

APPRAISAL

of

**THE
HAMILTON ACQUISITION**

APN: 0416231052 (a portion of), 0416231046 & 0416231045

Weyerhaeuser Road South
Eatonville, WA 98328-9223

as of

April 19th, 2012
Effective Date of Value

Prepared for

Nicole Hill
Project Manager
Nisqually Land Trust
1420 Marvin Rd NE STE C Box 243
Lacey, WA 98516-3878

Prepared by

Anthony Gibbons, MAI, CRE

RE•SOLVE
GIBBONS & RIELY PLLC
Real Estate Appraisal & Counseling and Mediation
261 Madison Avenue South, Suite 102
Bainbridge Island, Washington 98110-2579

Ref. 12090

RE•SOLVE

GIBBONS & RIELY PLLC
Real Estate Appraisal, Counseling & Mediation
261 Madison Avenue South, Suite 102
Bainbridge, Washington 98110-2579
206-842-4887
TeleFax: 206-842-5082

Anthony Gibbons, MAI, CRE
Seattle Direct Dial 206 628-0885
Email: agibbons@realestatesolve.com

July 19, 2012

Nicole Hill
Project Manager
Nisqually Land Trust
1420 Marvin Rd NE STE C Box 243
Lacey, WA 98516-3878

RE: **Hamilton Acquisition**
Weyerhaeuser Rd S, Eatonville, WA
Pierce County Assessor's No. 0416231052 (a portion of), 0416231046 & 0416231045

Dear Ms. Hill:

At your request, we have prepared an appraisal of the above-referenced property, which is described in the attached report. This analysis pertains to the prospective acquisition by the Nisqually Land Trust of approximately 14.70 acres comprised of two tax parcels and a portion of a third tax parcel, all of which are under single ownership. As the acquisition area forms a portion of a larger ownership, we have utilized the *before* and *after* approach to determine the value of the 14.70 acre subject property. The value conclusions are made subject to the limiting conditions and extraordinary assumptions described within the body of this report. The effective date of value for the subject property is the date of inspection, April 18th, 2012.

This appraisal has been prepared in accordance with the Uniform Standards of Professional Appraisal Practice (USPAP). It complies with the requirements of the Uniform Appraisal Standards for Federal Acquisitions (UASFLA). It is presented as a *summary* report and complies with the reporting requirements of USPAP and UASFA for such reports. I acknowledge the professional assistance of Barbara Chrisman and Taylor Gibbons, researchers in my office, in the preparation of certain background sections of this appraisal report, and in the research of market data.

As a result of our investigation and analysis of the subject property, we have concluded with the following value estimates for the subject property, as of the date of inspection, April 18th, 2012:

Before –	\$1,070,000
After –	\$840,000
Difference	\$230,000

Respectfully submitted,



Anthony Gibbons, MAI, CRE

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APPRAISER'S 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 reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions and are my personal, impartial, and unbiased professional analyses, opinions, and conclusions;
- ❖ I have no present or prospective interest in the property that is the subject of this report and no personal interest with respect to the parties involved.
- ❖ I have no bias with respect to the property that is the subject of this report or to the parties involved with this assignment.
- ❖ 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 a 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 appraisal has been prepared, in conformity with the Uniform Appraisal Standards for Federal Land Acquisitions
- ❖ The appraisal was made and the appraisal report prepared in conformity with the Appraisal Foundation's Uniform Standards for Professional Appraisal Practice, except to the extent that the Uniform Standards for Federal Land Acquisitions required invocations of USPAP's Jurisdictional Exception Rule, as described in Section D-1 of the Uniform Standards for Federal Land Acquisitions.
- ❖ I have made a personal inspection of the property that is the subject of this report.
- ❖ I have afforded the owner or a designated representative of the property that is the subject of this appraisal the opportunity to accompany me on the inspection of the property.
- ❖ Persons providing significant professional assistance to the persons signing this report are identified herein.
- ❖ The use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives.
- ❖ I have disregarded any increase in Market Value caused by the proposed public improvement or its likelihood prior to the date of valuation. I have disregarded any decrease in Market Value caused by the proposed public improvement or its likelihood prior to the date of valuation, except physical deterioration within the reasonable control of the owner;
- ❖ This appraisal has been made in conformity with the appropriate State and Federal laws and requirements, and complies with the contract between the agency and the appraiser;
- ❖ I have performed no services, as an appraiser or in any other capacity, regarding the property that is the subject of this report within the three year period immediately preceding acceptance of this assignment.
- ❖ As of the date of this report, Anthony Gibbons has completed the requirements under the continuing education program of the Appraisal Institute.
- ❖ As of the date of this report, Anthony Gibbons has completed the Standards and Ethics Education Requirement of the Appraisal Institute for Designated Members.

RESTRICTION UPON DISCLOSURE & USE:

Disclosure of the contents of this appraisal report is governed by the By-Laws & Regulations of the Appraisal Institute. Neither all nor any part of the contents of this report (especially any conclusions as to value, the identity of the appraiser or the firm with which (s)he is connected, or any reference to the Appraisal Institute or to the MAI designation) shall be disseminated to the public through advertising media, public relations media, news media, sales media or any other public means of communication without the prior written consent and approval of the undersigned. No part of this report or any of the conclusions may be included in any offering statement, memorandum, prospectus or registration without the prior written consent of the appraiser.

The property has been appraised for its fair market value as though owned in fee simple. The opinion of value expressed below is the result of, and is subject to the data and conditions described in detail in this report of 70 pages.

I made a personal inspection of the property that is the subject of this report on April 18th, 2012.

The Date of Value for the property that is the subject of this appraisal is April 18th, 2012.

Per the MARKET VALUE definition herein, the value conclusion for the property that is the subject of this appraisal is on a cash basis and is:

Before –	\$1,070,000
After –	\$840,000
Difference	\$230,000

Name: Anthony Gibbons, MAI, CRE

Signature: 

WA Cert # 1100854

Date Signed: July 19, 2012

SUMMARY OF SALIENT FACTS AND CONCLUSIONS

Identity of the Property & Location

The subject property is a 14.70 acre portion of larger mixed use development site located just south of Eatonville, within town limits. At 42.30 acres, the larger site hereafter referred to as the Hamilton ownership consists of three non-contiguous tax parcels which can be accessed through Weyerhaeuser Road S. The fee acquisition includes two of the parcels and narrow strip of land in the southernmost portion of the third parcel.

Eatonville is a small town of approximately 2,600 people which lies approximately forty minutes south of Tacoma (29 miles) and 1 hour and 20 minutes south of Seattle (60 miles). The town lies within south central Pierce County.

Description

The subject of this appraisal report is the potential acquisition of two vacant parcels and the southern portion of a third vacant parcel, all located in Pierce County within the Town of Eatonville. Together the specified subject areas total 14.70 acres of vacant land, principally along the northern side of the Marshel River, with the subject area also containing some narrow strips of land on the southern side of the river. The larger site of 42.30 acres from which the subject is to be acquired was once a planned mixed-use development site supporting an estimated 194 units. In the absence of other entitlement work for this unusually zoned property, with many options, the historical plan is considered and used in the establishment of a value for the subject property.

Please note the significant assumptions made with regard to the land areas used in this report. None of this property has been surveyed, to our knowledge, and discrepancies exist in reported numbers. Note the delineations presented herein, and our assumptions with regard to parcel size and development yield. All are critical to the determination of property value.

Highest and Best Use

In the *before* condition, the subject comprises a large development site in Eatonville, with river frontage, and a previous development plan¹ which would suggest a reasonable possibility of supporting around 194 units, of which about 27 would be within one portion of the subject targeted for acquisition (the others being riverfront area). The property possesses frontage on the Mashal River, although the river-front property is largely undevelopable due to its location within the Shoreline Master Plan's require critical area buffer setback, and the original intention of the plat was to dedicate this as an open space parcel, with the balance of the property used for both attached and single family housing at a density fairly consistent with suburban residential development, 4.58-units per acre. This density happens to be well-below the zoning allowance, and our conclusion is that the plan, or one like it, with a similar yield expectation represents the potential highest and best use of the property.

The *acquisition* project involves three parcels, one of which is an upland site that could support around 27 units, while the balance is the river-frontage property, which is best suited as an open space element in conjunction with development on the balance of the site. While the river-front has limited direct development potential as stand-alone property, the acreage could contribute to the development density

¹ This plan included other property, since sold, and the reliance on it here is limited to just that portion that includes the subject, although generally only in the form of maintenance of the overall density proposed.

potential of the larger ownership in the *before* condition, and has value for this purpose, as well as simply being part of a larger permitted site and thus available as an offer-up (with trade value therefore) for conservancy/public benefit in exchange for the relaxing of certain other restrictions, more density, or simply an easier and faster route through permit approval. In addition of course, the ownership provides more direct control of the riverfront, and this will be lost with the sale of the parcel.

In the *after* condition, the subject property core ownership then remains unchanged, with the exception that non-developable portions of the property along the river would become public open space, and some development land is lost, which will clearly reduce achievable density. While at least the river frontage is fulfilling a use not too different from that available in the before case, the loss of the land could impact the permitting of the property (as less land is offered for development contribution), and control of the waterfront amenity is somewhat reduced, as it would be separated from the larger ownership. However the waterfront amenity is expected to remain similar to the before case, and actually would be expanded with the addition of the upland acquisition area to open space.

Thus in the after case, there is less development land, and potentially a slightly lower value on a per unit basis to reflect the loss of the riverfront property, and the trading away of potential property that could help secure permitting and density for the balance of the site.

Purpose of Appraisal

The purpose of this appraisal is to establish the market value of the entire subject property, in fee simple estate. The property is being considered for acquisition by the Nisqually Land Trust for shoreline management purposes.

Final Value Opinion

Before –	\$1,070,000
<u>After –</u>	<u>\$840,000</u>
Difference	\$230,000

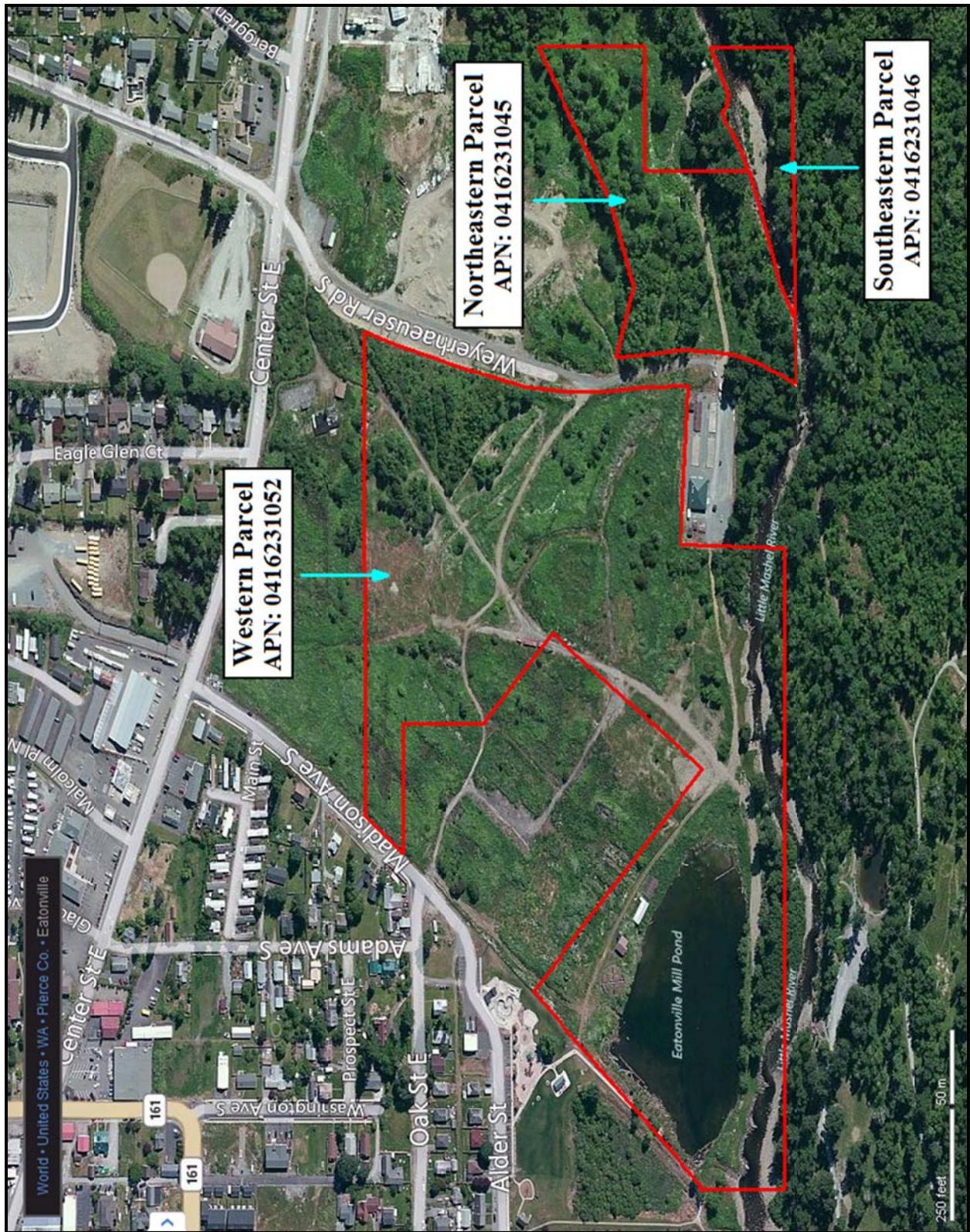
Effective Date of Value

The effective date of value is April 18th, 2012, the latest day of inspection. This appraisal was performed in April through July of 2012.

