inventory for the First Hill and University District parking zones. A parking expense rate of 15% was applied to parking income to arrive at a net parking income contribution figure.

First Hill			
Neighborhood	Daily Rate	Monthly Rate	Occupancy
14	\$17.05	\$162.68	67.60%
15	\$14.57	\$168.15	73.90%
16	\$13.24	\$160.97	67.80%
University District			
Neighborhood	Daily Rate	Monthly Rate	Occupancy
1	\$ 8.13	\$94.21	60.60%
3	\$13.10	\$119.33	56.10%

Reconciliation and or validation study of calibrated value

Each parcel was individually reviewed by the specialty appraiser for correctness of the model application before the final value was selected. The income approach to valuation is given the greatest weight in the final analysis due to the information available.

Model Validation

Total Value Conclusions, Recommendations and Validation:

Appraiser judgment prevails in all decisions regarding individual parcel valuation. Each parcel is 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 available value estimate may be appropriate and may adjust for particular characteristics and conditions as they occur in the valuation area.

The 1/01/2013 valuation reflects the changing office market dynamics as of the valuation date. These include declining market vacancy rates in most submarkets, increasing effective lease rates, and capitalization rates that are trending down significantly for quality office buildings with high occupancy or office buildings with higher vacancy that are well-located in the stronger submarkets.

These has resulted in higher valuations for most of the institutional grade office properties in the Seattle and Eastside office submarkets, and flat or minor value changes for properties with high vacancy or those located in the weaker submarkets.

Application of these recommended values for the 2013 assessment year results in a total change from the 2012 assessments of 16.1%. This increase does not include the value increase of several office buildings currently being built. These will be added later during the new construction period (the new construction valuation date is July 31st, 2013).

The total assessed value for the 2012 assessment year was $13,256,541,401 and the total recommended assessed value for the 2013 assessment year is $15,393,522,900.

Improved Sales for Area 280 – 2010, 2011, 2012 sales were reviewed in sales analysis

BELLEVUE CBD SALES

Area	Major	Minor	Total NRA	E #	Sale Price	Sale Date	SP / NRA	Property Name	Zone	Par. Ct.	Ver. Code	Remarks
280	322505	9058 9163	583,179	2449666	$310,000,000	**07/09/10**	$532	**CITY CENTER PLAZA**	DNTNO-1	2	2	2008 Class A+ 26-story high-rise 96% leased to Microsoft until 2024 with NNN lease of $34.34/sf with 3% escalations, 3 options to renew
280	104360	0010 0040 0060	255,171 494,523	2460777	$410,000,000	**09/30/10**	$547	**THE BRAVERN OFFICE TOWERS/GARAGE**	DNTNO-2	3	2	Two 2008 Class A+ 12 & 21-story offices & below grade parking structure, 100% leased to Microsoft with $32 - $34/sf NNN lease until 2016 with option to renew
280	154410	0219 0230	477,899	2494584	$217,227,320	**06/03/11**	$454	**KEY CENTER**	DNTNO-1	2	2	Class A+ 21-story office built in 2000 - 89% leased at sale with $24 - $29/sf NNN asking rates – sale is for improvements only with assignment & assumption of ground lease
280	322505	9016	408,460	2555120	$186,990,000	**07/24/12**	$458	**SKYLINE TOWER**	DNTNO-1	1	2	Class A+ 24-story 1983 office - 14% total vacancy with $38 - $42/sf full-service asking rates & $9.77/sf operating expenses
280	322505	9066	495,949	2559935	$228,765,000	**08/21/12**	$461	**CITY CENTER BELLEVUE**	DNTNO-1	1	2	Class A+ 27-story 1986 office - 9% vacancy with $35 - $40/sf full-service asking rates & $10.48/sf operating expenses
	154410	0323	96,571	2564174	$36,075,000	**09/13/12**	$374	**KEY BANK BLDG.**	DNTNO-2	1	2	Average Class A 9-story 1972 - 4% vacancy with $25 - $34/sf full-service asking rates – *not in office specialty or ratio study (under 100,000 sf)*
280	322505	9058 9163	574,979	2572566	$374,650,000	**11/02/12**	$652	**CITY CENTER PLAZA**	DNTNO-1	2	2	2008 Class A+ 26-story high-rise 96% leased to Microsoft through 2024 with 3 options to renew for 5 yrs at 95% of fair market rent – 100% leased at sale – 17% increase from 7/10 sale

Verification Code # 2 indicates a market sale

SUBURBAN EASTSIDE SALES

Area	Major	Minor	Total NRA	E #	Sale Price	Sale Date	SP / NRA	Property Name	Zone	Par. Ct.	Ver. Code	Remarks
280	006000	0010 0020 0030 0040	559,110	2452468	$240,000,000	**07/30/10**	$429	**ADVANTA OFFICE COMMONS**		4	2	3 Class A+ 7-story ffice buildings and above grade garage 100% leased & occupied by Microsoft with 8 years remaining on lease – I-90 submarket
	202505	9259 9162 9240 9260	276,968 4 bldgs.	2487730	$100,217,188	**04/21/11**	$362	**PLAZA AT YARROW BAY**	PLA 3a	4	2	4 Class A 1990 bldg campus 95.4% leased at time of sale with asking rates of $22/sf NNN – sale includes land parcel entitled for an 80,000 SF bldg. -Kirkland submarket - *bldgs under threshold size – not in office specialty 280*
280	131830	0020	101,253	2490025	$14,179,900	**05/05/11**	$140	**LEGACY CORPORATE CENTER**	BP	1	61	REO sale – Class A 2009 3-story office 100% vacant in shell condition for 2 years – asking rate at sale was $19/sf NNN – short marketing period – foreclosed in 3/11 – now named Marymoor Technology Center – Redmond submarket
280	222406	9044	156,393	2499064	$32,000,000	**07/01/11**	$205	**EASTPOINTE CORPORATE CENTER**	R	1	2	5-story Class A 2001 office- 80% direct vacancy at sale with asking rates of $20/sf NNN & $7.75/sf OE – buyer SanMar Corp. will take some of the space in the bldg. – I-90 submarket in Issaquah
280	733805	0030	106,281	2547699	$38,500,000	**06/08/12**	$362	**THE OFFICES AT RIVERPARK**	RVBD	1	2	5-story Class A 2008 office condo 97% leased with $23/sf NNN lease rates – other on-site units include retail, hotel, & residential – Redmond submarket

Verification Code # 2 indicates a market sale

SOUTHEND SALES

Area	Major	Minor	Total NRA	E #	Sale Price	Sale Date	SP / NRA	Property Name	Zone	Par. Ct.	Ver. Code	Remarks
280	215465	0050	99,690	2431551	$8,200,000	**03/08/10**	$82	**EAST CAMPUS II (now I-5 Technology Center)**	OP-1	1	2	2-story 2001 office -Seller Weyerhaeuser vacated 2/3's of two-story office building during month of sale, 1/3rd occupied by Dept. of Homeland Security until 2014, asking rates of $15/sf NNN after sale – Federal Way
280	334040	4006 4004 4003	199,168	2516875	$35,250,000	**11/01/11**	$177	**1601 LIND – FAA BUILDING**	CO	3	2	5-story 1990 office - 100% leased to FAA – in 8/10 GSA signed a new 5-year lease with 2 options of up to 2 more years – sale also includes parking parcel & daycare - Renton
280	215465	0050	99,690	2549637	$17,050,607	**06/20/12**	$171	**I-5 TECHNOLOGY ENTER (was East Campus II)**	OP-1	1	2	2-story 2001 office - 90% leased with $14.25/sf NNN asking rates – Dept. of Homeland Security occupies 1/3rd of bldg. until 2014 – Federal Way – 2nd of two sales of property
280	012204 189570	9110 0010 0020 0030	435,894	2562920	$46,245,000	**09/04/12**	$106	**CENTERPOINT CORPORATE PARK (Atrium, Cascade East, Cascade West, & retail & daycare)**	M1	4	2	Two 8-story & one 4-story 1986 office bldgs. & 1-story commons (retail) – total vacancy of 45% with $13 - $16/sf NNN asking rates & $8.32/sf operating expenses – seller acquired the property following the filing of a deed in lieu of foreclosure in 2/12 - Kent
280	215465	0080	186,612	2575364	$19,769,000	**11/20/12**	$106	**WEYERHAEUSER NORTH BUILDING I**	OP-1	1	2	2-story 1999 office building mostly vacant for several years – sold as value-add investment by Weyerhauser – after sale leased to DiVita a national kidney care company with headquarters in Tacoma – Federal Way

