

DESCRIPTION OF IMPROVEMENTS (CONTINUED)

2.05 parking spaces per unit. The parking ratio appears adequate for a project of this character and price point.

Building Specifications: The following table provides a general description of the building specifications proposed for the subject:

ITEM	DESCRIPTION
FOUNDATION:	Reinforced concrete
FRAMING:	Steel frame with concrete tilt up wall construction
SIDING/VENEER:	Stucco siding with stone veneer. The building will be painted in "Tuscan" colors.
ROOF/GUTTERS:	Tile
WINDOWS:	Double glazed panes in metal or vinyl frames.
HEATING:	Individual Thane gas furnaces, Air conditioning.
INSULATION:	To code.
FIREPLACES:	Direct vent gas fireplaces in living room and master bedroom
GARAGE DOORS:	Wood garage doors in duplex. Roll up door in main building
INTERIOR DOORS:	Solid wood doors
MILLWORK:	Extensive stained millwork and built ins
CABINETS:	Canyon Creek, maple or oak kitchen and vanity cabinets and pantry closets. Buyers will be able to upgrade.
COUNTER SURFACES:	Slab granite or soapstone kitchen and bathroom vanity counters with granite or soapstone back splash
KITCHEN APPLIANCES:	G.E. Monogram Series gas range, dishwasher and professional hood. GE Avantium wall oven and microwave.
BATHROOM FIXTURES:	Kohler whirlpool tub, toilet, and tiled walk in shower
FLOORING:	Oak or maple flooring in entries, hallways and kitchen; 100% wool carpeting in bedrooms and den; vinyl in laundry room. Bathrooms will have tile flooring.
OTHER:	Smart panels with CAT-5 cable wiring, DSL, Cable TV and sound system pre-wiring. Owners will have a HAI electrical control system that will allow remote control of electrical systems. Each unit will include a vacuum system.
ELEVATORS:	One elevator will be provided
AMENITIES:	The project includes a recreational dock.
CEILING HEIGHT:	Ceilings will be 9' to 10' high.
DECKS/TERRACES:	Tile enclosed waterproof membrane.
LANDSCAPING:	The perimeter of the building and grounds will be extensively landscaped. The beach will be improved with lawn and shrubs.

Comments: Overall, the quality of the proposed subject units is judged as very good. The building "A" will be concrete and steel construction. The exterior will be stucco and stone. Building "B" will be high quality wood frame. The fixtures and appliances will be high end. Floor plans appear to be functional and no deficiencies are noted. With between 1,500

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and 2,800 SF each, the units are relatively large. One unit will have over 3,800 SF. Floor plans allow for views from primary living spaces. All the space will be on one floor, which is the most marketable design in the luxury market.

The Building "A" units will be wider at the back than at the front. Most of the unit plans in the larger building are about 28 to 30 feet wide on the view side. The master bedroom and the living room share the view. The living rooms will be about 13.5 feet wide by 26 feet long providing somewhat of a tunnel effect. Units on the sixth floor will be larger but still will have a 15-foot wide living room. The back walls will have windows so there will be some natural light in the back of the interior units. The entrance to each of the units will be from an open covered breezeway at the back of the building. A common elevator will open unto each floor.

Kitchens in the smaller units will be "U" shaped and smaller than is typical for luxury units. However, the workspace in the kitchens appears functional and well designed with one exception. The pantries in some of the units will be located around the corner from the kitchen in the hallway, which is awkward. Kitchens in the large units will be much more spacious with the pantry in the kitchen.

The units will be demised into a variety of dens, bedrooms, media rooms and libraries. Unit plans appear choppy. There is another school of thought that provides for a more open floor plan. With this design, the overall useable square footage of the unit is increased because the number of demising walls is reduced. Also, view opportunities from rooms are more maximized.

The unit entry for some of the units will not provide for an impact view of the lake through the unit. The entry door is skewed to the side of the main hallway so upon entering the unit, one will either look at a wall or the view will be of the kitchen wall further into the unit. The main hallway will be relatively narrow at slightly less than four feet wide.

The master bathrooms are almost larger than the bedroom. Each unit will include an ample sized walk in closet; however, the closet will be accessed at the end of the bathroom, which could be a drawback if someone else is using the bathroom. Each unit will include an ample sized utility room, which is important to buyers.

Almost every unit will have two parking spaces. The building will include elevators providing access to the upper floors.

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The duplex units at the front of the lot will be more regular in shape. Units will be wider. The units will still be divided up into a variety of rooms; however, the living space will be larger than in the stacked flats. The upper floor unit will be superior to the lower floor unit because it will be larger and provide for a larger entertainment space with the dining room, living room, kitchen and larger media room being less demised.

In general, the units are above average in terms of size and offer reasonably consistent finishes to other Seattle and Eastside luxury projects in the subject's proposed price range. Although the units are longer than they are wide, this configuration is prevalent where views need to be maximized. Overall the units appear to have been designed for the buyer who prefers a more traditional floor plan (as opposed to a more contemporary open design). The buyer profile is slanted toward this profile.

The information presented above is a basic description of the subject property improvements. This information is utilized in the valuation of the subject property. Reliance has been placed upon information provided by the owner, client or other sources. It is assumed that there are no hidden defects and that all structural components are functional and operational. If questions arise regarding the integrity of the structure or its operational components, it may be necessary to consult additional professional resources.