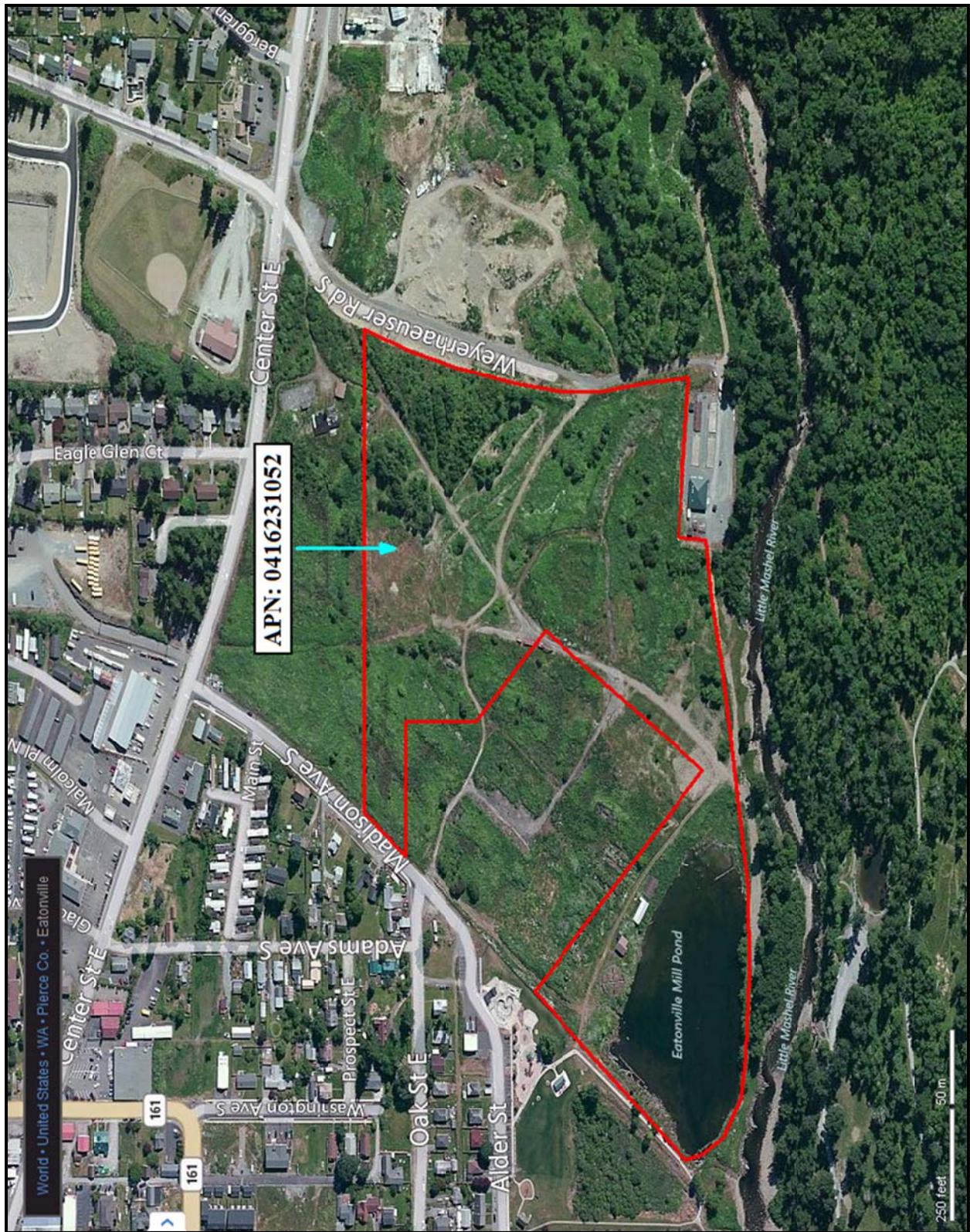
SUBJECT PHOTOGRAPHS



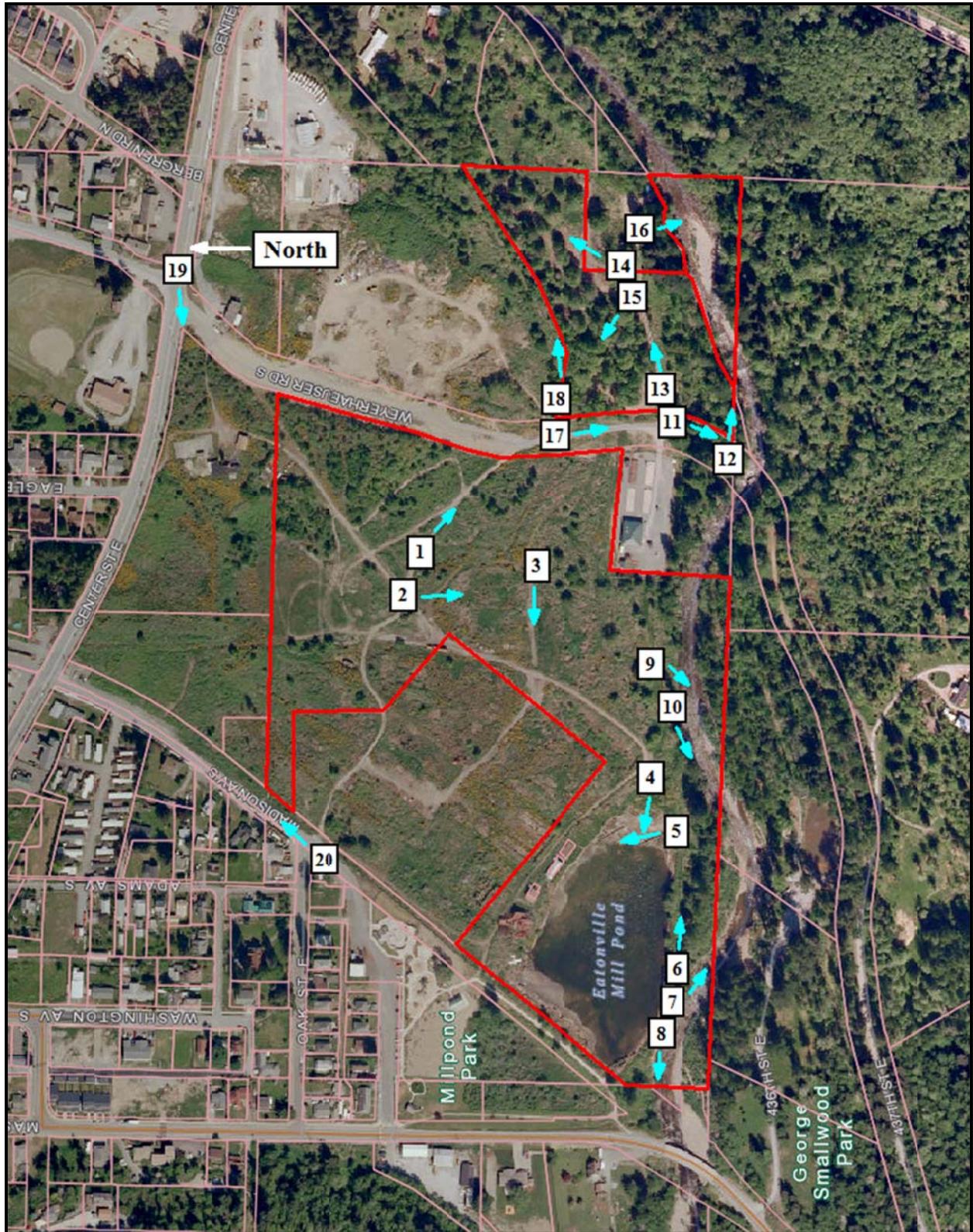
SUBJECT PROPERTY
(area outlines are approximate)



BEFORE
(area outlines are approximate)



AFTER
(area outlines are approximate)



CAMERA ANGLES MAP

(Photographs taken on April 19th, 2012. All picture locations are approximate).



1. Looking east from the central area of the western parcel.



2. Looking south from the central area of the western parcel towards Marshel River and western portion of the subject property.



3. Looking west from the central area of the western parcel towards the Eatonville Mill Pond.



4. The Eatonville Mill Pond will remain in the Hamilton ownership.



5. Some improvements located next to the Mill Pond are of nominal value.



6. Looking back east along a berm south of the mill pond which also represent the northern boundary of the western acquisition area.



7. A picture looking east along the northern riverbank of the western parcel.



8. A picture looking west along the northern riverbank of the western parcel.



9. The riverbank in the eastern portion of the western parcel.



10. Looking west down Marshel River from the eastern portion of the western parcel.



11. Looking north up the Weyerhaeuser Road. The eastern parcels are to the right and are both included in the subject acquisition.



12. The western corner of the southeastern parcel. The parcel is primarily located in the river.



13. A roadway bisecting the northeastern parcel which is to be acquired.



14. The northeast portion of the northeastern parcel.



15. Looking northwest at the northwestern portion of the northeastern parcel.



16. A picture looking towards Marshel River and southwestern parcel; a portion of which is located across the river.



17. Looking south down Weyerhaeuser Road.



18. The northern boundary of the northeastern parcel.



19. A picture looking west along Center St. Weyerhaeuser Rd is to the left.



20. The Hamilton ownership includes an access strip leading to Madison Ave S (left of fence). The fenced area was part of the original mill site but was sold separately in 2011.

INTRODUCTION

Identification of the Problem

Identification of the Client

The client is Nicole Hill of the Nisqually Land Trust.

Identification of Intended Users

The users of this appraisal report include the client, the Nisqually Land Trust, as well as the State of Washington and Pierce County for potential funding purposes. There are no other intended users.

Intended Use of the Research and Conclusions

This appraisal will be used as part of the prospective acquisition of just a portion of the subject property, as identified. There are no other intended uses, and the appraisal should not be used for a determination of feasibility or precise value for the before and after components, as their analysis is considered incidental to the primary purpose of establishing the difference in value, and therefore the value of the acquisition property. The property represents complex development property with a very flexible zoning in a sensitive environmental location, but with the benefit of municipal services. The property is appraised without the benefit of any detailed development studies and thus is considered limited for the purposes of deriving development feasibility or a precise development value for the property on a before and after basis.

The research and analysis for this assignment includes a market analysis, as well as research into similar properties in the subject market area. This report is the result of a complete appraisal process and does not depart from the specific guidelines of the Uniform Standards of Professional Appraisal Practice (USPAP) for a complete appraisal, except where noted in the assignment conditions section forthcoming.

This report meets the reporting standard for a *self-contained* document. The data, reasoning and analyses that were used in the appraisal process are presented, as is the supporting documentation.

Sales data has been obtained from public records as well as private databases including the Northwest Multiple Listing Service, Commercial Brokers Association, and Co-Star. All sales comparisons have been visited and verified with sources deemed reliable when possible.

Type of Value Opinion

The purpose of this appraisal is to establish the fair market value of the subject property. The term "market value" is defined by UASFLA as follows:

Market value is the amount in cash, or on terms reasonably equivalent to cash, for which in all probability the property would have sold on the effective date of the appraisal, after a reasonable exposure time on the open competitive market, from a willing and reasonably knowledgeable seller to a willing and reasonably knowledgeable buyer, with neither acting under compulsion to buy or sell, giving due consideration to all available economic uses of the property at the time of the appraisal.

Effective Date of the Appraisal

The date of value is the date of inspection, April 18th, 2012. Research for this appraisal occurred in April, May, June and July of 2012.

Relevant Property Characteristics

The subject of this appraisal is an acquisition of 14.23 acres of development and restricted land located near and along the Mashel River in Eatonville, Washington. The potential acquisition includes one tax parcel zoned for commercial use (C-2), one tax parcel zoned for residential use (SF-1), and the southern portion of a third tax parcel zoned for mixed use (MU). All three lie under the jurisdiction of the Town of Eatonville.

The property lies at the edge of a small incorporated Town, with extensive frontage on the Mashel River. City water and sewer are available, but at some distance. In terms of development potential, the acreage of the subject property would be impacted by critical areas considerations (floodplain and floodway), and would also be under the jurisdiction of the Shoreline Management Program. However a portion of the acquisition consisting of the northern portion of the northeast parcel is estimated to support up two 27 residential units, this in conjunction with the surrounding ownership, and relying on a site plan produced for the larger parcel in 2006. Additionally the transfer of development right located within critical area buffers is a possibility under Eatonville municipal code and is therefore recognized in this valuation.

Assignment Conditions

Assignment conditions include Extraordinary Assumptions, Hypothetical Conditions, Supplemental Standards and Jurisdictional Exceptions. The following discussion describes each as it relates to this appraisal assignment

Extraordinary Assumptions

For purposes of this appraisal, we have accepted the measurements and drawings of the subject acreage provided to us by the client and property owner which are assumed to be correct. In addition we have utilized public records provided by the Pierce County Assessor's office which are also assumed to be correct.

Hypothetical Conditions

The property once served as a mill site, and it is known that a considerable amount of debris was left on the property after the timber company vacated. This was generally confirmed by the purchaser of a 10.0 acre portion of the larger site in 2011, a transaction in which \$30,000 was allocated towards clean-up. We are appraising the property as though free of contamination, although this should not be construed as a guarantee of current conditions. **Some debris was noted on portions of the larger parcel, and some contamination, extent unknown, quite likely exists.**

Laws and Regulations

In addition to the appraisal standards as defined by USPAP, this appraisal conforms to the specific guidelines of the Uniform Appraisal Standards for Federal Land Acquisitions (UASFLA).

Jurisdictional Exceptions

In accordance with federal appraisal standards, the market value is not linked to a specific exposure time. This calls for a jurisdictional exception under USPAP.

Define the Scope of Work

Once the problem has been identified, the next step is to determine the solution. The scope of work encompasses all aspects of the valuation process, including the valuation approach to be utilized. Also included is the level to which data is collected, the sources from which the data is derived, the geographic area involved, over what time period the work is accomplished, the extent of the data verification process, and the extent of the property inspection, as well as other assignment variables.

Approaches to Value

The subject property has been valued through the Sales Comparison Approach in both the *before* and *after* condition, which is the most reliable appraisal approach applicable to the valuation of land. Neither the Cost Approach nor the Income Capitalization Approach has been undertaken.

Property Rights Appraised

This is an appraisal of the fee simple interest in the subject real estate. The legal description is as follows:

Parcel A: (0416231052)

Parcel(s) B, as shown on that certain Boundary Line Adjustment being a portion of the Northeast Quarter of Section 23, Township 16 North, Range 4 East of the W.M., recorded under Auditor's No. 201104145001, in Pierce County, Washington.

Parcel B: (0416231045)

That portion of the following described property: lying inside the Town of Eatonville:

That portion of the northeast quarter of the northeast quarter of Section 23, Township 16 North, Range 4 East of the W.M., in Pierce County, Washington, lying easterly of a strip of land 100 feet wide conveyed to the Town of Eatonville, a municipal corporation, by instruments recorded under Recording Number 2785672 and 2821995;

Except that portion described as follows:

Beginning at the intersection of the center line of the Groe County Road with the east line of Section 14, Township 16 North, Range 4 East of the W.M.; thence north 82°47' west along said line of Groe County Road 456.60 feet; thence south 31°56' west 354.30 feet; thence south 10°01' west 815.26 feet; thence south 82°43' east 223.90 feet; thence north 65°54' east 223.03 feet; thence north 56°03' east 439.37 feet to the east line of Section 23, Township 16 North, Range 4 East; thence north along the east line of said Sections 23 and 14 to the point of beginning;

Also except that portion conveyed to the Town of Eatonville, a municipal corporation, by deed recorded under Recording Number 2785371.

Parcel C: (0416231046)

That portion of the following described property: lying outside the Town of Eatonville:

That portion of the northeast quarter of the northeast quarter of Section 23, Township 16 North, Range 4 East of the W.M., in Pierce County, Washington, lying easterly of a strip of land 100 feet wide conveyed to the Town of Eatonville, a municipal corporation, by instruments recorded under Recording Number 2785672 and 2821995;

Except that portion described as follows:

Beginning at the intersection of the center line of the Groe County Road with the east line of Section 14, Township 16 North, Range 4 East of the W.M.; thence north 82°47' west along said line of Groe County Road 456.60 feet; thence south 31°56' west 354.30 feet; thence south 10°01' west 815.26 feet; thence south 82°43' east 223.90 feet; thence north 65°54' east 223.03 feet; thence north 56°03' east 439.37 feet to the east line of Section 23, Township 16 North, Range 4 East; thence north along the east line of said Sections 23 and 14 to the point of beginning;

Also except that portion conveyed to the Town of Eatonville, a municipal corporation, by deed recorded under Recording Number 2785371.