Verification Code # 2 indicates a market sale

MEDICAL OFFICE BUILDINGS - There were no Medical Office Building sales in the office specialty in 2010 and 2011

Area	Major	Minor	Total NRA	E #	Sale Price	Sale Date	SP / NRA	Property Name	Zone	Par. Ct.	Ver. Code	Remarks
280	859040	0375 0376 0395	205,148	2579993	$99,964,000	**12/18/12**	$487	**7TH & MADISON**	NC3 - 160	3	2	100% leased to Polyclinc with 20 years remaining on the lease – high level of build-out to convert shell structure to MOB – sale does not include adjacent parking structure

Verification Code # 2 indicates a market sale

SEATTLE SALES

Area	Major	Minor	Total NRA	E #	Sale Price	Sale Date	SP / NRA	Property Name	Zone	Par. Ct.	Ver. Code	Remarks
280	197520	0005	161,412	2437674	$20,650,000	**04/22/10**	$128	**SEATTLE TOWER**	DOC 1 U/450	1	2	Class B office with 30% total vacancy at sale (sale price set 5/09 with long escrow waiting for loan assumption), $24 - $26/sf full-service asking rates - CBD
280	197320	0389	111,304	2467608	$19,450,000	**11/22/10**	$176	**LAKE VIEW AT FREMONT**	IC-65	1	61	REO sale by Bank of America, sale does not include land, Class A 4-story bldg. on long-term ground lease, 44% occupancy on sale date - Fremont
280	859040	0395 0375 0376	205,148	2467677	$30,750,000	**11/22/10**	$150	**7TH & MADISON**	NC3-160	3	61	REO sale by U.S. Bank, Class A office located east of I-5 vacant 2 years - buyer will lease to Polyclinic – First Hill
280	216390	1105 0985	177,056	2471055	$36,000,000	**12/17/10**	$203	**1100 EASTLAKE**	C2-65	2	23	Forced Sale - Deed in Lieu of Foreclosure, new South Lake Union Class A, 5-story office vacant 2 years, purchased by Fred Hutchinson Cancer Research Center – South Lake Union
280	701535	0020	155,766	2484663	$34,000,000	**03/30/11**	$218	**QUEEN ANNE SQUARE OFFICE CONDO**	NC3-65	1	2	14.6% vacant with full-service asking rates of $22 - $24/sf-$7m spent renovating lobby & common areas in 2008 – Lower Queen Anne
280	880970	0050	253,769	2492774	$38,290,000	**05/25/11**	$151	**705 UNION STATION – OFFICE CONDO without parking**	IDM-65-150	1	2	100% vacant at sale – off-market transaction – Amazon leased expired in 5/11 – transaction does not include parking – International District
280	766620	6895 6900	204,504 SF in 83 King - 285,914 SF in 505 First	2504191	$125,000,000	**08/08/11**	$255	**82 KING STREET & 505 FIRST AVENUE**	PSM-85-120	2	2	adjacent office bldgs. – seller was Starbucks – 505 1st was Class A finished in 2009 and 65% leased & 83 King Street was renovated Class B 92% leased – allocated price of $76,069,206 or $266/sf for 505 1st & $48,755,794 or $238/sf for 83 King – Pioneer Square

Area	Major	Minor	Total NRA	E #	Sale Price	Sale Date	SP / NRA	Property Name	Zone	Par. Ct.	Ver. Code	Remarks
280	228505	0010	231,760	2504560	$129,310,690	**08/10/11**	$258	**818 STEWART**	DOC2 500/300-500	1	2	9% vacancy – new midrise Class A+ 14-story office purchased by JP Morgan Chase with adjacent 1918 8th - Denny Regrade
280	066000	0650 0635 0639	669,915	2504562	$350,108,054	**08/10/11**	$523	**1918 8TH**	DOC2 500/300-500	3	2	94% leased with asking rates of $20-$30/sf NNN–new 36-story Class A+ LEED Gold – Amazon leased 2/3rds of bldg. in 1st Qtr 2011 – Denny Regrade
280	065900	0040	355,107	2505646	$119,400,000	**08/17/11**	$336	**WESTLAKE CENTER OFFICE TOWER**	DRC 85-150	1	2	93% leased with full-service asking rates of $24.50 - $26/sf– sale includes below grade parking but not retail mall portion – 930150-0010 is new office/garage condo parcel - CBD
280	197520	0005	169,883	2507437	$30,450,000	**08/29/11**	$179	**SEATTLE TOWER**	DOC1 U/450/U	1	2	85% leased with full-service asking rates of $22- $25/sf – 27-story historic Class B building renovated in 2002 - CBD
280	066000	1135 1190 1195 1200	285,710	2523337	$76,540,000	**12/19/11**	$268	**1800 NINTH AVENUE & adjacent land**	DMC 340/290-400	4	2	40% occupied – 16-story Class A office – seller Regence BlueShield will lease back about 30% of space – sale includes 21,600 sf vacant parking parcels - CBD
280	094200	0030 0025	434,363 SF in 2nd & Seneca & 74,889 SF in 1101 2nd	2531237	$185,970,908	**02/23/12**	$414 for 2nd & Seneca	**SECOND & SENECA & 1101 2ND AVENUE**	DOC1 U/450/U	2	2	2nd & Seneca is 22-story Class A+ high-rise 87% leased - purchased with 1101 2nd which was 88% vacant – 2nd & Seneca valued at $180m and 1101 2nd at $10m (difference between recorded sale price due to pro-rations & free rent considered) - CBD
280	066000	2381	184,691	2535062	$61,000,000	**03/23/12**	$330	**METROPOLITAN PARK NORTH**	DMC 240/290-400	1	23	Deed in Lieu of Foreclosure – 26.8% vacant at sale with sole office tenant Nordstrom re-leasing only 3 of 5 floors for 2 yrs at lower rates for 2 yrs in late 2011 – transaction price is same as $61m promissory note of seller backed by property - CBD

Area	Major	Minor	Total NRA	E #	Sale Price	Sale Date	SP / NRA	Property Name	Zone	Par. Ct.	Ver. Code	Remarks
280	065900	0165	598,000	2536954	$137,000,000	**04/02/12**	$229	**1600 SEVENTH AVENUE (Quest Plaza)**	DOC2 500/300-500	1	2	22-story Class A high-rise needing renovation was 40% occupied at sale – seller CenturyLink will lease back its current space for 10 yrs – Nordstrom will lease about 300,000 SF & move in fall 2012 – estimated cost of renovation is $10m - CBD
280	918450	0020 0010	872,026	2539735	$480,000,000	**04/20/12**	$550	**RUSSELL INVESTMENTS CENTER OFFICE & GARAGE CONDOS**	DOC1 U/450/U	2	2	42-story Class A+ high-rise with 3.2% vacancy & net asking rates of $35-$42/sf at sale – LEED Certified Platinum bldg. with many high credit tenants –CBD
280	065900	0555	213,979	2544950	$54,900,000	**05/24/12**	$257	**PLAZA 600 BUILDING**	DOC2 500/300-500	1	2	20-story Class A high-rise with 19% vacancy & full-service asking rates of $28 - $32/sf & $7.43/sf operating expenses - CBD
280	020900	0030 0050	103,846 in Republican 71,421 in 500 Yale	2545941	$49,050,000	**05/30/2012**	$280	**REPUBLICAN BLDG. & 500 YALE N BLDG.**	SM-75	2	1	Multi-parcel purchase of Class A 5-story office with 0% direct vacany & new 500 Yale with 76% vacancy & $25/sf NNN asking rate – South Lake Union
280	197320	0389	111,304	2546578	$39,000,000	**06/01/12**	$350	**LAKE VIEW AT FREMONT**	IC-65	1	2	4-story Class A 2008 office with 100% occupancy – buyer also purchased Adobe & Plaza Offices – sales do not include land but assumption of long-term ground lease – Fremont/Canal District
280	197320	0385 0387	161,117 in Adobe 136,111 in Plaza Bldg.	Control interest LLC transfer	$106,750,000	**06/04/12**	$359	**ADOBE BLDG. & FREMONT LAKE UNION CENTER (Plaza Bldg.)**	IC-65	2	2	Adobe – 4-story Class A office 100% leased & Plaza – 3-story Class A office 98.5% leased – sale does not include land but assumption of long-term ground lease – Fremont/Canal District
280	066000	2054	336,041	2547175	$98,180,069	**06/04/12**	$292	**METROPOLITAN PARK WEST**	DMC 340/290-400	1	2	18-story 1980 Class A high-rise with 26.5% direct vacancy & full-service asking rates of $27 - $30/sf – buyer also purchased Met Park East - CBD

Area	Major	Minor	Total NRA	E #	Sale Price	Sale Date	SP / NRA	Property Name	Zone	Par. Ct.	Ver. Code	Remarks
280	066000	2410	363,725	2547166	$111,815,931	**06/04/12**	$307	**METROPOLITAN PARK EAST**	DMC 340/290-400	1	1	20-story 1988 Class A high-rise with 8% direct vacancy & full-service asking rates of $28 - $30/sf - CBD
280	197470	0120	1,114,847	2572507	$548,784,720	**10/25/12**	$492	**1201 THIRD AVENUE (former Washington Mutual Tower)**	DOC1 U/450	1	2	55-story Class A+ high-rise with 13% total vacancy & full-service asking lease rates of $30 - $50/sf - CBD
280	065900	0750	498,891	2576134	$278,680,000	**11/28/12**	$559	**WEST 8TH**	DOC2 500/300-500	1	2	28-story Class A+ high-rise with 3% vacancy & full-service asking rates of $35 - $44/sf – Amazon leased 2/3rds of building in the 4th Qtr of 2011 – Denny Regrade
280	198320 198620	0150 0585 0260 0270 0290 0325 0360 0375 0350 0370 0410 0418 0420 0450 0460	1,815,595	2580854 2580855 2580860 2580858 2580860 2580862 2580863	$1,154,269,079	**12/21/12**	$636	**AMAZON CORPORATE OFFICES**	IC-65 IC-85	15	2	11 Class A+ midrise office buildings purchased by sole office tenant Amazon with leases running 14 to 16 years – built in 5 phases completed 2010 – 2012 – 9 new & 2 renovated buildings – premium price paid to own buildings rather than have multiple landlords when renewals occur – South Lake Union
280	198620	0215 0185	193,198 in West 136,143 in East	2584971	$169,950,000	**01/16/13**	$516	**WESTLAKE TERRY WEST & EAST BLDGS.**	SM -85	2	2	Two 6-story Class A offices – 100% occupied – main office tenants are Group Health HQ's & Microsoft (Group Health & Vulcan were sellers) – 42,700 SF of street-level retail – South Lake Union
280	197570	0095	114,989	2589231	$28,238,000	**02/14/13**	$246	**LOGAN BUILDING**	DRC 85-150	1	2	10-story Class B+ midrise with 6.8% vacancy & full-service asking rates of $23 - $26/sf - strong retail por.- CBD

Area	Major	Minor	Total NRA	E #	Sale Price	Sale Date	SP / NRA	Property Name	Zone	Par. Ct.	Ver. Code	Remarks
280	880970	0030 0040	254,995 in 605 64,849 in 625	2595904	$96,900,000	**03/27/13**	$303	**605 & 625 UNION STATION BLDGS**	IDM-65-150	2	2	605 Union is a Class A 9-story midrise with 4.3% vacancy & 625 Union is a Class A 4-story office with 0% vacancy – $20 - $25/sf NNN asking rates – sale includes parking easements in parking condo – Pioneer Square/International District submarket
280	094200	0590	129,000	2596437	$35,450,000	**3/28/2013**	$275	**PACIFIC BUILDING**	DOC1 U/450	1	2	23-story Class A-/B+ CBD high-rise with 18.5% direct vacancy & $28 - $31/SF full-service asking rates as of sale date - renovated in 2009 - off-market transaction - CBD

Verification Code # 2 indicates a market sale

USPAP Compliance

Client and Intended Use of the Appraisal:

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

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

Definition and date of value estimate:

Market Value

The basis of all assessments is the true and fair value of property. True and fair value means market value (Spokane etc. R. Company v. Spokane County, 75 Wash. 72 (1913); Mason County Overtaxed, Inc. v. Mason County, 62 Wn. 2d (1963); AGO 57-58, No. 2, 1/8/57; AGO 65-66, No. 65, 12/31/65).

The true and fair value of a property in money for property tax valuation purposes is its "market value" or amount of money a buyer willing but not obligated to buy would pay for it to a seller willing but not obligated to sell. In arriving at a determination of such value, the assessing officer can consider only those factors which can within reason be said to affect the price in negotiations between a willing purchaser and a willing seller, and he must consider all of such factors. (AGO 65,66, No. 65, 12/31/65)

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

Highest and Best Use

RCW 84.40.030

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

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

WAC 458-07-030 (3) True and fair value -- Highest and best use.

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

If a property is particularly adapted to some particular use this fact may be taken into consideration in estimating the highest and best use. (Sammish Gun Club v. Skagit County, 118 Wash. 578 (1922))

The present use of the property may constitute its highest and best use. The appraiser shall, however, consider the uses to which similar property similarly located is being put. (Finch v. Grays Harbor County, 121 Wash. 486 (1922))

The fact that the owner of the property chooses to use it for less productive purposes than similar land is being used shall be ignored in the highest and best use estimate. (Sammish Gun Club v. Skagit County, 118 Wash. 578 (1922))

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

Date of Value Estimate

RCW 84.36.005

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

RCW 36.21.080

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

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

Property Rights Appraised: Fee Simple

Wash Constitution Article 7 § 1 Taxation:

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

Trimble v. Seattle, 231 U.S. 683, 689, 58 L. Ed. 435, 34 S. Ct. 218 (1914)

...the entire [fee] estate is to be assessed and taxed as a unit...

Folsom v. Spokane County, 111 Wn. 2d 256 (1988)

...the ultimate appraisal should endeavor to arrive at the fair market value of the property as if it were an unencumbered fee...