Summary of the Appraisal Problem

The subject property represents a category of land which is difficult to value. Due to constraints on development described above, the subject's 14.70 acres would have only modest value as a stand-alone property, most of which would perhaps be considered recreational land. Such properties are occasionally purchased for camping and other activities such as boating, and are also purchased by public agencies or conservation groups to preserve open space, protect habitat, and to minimize damages due to flooding. It is known however that under Eatonville municipal code the transfer of development rights located within critical areas is a possibility. This translates to a loss in net development potential for the Hamilton ownership once the subject property is acquired. Additionally, the subject portion of the western parcel provides for a unique open space amenity.

In addition, the relative scarcity of land sales during the recent recession, as well as the small market comprising the immediate subject area, limit the pool of comparable sales for both the stand alone and the before and after approach.

Perform the Scope of Work

The third step in the appraisal assignment is to perform the scope of work, which is the appraisal itself. It includes the research, analysis and documentation of our findings as they relate to the local residential and commercial real estate market, the site itself, the property's highest and best use and our valuation conclusion.

Property History

The property in adjacent parcels was operated as a Weyerhaeuser Mill Site for many years. This use was discontinued some time ago. No recent sales of the subject property are indicated for the past 10-years. The subject has been listed for sale for at least the past year, with current pricing at \$1,500,000, with interest but no offers, according to the owner representative, Don Miller. A portion of the larger holding was recently sold to a church and that sale is presented in this report. Also the listing is discussed as a possible indicator of market value, although our conclusion of value for the subject is below this figure.

General Assumptions and Limiting Conditions

This appraisal report has been made with the following general assumptions:

1. No responsibility is assumed for the legal description provided or for matters pertaining to legal or title considerations. Title to the property is assumed to be good and marketable unless otherwise stated.
2. The property is appraised free and clear of any or all liens or encumbrances unless otherwise stated.
3. Responsible ownership and competent property management are assumed.
4. The information furnished by others is believed to be reliable, but no warranty is given for its accuracy.
5. All engineering studies are assumed to be correct. The plot plans and illustrative material in this report are included only to help the reader visualize the property.
6. It is assumed that there are no hidden or unapparent conditions of the property, subsoil, or structures that render it more or less valuable. No responsibility is assumed for such conditions or for obtaining the engineering studies that may be required to discover them.
7. It is assumed that the property is in full compliance with all applicable federal, state, and local environmental regulations and laws unless the lack of compliance is stated, described, and considered in the appraisal report.
8. It is assumed that the property conforms to all applicable zoning and use regulations and restrictions unless a non-conformity has been identified, described, and considered in this appraisal report.
9. It is assumed that all required licenses, certificates of occupancy, consents, and other legislative or administrative authority from any local, state, or national government or private entity or organization have been or can be obtained or renewed for any use on which the opinion of value contained in this report is based.
10. It is assumed that the use of the land and improvements is confined within the boundaries or property lines of the property described and that there is no encroachment or trespass unless noted in the report.
11. Unless otherwise stated in this report, the existence of hazardous materials, which may or may not be present on the property, was not observed by the appraiser. The appraiser has no knowledge of the existence of such materials on or in the property. The appraiser, however, is not qualified to detect such substances. The presence of substances such as asbestos, urea-formaldehyde foam insulation and other potentially hazardous materials may affect the value of the property. The value estimated is predicated on the assumption that there is no such material on or in the property that would cause a loss in value. No responsibility is assumed for such conditions or for any expertise or engineering knowledge required to discover them. The intended user is urged to retain an expert in this field, if desired.

This appraisal report has been made with the following general limiting conditions:

1. If the subject is improved: Any allocation of the total value estimated in this report between the land and the improvements applies only under the stated program of utilization. The separate values allocated to the land and buildings must not be used in conjunction with any other appraisal and are invalid if so used.
2. Possession of this report, or a copy thereof, does not carry with it the right of publication.

3. The appraiser, by reason of this appraisal, is not required to give further consultation or testimony or to be in attendance in court with reference to the property in question unless arrangements have been previously made.
4. Neither all nor any part of the contents of this report (especially any conclusions as to value, the identity of the appraiser, or the firm with which the appraiser is connected) shall be disseminated to the public through advertising, public relations, news, sales, or other media without the prior written consent of the appraiser.

The following assumptions and limiting conditions may apply to this assignment:

1. Any opinions of value provided in the report apply to the entire property, and any proration or division of the total into fractional interests will invalidate the opinion of value, unless such proration or division of interests has been set forth in the report.
2. In the case of proposed developments: If only preliminary plans and specifications were available for use in the preparation of this appraisal; the analysis, therefore, is subject to a review of the final plans and specifications when available.
3. In the case of proposed developments, and the assignment of values to a property at the completion of construction, all proposed improvements are assumed to have been completed unless otherwise stipulated, so any construction is assumed to conform to the building plans referenced in the reports.
4. In the case of improved property: The appraiser assumes that the reader or user of this report has been provided with copies of available building plans and all leases and amendments, if any, that encumber the property.
5. If no legal description or survey was furnished, the appraiser used the county tax plat to ascertain the physical dimensions and acreage of the property. Should a survey prove this information to be inaccurate, it may be necessary for this appraisal to be adjusted. If a legal description has been provided, the appraiser is not responsible for the accuracy of the description. The property appraised is assumed to be as delineated on county maps, as noted in this appraisal.
6. The forecasts, projections, or operating estimates contained herein are based on current market conditions, anticipated short-term supply and demand factors, and a continued stable economy. These forecasts are, therefore, subject to changes with future conditions.
7. If the subject is improved: The Americans with Disabilities Act (ADA) became effective January 26, 1992. The appraiser has not made a specific compliance survey or analysis of any improvements on the property to determine whether or not it is in conformity with the various detailed requirements of ADA. It is possible that a compliance survey of the property and a detailed analysis of the requirements of the ADA would reveal that the property is not in compliance with one or more of the requirements of the act. If so, this fact could have a negative impact upon the value of the property. Since the appraiser has no direct evidence relating to this issue, possible noncompliance with the requirements of ADA was not considered in estimating the value of the property.

AREA DATA



AREA MAP

AREA DATA

City of Eatonville

The subject is located on the southeast border of Eatonville, WA, a small town of approximately 2,785² people which lies approximately forty minutes south of Tacoma (29 miles, population 199,600) and 1 hour and 20 minutes south of Seattle (60 miles, population 616,500). The immediate area around the subject consists of vacant land directly to the north, with urban development beginning just beyond Center Street to the north and the city center about a mile to the northwest. Across the river to the south lies an undeveloped rural area owned by the Town of Eatonville.

Eatonville's unemployment (10.70%) is slightly above the national average (9.10%) with negative job growth over the past year of 0.86%. Median household income for Eatonville is just under \$65,000/year, nearly \$12,000 above the national average. The largest employers by industry are Educational Services with 12% followed by Construction (8%) and Health Care (8%). CLR Search, a compiler of real estate statistics reported that Eatonville's workforce is 62% white collar and 38% blue collar.



Eatonville's retail sales lie primarily in the areas of gasoline and motor vehicles followed by food and beverages and building materials, clearly providing primarily for basic needs. Traveling north from Eatonville, however, one quickly encounters the urban sprawl of Tacoma, beginning with the smaller municipalities of Graham, Fredrickson and Spanaway where a variety of retail and occupational needs can be met.

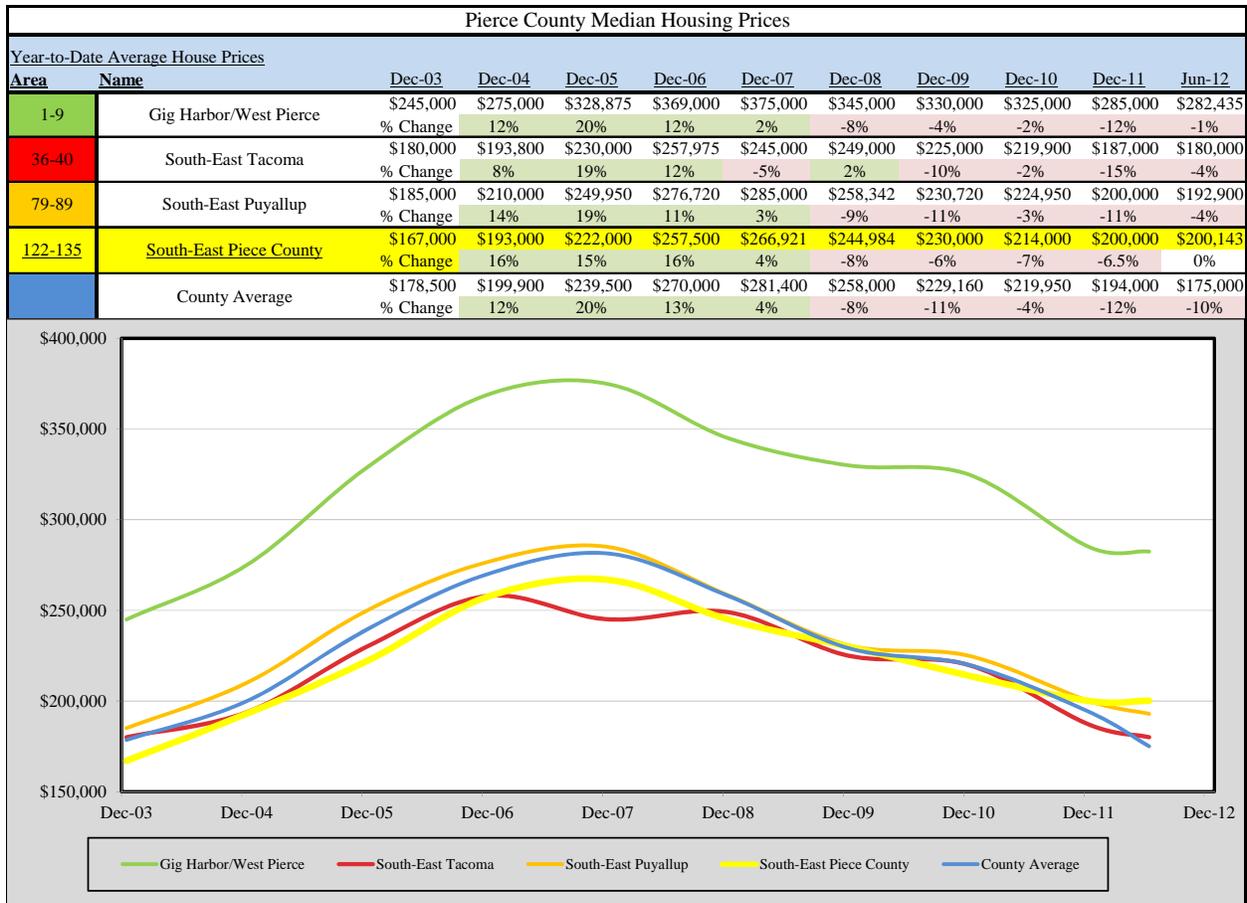
The subject's more immediate neighborhood provides for a rural location with easy access to basic necessities in Eatonville and the more abundant services, amenities and occupations an hour north in Tacoma.

Residential Housing Price Analysis

When looking at the value of residential land, an important value indicator is historic pricing trends for improved residential property. The table and chart on the next page illustrate sales volume and pricing history for south-east Pierce County (the Subject's market area) over the past 9 years. The data for Pierce County as a whole and the three sub districts of Tacoma, Puyallup and Gig Harbor are also shown to provide contrast. The data appears fairly consistent in recent history with all areas acting essentially in unison with minor fluctuations.

Overall, it appears that since the beginning of 2008 the median house price in the subject market area has dropped from around \$245,000 to just over \$200,000, a decline of approximately 18%. Other regions of Pierce County show a similar decline. The whole of Pierce County experienced a slightly greater decline of 27%, while the south-east region of Tacoma declined 27% and south-east Puyallup declined approximately 25%. Gig Harbor and West Pierce County, conversely only declined 18%. Prices seem to be stabilizing in 2012, particularly for the subject area.

² OFM April 1st 2012 Population Estimate, Cities Towns and Counties



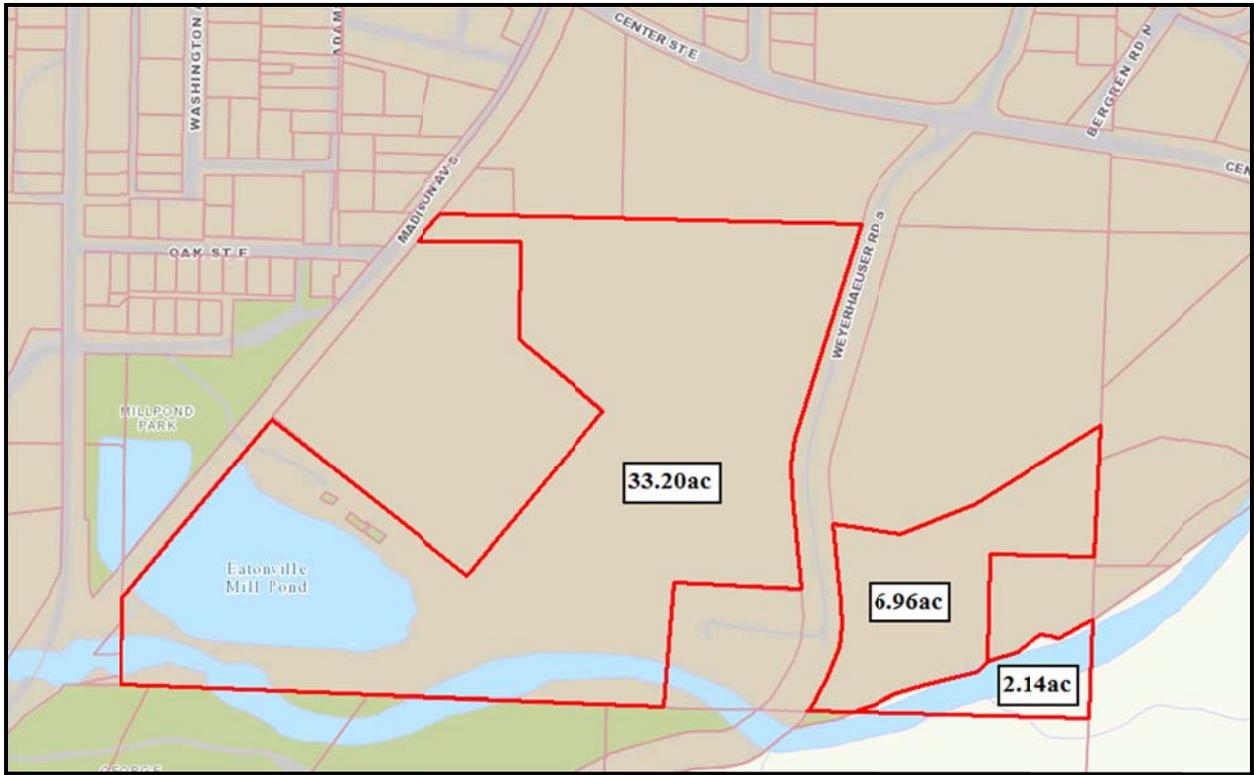
Different regions show minor differences in individual declines over the past three and a half years. Balancing the declines in the subject areas with the surrounding regions to ensure accuracy we have arrived at the following individual time adjustments for the subject's market. The results are presented in the table below and used to adjust the comparable sales in the sales comparison approach.

2008	2009	2010	2011	2012
-10.0%	-7.5%	-2.5%	-7.5%	0.0%

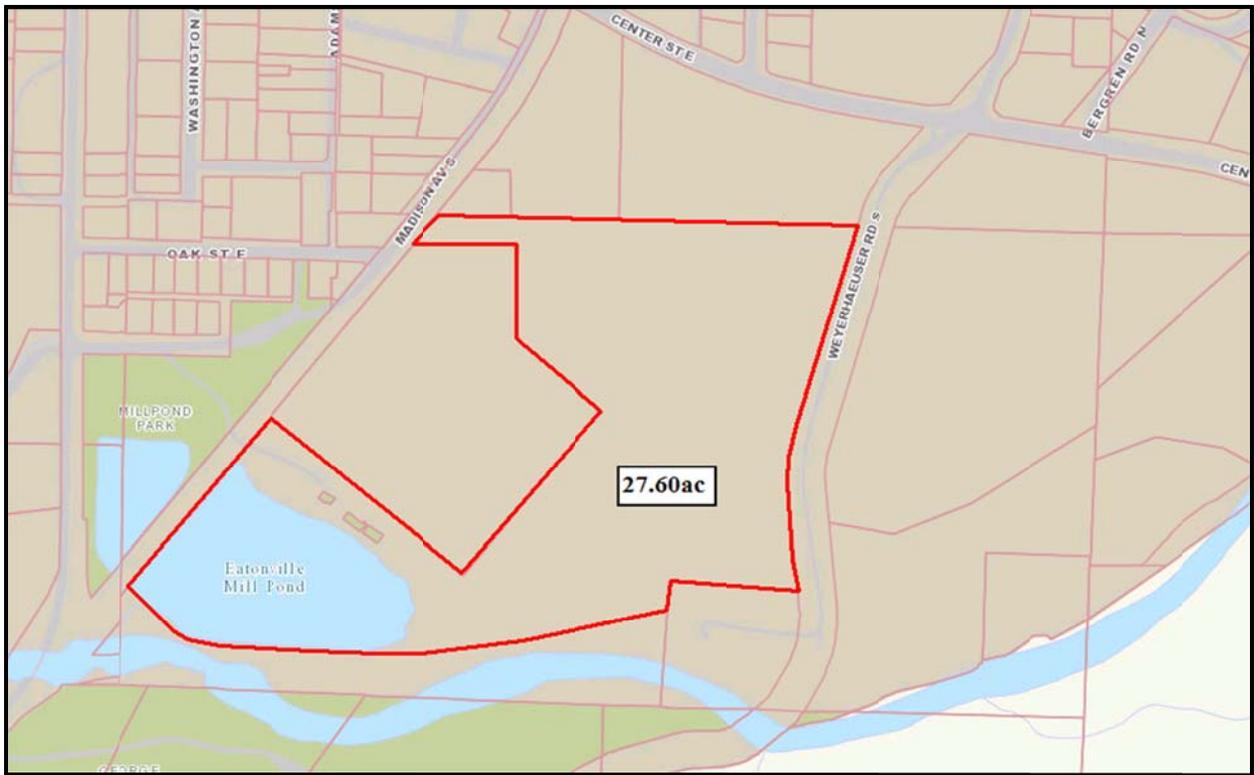
Neighborhood Characteristics

The subject property is located in Eatonville, a small town in the south-east Pierce County region. While Eatonville can provide basic needs, the subject also has relatively close access to the larger urban areas of Tacoma and Seattle. Although unemployment in Eatonville is slightly above the national average, average household income is also above average and the long term outlook for the subject's neighborhood is anticipated to be good.

SITE DATA



BEFORE



AFTER

SITE DATA

Introduction

The site data section includes a summary of all the relevant characteristic of the subject ownership. This report includes a *before* and *after* valuation analysis in which the subject ownership is described in the *before* condition, and then subsequently in the *after* condition for each of the proceeding sections. In sections where the property condition is considered similar, only one description is provided.

Present Use

Before & After

The subject ownership is vacant and unimproved.

Access & Location

Before

The subject ownership is bounded by Madison Ave S at its northwest corner, with the remainder of the northwest boundary bordering an abandoned Tacoma Eastern railway. The primary point of access is Weyerhaeuser Road S which effectively splits the property into a larger western portion and smaller eastern portion. The entire property is located just over half a mile southeast of the center of Eatonville.

After

The subject ownership is bounded by Madison Ave S at its northwest corner, as well as the abandoned railway, and by Weyerhaeuser Road S to the east, through both of which it is assumed the subject can be accessed.

Land Area and Shape

Before

Referring to the Pierce County parcel map presented previously, the subject ownership is shown to consist of three non-contiguous tax parcels all of an irregular shape. According to Pierce County Assessor's records the western parcel (APN: 0416231052) has an area of 33.20 acres (confirmed by a 2011 survey), while the northeastern parcel (APN: 0416231045) has an area of 6.96 acres and the southwestern parcel (APN: 0416231046) has an area of 2.14 acres. The total land area is then 42.32 acres per assessor's records. Please note our extraordinary assumption with regard to site area.

After

The subject ownership has an area of 27.60 acres and is of an irregular shape. Area calculations subtract the acquisition area of 5.60 acres provided by the Nisqually Land Trust from the original western parcel (APN: 0416231052) area of 33.20 acres, as well as the 2.14ac and 6.96ac of the other two parcels referenced above. Please note our extraordinary assumption with regard to site area.

Topography

Before

The subject is generally level, with the exception of the southern boundaries, where the property drops approximately 15 to 20 feet down to the Mashel River. There is a low lying area in the western parcel which is also the location of the Eatonville Mill Pond. There is also a raised ridge along the northern boundary of the northeast parcel, which appears to be an older river berm used for flood protection.

After

The subject is generally level with the exception of a low lying area in the southwest property corner which is the location of the Eatonville Mill Pond.

Soils

Before & After

We are not in possession of a soils survey for the subject. Surrounding properties would appear to have been developed without site penalty. We have assumed no soil penalty.

Vegetation

Before

The western parcel is primarily open grassland, with a number of scattered trees along the riverbank and southern boundary, some of which is sequestered on the opposing riverbank. A number of scattered mature trees and moderate underbrush inhabits the northeastern and southeastern parcels.

After

The subject ownership constitutes primarily open grassland.

Views

Before

The principal view attraction is the Mashel River, although the slight grade and river bank mean that views of the actual river are obscured from the upland property (as would be available from homes built on the parcel) – however the open space aspect of this property is a view amenity for any subdivision built here. The Eatonville Mill Pond also creates a nice attraction available in the southwest portion of this parcel.

After

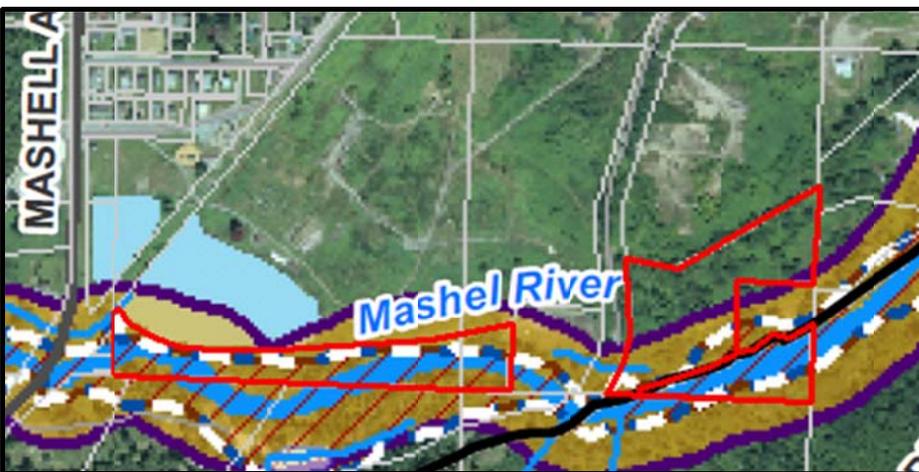
The principle view attraction is the public open space that would now run along the Mashel River; owing to a lack of grade over the property and the addition of riverbank vegetation, views of the river itself would not be available from the upland property, but views of the open space would represent a nice back-drop. An alternative view attraction exists in the Eatonville Mill Pond, which is located in the southwest corner of the property.



Before



After



Acquisition

Legend

- Eatonville Town Limits
- UGA Boundary
- Shoreline Planning Area
- Streams
- Waterbodies
- Wetlands
- Floodway
- 200' Buffer OHWM
- 1% Chance Annual Flood
- Parcels
- Major Roads
- Roads
- Railroads

SHORELINE MASTER PROGRAM MAP - EATONVILLE

Minerals

Before & After

For many reasons, mineral value is essentially non-existent here. This is not a permitted activity in this zone, and to the best of our knowledge there are no commercially valuable mineral deposits at this site that would eclipse the value of the property for commercial or residential use.

Utilities

Before & After

All utilities are available to the property through the Town of Eatonville. It has been confirmed that the sewer line is approximately one quarter to one third of a mile from the subject at the intersection of Alder and Madison. A water line is located adjacent to S. Weyerhaeuser Street. We do not have the benefit of any entitlement work for the property, and precise costs of development are unknown. We have assumed sewer could be extended to the property at reasonable cost.

Hazards

Before & After

Other than flood risk, we are not aware of any hazards here. As pertains to the risk of flooding, it is apparent that portions of the property are located within the flood plain and floodway, although we are unaware if the property has in fact flooded in the past. In regards to contamination, it is known that the property historically served as a mill site, and during our inspection there was notable debris in some areas of the property. In addition, a portion of the property was recently sold in 2011, and \$30,000 dollars was contributed by the buyer to clean up that portion of the property.

However, it is included as a hypothetical condition in this report that the subject is free and clear of any contamination and is valued as such. This is not a guarantee, and environmental investigation should be pursued as part of a purchase due diligence. It is probable there is some contamination given knowledge of the property history, and the liability of that is not addressed herein. Our appraisal assumes the seller will deliver a clean site.

Flood Zone & Shoreline Management

Before

The subject ownership borders the Mashel River to the South. This fast-moving river is typically about 30' wide, when not in flood. According to a 2009 Shoreline Master Program map provided by Eatonville in conjunction with FEMA and Pierce County, the southern portions of the western and northeastern parcels, as well as the majority of the southeastern parcel are located within the floodway, floodplain, shoreline planning area and 200ft OHWM buffer.

Although new development with the floodway is a slight possibility with the provision of a critical areas report, new development is restricted within the shoreline planning area; however the transference of development rights to another portion of the parcel is a possibility³. The majority of the subject is located outside of these areas, where a higher density of development could take place with the transfer of

³ Nick Bond, Eatonville Planning Department, June 1st, 2012.

development rights. Please refer to the Shoreline Master Program map presented on the previous page. We would note that due to the high density allowance of the property, and the low density of development that would likely be targeted by the market, use of the non-developable portions of the property for direct development transfer is unlikely.

After

A narrow strip of land constituting the southern portion of the subject property is located within the shoreline planning area and 200ft OHWM setback. The subject is however entirely outside of the floodplain and floodway as defined by FEMA insurance maps.

Easements & Restrictions

Before

The State of Washington possesses rights related to the Mashel River, below the ordinary high water line. The extent and definition of these rights are not conveyed in the title report. Other rights are conveyed with regard to the river, associated with navigation and flood control, as is somewhat typical.

The Town of Eatonville possesses a number of ingress, egress and utilities easements over the subject property, presumably for a water line leading to a city well located near the river. There is also a power easement in favor of Pacific Telephone and Telegraph Company over the western parcel. It is assumed that none of the easements substantially limit the development potential of the subject.

After

The Town of Eatonville possesses a number of ingress, egress and utilities easements over the subject property, presumably for a water line leading to a city well located near the river. There is also a power easement in favor of Pacific Telephone and Telegraph Company over the property. It is assumed that none of the easements substantially limit the development potential of the subject.

Environmentally Sensitive Areas

Before

The subject includes a significant amount of river frontage along the Mashel River, a type S aquatic area subject to the Shorelines Management Act. The frontage includes narrow strips of land sequestered along the southern riverbank. The stream buffer or riparian habitat area is 200ft from the high water market, and is detailed in yellow on the Shoreline Management map presented previously. New construction is prohibited within these areas⁴.

The Eatonville Mill Pond is considered to be an artificial body of water and is apparently not subject to critical area setbacks. We have assumed none as part of our analysis.

After

In the after case, the subject is considered minimally affected by setback restrictions from the Mashel River. Most of the property would appear to lie outside of the influence of the river

⁴ Eatonville Municipal Code: 15.16.175

Assessed Value and Tax Burden

By statute, properties in the state of Washington are assessed at 100% of market value, but typically assessed values can understate or lag the market, or simply be off due to the inexact (mass-appraisal) nature of the assessment process. The assessments for the 2011 and 2012 tax years are presented on the following page. The substantial decrease in the assessed property value is assumed to represent the BLA and subsequent sale of 10.0 acres of the subject ownership which sold in 2011. The current assessment is marginally below our conclusion of a before value for the subject property.