The Dictionary of Real Estate Appraisal, 3rd Addition, Appraisal Institute.

Absolute ownership unencumbered by any other interest or estate, subject only to the limitations imposed by the governmental powers of taxation, eminent domain, police power, and escheat.

Assumptions and Limiting Conditions:

1. No opinion as to title is rendered. Data on ownership and legal description were obtained from public records. Title is assumed to be marketable and free and clear of all liens and encumbrances, easements and restrictions unless shown on maps or property record files. The property is appraised assuming it to be under responsible ownership and competent management and available for its highest and best use.

2. No engineering survey has been made by the appraiser. Except as specifically stated, data relative to size and area were taken from sources considered reliable, and no encroachment of real property improvements is assumed to exist.

3. No responsibility for hidden defects or conformity to specific governmental requirements, such as fire, building and safety, earthquake, or occupancy codes, can be assumed without provision of specific professional or governmental inspections.

4. Rental areas herein discussed have been calculated in accord with generally accepted industry standards.

5. The projections included in this report are utilized to assist in the valuation process and are based on current market conditions and anticipated short term supply demand factors. Therefore, the projections are subject to changes in future conditions that cannot be accurately predicted by the appraiser and could affect the future income or value projections.

6. The property is assumed uncontaminated unless the owner comes forward to the Assessor and provides other information.

7. The appraiser is not qualified to detect the existence of potentially hazardous material which may or may not be present on or near the property. The existence of such substances may have an effect on the value of the property. No consideration has been given in this analysis to any potential diminution in value should such hazardous materials be found (unless specifically noted). We urge the taxpayer to retain an expert in the field and submit data affecting value to the assessor.

8. No opinion is intended to be expressed for legal matters or that would require specialized investigation or knowledge beyond that ordinarily employed by real estate appraisers, although such matters may be discussed in the report.

9. Maps, plats and exhibits included herein are for illustration only, as an aid in visualizing matters discussed within the report. They should not be considered as surveys or relied upon for any other purpose.

10. The appraisal is the valuation of the fee simple interest. Unless shown on the Assessor's parcel maps, easements adversely affecting property value were not considered.

11. An attempt to segregate personal property from the real estate in this appraisal has been made.

12. Items which are considered to be "typical finish" and generally included in a real property transfer, but are legally considered leasehold improvements are included in the valuation unless otherwise noted.

13. The movable equipment and/or fixtures have not been appraised as part of the real estate. The identifiable permanently fixed equipment has been appraised in accordance with RCW 84.04.090 and WAC 458-12-010.

14. I have considered the effect of value of those anticipated public and private improvements of which I have common knowledge. I can make no special effort to contact the various jurisdictions to determine the extent of their public improvements.

15. Exterior inspections were made of all properties in the physical inspection areas (outlined in the body of the report) however; due to lack of access and time few received interior inspections.

Scope of Work Performed:

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

CERTIFICATION:

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

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

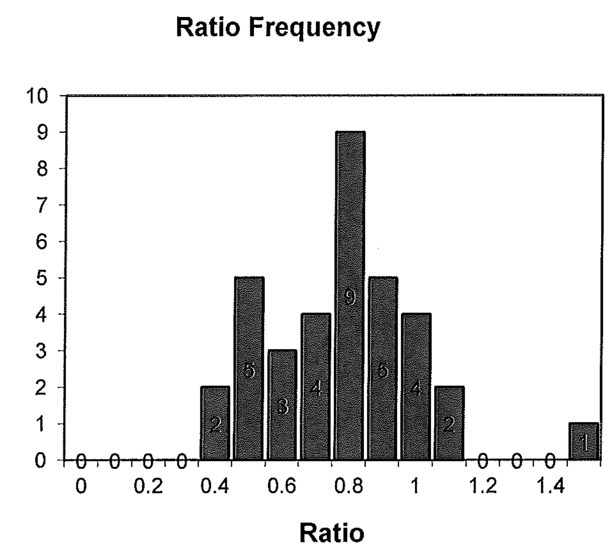
regarding the subject area performed by the appraiser within the prior three years, as an appraiser or in any other capacity is listed adjacent their name.

- *Any services regarding the subject area performed by me within the prior three years, as an appraiser or in any other capacity is listed below:*
    1. *Physical inspection*
    2. *Appeal response preparation & appeal hearing appearances*
    3. *Market data collection*
    4. *Sales Verification*
    5. *new construction data collection & valuation*

Area 280-000 - Office Specialty
2012 Assessment Year

Quadrant/Crew:	Appr date :	Date:	Sales Dates:
Central Crew	1/1/2012	5/21/2013	7/30/10 -12/21/12
Area	Appr ID:	Prop Type:	Trend used?: Y / N
280-000	DMAR	Improvement	N

SAMPLE STATISTICS	
Sample size (n)	35
Mean Assessed Value	102,974,400
Mean Sales Price	158,238,300
Standard Deviation AV	86,594,320
Standard Deviation SP	134,375,366
ASSESSMENT LEVEL	
Arithmetic mean ratio	0.728
Median Ratio	0.741
Weighted Mean Ratio	0.651
UNIFORMITY	
Lowest ratio	0.3137
Highest ratio:	1.4633
Coeffient of Dispersion	22.83%
Standard Deviation	0.2289
Coefficient of Variation	31.45%
Price-related Differential	1.12
RELIABILITY	
95% Confidence: Median	
Lower limit	0.675
Upper limit	0.814
95% Confidence: Mean	
Lower limit	0.652
Upper limit	0.804
SAMPLE SIZE EVALUATION	
N (population size)	277
B (acceptable error - in decimal)	0.05
S (estimated from this sample)	0.2289
Recommended minimum:	65
Actual sample size:	35
Conclusion:	
NORMALITY	
Binomial Test	
# ratios below mean:	15
# ratios above mean:	20
z:	0.676123404
Conclusion:	***Normal****
*i.e., no evidence of non-normality	



These figures reflect measurements before posting new values.

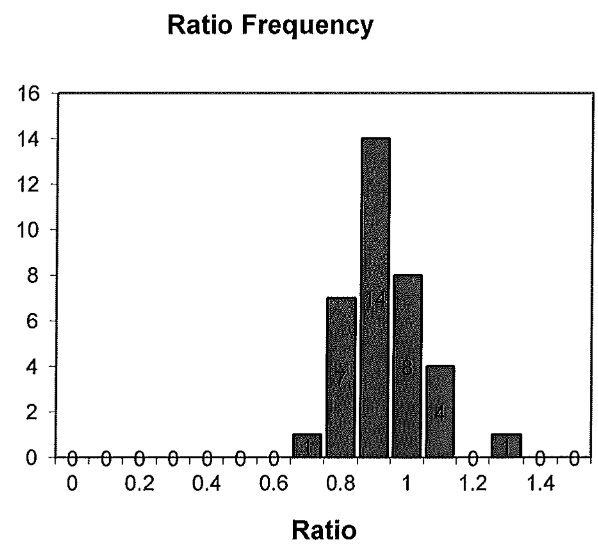
Area 280-000 - Office Specialty
2012 Assessment Year