Assessed Values						
Value Year	Tax Year	APN number	Land	Improvements	Total	Taxes
2012	2013	0416231052	\$679,000	\$0	\$679,000	n/a
		0416231045	\$54,100	\$0	\$54,100	n/a
		0416231046	\$4,700	\$0	\$4,700	n/a
		Hamilton Property	\$737,800	\$0	\$737,800	n/a
2011	2012	0416231052	\$989,000	\$0	\$989,000	\$12,930.35
		0416231045	\$80,500	\$0	\$80,500	\$536.15
		0416231046	\$7,000	\$0	\$7,000	\$53.84
		Hamilton Property	\$1,076,500	\$0	\$1,076,500	\$13,520.34

Zoning and Land Use

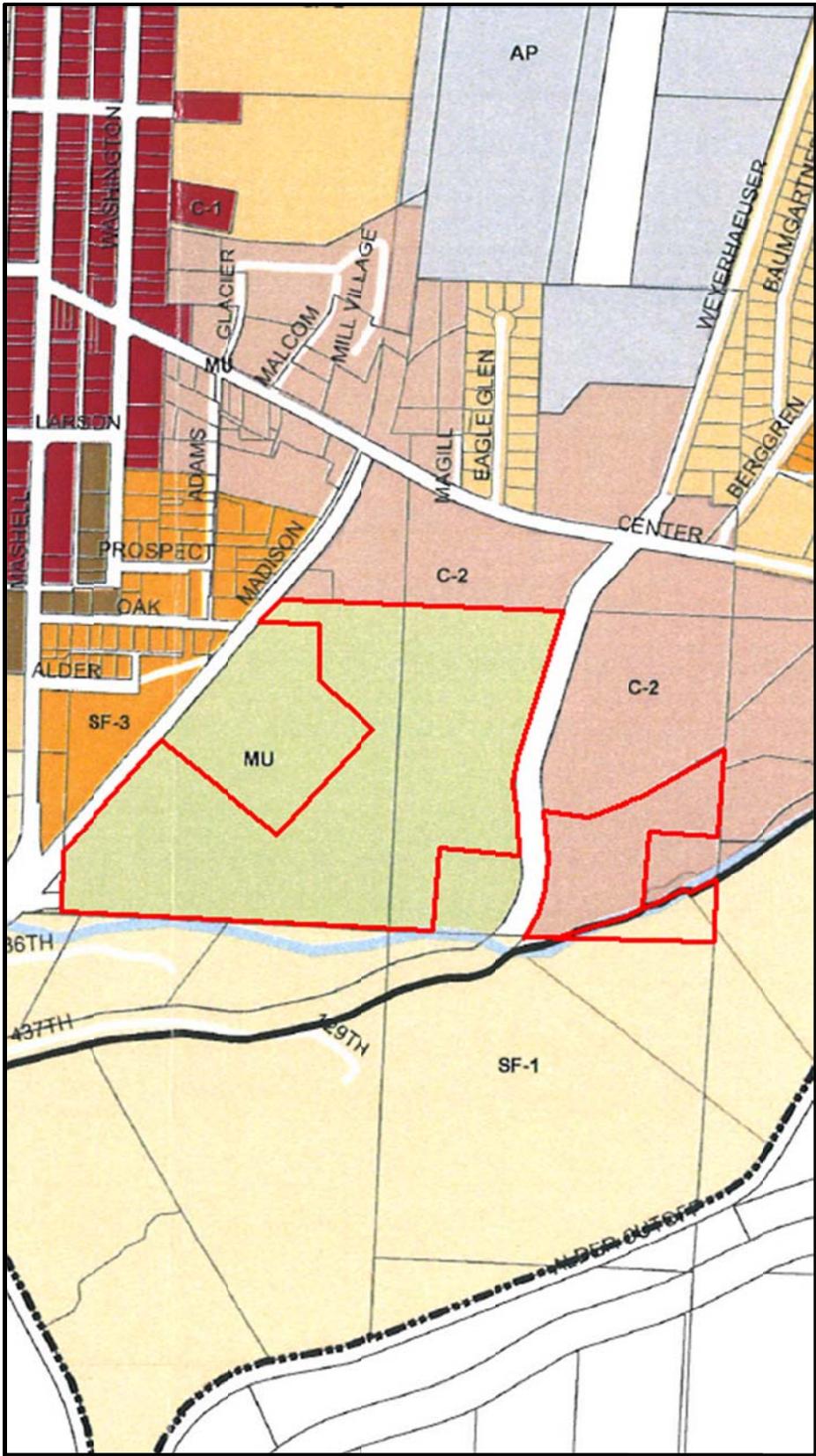
Before

The property lies within the Town of Eatonville UGA and is therefore subject to municipal zoning restrictions. The western parcel is zoned MU for Mixed Use, the northeastern parcel is zoned C-2, a General Commercial zoning designation, and the southeastern parcel is zoned SF-1, a low density Residential designation. Please refer to the density/dimension standards and permitted uses presented in the table below.

Town of Eatonville Zoning						
Zoning Designation	Denisty	Lot Coverage	Max Height	Setbacks		
				Front	Side	Rear
Mixed Use (MU)	6-23du/ac	40-50%	40ft/3 stories	20ft	10ft	0ft
General Commercial (C-2)	10,000sf/lot	40%	40ft/3 stories	25ft	20ft	20ft
Single-Family Residential (SF-1)	9,600sf/lot	30%	28ft/2.5 stories	25ft	8ft	8ft
*6,000sf/lot for residential						
MU Permitted Uses: Multifamily (apartment/townhouse/condo), Single-family, Retirement						
C-3 Permitted Uses: Trade (wholesale/retail), Services, Residential (hotel, SFR, MFR)						
SF-1 Permitted Uses: Single-family dwellings, crop & tree farming, Class I-A group homes						

After

The property is zoned MU, a Town of Eatonville Mixed Use zoning designation.



EATONVILLE ZONING MAP

HIGHEST & BEST USE

Introduction

"Highest & Best Use" is defined by The Appraisal Institute as:

"The reasonably probable and legal use of vacant land or an improved property, which is physically possible, appropriately supported, financially feasible and that results in the highest value. The four criteria the highest and best use must meet are: legal permissibility, physical possibility, financial feasibility and maximum profitability."

Source: The Dictionary of Real Estate Appraisal, Third Edition, Copyright 1993, published by the Appraisal Institute.

Larger Parcel

Before

The subject property consists of three vacant non-contiguous tax parcels. The subject property ownership includes no other properties that are contiguous or near this holding; thus we have concluded that the "before" subject is the "larger parcel" for purposes of appraisal.

After

The subject property consists of one vacant contiguous tax parcel. The subject property ownership includes no other properties that are contiguous or near this holding; thus we have concluded that the "after" subject is the "larger parcel" for purposes of appraisal.

Highest & Best Use

The highest and best use analysis provides the foundation for a value conclusion by identifying the specific market position of a subject. It is governed by consideration of the property's legal, physical and economic potential. If the property is improved, the process requires separate analysis of the land as though vacant and the land as improved. This provides the basis for a conclusion as to whether the improvements adequately contribute to overall value as to continue to be the preferred use, or whether an alternate use would better support the land value.

As Though Unimproved

Legally Possible:

Before & After

The property's location within the Town of Eatonville UGA where a relatively high density of development is permitted allows for economic uses of high value. The property would most likely be developed as a residential site at a suburban density, to perhaps urban density, with town-homes or small lots. Although the current economic downturn and financial housing crisis has all but put a stop to new development, the property would most likely be held until such a time when development was once again economically viable. That day would appear to be approaching once again given the gradual improvement in economy.

Physically Possible:

Before

The subject parcel is level and presumed to have soils that can accommodate residential structures. Additionally, the parcels have an attractive amenity bordering on the Mashel River. In these respects the property is well suited to a suburban residential development. Electricity is in the street; and the property is serviced by Town of Eatonville utilities, which are close at hand.

After

The subject parcel is level and presumed to have soils that can accommodate residential structures. Although the property does not include actual riverfront, the Mashel River is located close by and the land in between will remain vacant as open space, an attractive public amenity. All utilities are available.

Financially Feasible and Maximally Productive:

Before & After

The subject is comprised of three non-contiguous tax parcels with a combined area of 42.3 acres, and a combination of mixed use, commercial, and residential zoning. In 2006, a preliminary plat map was produced by Azure/Green consultants for a “Mashell Meadows”⁵ development plan for the subject ownership. The PDD, which is presented on the previous page, includes plans for 240 residential units, and is assumed to reflect a reasonable development scenario for the subject property. Since the plans were produced, a 10.0 acre portion of the site has been sold for a church, and therefore we have prorated the original density calculation for the project to the remaining acreage which equates to 194 potential units, on a market basis. Therefore our highest and best use analysis assumes the property to be capable of serving as a future development site capable of supporting approximately 194 units.

Note that the riverfront portions of the subject are set aside as open space, and therefore don’t contribute development land, although they would be part of the permitted area of the property, and thus could contribute density. However in conversations with the city, it is noted that the contribution of density from the riverfront is a theoretical concept, but one that practically was not apparently used here in this planning effort, given the low density of development proposed by the prospective purchaser.

After

The property is comprised of one contiguous tax parcel with an area of 27.60 acres. The allowable residential density is estimated to be 167 units for the site, which is calculated by subtracting the approximate 27 units located on the northwestern parcel from the previously established figure of 194 units. Therefore the property is considered capable of serving as a development site capable of supporting approximately 167 units. In that assessment, it is noted that we are assuming no loss in development capability as compared to the before case, by virtue of the loss of riverfront ownership. This seems reasonable inasmuch as the development density sought falls well below the site maximum. In our valuation of those 167 units, however, and in a nod towards the lost potential value of trading the riverfront for an easy permitting path, and in consideration of the more speculative loss of development

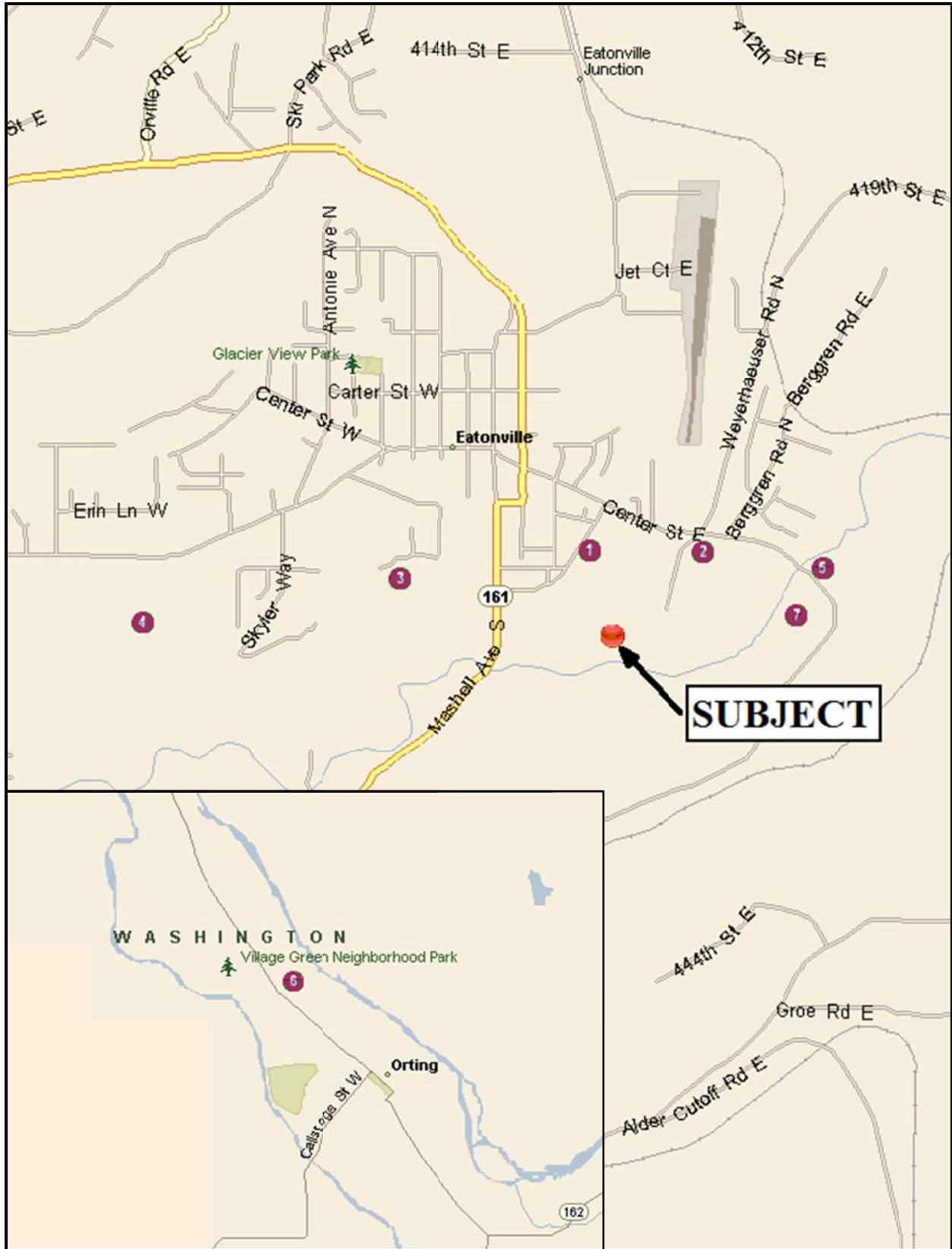
⁵ The plan appears to use a common spelling error for the Mashel River. In this report the plan is referred to as the “Mashell Meadows” plan, as that is its title, while the river is referred to as the Mashel River which is the correct spelling.

density, we have considered the unit yield to be potentially of less value than the before case, on a per unit basis.

Highest & Best Conclusion

It is in our opinion that the most maximally productive and financially feasible use of the property in the *before* and *after* condition is for suburban residential development at a time when such an endeavor would be financially feasible, and at the approximate density noted herein.

SALES COMPARISON APPROACH



MAP OF SALES COMPARISONS

Land Sales Comparison - Pierce County														
No. Address/Location	Land		Improvements		Sales Data			Adjustment & Analysis				Comments		
	Acres SqFt	Zoning Units	Bldg Sf Vintage	Date/Listing	Sales Price	2012 0.0%	2011 -7.5%	2010 -2.5%	2009 -7.5%	Adjusted Price	Bldg. \$/sf		Land \$/sf	\$/unit
<u>Mill Site Sales</u>														
1 351 Madison Ave S Eatonville	10.00ac 435,600sf	MU 46 units	Vacant Land	Aug-11 includes buyer contribution of \$30k for clean-up	\$555,000	0.97			\$539,686		\$539,686 \$1.24/sf	\$539,686 \$1.24/sf	\$11,761/unit	Property adjoining subject, same zoning. Future church site. \$30,000 clean up.
2 503 Center St E Eatonville	2.75ac 119,790sf	C-2 14 units	1,536sf 1978	Sep-11	\$300,000	0.98			\$293,535	\$50,000	\$293,535 \$2.03/sf	\$293,535 \$2.03/sf	\$17,712/unit	Small auto repair shop; imps have low assessed value. RE Contract after forfeit.
<u>Eatonville Sales</u>														
3 399 Prospect St W Eatonville	5.35ac 233,046sf	SF-1 25 units	Vacant Land	Apr-10	\$120,538	0.91			\$109,619		\$109,619 \$0.47/sf	\$109,619 \$0.47/sf	\$4,374/unit	SF-1 zoned vacant land just to west of subject neighborhood.
4 11316 Eatonville Hwy E Eatonville	68.55ac 2,986,038sf	SF-2 355 units	Vacant Land	Sep-11	\$1,300,000	0.98			\$1,268,457		\$1,268,457 \$0.42/sf	\$1,268,457 \$0.42/sf	\$3,568/unit	Large tract vacant riverfront land purchased by Nisqually Land Trust. Lake.
5 43429 Alder Cutoff Rd Eatonville	4.86ac 211,702sf	MSF 29 units	Vacant Land	Jan-12	\$225,000	1.00			\$225,000		\$225,000 \$1.06/sf	\$225,000 \$1.06/sf	\$7,716/unit	Large tract vacant riverfront land purchased by City of Eatonville. \$385,000 OLP.
<u>Additional Sales.</u>														
6 710 Washington Ave N Orting	17.36ac 756,202sf	RS 87 units	Vacant Land	Aug-11	\$500,000	1.25			\$625,000		\$625,000 \$0.83/sf	\$625,000 \$0.83/sf	\$7,200/unit	Planned neighborhood center near river just east of downtown. Distress/REO sale.
7 23420-23424 Alder Cutoff Rd Eatonville	7.85ac 341,795sf	MSF 47 units	1,104sf 1963	Active Apr-12	\$375,000	0.80			\$300,000	\$0	\$300,000 \$0.88/sf	\$300,000 \$0.88/sf	\$6,372/unit	87 days on the market. Moderate density site on Marshel River improved with SFR.
<u>Subject Listing - AFTER</u>														
485 Weyerhaeuser Rd S Eatonville	28.00ac 1,219,680sf	MU/C-2 167 units	Vacant Land	Active Aug-11	\$1,500,000	0.80			\$1,200,000		\$1,200,000 \$0.98/sf	\$1,200,000 \$0.98/sf	\$7,181/unit	328 days on the market. Remaining "approx." 28 acres of mill site after subject acquisition.
<u>Subject BEFORE</u>														
485 Weyerhaeuser Rd S Eatonville	42.30ac 1,842,588ft	MU/C-2 194 units	Vacant Land		April 18, 2012				\$1,070,000	(rounded)	\$1,067,610 \$0.58/sf	\$1,067,610 \$0.58/sf	\$5,500/unit	
485 Weyerhaeuser Rd S Eatonville	27.60ac 1,202,256ft	MU/C-2 167 units	Vacant Land		April 18, 2012				\$840,000	(rounded)	\$835,554 \$0.69/sf	\$835,554 \$0.69/sf	\$5,000/unit	
<u>Hamilton Acquisition</u>														
Portion of site Eatonville	14.70ac 640,332ft	MU/C-2 27 units	Vacant Land		April 18, 2012				\$230,000		\$230,000	\$230,000		

SALES COMPARISON APPROACH

Introduction

The search for comparable sales information has included a review of sales activity in Eatonville as well as Pierce County. The emphasis is on large development sites, with most comparisons located near river amenity. Four of the comparisons are located inside the Eatonville UGA. All sales are recent, occurring within the previous two-and-a-half years, and represent market value transactions.

Market Conditions Adjustment

The South-East Pierce County MLS area experienced depreciation of 7% in 2010 and another 7% in 2011. For the year to date as of June 1, 2012, home values have remained stable in the subject MLS area. In consideration of these issues, we have applied a time value adjustment of negative 7.5% in both 2010 and 2011, and no adjustment for 2012.

Sale Conditions Adjustment

One of our sales transactions is a bank sale. Banks typically sell properties in a relatively poor or just fair condition (with unkempt landscaping and deferred maintenance for example), with no Form 17, and no warranties; often it is unknown what the exact development potential of the site is, or whether potential contamination issues exist. The feasibility periods are typically very short, and yet bank approval times for sale can be extended due to slow approvals, which can sap buyer patience. We have observed that such transactions, while receiving more interest than in the past (due to greater volume and better agent experience in helping navigate a buyer through the process), still occur at a significant discount to a sale with "typical motivations". As a consequence, we have applied a 25% upward adjustment to this sale.

As an additional check on value we have also included the active listing of a riverfront property just outside of Eatonville. During the marketing and bidding process, properties typically undergo a reduction in value in the range of 10 to 25%, and considering this particular listing which has only been on the market for 87 days with no reduction in value we have applied a 20% downward adjustment. We have used the same adjustment factor for the subject listing, which has not had firm offers despite market exposure of over 1 year.

Improvement & Land Value Allocation

One of the sales presented for analysis includes a property with some improvement value. Proper use of the sale requires consideration of the contributory value of the improvement, and allocations have been made based on appraiser judgment, with base information obtained from the Marshall Swift Valuation Manual, and commentary on overall improvement contribution from realtors.

Other Adjustments

Other adjustments are considered for lot size, front feet, etc., and these are treated on a qualitative basis through application of a graphing technique that allows for consideration of the economies of scale associated with these types of value attributes.

Comparable Data

Comparable sales range from just over \$120,000 for a residential development site zoned for up to 25 units, to \$1,300,000 for a 68ac moderate density residential development site within the Eatonville UGA and with frontage on the Mashel River. Most share a similar waterfront amenity and are located in close proximity to central Eatonville. The adjusted values range from roughly \$110,000 to just under \$1,270,000, with the subject considered to lie in the upper-end of this range in both the *before* and *after* condition, a product of its high-density development potential and desirable location.

Mill Site Sales

Comparable 1: This sales transaction is the 10.0 acre site which was under the subject ownership and was included in the 2006 “Mashell Meadows” development plan for the subject site. The property was purchased as a future church site in August of 2011 for a sales price of \$525,000, with, according to the listing agent, the buyer contributing another \$30,000 towards clean-up costs associated with the property’s historical use as a mill site. The “clean” price is thus \$555,000. Based upon the previously presented development yield plan for Mashell Meadows, we have allocated the site 46 potential development units which equates to a per unit indicator of \$11,761. This is a high indicator given the smaller parcel size, and developed road frontage.

Comparable 2: Comparable 2 was also part of the Eatonville mill site, however it was not included in the 2006 “Mashell Meadows” proposed development, and therefore we have relied upon the C-2 zoning maximum density of 5.0 units per acre. The calculated yield for the 2.75 acres site is then 14 units. Selling in September of 2011, this commercial property enjoys a corner location at the intersection of Weyerhaeuser Road and Center Street. The property was improved with a 1,536sf auto repair shop which was considered to be in fair condition and is allocated an improvement value of \$50,000, resulting in an indicating land value of just over \$240,000. The per unit indicator is then \$17,712; this is also a high indicator for the subject.

Eatonville Residential Development Site Sales

Comparable 3: Located approximately ½ a mile west of the subject on a hill overlooking Eatonville is comparable 3, an SF-1 zoned residential development site capable of supporting up to 25 units. The parcel is of an irregular shape, with a small cut out along the southern boundary containing one improved residential lot. Sales records from the Pierce County Assessor list a 2010 sales price of \$120,538 for the 5.35 acre property. This equates to a potential yield of \$4,374 per residential lot, some of which would have good territorial views of the surrounding area. Subject pricing is considered slightly superior given the in-town location, better zoning and river proximity.

Comparable 4: Comparable 4 is a large acreage development site located within the Eatonville UGA. The heavily forested comparable property shares many similarities with the subject including a sizeable pond (although this one is natural), and frontage on the Mashel River. Eatonville’s SF-2 zoning over the site allows for 8,400sf per lot, equating to a maximum potential yield of 355 units. Purchased in September of 2011 by the Nisqually Land Trust for \$1,300,000, the per unit indicator comes out to \$3,568, this also equating to \$0.46/sf of land area. There is a preference not to use non-profit sales in a Yellow Book appraisal, and thus this sale is not emphasized, even though appraisal based. However the broad characteristics of the property are not too dissimilar from those possessed by the subject, although the latter’s zoning is superior.

Comparable 5: Located just east of the subject across Mashel River is comparable 5, a county zoned moderate single family residential site with frontage on the river. Access to the property is available

through a gravel easement off Alder Cutoff Road which runs through the center of the property and serves properties to the east. Additionally the irregular shaped site includes two tax parcels and a third non-contiguous tax parcel with is considered to contribute nominal value due to its small size. The property was purchased by the Town of Eatonville in January of this year for \$225,000. Under county zoning the maximum lot yield would be 29 units, which calculates to \$7,716/unit. Again the preference is not to use this type of sale as it was to a government entity, but pricing is noted to be supported by other sales in the area, and the property was actively marketed for sale, and sold substantially below listing price. A lower indicated value for the subject is appropriate on account of parcel size.

Additional Sales Information

Comparable 6: This comparable is located in the Town of Orting, which is considered comparable to Eatonville. At 17.36 acres and under city zoning the site is capable of supporting up to 87 units, and surrounding properties support larger scale residential developments. The property is cleared, and is located relatively close to the Carbon River, however a sewage treatment plants occupies a part of the area in between. All utilities are also available at the site. The property sold in August of 2011 for \$500,000, however the transaction was recorded as an REO/distress sale and therefore we have applied a 25% upwards adjustment. The resulting indicator of \$625,000 equates to \$7,200/unit. A slight downward adjustment to the subject is appropriate on account of size.

Comparable 7: This property is located across the street from comparable 5 and is actively listed for sale. Like comparable 5 the property is subject to county MSF zoning, however at 7.85 acres the maximum lot yield is substantially higher at 47 units. Additionally, the property includes frontage on the Mashel River. Improvements on the property include a single-family residence and mobile home, which are believed to contribute nominal value and are therefore given no value allocation. The property has been actively listed for sale for 87 days at \$375,000. After an 80% downwards adjustment the adjusted indicator of \$300,000 equates to \$6,372 per unit. A lower value is indicated for the subject due to size.

Sales Analysis

The comparable properties selected for analysis present an overall sales price range of approximately \$110,000 for a smaller residential development site in Eatonville, to \$1,300,000 for 68 acres of raw land with moderate density residential zoning, also within the Eatonville UGA. Three of the properties enjoy river frontage, and all are capable of supporting relatively high density development (4.5 to 6.0 units per acre). Overall they are considered to reasonably bracket the subject's lot value.

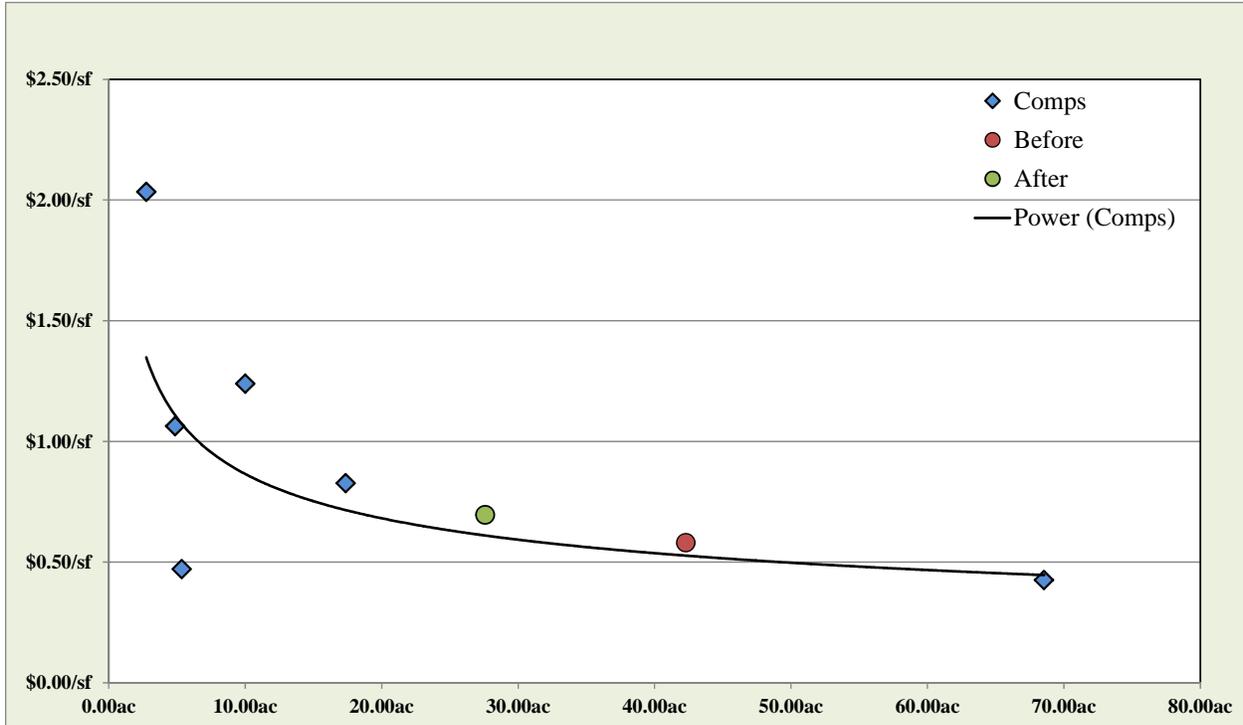
The range in per unit pricing is from \$4,374/unit to above \$15,000/unit, with the subject in the very low end of that range on account of size, this balanced a little with the strong downtown location.

Before

In the before case, our conclusion of value is \$5,000 to \$6,000 per unit, and \$0.55 to \$0.60/sf, with the rounded value indicator lying at \$1,070,000. This is \$5,500 per unit and \$0.58/sf, which puts the subject appropriately on a trend line with the balance of the sales (see below). The conclusion is above sales 3 and 4 which have lower intensity zoning on the one hand, and is our largest sale on the other. The other comparables set an upper limit of value on account of parcel size, and appropriately bracket the per unit indicator at \$6,000/unit. The value per square foot is lower than the \$1.24/sf achieved for the smaller church site at the road frontage, but appropriately above the low-end of the range for more rural parcels of substantial size.

After

In the after case, the subject is considered to be very similar. It is smaller which would suggest a slightly lower price per unit, but the density is higher, due to the loss of river-front land that contributed private open space, even though it was not directly developable – the higher density and the loss of control of the waterfront justifies a slightly lower per unit indicator, fixed here at \$4,500 to \$5,500 per unit, a \$500/unit reduction. A higher per square foot land indicator is indicated, as the development parcel is smaller, and more of the acreage sold is directly usable, and the conclusion lies at \$0.80 to \$0.85/sf. At \$5,000 per unit, and \$0.81/sf, the concluded value is \$970,000. The relationship of this figure to the sales and the before value is indicated on the graphing presented below.



The concluded values are well bracketed by the data set, and more importantly the before and after figures appropriately follow the trend line of the data, giving consideration to the loss of acreage and development land.

Value Allocation

In terms of an allocation of value, the loss of the development land is best valued at 27-units times \$5,500/unit for that portion of the site, for an indicator of around \$150,000. Meanwhile the riverfront property contributes the balance of the difference at \$80,000. The distribution is considered reasonable in light of the respective utility of both components as compared to the whole.

Final Value Conclusion

Before Value	\$1,070,000
After Value	\$840,000
Subject Value Conclusion.....	\$230,000

Date of Value

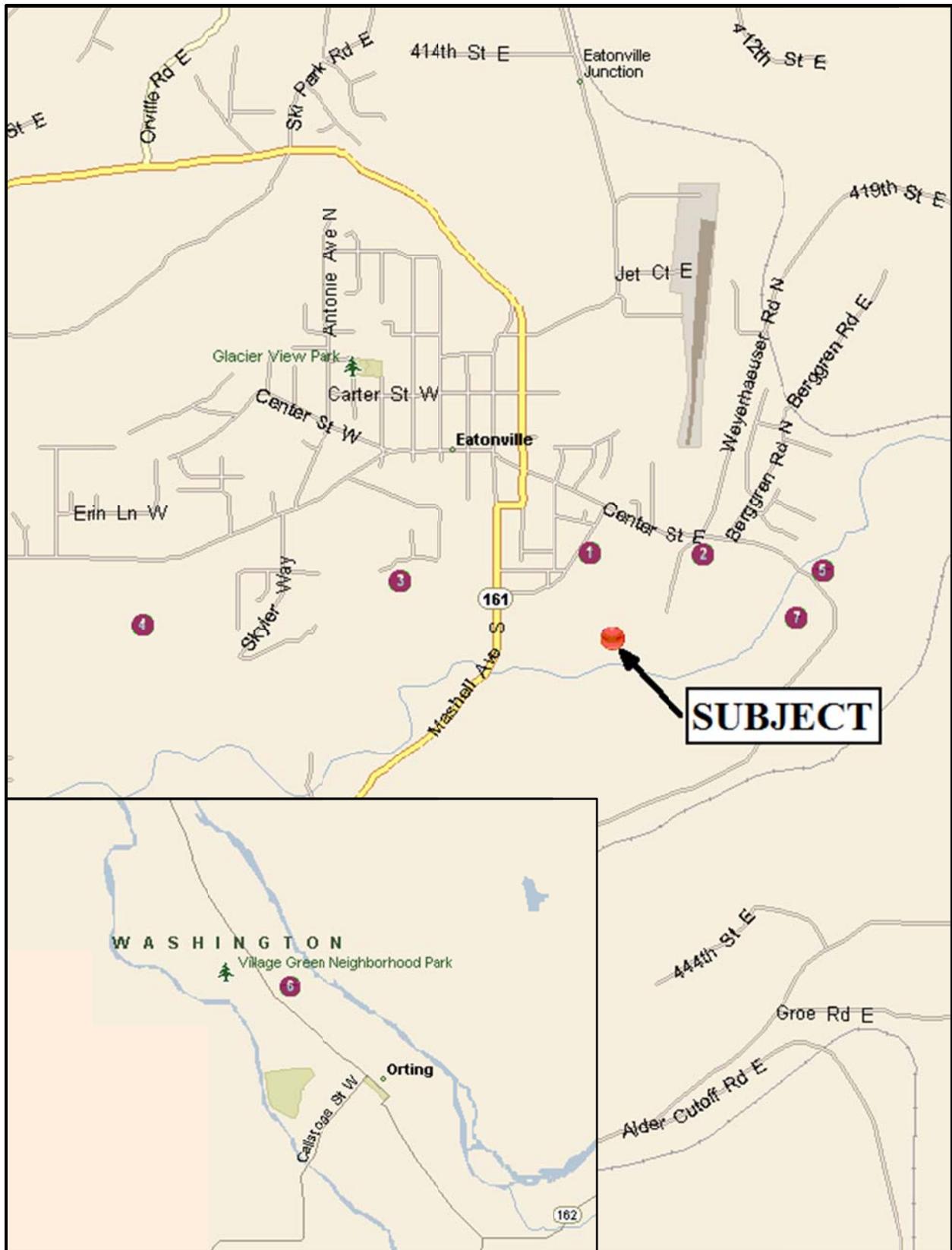
April 18th, the date of inspection.