Parcel Number	Assessed Value	Sale Price	Sale Date	Ratio	Diff: Median
006000-0010	176,117,800	240,000,000	7/30/2010	0.7338	0.0074
701535-0020	31,579,000	34,000,000	3/28/2011	0.9288	0.1876
880970-0050	38,513,000	38,290,000	5/25/2011	1.0058	0.2646
154410-0219	172,120,800	217,227,320	6/3/2011	0.7924	0.0511
222406-9044	28,037,000	32,000,000	6/28/2011	0.8762	0.1349
766620-6895	106,433,000	124,825,000	8/8/2011	0.8527	0.1114
066000-0650	271,469,000	350,108,054	8/10/2011	0.7754	0.0342
228505-0010	97,780,000	129,310,690	8/10/2011	0.7562	0.0149
930150-0010	93,488,400	119,400,000	8/17/2011	0.7830	0.0418
197520-0005	28,221,000	30,450,000	8/24/2011	0.9268	0.1856
334040-4006	32,407,800	35,250,000	11/1/2011	0.9194	0.1782
066000-1135	69,145,000	76,540,000	12/19/2011	0.9034	0.1622
094200-0030	153,295,500	185,970,909	2/23/2012	0.8243	0.0831
065900-0165	117,977,000	137,000,000	4/2/2012	0.8611	0.1199
918450-0020	365,983,000	480,000,000	4/20/2012	0.7625	0.0212
065900-0555	40,593,000	54,765,150	5/24/2012	0.7412	0.0000
020900-0050	39,909,000	49,050,000	5/30/2012	0.8136	0.0724
197320-0389	26,712,000	39,000,000	6/1/2012	0.6849	0.0563
066000-2054	66,258,000	98,180,069	6/4/2012	0.6749	0.0664
066000-2410	78,369,000	111,815,931	6/4/2012	0.7009	0.0403
215465-0050	12,627,000	17,050,607	6/20/2012	0.7406	0.0007
322505-9016	114,352,000	186,990,000	7/24/2012	0.6115	0.1297
322505-9066	103,567,000	228,765,000	8/21/2012	0.4527	0.2885
012204-9110	50,051,300	46,245,000	9/4/2012	1.0823	0.3411
197470-0120	307,632,000	548,784,720	10/25/2012	0.5606	0.1807
322505-9058	256,463,300	374,650,000	11/2/2012	0.6845	0.0567
215465-0080	28,914,300	19,760,000	11/20/2012	1.4633	0.7221
065900-0750	154,427,900	278,680,000	11/28/2012	0.5541	0.1871
859040-0395	37,128,400	99,964,000	12/18/2012	0.3714	0.3698
198320-0150	33,549,000	75,891,506	12/21/2012	0.4421	0.2992
198320-0260	94,360,000	218,373,230	12/21/2012	0.4321	0.3091
198320-0325	93,768,800	177,769,223	12/21/2012	0.5275	0.2137
198320-0585	50,694,000	110,233,937	12/21/2012	0.4599	0.2813
198620-0370	65,625,400	209,206,999	12/21/2012	0.3137	0.4275
198620-0410	166,533,700	362,794,185	12/21/2012	0.4590	0.2822

Area 280 - OFFICE SPECIALTY
2013 Assessment Year

Quadrant/Crew:	Appr date :	Date:	Sales Dates:
Central Crew	**1/1/2013**	**6/3/2013**	**7/30/10 - 12/21/12**
Area	*Appr ID:*	*Prop Type:*	*Trend used?: Y / N*
280	**DMAR**	**Improvement**	**N**

SAMPLE STATISTICS	
Sample size (n)	35
Mean Assessed Value	133,472,800
Mean Sales Price	158,238,300
Standard Deviation AV	108,112,042
Standard Deviation SP	134,375,366
ASSESSMENT LEVEL	
Arithmetic mean ratio	0.889
Median Ratio	0.885
Weighted Mean Ratio	0.843
UNIFORMITY	
Lowest ratio	0.6973
Highest ratio:	1.2524
Coeffient of Dispersion	9.82%
Standard Deviation	0.1153
Coefficient of Variation	12.97%
Price-related Differential	1.05
RELIABILITY	
95% Confidence: Median	
Lower limit	0.839
Upper limit	0.929
95% Confidence: Mean	
Lower limit	0.851
Upper limit	0.928
SAMPLE SIZE EVALUATION	
N (population size)	218
B (acceptable error - in decimal)	0.05
S (estimated from this sample)	0.1153
Recommended minimum:	19
Actual sample size:	35
Conclusion:	OK
NORMALITY	
Binomial Test	
# ratios below mean:	19
# ratios above mean:	16
z:	0.338061702
Conclusion:	***Normal****
*i.e., no evidence of non-normality	



These figures reflect measurements after posting new values.

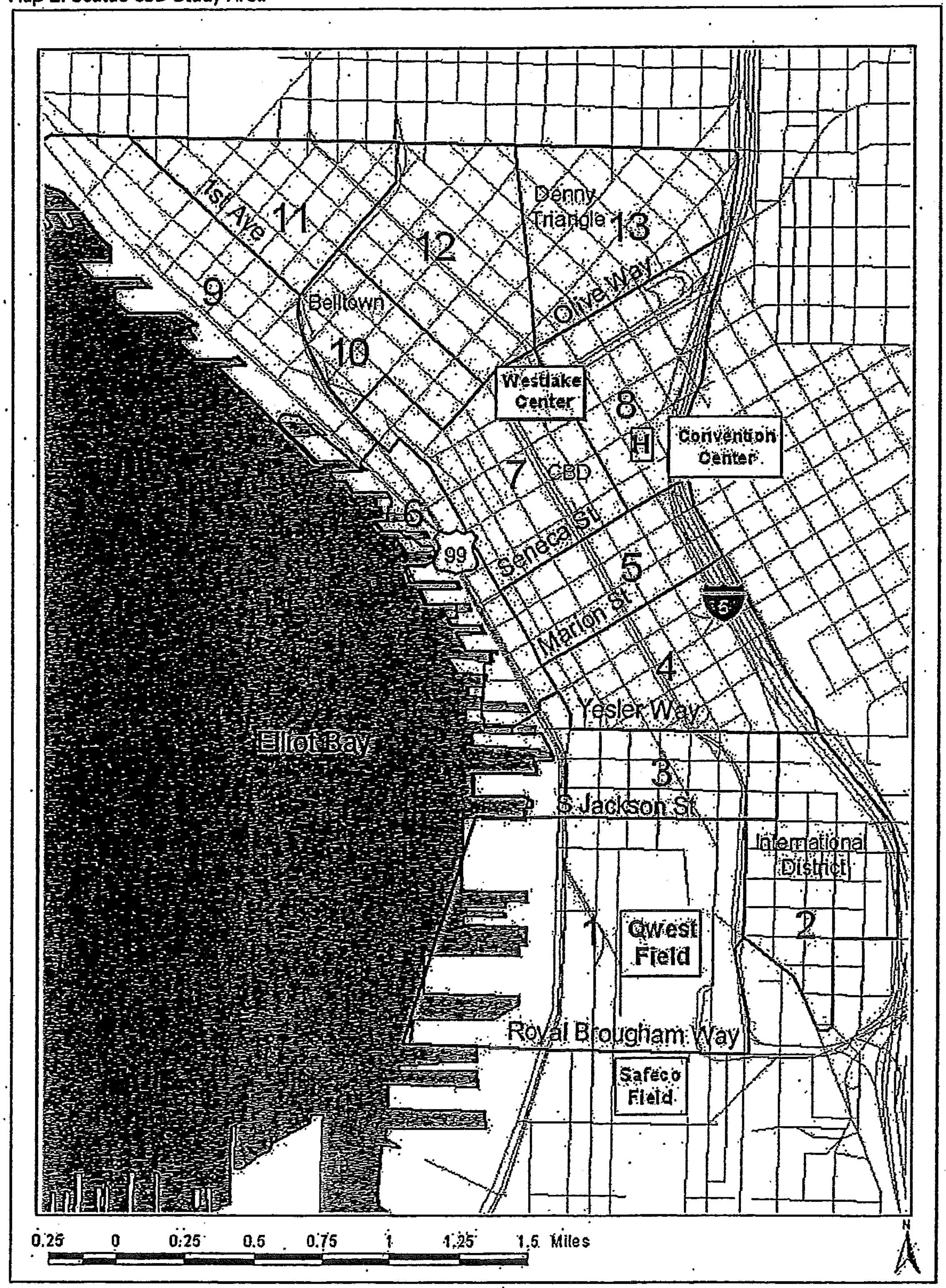
Area 280 - OFFICE SPECIALTY
2013 Assessment Year

Parcel Number	Assessed Value	Sale Price	Sale Date	Ratio	Diff: Median
006000-0010	184,038,500	240,000,000	7/30/2010	0.7668	0.1183
012204-9110	46,565,800	46,245,000	9/4/2012	1.0069	0.1218
020900-0050	43,416,000	49,050,000	5/30/2012	0.8851	0.0000
930150-0000	102,414,000	119,400,000	8/17/2011	0.8577	0.0274
065900-0165	138,118,000	137,000,000	4/2/2012	1.0082	0.1230
065900-0555	45,889,000	54,765,150	5/24/2012	0.8379	0.0472
065900-0750	225,406,000	278,680,000	11/28/2012	0.8088	0.0763
066000-0650	311,190,900	350,108,054	8/10/2011	0.8888	0.0037
066000-1135	80,959,000	76,540,000	12/19/2011	1.0577	0.1726
066000-2054	90,186,000	98,180,069	6/4/2012	0.9186	0.0334
066000-2410	100,593,000	111,815,931	6/4/2012	0.8996	0.0145
094200-0030	175,731,000	185,970,909	2/23/2012	0.9449	0.0598
154410-0219	194,716,000	217,227,320	6/3/2011	0.8964	0.0112
197320-0389	33,391,000	39,000,000	6/1/2012	0.8562	0.0290
197470-0120	436,367,000	548,784,720	10/25/2012	0.7952	0.0900
197520-0005	30,237,000	30,450,000	8/24/2011	0.9930	0.1079
198320-0150	53,830,000	75,891,506	12/21/2012	0.7093	0.1758
198320-0260	152,265,600	218,373,230	12/21/2012	0.6973	0.1879
198320-0325	151,257,300	177,769,223	12/21/2012	0.8509	0.0343
198320-0585	82,813,000	110,233,937	12/21/2012	0.7512	0.1339
198620-0370	158,367,200	209,206,999	12/21/2012	0.7570	0.1281
198620-0410	263,180,000	362,794,185	12/21/2012	0.7254	0.1597
215465-0050	15,843,000	17,050,607	6/20/2012	0.9292	0.0440
215465-0080	19,758,000	19,760,000	11/20/2012	0.9999	0.1148
222406-9044	34,167,000	32,000,000	6/28/2011	1.0677	0.1826
228505-0010	111,509,000	129,310,690	8/10/2011	0.8623	0.0228
322505-9016	166,598,000	186,990,000	7/24/2012	0.8909	0.0058
322505-9058	298,208,700	374,650,000	11/2/2012	0.7960	0.0892
322505-9066	192,002,000	228,765,000	8/21/2012	0.8393	0.0458
334040-4006	34,623,900	35,250,000	11/1/2011	0.9822	0.0971
701535-0020	32,793,000	34,000,000	3/28/2011	0.9645	0.0794
766620-6895	117,516,000	124,825,000	8/8/2011	0.9414	0.0563
859040-0395	81,784,400	99,964,000	12/18/2012	0.8181	0.0670
880970-0050	47,953,000	38,290,000	5/25/2011	1.2524	0.3672
918450-0020	417,860,000	480,000,000	4/20/2012	0.8705	0.0146

Improvement Sales for Area 280-000 with Sales not Used

Area	Nbhd	Major	Minor	Total NRA	E #	Sale Price	Sale Date	SP / NRA	Property Name	Zone	Par. Ct.	Ver. Code	Remarks
280	000	066000	2381	184,691	2535062	$61,000,000	03/23/12	$330.28	METROPOLITAN PARK NORTH BUILDING	DMC 240	1	63	Deed in Lieu of Foreclosure
280	000	131830	0020	101,252	2485411	$5,068,805	03/21/11	$50.06	Legacy Corporate Center Redmond	BP	1	31	Exempt from excise tax
280	000	131830	0020	101,252	2490025	$14,179,900	05/02/11	$140.05	Legacy Corporate Center Redmond	BP	1	61	Financial institution resale
280	000	197320	0389	111,304	2467608	$19,450,000	11/19/10	$174.75	LAKE VIEW AT FREMONT	IC-65	1	61	Financial institution resale
280	000	524780	0200	128,774	2523832	$675,962	12/22/11	$5.25	MERRILL PLACE	PSM 100	4	22	Partial interest (1/3, 1/2, etc.)
280	000	524780	0200	220,461	2523826	$23,933,674	12/21/11	$108.56	MERRILL PLACE	PSM 100	4	22	Partial interest (1/3, 1/2, etc.)
280	000	524780	0200	128,774	2523835	$1,458,859	12/16/11	$11.33	MERRILL PLACE	PSM 100	4	22	Partial interest (1/3, 1/2, etc.)
280	000	766620	2515	128,763	2577606	$97,000	11/29/12	$0.75	NATIONAL BUILDING	DMC-160	1	63	subsurface rights to WSDOT
280	000	859040	0395	205,148	2467677	$30,750,000	11/17/10	$149.89	7TH & MADISON OFFICE BLDG. -ec u	NC3-160	3	61	Financial institution resale