Exposure and Marketing Time

The market value estimate is not linked to a specific exposure or marketing time due to UASFLA's required invocation of USPAP's jurisdictional exception rule, as described in section D-1 of UASFLA.

ADDENDUM

Market Sales Comparison Data



MARKET SALES COMPARISON MAP

Sales Comparison #1



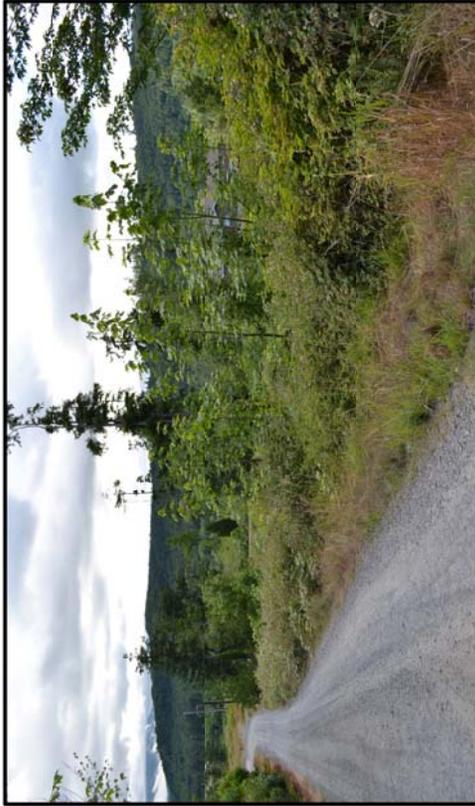
<p>1) 351 Madison Ave S</p> <p>2) a. Access: Paved b. Use at Sale: Vacant c. H & B Use: Mixed Use/Residential d. Zoning: MU e. Land Area: 10.00ac f. Sale Date: August 22, 2011 g. Price: \$555,000 h. Instrument Type: Statutory Warranty Deed i. Terms: Cash k. ETN: 4267340 j. Seller: Joseph & Joan Hamilton l. Buyer: Centerpoint Eatonville m. Confirmed with: Don Miller, Listing Agent (253) 318-7470 MLS, Assessor's Records</p> <p>3) Tax Parcel #: 0416231051</p>	<p>4) ANALYSIS:</p> <table border="0" style="width: 100%;"> <tr> <td style="width: 30%;">Item</td> <td style="width: 30%;"></td> <td style="width: 40%; text-align: right;">Contribution Value</td> </tr> <tr> <td>Land (total):</td> <td>10.00ac</td> <td style="text-align: right;">\$539,686</td> </tr> <tr> <td>Buildings:</td> <td>None</td> <td style="text-align: right;">\$0</td> </tr> <tr> <td>Other:</td> <td></td> <td></td> </tr> <tr> <td colspan="2">Total Adjusted Sales Price</td> <td style="text-align: right;">\$539,686</td> </tr> </table> <p>5) Comments: Mixed use site once part of Marshel Meadows development plan. Level, \$25,000 allocated towards clean-up. Future church site. Estimated 46 unit potential.</p> <p>BUILDING INFORMATION:</p> <table border="0" style="width: 100%;"> <tr> <td>Condition:</td> <td>n/a</td> </tr> <tr> <td>Vintage:</td> <td>n/a</td> </tr> <tr> <td>Living sf:</td> <td>n/a</td> </tr> <tr> <td>Other sf:</td> <td>n/a</td> </tr> </table>	Item		Contribution Value	Land (total):	10.00ac	\$539,686	Buildings:	None	\$0	Other:			Total Adjusted Sales Price		\$539,686	Condition:	n/a	Vintage:	n/a	Living sf:	n/a	Other sf:	n/a
Item		Contribution Value																						
Land (total):	10.00ac	\$539,686																						
Buildings:	None	\$0																						
Other:																								
Total Adjusted Sales Price		\$539,686																						
Condition:	n/a																							
Vintage:	n/a																							
Living sf:	n/a																							
Other sf:	n/a																							

Sales Comparison #2



- 1) **503 Center St E**
- 2) a. Access: Paved
 b. Use at Sale: Commercial
 c. H & B Use: Commercial
 d. Zoning: C-2
 e. Land Area: 2.75ac
 f. Sale Date: September 20, 2011
 g. Price: \$300,000
 h. Instrument Type: Real Estate Contract
 i. Terms: Cash
 k. ETN: 4269425
 j. Seller: David Bartholomew
 l. Buyer: NYBO Redi-Mix Concrete Inc
 m. Confirmed with: Assessor's Records
- 3) **Tax Parcel #: 0416144121**
- 4) **ANALYSIS:**
- | | | |
|-----------------------------------|-----------------|--------------------|
| Item | | Contribution Value |
| Land (total): | 2.75ac | \$243,535 |
| Buildings: | Retail Building | \$50,000 |
| Other: | | |
| Total Adjusted Sales Price | | \$293,535 |
- 5) **Comments:** Commercial corner lot just northeast of subject on Weyerhaeuser road. Small retail building no longer in use.
- BUILDING INFORMATION:**
- | | |
|------------|---------|
| Condition: | Poor |
| Vintage: | 1978 |
| Living sf: | 1,536sf |
| Other sf: | n/a |

Sales Comparison #3



1) 399 Prospect St W

- a. Access: Gravel/Paved
- b. Use at Sale: Vacant
- c. H & B Use: Residential Development
- d. Zoning: SF-1
- e. Land Area: 5.35ac
- f. Sale Date: April 30, 2010
- g. Price: \$120,538
- h. Instrument Type: Statutory Warranty Deed
- i. Terms: Cash
- k. ETN: 4237159
- j. Seller: Stephen & Linda Cossalman
- l. Buyer: James & Katherine Bieker
- m. Confirmed with: Assessor's Records

4)

ANALYSIS:

Item		Contribution Value
Land (total):	5.35ac	\$109,619
Buildings:	None	\$0
Other:		
Total Adjusted Sales Price		\$109,619

- 5) Comments:** Residential development site with territorial views of Eatonville located west of subject on hill. Potential for 25 lot subdivision.

BUILDING INFORMATION:

Condition:	n/a
Vintage:	n/a
Living sf:	n/a
Other sf:	n/a

3) Tax Parcel #: 0416232075

Sales Comparison #4



1) 11316 Eatonville Hwy E

- 2) a. Access: Paved
- b. Use at Sale: Vacant
- c. H & B Use: Residential Development
- d. Zoning: SF-2
- e. Land Area: 68.55ac
- f. Sale Date: September 7, 2011
- g. Price: \$1,300,000
- h. Instrument Type: Statutory Warranty Deed
- i. Terms: Cash
- k. ETN: 4269233
- j. Seller: Van Eaton Family LLP
- l. Buyer: Nisqually Land Trust
- m. Confirmed with:

Assessor's Records

3) Tax Parcel #: 0416221002

4)

ANALYSIS:

Item		Contribution Value
Land (total):	68.55ac	\$1,268,457
Buildings:	None	\$0
Other:		
Total Adjusted Sales Price		\$1,268,457

- 5) Comments:** Large residential development site on Marshall River with pond. Moderate density residential Eatonville zoning. 355 units.

BUILDING INFORMATION:

Condition:	n/a
Vintage:	n/a
Living sf:	n/a
Other sf:	n/a

Sales Comparison #5



<p>1) 11316 Eatonville Hwy E</p> <p>2) a. Access: Paved b. Use at Sale: Vacant c. H & B Use: Residential Development d. Zoning: MSF e. Land Area: 4.86ac f. Sale Date: January 3, 2012 g. Price: \$225,000 h. Instrument Type: Statutory Warranty Deed i. Terms: Cash k. ETN: 4276309 j. Seller: Nora Thureson l. Buyer: Town of Eatonville m. Confirmed with: CBA, Assessor's Records</p> <p>3) Tax Parcel #: 0416242022, -28, -29</p>	<p>4) ANALYSIS:</p> <table border="0"> <tr> <td>Item</td> <td></td> <td>Contribution Value</td> </tr> <tr> <td>Land (total):</td> <td>4.86ac</td> <td>\$225,000</td> </tr> <tr> <td>Buildings:</td> <td>None</td> <td></td> </tr> <tr> <td>Other:</td> <td></td> <td></td> </tr> <tr> <td colspan="2">Total Adjusted Sales Price</td> <td>\$225,000</td> </tr> </table> <p>5) Comments: Vacant parcel east of subject on Marshal River. County zoning moderate single family allows for 29 units. Purchased by Town of Eatonville.</p> <p>BUILDING INFORMATION:</p> <table border="0"> <tr> <td>Condition:</td> <td>n/a</td> </tr> <tr> <td>Vintage:</td> <td>n/a</td> </tr> <tr> <td>Living sf:</td> <td>n/a</td> </tr> <tr> <td>Other sf:</td> <td>n/a</td> </tr> </table>	Item		Contribution Value	Land (total):	4.86ac	\$225,000	Buildings:	None		Other:			Total Adjusted Sales Price		\$225,000	Condition:	n/a	Vintage:	n/a	Living sf:	n/a	Other sf:	n/a
Item		Contribution Value																						
Land (total):	4.86ac	\$225,000																						
Buildings:	None																							
Other:																								
Total Adjusted Sales Price		\$225,000																						
Condition:	n/a																							
Vintage:	n/a																							
Living sf:	n/a																							
Other sf:	n/a																							

Sales Comparison #6



- 1) 710 Washington Ave N
- 2) a. Access: Paved
 b. Use at Sale: Vacant
 c. H & B Use: Residential Development
 d. Zoning: RS, Orting
 e. Land Area: 17.36ac
 f. Sale Date: August 10, 2011
 g. Price: \$500,000
 h. Instrument Type: n/a
 i. Terms: n/a
 k. ETN: n/a
 j. Seller: Heritage Bank
 l. Buyer: C & D Industrial LLC
 m. Confirmed with: Co-Star, CBA
- 3) Tax Parcel #: 0519301018

4) ANALYSIS:

Item	Contribution Value
Land (total): 17.36ac	\$625,000
Buildings: None	\$0
Other:	
Total Adjusted Sales Price	\$625,000

- 5) **Comments:** Large residential development site near downtown Orting close to river. By sewage plant. REO/ distress sale. Subdivisions near by. 86 units.

BUILDING INFORMATION:

Condition: n/a
 Vintage: n/a
 Living sf: n/a
 Other sf: n/a

Listing Comparison #7



- 1) **23420-23424 Alder Cutoff Rd**
- 2) a. Access: Paved
 b. Current Use: SFR
 c. H & B Use: Residential Development
 d. Zoning: MSF
 e. Land Area: 7.85ac
 f. Listing Date: April 20, 2012
 g. Price: \$375,000
 h. Instrument Type:
 i. Terms:
 k. ETN:
 j. Seller:
 l. Buyer:
 m. Confirmed with: CBA

N/A

3) **Tax Parcel #: 0416242027**

4) ANALYSIS:

Item		Contribution Value
Land (total):	7.85ac	\$300,000
Buildings:	Residence	\$0
Other:		
Total Adjusted Sales Price		\$300,000

- 5) **Comments:** Active listing of county zoned MSF property SE of subject. Improved with residence and mobile home. Includes frontage on the Marshal River.

BUILDING INFORMATION:

Condition:	n/a
Vintage:	1963
Living sf:	1,104sf
Other sf:	Mobile - n/a

Notice of Property Owner Contact

Contact Dates June 13th, June 26th and July 17th, 2012
Person Contacted: Don Miller, Home Team Northwest, LLC
By Whom: Anthony Gibbons
How: Telephone Call
Response: The agent provided helpful information on the historic listing of the property and interest in the site, as well as previous development plans commissioned by a prospective buyer in the past development market.

Inspection Date April 18th, 2012
Accompaniment: Nicole Hill, of the Nisqually Land Trust; the listing agent as owner representative provided permission to inspect the property, but did not wish to accompany the appraiser.
By Whom: Anthony Gibbons
How: In person
Response: The property was fully inspected on April 18th 2012.

Title Report

We have been provided with a title report for the subject tax parcels 0416231052, 0416231045, and 0416231046 as performed by Ticor Title Company dated June 25th, 2012. As per the stipulations of the Uniform Appraisal Standards for Federal Land Acquisitions, it is permissible to reference the title report rather than include it is the appraisal report.

Appraiser's Qualifications

RE•SOLVE

Real Estate Appraisal, Counseling & Mediation

ANTHONY GIBBONS, MAI, CRE

Mr. Gibbons graduated from King's College, University of London with a Bachelor Degree in Geography in July 1982. He graduated top of his Geography class, with a First Class Honors degree, and a diploma in Religion and Medical Ethics. At University, Mr. Gibbons was awarded the 1980 Barry Prize for top score in his class for Religion/Medical Ethics finals; the 1981 Leathes Prize for second highest score in Religion/Medical Ethics finals; the Stamford Geographical Prize in 1981 for the most promising geography student; and the Geoid Prize, also in 1981, by the *London School of Economics–King's College Joint School of Geography Association* for his work on behalf of the Association.

Mr. Gibbons entered private appraisal practice with the firm of Shorett & Riely in January of 1983 and formed the company of Wronsky Gibbons & Riely in December 1994. With his partners retiring in 1998 and 1999, in July of 1999 Mr. Gibbons formed **RE•SOLVE** – a company providing real estate appraisal, counseling, mediation and arbitration services.

Completed American Institute of Real Estate Appraisers Courses 1A-1, Real Estate Principles and 1A-2, Basic Valuation Procedures in May of 1983. Completed Courses 1B-A and 1B-B, Capitalization Theory & Techniques in June of 1984. Completed Course 2-1, Case Studies in Real Estate Valuation, and 2-2, Valuation Analysis and Report Writing in March of 1985. Completed Course 2-3, Standards of Professional Practice, in April of 1986. Received credit for Demonstration Appraisal Report in August of 1987, and a passing grade on the Comprehensive Examination in September of 1987. Awarded the MAI designation by the American Institute of Real Estate Appraisers (AIREA) on June 14, 1988, Member Number 7857.

Mr. Gibbons was elected President of the Seattle Chapter, in 1999, and served on the Chapter Board for eight years. He is past Chairman of the local chapter Education Committee, and currently a Regional Member for the Counseling and Ethics Administration Division of the Appraisal Institute. As of the date of this report, Mr. Gibbons has completed the requirements of the continuing education program of the Appraisal Institute, and is certified through 12/31/2012. He is licensed as a certified real estate appraiser, general classification, by the State of Washington, license no. 1100854.

Mr. Gibbons was invited to join The Counselors of Real Estate in December of 1997. Membership in the Counselors is by invitation based on an individual's reputation for knowledge, integrity, experience and judgment in rendering advice on real estate matters. The approximate 1,000 or so individuals holding the CRE designation have pledged to maintain the highest standards of professional conduct and service in the field of real estate counseling. Mr. Gibbons is past President of the Pacific Northwest Chapter of the Counselors of Real Estate.

Mr. Gibbons has participated as faculty in Washington State Bar Association and Law Seminars International seminar offerings. He is an instructor for the University of Washington's Certificate Program in Real Estate, and has taught in the lecture series for the years 2001 through 2009. Mr. Gibbons was also the lead instructor for the University of Washington's (Tacoma) Certificate Program in Real Estate for 2006 to 2009, and continues to instruct in that series.

A partial list of clients follows:

Prudential Insurance Company
Teachers Insurance & Annuity Association
Equitable Real Estate
Citicorp
American Marine Bank
Banker's Trust
Washington Mortgage Corporation
Frontier Bank
Key Bank
Washington Mutual Savings Bank
Wells Fargo Bank
First Bank of Alaska
Allied Shopping Centers, Northwest
Cadillac Fairview US Western Region
Sabey Corporation
Pope Resources
Urbis Partners
Seattle Marina, Inc.
Kennedy Associates
Bellevue Square Managers, Inc.
Ocean Crest Resort
The Boeing Company
Weyerhaeuser Company
Weyerhaeuser Venture Co.
Washington Transit Authority
Pfizer, Inc.
King County
Pierce County
Kitsap County
Snohomish County
Thurston County
Lawyers Title
First American Title
Commonwealth Title
Pacific Northwest Title
United States Postal Service
Federal Deposit Insurance Corporation
Pine Street Development
Vulcan

Wright Runstad & Company
NANA Development Corporation
Swedish Hospital Medical Center
Group Health
Fred Hutchinson Cancer Research Center
Tousley Brain Stephens
Foster, Pepper & Shefelman
Witherspoon, Kelley, Davenport & Toole
Hornsby & Whisenand
Culp Guterson & Grader
Williams, Kastner & Gibbs
Riddell Williams Bullitt & Walkinshaw
Davis Wright Tremaine
Lane Powell Spears Lubersky
Perkins Coie
Preston Gates & Ellis
Miller Nash
Heller Ehrman
Rodgers Deutsch & Turner
University of Washington
Seattle Pacific University
Bainbridge Island School District
Mercer Island School District
Bellevue School District
City of Seattle
City of Kirkland
City of Bainbridge Island
City of Woodinville
Washington State Liquor Board
Washington State Department of Transportation
Washington State Dept of Natural Resources
Port of Seattle
Port of Grays Harbor
Port of Everett
Port of Olympia
Port of Allyn
Port of Shelton
Port of Edmonds

Court Experience:

King Co., Washington Superior Court
Snohomish Co., Washington Superior Court
Pierce Co., Washington Superior Court
Kitsap County Superior Court
Federal Court
US Bankruptcy Court

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EXPERT TESTIMONY

ANTHONY GIBBONS, MAI, CRE

Mr. Gibbons has served as an expert witness in the following cases (5-year history).

Those cases in **bold** involved testimony. *Italicized* entries went to the deposition stage, while normal script entries did not reach the deposition stage prior to settlement, or are ongoing.

<u>Date</u>	<u>Proceeding</u>	<u>Client</u>
2010	<i>KCPHD#4 v. MHC LTRA</i>	Foster Pepper (for Hospital District)
2010	<i>Olson v. Hirji</i>	Marten Law (for Hirji)
2010	<i>Snohomish County v. Duane Smith</i>	Williams Kastner (for Smith)
2010	Hogan v. Borders	Hogan
2010	<i>Hogan v. Key Bank</i>	Hogan
2009	MDA v. George Scott	Jameson Babbitt (Scott)
2010	<i>Trinity vs Port of Tacoma</i>	Hall Baetz (for Trinity)
2009	<i>Seattle v. T&L Enterprises</i>	Williams Kastner (for T&L)
2009	<i>First American v. River Bend LLC</i>	Stoel Rives (for First American)
2009	<i>Snohomish County v. YG3</i>	Lane Powell (for YG3)
2009	Doherty v. Sissons	Martin Ziontz (for Sissons)
2009	<i>Brondstetter v. Seattle</i>	Seattle
2009	<i>WSDOT v. Suelo Marina</i>	State AG's office
2009	<i>WSDOT v. Clark</i>	State AG's office
2009	<i>Jefferson Square v. Seattle School District</i>	Kipling Law Group (for SSD)
2008	<i>Kitsap PUD v Orr</i>	Waldo (for Orr)
2008	<i>Struthers/Otrubova v. Seattle</i>	<i>Savitt & Bruce (Seattle)</i>
2008	<i>Frank v. Seattle</i>	<i>Seattle</i>
2008-10	Woodinville v. Hollywood Vineyards	Hollywood Vineyards
2008	<i>Pierce Transit v Schuh</i>	K&L Gates (Pierce Co. Transit)
2008	<i>Miller Shingle v. MAP</i>	Brewe Layman (for MAP)
2007	Swinomish Tribe Rental Arbitration	Graham & Dunn (for Tribe)
2007	Landmark v. Sakai	Jeff Laveson (for Landmark)
2009	Puyallup v. Hogan	Vanderberg Johnson (for Hogan)
2005	<i>Harbor Square vs. Port of Edmonds</i>	Perkins Coie (Port of Edmonds)
2005	Fiorito - Denny's JC Allocation	Graham & Dunn (Fiorito)
2006	<i>ST vs. Freighthouse Square</i>	Rodgers Deutsch & Turner (for FH Sq)
5/05	Qualis vs. Cochran (arbitration)	Linda Youngs (Qualis)
2005	<i>Cohanim vs. Aecon</i>	Dorsey Whitney LLP (for Cohanim)
2006	<i>Norbut v. Jeager</i>	Alexander & Bierman (for Norbut)
2006	<i>Port of Tacoma v. Weyerhaeuser</i>	Graham & Dunn (for Weyerhaeuser)
2005	<i>Monorail v. Allright</i>	Rodgers Deutsch & Turner (for Allright)
2005	Corliss Dissolution (arbitration)	Toulsey Brain (for Corliss)
2005	<i>Seattle Monorail vs. HTK et al</i>	HCMP (for HTK)

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Real Estate Appraisal, Counseling & Mediation

ARBITRATION AND MEDIATION SERVICES

ANTHONY GIBBONS, MAI, CRE

Mr. Gibbons has been involved in real estate appraisal and counseling in the Puget Sound area for 20 years. He became a member of the American Institute of Real Estate Appraisers (MAI) in 1988, and was invited to join the Counselors of Real Estate (CRE) in December of 1997. In the local chapter of the Appraisal Institute, serving most of western Washington, he served as education chairman for a number of years, and pioneered a series of special educational offerings and seminars for his chapter. As a result of this work, the Chapter awarded him a plaque for “*outstanding leadership and services given towards professional advancement*”. He has continued to work for the professional advancement of the Appraisal Institute in his capacities as a chapter board member, Secretary, Treasurer, and Vice-President. In 1999, he was elected to the office of President. In a regional capacity, he has served as an assistant regional chair, and regional member for the Review and Counseling Division of the Institute, and in 1997 was appointed to the post of Regional Member, Region 1, Ethics and Counseling Division.

With the recognition of his peers, Mr. Gibbons is often requested to perform real estate counseling services in connection with real property valuation disputes. This arbitration and mediation work has included the following work:

- Arbitrator for purchase option; north Seattle Industrial Land - *Jointly retained by both parties*
- Arbitrator for professional office space, Downtown Seattle - *Jointly retained by both parties*
- Arbitrator for anchor tenant in Downtown Highrise
- Arbitrator for Downtown Restaurant – market rental determination
- Arbitrator for Suburban Office Building, single tenant lease renewal.
- Arbitrator for Parking Rental Dispute for Downtown Garage - *Jointly retained by both parties*
- Arbitrator for hotel ground lease revaluation - *Jointly retained by both parties*
- Arbitrator for School District Lease – Shopping Center ground lease revaluation - *Jointly retained by both parties*
- 1,000 acre lease negotiation between the Boeing Company and the Tulalip Tribe
- Jointly retained third Mediator/Arbitrator for King County Airport/Boeing Rental dispute involving over 100 acres of airport property - *Jointly retained by both parties*
- Valuation testimony in front of an IRS Hearings Officer on behalf of a property owner
- Arbitrator for Seattle Packaging on purchase option
- Market and rental valuation arbitration on a specialized manufacturing building
- Value Resolution for the Navy and City of Seattle – *Jointly retained by both parties*
- Value resolution for DNR and the Shoreline Water District - *Jointly retained by both parties*
- Ground lease rental rate arbitration for a golf and country club - *Jointly retained by both parties*
- Value resolution for Department of Natural Resources (DNR) and City of Seattle - *Jointly retained by both parties*
- Arbitration between DNR and City of Seattle
- Value resolution for attorneys for First Interstate Bank and a trust - *Jointly retained by both parties*
- Value resolution for DNR and the Bainbridge Island Parks and Recreation District - *Jointly retained by both parties*
- Purchase option arbitration for a log yard depot in Port Townsend - *Jointly retained by both parties*

- Value resolution for US Fish and Wildlife and the Port of Grays Harbor - *Jointly retained by both parties*
- Rental rate resolution for King County and Manson Construction - *Jointly retained by both parties*
- Mediation assistance for Washington State versus a condemnee
- Mediation assistance for a professional mediator (former superior court judge) in a rental dispute - *Jointly retained by both parties*
- Mediation assistance for a condemnee with the Port of Seattle
- Mediation assistance for market rent dispute concerning over 300,000sf of office space
- Arbitrator for joint venture buyout on downtown office building
- Arbitration for market rental clause concerning 1.5 floors of downtown office space
- Expert for rental rate dispute for 5 floors of downtown office space
- Third Arbitrator for the Oxbow site in South Seattle - *Jointly retained by both parties*
- Arbitration expert for claim of damages in regard to a shopping center site.
- Mediation expert for 15-acre site proximate to Seattle CBD
- Market valuation of superfund site for property trustee and municipal buyer - *Jointly retained by both parties*
- Arbitrator for ground lease renewal rent for Seattle industrial site. *Jointly retained by both parties*
- Arbitrator for lease option buyout clause for auto sales service. *Jointly retained by both parties*
- Arbitrator for Jack-in-the-Box lease renewal.
- Mediator for rental rate adjustment for industrial waterfront property.
- Arbitrator for industrial site rental rate determination.
- Arbitrator for market rent adjustment on truck terminal with parking rights.
- Arbitrator for leasehold purchase option right in commercial shopping center. *Jointly retained by both parties*
- Arbitrator for market rent adjustment in professional suite, Seattle CBD. *Jointly retained by both parties.*
- Arbitrator for shopping center site, ground lease rental adjustment.
- Arbitrator for market rental adjustment for downtown office space. *Jointly retained by both parties.*
- Arbitrator for market rental adjustment for medical clinic space on First Hill. *Jointly retained by both parties.*
- Arbitrator for partnership dissolution on HUD apartment project, Seattle. *Third arbitrator, jointly retained.*
- Arbitrator for parking market rate determination, Seattle. *Sole arbitrator, jointly retained by both parties.*
- Appraiser for WSDOT and Property owner re condemnation valuation. *Jointly retained by both parties.*
- Arbitrator for downtown super-block rental dispute: ground rent determination.
- Arbitrator for downtown restaurant market rental adjustment. *Jointly retained by both parties.*
- Arbitrator for suburban restaurant market rental adjustment. *Jointly retained by both parties.*
- Arbitrator for partnership dissolution on HUD apartment project, Seattle. *Third arbitrator, jointly retained.*
- Arbitrator for branch bank ground lease, Redmond. *Third arbitrator, jointly retained.*
- Arbitrator for specialized industrial property, ground lease. *Third arbitrator, jointly retained.*
- Arbitrator for rent diminution clause for retail property.
- Arbitrator for ground rent determination, downtown tavern. *Appointed by court.*
- Arbitrator for three separate airport properties, ground leases. *Third arbitrator, jointly retained.*
- Arbitrator for branch bank ground lease, Kirkland. *Third arbitrator, jointly retained.*
- Expert for ground lease arbitration for downtown property.

In over half of the above cases cited, Mr. Gibbons was selected as the third or sole arbitrator, mediator or expert, hired jointly by both parties to help resolve the value or rental dispute.

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Real Estate Appraisal, Counseling & Mediation

PUBLICATIONS, SEMINARS & EDUCATIONAL LECTURES

ANTHONY GIBBONS, MAI, CRE

Publications

Mr. Gibbons has authored the following publications:

- 2001 update to Chapter 50, "Real Estate Appraisal", of the Washington Real Property Desk book published by the Washington State Bar Association.
- Seattle Office Market Analysis, published by the Downtown Seattle Association, for the years:
 - 2004
 - 2005
 - 2006
 - 2007
 - 2008
 - 2009
 - 2010
- 2008 update to Chapter 50, "Real Estate Appraisal", of the Washington Real Property Desk book published by the Washington State Bar Association.

Seminars & Lectures

He is a frequent speaker for Law Seminars International, and has spoken in the following lecture series:

- Commercial Leases
- Real Estate Purchases and Sales
- Eminent Domain

Mr. Gibbons has participated as faculty in Washington State Bar Association Seminars:

- 2001 "Condemnations/Takings" Seminar
- 2006 Seminar on the "Arbitration of a Real Estate Case"

University Course Instructor

Mr. Gibbons is an instructor for the University of Washington's Certificate Program in Real Estate, and has taught in the lecture series for the years 2001 through 2009.

Mr. Gibbons was the lead instructor for the University of Washington's (Tacoma) Certificate Program in Real Estate 2006 to 2008, and continues to serve as an instructor in that program.

Boards

Mr. Gibbons is on the Advisory Board of the University of Washington's Runstad Center for Real Estate Studies.