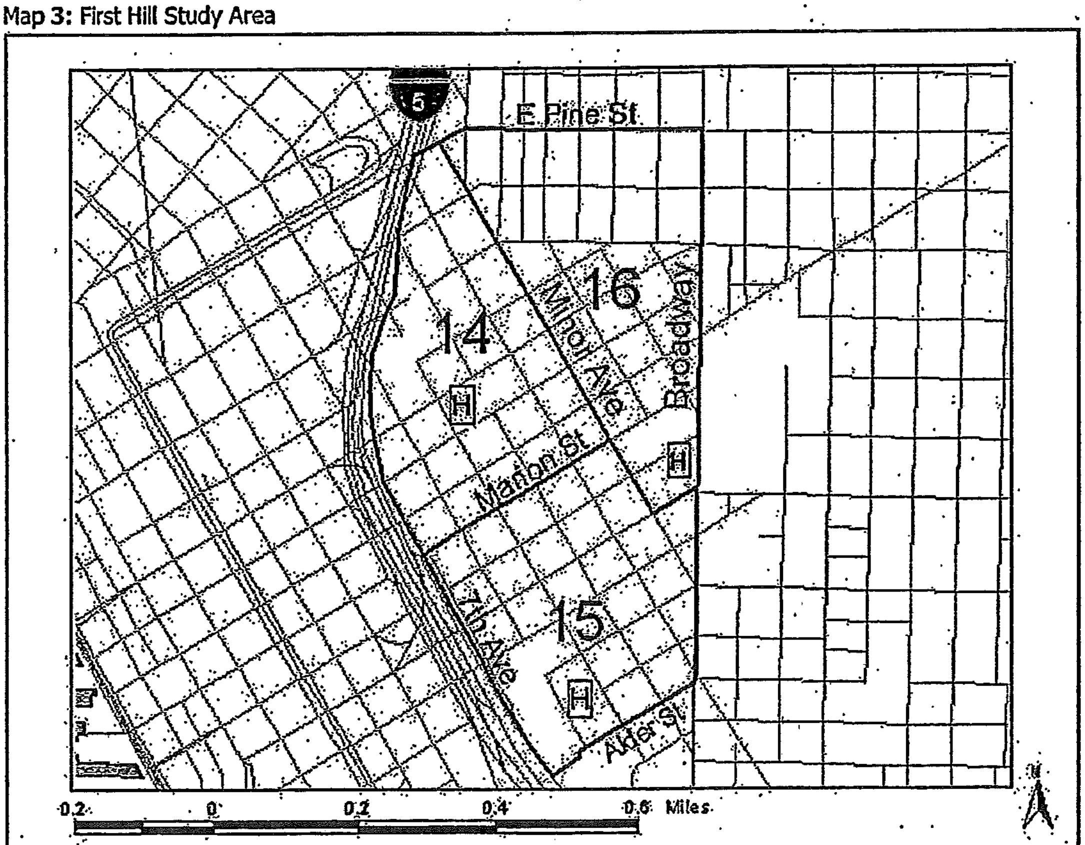
Map 2: Seattle CBD Study Area



Study Area

The First Hill study area consists of 212 acres and is bordered by E. Pine Street to the north, Broadway to the east, Alder Street to the south and I-5 to the west (Map 3). First Hill is made up of three zones, 14, 15 and 16. Only that portion of First Hill that provides parking for the CBD or includes the major medical complexes is included in the study area. This study area contains some of the major medical facilities in the region including Swedish Hospital (Zone 16), Virginia Mason Hospital (Zone 14) and Harborview Medical Center (Zone 15).

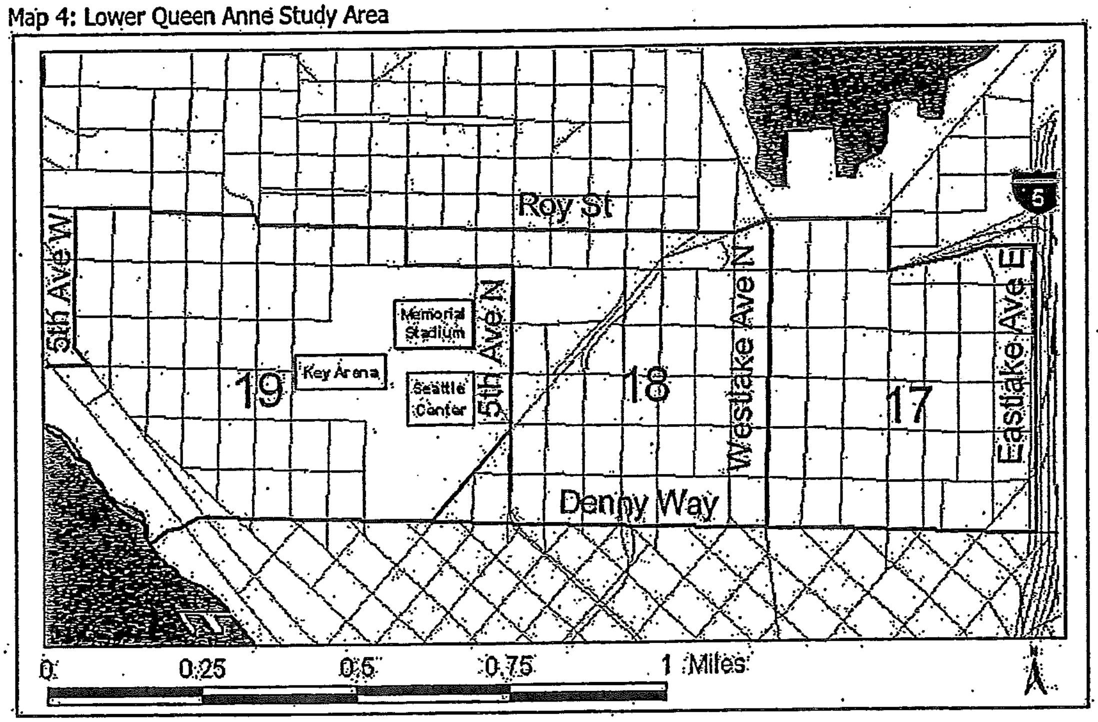
Map 3: First Hill Study Area



Study Area

Map 4 shows the lower Queen Anne study area. This area is made up of three zones, 17, 18 and 19, and extends from I-5 on the east to Elliott Bay on the west, Denny Way on the south to Roy, Valley and Mercer streets on the north. Lower Queen Anne includes Seattle Center, the Key Arena and Memorial Stadium, facilities that require abundant parking supplies.

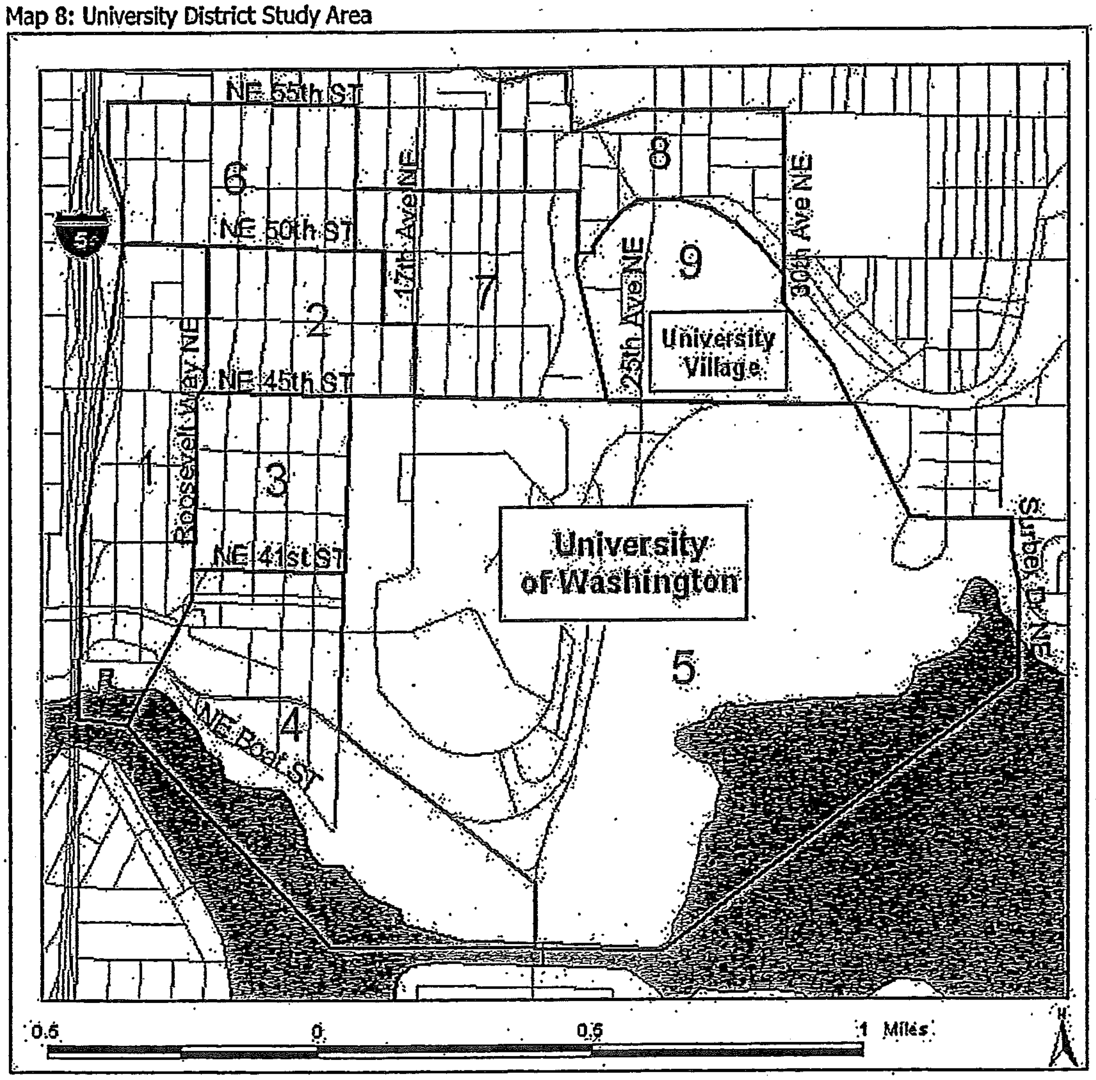
Map 4: Lower Queen Anne Study Area



Study Area

The University District study area was expanded this year to coincide with Urban Center boundaries. This expansion added 4 more zones, 6 through 9, and includes the University Village, an area with abundant customer parking. The University District study area is 1,198 acres. Fifty-fifth and 52nd streets bound the study area to the north, I-5 to the west, Mary Gates Memorial Drive and NE Surber Drive to the east and Pacific and NE Boat Street to the south (Map 8). Zone 5 contains the University of Washington and Zone 9, University Village.

Map 8: University District Study Area

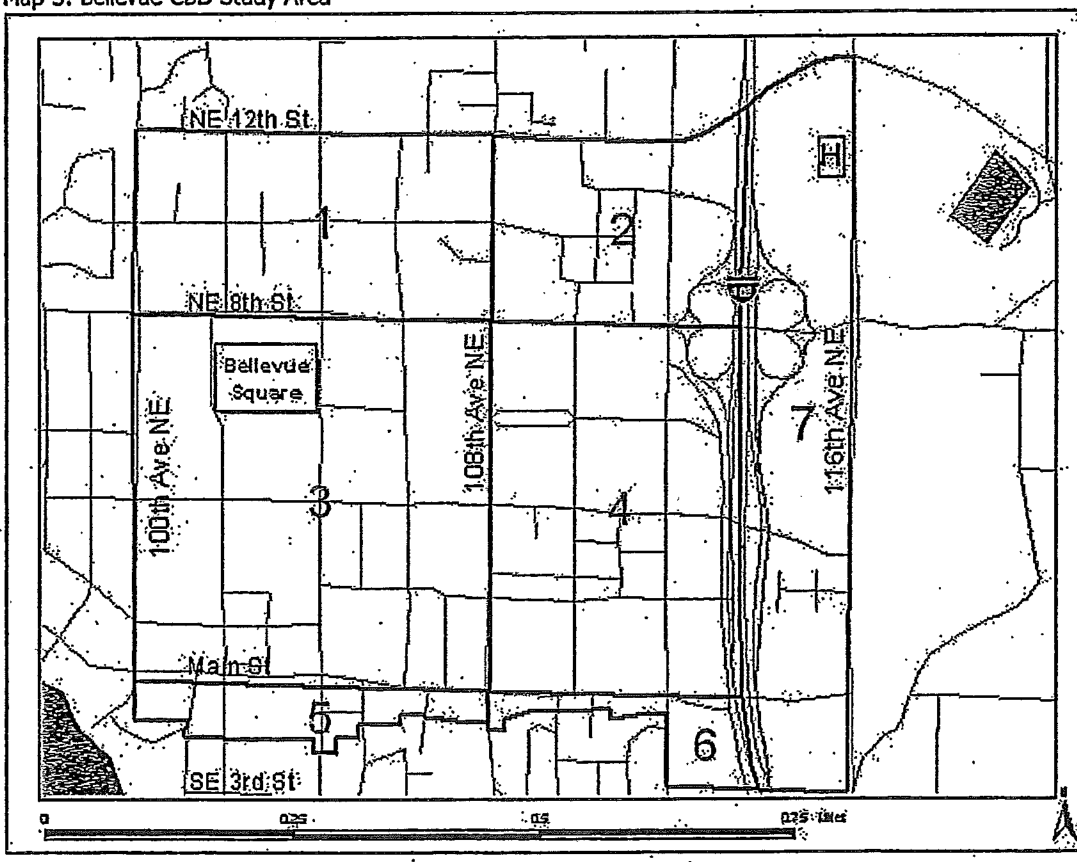


Bellevue CBD

Study Area

The Bellevue CBD study area contains 539 acres. This area is bounded by 100th Ave NE to the west, NE 12th to the north, 116th Ave NE to the east and Main Street to the south. The Bellevue CBD study area contains the Bellevue Square Mall and Overlake Hospital. The survey included all businesses on the south side of Main Street that have access to that street and are an integral part of the downtown district.

Map 5: Bellevue CBD Study Area



Specialty Area 280
Inspected Parcels for 2013

	A	B	C	D	E
1	Major	Minor	SpecArea	GeoArea	GeoNbhd
2	794260	0330	280	25	45
3	282960	0110	280	40	40
4	610845	0000	280	25	42
5	788150	0200	280	45	40
6	243490	0030	280	10	20
7	197320	0389	280	12	40
8	766620	6220	280	35	10
9	042304	9190	280	36	90
10	192305	9001	280	70	10
11	192305	9023	280	70	10
12	723160	0542	280	70	10
13	192305	9013	280	70	40
14	192305	9076	280	70	40
15	334040	3341	280	70	40
16	334040	3320	280	70	40
17	334040	4000	280	70	40
18	334040	4006	280	70	40
19	332304	9001	280	50	50
20	734060	0602	280	36	90
21	531510	1015	280	75	10
22	355750	0270	280	95	20
23	362930	0010	280	95	25
24	282406	9363	280	95	25
25	327595	0000	280	80	40
26	322505	9134	280	80	10
27	006000	0010	280	75	30
28	006000	0020	280	75	30
29	006000	0030	280	75	30
30	006000	0040	280	75	30
31	766620	2220	280	32	30
32	766620	2240	280	32	10
33	766620	2160	280	32	30
34	065900	0235	280	30	70
35	094200	0590	280	30	40
36	094200	0810	280	30	40
37	197520	0015	280	30	40
38	197570	0390	280	30	60
39	197570	0460	280	30	100
40	094200	0300	280	30	40
41	065900	0305	280	30	70
42	065900	0365	280	30	70
43	066000	1135	280	30	100
44	093900	0260	280	30	30
45	094200	0050	280	30	40
46	094200	0470	280	30	40
47	094200	0550	280	30	40
48	094200	0640	280	30	40
49	094200	0720	280	30	40
50	197570	0345	280	30	60
51	094200	1105	280	30	30
52	524780	0200	280	30	20

Specialty Area 280
Inspected Parcels for 2013

	A	B	C	D	E
53	524780	0695	280	30	20
54	766620	6895	280	30	20
55	093900	0060	280	30	20
56	216390	1105	280	32	20
57	408880	3725	280	12	40
58	154410	0219	280	80	10
59	154410	0233	280	80	10
60	154410	0254	280	80	10
61	154410	0320	280	80	10
62	808120	0010	280	80	10
63	322505	9016	280	80	10
64	322505	9066	280	80	10
65	322505	9199	280	80	10
66	068599	0010	280	80	10
67	154410	0316	280	80	10
68	322505	9181	280	80	10
69	322505	9058	280	80	10
70	808120	0020	280	80	10
71	392700	0270	280	85	85